

# CONFIDENTIAL OFFERING MEMORANDUM

*This Offering Memorandum constitutes an offering of securities only in those jurisdictions where, and to those persons whom, they may be lawfully offered for sale. This Offering Memorandum is not, and under no circumstances is to be construed as, a prospectus or advertisement or a public offering of securities. This Offering Memorandum is for the confidential use of only those persons to whom it is transmitted in connection with an offering of trust units by MarDi.info Income Trust (the “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 in confidence, this Offering Memorandum or any information contained herein. No person has been authorized to give any information or to make any representation in connection with the Offering that is not contained in this Offering Memorandum. Any such information or representation, which is given or received, must not be relied upon.*

## PRIVATE PLACEMENT CONTINUOUS OFFERING

December 5, 2020



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**\$50 000 000 Maximum Offering**

**There is no Minimum Offering.**

**YOU CAN BE THE SOLE SUBSCRIBER. FUNDS AVAILABLE UNDER THE OFFERING MAY NOT BE SUFFICIENT TO ACCOMPLISH THE TRUST’S INVESTMENT OBJECTIVES**

**of Class A1 Units, Class A2 Units, Class C1 Units, Class C2 Units, Class D1 Units, Class D2 Units, Class E1 Units, Class E2 Units, Class F1 Units, Class F2 Units, Class G1 Units and Class G2 Units of MarDi.info Income Trust.**

*Capitalized words and phrases used but not defined in this summary are defined in the Glossary of Terms below.*

<b>The Trust:</b>	MarDi.info Income Trust (the “Trust” or “PART”) is a private open-ended investment trust established under the laws of Quebec on December 5, 2020. <b>The Trust is not a reporting issuer in any jurisdiction and these securities do not and will not trade on any exchange or market.</b> Neither the Trust nor Cape Cove Financial Management Inc. (“Cape Cove”), principal Selling Agent of the Trust, publicly files any of its documents on SEDAR except as required by applicable securities laws. For material information relating to the Trust, including the investment objectives thereof, see “Summary of this Offering Memorandum” and “Exempt Market LP Portfolio”.
<b>SEDAR Filer:</b>	Yes, but only as required pursuant to section 2.9 of National Instrument 45-106 – <i>Prospectus Exemptions</i> . The Trust is not a reporting issuer and does not file continuous disclosure documents on SEDAR that are required to be filed by reporting issuers.
<b>Securities Offered:</b>	Class A1 Units, Class A2 Units, Class C1 Units, Class C2 Units, Class D1 Units, Class D2 Units, Class E1 Units, Class E2 Units, Class F1 Units, Class F2 Units, Class G1 Units and Class G2 Units. See “Summary of the Trust Indenture – Units”.
<b>Price per Security:</b>	The price per Unit will be \$10

<b>Maximum Offering:</b>	The Trust seeks to raise up to a maximum of \$50 000 000 (the “ <b>Maximum Offering</b> ”) pursuant to this Offering. There is no minimum Offering. You can be the sole subscriber.  <b>Funds available under the Offering may not be sufficient to accomplish the Trust’s investment objectives. See “Risk Factors”.</b>		
<b>Minimum Subscription Amount:</b>	The minimum subscription amount is set out below:		
	<b>Class</b>	<b>Minimum Subscription Amount (\$)</b>	<b>Minimum Number of (Units)</b>
	Class A1	\$2,500	250
	Class A2	\$2,500	250
	Class C1	\$2,500	250
	Class C2	\$2,500	250
	Class D1	\$2,500	250
	Class D2	\$2,500	250
	Class E1	\$2,500	250
	Class E2	\$2,500	250
	Class F1	\$2,500	250
	Class F2	\$2,500	250
	Class G1	\$2,500	250
	Class G2	\$2,500	250
<b>Payment Terms:</b>	Full payment of the subscription price will be due upon the execution and delivery of the subscription agreement and related subscription documentation. Payment should be made as directed in the subscription agreement. See “Subscription Procedure”.		
<b>Capital Structure:</b>	The Trust is authorized to issue an unlimited number of Units. The Trust will invest in trust units of a corresponding class of MarDi.info Operating Trust (the “ <b>Operating Trust</b> ”) which in turn will invest in limited partnership units of a corresponding class of MarDi.info Exempt Market LP (the “ <b>Exempt Market LP</b> ”) (the “ <b>Partnership</b> ”). The Trust will make its investments in the corresponding class of units Exempt Market LP Portfolio through the Partnership. See “The Investment Structure – Diagram of the Structure” and “The Investment Structure – Details of the Structure”.		
<b>Closing Dates:</b>	Subscriptions will be received subject to the rights of the Trust to reject or allot them in whole or in part and subject to the right to close the subscription books at any time without notice. Closing shall occur from time to time in the course of the Offering or on such other date as the Trust determines. The first Closing Date shall occur on or before December 30, 2020.		
<b>Income Tax Consequences:</b>	There are important tax consequences to investors holding Units. See “Income Tax Consequences and RRSP Eligibility”.		
<b>Eligibility for Registered Plans:</b>	The Trust has been advised that once the Trust has qualified as a “mutual fund trust” for purposes of the Tax Act and continues thereafter at all relevant times, the Units will be qualified investments for Registered Plans. <b>As of the date of this Offering Memorandum, the Trust has not qualified as a “mutual fund trust” for purposes of the Tax Act.</b> Investors should consult their own tax		

	advisors in respect to an investment in Units. See <i>“Income Tax Consequences and RRSP Eligibility”</i> .
<b><i>Selling Agents:</i></b>	<p>The Trust has retained Cape Cove, a registered portfolio manager and exempt market dealer, as the principal Selling Agent in respect of the distribution and sale of the Units, however, the Trust may also distribute Units through additional Selling Agents.</p> <p>Up to 6% up-front selling commission is paid to the Selling agents in connection with the Offering. However, certain other fees are paid in connection with the Offering including, but not limited to Trailer Fees. See <i>“Compensation Paid to Sellers and Finders”</i>.</p>
<b><i>Related and Connected Issuer:</i></b>	The Trust is a related and connected issuer of Cape Cove. Cape Cove is the principal Selling Agent for the Offering. Dany Bergeron is indirectly the sole shareholder, officer and director of the General Partner of the Partnership and an indirect shareholder (1%) of Cape Cove. See <i>“The Investment Structure – Relationship between the Trust, the Trustees, the General Partner and Cape Cove – Related and Connected Issuer Disclosure”</i> , <i>“The Investment Structure – Conflict of Interest Policy”</i> and <i>“Risk Factors – Risks Associated with the Trust – Conflicts of Interest”</i> .
<b><i>Resale Restrictions:</i></b>	You will be restricted from selling your Units for an indefinite period. See <i>“Resale Restrictions”</i> .
<b><i>Redemption Matters:</i></b>	<p>Units are redeemable in accordance with the terms and conditions of the Trust Indenture. A Unitholder seeking a redemption must give written notice to the Trustees stating its intention to redeem and the number and class of Units to be redeemed. <b>Units can be redeemed</b>, subject to the terms and conditions of the Trust’s redemption procedures and subject to in certain cases an Early Redemption Fee as set out in this Offering Memorandum. See <i>“Summary of the Trust Indenture – Redemption of Units”</i>.</p> <p>While your Units are redeemable, there are certain circumstances in which the <b>Redemption Amount may not be paid in cash, rather paid in Redemption Notes that are not “qualified investments” for Registered Plans</b>. Accordingly, investors who hold Units through Registered Plans should consult their own tax advisors prior to exercising redemption rights. See <i>“Eligibility for Registered Plans”</i>, <i>“Risk Factors”</i> and <i>“Summary of the Trust Indenture – Redemption of Units”</i>.</p>
<b><i>Subscribers’ Rights:</i></b>	You have two (2) Business Days from the date it is signed to cancel your subscription agreement to purchase Units. If there is a misrepresentation in this Offering Memorandum, you will have the right to sue either for damages or to cancel the agreement. See <i>“Purchaser’s Rights”</i> .
<b><i>Risk Factors:</i></b>	<b>No securities regulatory authority or regulator has assessed the merits of these securities or reviewed this Offering Memorandum. Any representation to the contrary is an offence. This is a risky investment. See “Risk Factors”.</b> <i>Prospective Subscribers should consult their own professional advisors to assess the income tax, legal and other aspects of their investment.</i>

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## FORWARD-LOOKING STATEMENTS

Certain statements or information contained in this Offering Memorandum constitute “forward-looking statements” within the meaning of that phrase under applicable Canadian securities laws. Any statements that express, or involve discussions as to, expectations, beliefs, plans, projections, objectives, assumptions or future events or performance (often, but not always, through the words or phrases such as “will likely result”, “are expected to”, “expects”, “does not expect”, “anticipates”, “does not anticipate”, “believe”, “continue”, “estimate”, “intend”, “plan”, “potential”, “predict”, “project”, “seek” or other similar words) are not statements of historical fact and may be forward-looking statements. Forward-looking statements involve the internal projections, estimates or beliefs concerning, among other things, future growth, results of operations, investment opportunities, future expenditures, plans for and results of investments, portfolio results, business prospects and opportunities. Although the Trust believes that the expectations reflected in the forward-looking statements are reasonable, it cannot guarantee future results, levels of activity, performance or achievement since such expectations are inherently subject to significant business, economic, competitive, political and social uncertainties and contingencies which could cause the Trust’s actual results to differ materially from those expressed or implied in any forward-looking statements made by, or on behalf of, the Trust. No assurance can be given that these expectations will prove to be correct and such forward-looking statements should not be unduly relied upon.

Forward-looking statements contained in this Offering Memorandum include, but are not limited to, statements with respect to:

- (a) the use of proceeds of the Offering;
- (b) the business to be conducted by the Trust, the Operating Trust and the Partnership;
- (c) the amount, timing and payment of distributions;
- (d) payment of fees to third parties;
- (e) the Trust’s, the Operating Trust and the Partnership’s investment objectives and investment strategies;
- (f) anticipated investments;
- (g) treatment under governmental regulatory regimes and tax laws;
- (h) financial and business prospects and financial outlook;
- (i) timing of dissolution of the Trust, the Operating Trust and the Partnership;
- (j) possibility of adjustment of the dissolution date of the Trust, the Operating Trust and the Partnership; and
- (k) types of portfolio securities and results of investments, the timing thereof and the methods of funding.

In addition to other factors and assumptions, which may be identified in this Offering Memorandum, assumptions have been made regarding, among other things:

- (a) the Trust’s qualification as a “mutual fund trust” and not a “SIFT trust” under the Tax Act;
- (b) use of proceeds of the Offering;
- (c) the engagement of Selling Agents, other than Cape Cove, in connection with the Offering and payment of a Trailer Fee to such securities dealers;
- (d) the business to be conducted by the Trust, the Operating Trust and Partnership;
- (e) the general stability of the economic and political environment in which the Trust, the Operating Trust and the Partnership operate;
- (f) the Trust’s, the Operating Trust and the Partnership’s investment objectives and investment strategies;

- (g) the ability of the Trust to obtain qualified staff, equipment and services in a timely and cost-efficient manner;
- (h) the valuation of the Trust's, the Operating Trust and the Partnership's investments;
- (i) the possibility of substantial redemptions of Units; and
- (j) currency, exchange and interest rates.

These forward-looking statements are subject to numerous risks and uncertainties, including but not limited to:

- (a) the ability of the Trust, the Operating Trust and the Partnership to achieve or continue to achieve their respective objectives;
- (b) incorrect assessments of the value of investments;
- (c) the availability of investments that meet the Trust's, the Operating Trust and the Partnership's investment objectives;
- (d) the concentration of investments in the Exempt Market LP Portfolio which could result in an investor's investment being less diversified than anticipated;
- (e) the possibility of the Trust, the Operating Trust or the Partnership being unable to acquire or dispose of illiquid securities;
- (f) the variability of the Net Asset Value, which depends on a number of factors that are not within the control of the Trust, the Operating Trust and the Partnership, including performance of the portfolio and the performance of equity and debt markets generally;
- (g) the possibility of substantial redemptions of Units;
- (h) the possibility of the issuance of Trust Redemption Notes upon a redemption of Units;
- (i) general economic, political, legal, military, market and business conditions and possible significant changes or disruptions;
- (j) retention of certain key employees of the Trust;
- (k) conflicts of interest involving certain directors, officers or employees of the Trustees and the General Partner;
- (l) the risks discussed under "*Risk Factors*";
- (m) increased or extreme inflationary or deflationary conditions; and
- (n) other factors, many of which are beyond the control of the Trust and the Trustees.

Subject to various factors including, without limitation, the future impacts of the COVID-19 pandemic, which we cannot predict, we believe that our assumptions were reasonable as of the date of this Offering Memorandum. Given the impact of the changing circumstances surrounding the COVID-19 pandemic and the related response from the Trust, governments (federal, provincial and municipal), regulatory authorities, businesses and customers, there is inherently more uncertainty associated with the Trust's assumptions as compared to prior periods. If our assumptions turn out to be inaccurate, our actual results could be materially different from what we expect.

Readers are cautioned that the forgoing list of factors is not exhaustive.

The Trust has included the above summary of forward-looking information in order to provide Unitholders with a more complete perspective on the Trust's current and future operations and such information may not be appropriate for other purposes. These forward-looking statements are made as of the date of this Offering Memorandum and the Trust disclaim any intent or obligation to update publicly any forward-looking statements, whether as a result of new information, future events or results or otherwise, other than as required by applicable securities laws. Investors should

read this entire Offering Memorandum and consult with their own professional advisors to ascertain and assess the income tax, legal, investment risks and other aspects of their investment in the Units.

**The forward-looking statements contained or incorporated by reference in this Offering Memorandum are expressly qualified by the foregoing cautionary statements.**

### ELIGIBILITY FOR REGISTERED PLANS

In order for the Trust to qualify as a mutual fund trust, and hence be a qualified investment for Registered Plans, it must have at least 150 Unitholders of a class, each holding at least CD\$500 worth of Units of such class in addition to satisfying certain additional requirements under the Tax Act.

**There can be no assurance that the Trust will have at least 150 Unitholders of any class, each holding at least \$500 worth of Units of such Class at all times.**

See “*Income Tax Consequences and Differed plans Eligibility - Eligibility for Registered Plans*”.

**Any Trust Redemption Notes that may be delivered to Unitholders in satisfaction of the Redemption Amount on the redemption of Units will not be qualified investments for Registered Plans.** Accordingly, Subscribers whose Registered Plans owns Units should consult their own tax advisors prior to exercising redemption rights. For a discussion of the redemption process and the Trust Redemption Notes, see “*Summary of the Trust Indenture – Redemption of Units*”. See also “*Risk Factors – Risks Associated with the Business - Eligibility for Registered Plans*”.

### INVESTMENT NOT LIQUID

The Units offered hereunder will be subject to indefinite resale restrictions and a number of redemption restrictions. Until the indefinite restriction on trading expires, if ever, a Unitholder will not be able to trade the Units, unless it complies with very limited exemptions from the prospectus and registration requirements under applicable securities legislation. As the Trust has no intention of becoming a reporting issuer in any jurisdiction in Canada, these trading restrictions are not expected to expire. Consequently, Unitholders may not be able to liquidate their Units in a timely manner, if at all, or pledge their Units as collateral for loans. Further, the Trust Indenture contains certain redemption restrictions. See “*Summary of the Trust Indenture*”.

### OM MARKETING MATERIALS

Any “**OM marketing materials**” (as that term is defined in NI 45-106) related to each distribution under this Offering Memorandum and delivered or made reasonable available to a prospective Subscriber before the termination of the distribution is, and is deemed to be, incorporated by reference into this Offering Memorandum. Notwithstanding the foregoing, OM marketing materials incorporated by reference as described above are no longer incorporated by reference, and no longer form part of this Offering Memorandum, to the extent to which such materials have been superseded by a statement or statements contained in (i) an amendment to the Offering Memorandum, or an amended and restated Offering Memorandum, or (ii) subsequent OM marketing materials delivered to or made reasonably available to a prospective Subscriber.

### MARKET AND INDUSTRY DATA

Unless otherwise indicated, the market and industry data contained in this Offering Memorandum is based upon information from independent industry and government publications. While the Trust believes this data to be reliable, market and industry data is subject to variation and cannot be verified due to limits on the availability and reliability of raw data, the voluntary nature of the data gathering process and other limitations and uncertainties inherent in any statistical survey. Neither the Trustees nor the Trust has independently verified the accuracy or completeness of such information contained herein.

### GLOSSARY OF TERMS



The following terms and abbreviations used throughout this Offering Memorandum have the meanings as set out below.

- (1) **“Accredited Investor Exemption”** means the accredited investor exemption set out in Section 2.3 of NI 45-106.
- (2) **“Affiliate”** has the meaning ascribed to that term in the Securities Act and, for greater certainty, each of the Trust, the Trustees, the Partnership and the General Partner shall be deemed to be Affiliates of each other.
- (3) **“Applicable Laws”** means all applicable provisions of law, domestic or foreign, including, without limitation, the Securities Act.
- (4) **“Associate”** has the meaning ascribed to that term in the Securities Act.
- (5) **“Business Day”** means a day which is not a Saturday, Sunday or statutory holiday in the City of Montreal, in the Province of Quebec.
- (6) **“Cape Cove”** means Cape Cove Financial Management Inc., a corporation established under the laws of Quebec and, for greater certainty, a reference to Cape Cove shall include a reference to Cape Cove in its capacity as principal Selling Agent.
- (7) **“Capital Account”** means the account established for each Partner on the books of Exempt Market LP.
- (8) **“Capital Contribution”** of a Special Partner means the total subscription price paid or agreed to be paid to the Partnership by such Special Partner, or a predecessor Special Partner, in respect of LP Units subscribed for by such Special Partner, or a predecessor Special Partner, where subscriptions therefor have been accepted by the General Partner.
- (9) **“Class”** means a class of Units being a Class A1 Unit, Class A2 Unit, Class C1 Unit, Class C2 Unit, Class D1 Unit, Class D2 Unit, Class E1 Unit, Class E2 Unit, Class F1 Unit, Class F2 Unit, Class G1 Unit and Class G2 Unit.
- (10) **“Class Asset Pool”** means in respect of a Class of Units, the Trust Property held in trust for the benefit of, the Unitholders of such Class of Units of a Class in accordance with the Trust Indenture and, for greater certainty, the Class Asset Pool of the Trust for a particular class will be exclusively invested in corresponding units of the Operating Trust the proceeds of which shall be exclusively invested in corresponding units of the Partnership and the proceeds of which shall be exclusively invested in the target investment associated with that particular class as disclosed herein. See *“Exempt Market - LP Portfolio”*.
- (11) **“Conflict of Interest Policy”** has the meaning ascribed to that term under the heading *“The Investment Structure – Conflict of Interest Policy”*.
- (12) **“CRA”** means the Canada Revenue Agency.
- (13) **“Distributable Cash”** has the meaning ascribed to that term under the heading *“Summary of the Partnership Agreement – Distributions and Allocations”*.
- (14) **“Distribution Agreement”** means the distribution agreement between Cape Cove and the Trust dated December 7, 2020, as the same may be amended from time to time.
- (15) **“Distribution Payment Date”** means a day that is within 30 days following the last day of each calendar month.
- (16) **“Distribution Period”** means each civil calendar quarter, or such other periods in respect of a particular class of Units as may be hereinafter determined from time to time by the Trustees, from, and including, the first day thereof and to, and including, the last day thereof.



- (17) **“Distribution Record Date”** means the last Business Day of each Distribution Period.
- (18) **“DPSP”** means a trust governed by a “deferred profit-sharing plan” as defined in the Tax Act.
- (19) **“DRIP”** means the Trust’s distribution reinvestment plan.
- (20) **“Exempt Market LP”** means the MarDi.info Exempt Market Limited Partnership formed pursuant to the *Civil Code of Quebec* and having registration number 3375985721.
- (21) **“Exempt Market LP Aggregate Redemption Amount”** has the meaning ascribed to that term under the heading *“Summary of the Partnership Agreement – Redemption of LP Units – Exempt Market LP Redemption Notes”*.
- (22) **“Exempt Market LP Agreement”** means the limited partnership agreement in respect of the Exempt Market LP between the Exempt Market LP General Partner and the Special Partners dated as of November 20, 2020, as the same may be amended and restated from time to time. See *“Summary of the Partnership Agreement”*.
- (23) **“Exempt Market LP Pool”** means a pool maintained in respect of each Class of Trust Units, which shall be calculated and distributed in accordance with the terms of the Trust Indenture.
- (24) **“Exempt Market LP Units”** means limited partnership units of the Exempt Market LP.
- (25) **“Exempt Market LP’s Investment Objectives”** has the meaning ascribed to that term under the heading *“The Exempt Market LP Portfolio – Investment Objectives of the Exempt Market LP Portfolio”*.
- (26) **“Exempt Market LP Portfolio”** means the investment portfolio of the Exempt Market LP.
- (27) **“Expenses Amount”** means, in respect of a Distribution Period, the expenses incurred by the Trust, other than the Fees, together with any additional amount the Trustees determines should be reserved for payment of future expenses of the Trust during a subsequent Distribution Period.
- (28) **“Expenses of the General Partner”** means all costs and expenses incurred by the General Partner in the performance of its duties as the General Partner.
- (29) **“General Partner”** means MarDi.info General Partner inc.
- (30) **“Investments”** means any investments made by the Partnership pursuant to the terms of the Partnership Agreement.
- (31) **“Special Partner”** means each person or entity that has subscribed for at least one LP Unit and is accepted as a Special Partner of the Partnership.
- (32) **“LP Units”** means Exempt Market LP Units; and **“LP Unit”** means either of them, as the context requires.
- (33) **“Material Adverse Effect”** means any material adverse change in the business, assets, financial condition, results of operations, prospects, cash flows and/or the value of the securities of the Partnership.
- (34) **“Maximum Offering”** means the maximum offering of \$50 000 000 to be raised by the Trust in connection with this Offering.
- (35) **“NAV per Exempt Market LP Unit”** means the quotient obtained by dividing the Net Asset Value of the Exempt Market LP by the total number of Exempt Market LP Units then outstanding.
- (36) **“NAV per Unit”** means, with respect to a Class of Units, the quotient obtained by dividing the Net Asset Value of the corresponding Class Asset Pool by the total number of Units of such Class then outstanding.

- (37) “**Net Asset Value**” or “**NAV**” means Ten dollars (\$10.00) per Unit;
- (38) “**Net Proceeds**” means the gross aggregate proceeds raised in connection with the Offering less the Offering Costs Fee and the Wholesaler Fee (if any).
- (39) “**NI 45-106**” means National Instrument 45-106 – *Prospectus Exemptions* of the Canadian Securities Administrators, as may be amended from time to time.
- (40) “**Non-Resident**” means: (i) a person (within the meaning of the Tax Act but, for greater certainty, not including a partnership) who is not resident in Canada for the purposes of the Tax Act; or (ii) a partnership that is not a “Canadian partnership” as defined in the Tax Act.
- (41) “**Offering**” means the offering of Class A1 Units, Class A2 Units, Class C1 Units, Class C2 Units, Class D1 Units, Class D2 Units, Class E1 Units, Class E2 Units, Class F1 Units, Class F2 Units, Class G1 Units and Class G2 Units, pursuant to this Offering Memorandum.
- (42) “**Offering Costs**” has the meaning ascribed thereto under “*Use of Available Funds – Funds Available*”.
- (43) “**Offering Memorandum**” means this offering memorandum of the Trust dated December 5, 2020, as it may be amended, supplemented and/or amended and restated from time to time.
- (44) “**Offering Memorandum Exemption**” means the offering memorandum prospectus exemption set out in Section 2.9 of NI 45-106.
- (45) “**OM Marketing Materials**” means a written communication, other than an OM standard term sheet (as that term is defined in NI 45-106), intended for prospective purchasers regarding this distribution of Units under this Offering Memorandum that contains material facts relating to the Trust, the Units and this Offering.
- (46) “**Operating Trust**” means MarDi.Info Operating Trust.
- (47) “**Operating Trust Trustees**” means collectively Mr. Richard Boivin, Mrs. Ginette Fortin and Mr. André Halley.
- (48) “**Ordinary Resolution**” for the Trust or the Partnership, as applicable, means:
- (i) a resolution passed by more than 50% of the votes cast by those holders of the particular Class (or group thereof) of Units or LP Units entitled to vote on such resolution, whether cast in person or by proxy, at a meeting of such Class (or group thereof) of Units or LP Units, at which a quorum was present and called (at least in part) for the purpose of approving such resolution; or
  - (ii) a resolution approved in writing, in one or more counterparts, by holders of more than 50% of the votes represented by those Units or LP Units of the particular Class (or group thereof) of Units or LP Units entitled to be voted on such resolution.
- (49) “**Partner**” means a Special Partner or General Partner of the Partnership.
- (50) “**Partnership**” means the Exempt Market LP.
- (51) “**Partnership Agreement**” means the Exempt Market LP Agreement.
- (52) “**Partnership Redemption Notes**” means promissory notes issued in Class, or otherwise, by a Partnership pursuant to a note indenture, or otherwise, and issued to redeeming Special Partners in principal amounts determined in accordance with each Partnership Agreement and having the following terms and conditions:
- (i) unsecured and bearing interest from and including the issue date of each such note at a rate per annum determined by the General Partner and payable annually in arrears (with interest

after as well as before maturity, default and judgment, and interest on overdue interest at such rate);

- (ii) subordinated and postponed to all senior indebtedness and which may be subject to specific subordination and postponement agreements to be entered into by the Partnership pursuant to the note indenture with holders +of senior indebtedness;
  - (iii) subject to earlier prepayment in whole or in part without penalty, being due and payable on the third anniversary of the date of issuance; and
  - (iv) subject to such other standard terms and conditions as would be included in a note indenture for promissory notes of this kind, as may be approved by the General Partner.
- (53) **“Portfolios”** means, the Exempt Market LP Portfolio, and **“Portfolio”** refers to either such portfolio, as the context requires.
  - (54) **“QBCA”** means the *Business Corporations Act* (Quebec), as amended.
  - (55) **“Redemption Date”** means the last Business Day of a fiscal quarter.
  - (56) **“Redemption Factor”** means, with respect to a Unit on the relevant date, one divided by the total number of Trust Units of the relevant Class then outstanding.
  - (57) **“Redemption fee”** means the Early Redemption Fee (there are no other redemption fees payable by redeeming Unitholders. See *“Summary of the Trust Indenture – Redemption of Units – Early Redemption Fee”*).
  - (58) **“Redemption Payment Date”** means a date that is no later than 30 days after the Redemption Date that the Redemption Amount is paid to a Unitholder who has redeemed their investment.
  - (59) **“Redemption Period”** means each fiscal quarter, ending on the Redemption Date of such fiscal quarter.
  - (60) **“Redemption Threshold”** has the meaning ascribed to that term under the heading *“Summary of the Partnership Agreement – Redemption of LP Units – Exempt Market LP Redemption Notes”*.
  - (61) **“Registered Plan”** means an RRSP, RRIF, RESP, RDSP, DPSP or TFSA.
  - (62) **“Related Entity”** means:
    - (iii) a person or company that can direct or materially affect the direction of the management and policies of the Trust or the Partnership, or
    - (iv) an Associate, Affiliate, partner, director, officer or subsidiary of a person or company referred to in paragraph (i) above.
  - (63) **“RDSP”** means a trust governed by a “registered disability savings plan” as defined in the Tax Act.
  - (64) **“RESP”** means a trust governed by a “registered education savings plan” as defined in the Tax Act.
  - (65) **“RRIF”** means a trust governed by a “registered retirement income fund” as defined in the Tax Act.
  - (66) **“RRSP”** means a trust governed by a registered retirement savings plan as defined in the Tax Act.
  - (67) **“Securities Act”** means the *Securities Act* (Quebec), as may be amended from time to time.
  - (68) **“Selling Agents”** means registered dealers, dealing representatives, financial advisors, sales persons, brokers, intermediaries or other eligible persons, including Cape Cove, who are involved in the purchase and sale of Units in connection with the Offering.
  - (69) **“Selling Jurisdictions”** means all of the provinces and territories of Canada.

- (70) “**Subscriber**” means a subscriber of Units.
- (71) “**Tax Act**” means the *Income Tax Act* (Canada) and the regulations promulgated thereunder, as may be amended or supplemented.
- (72) “**Tax Proposals**” has the meaning ascribed to that term under the heading “*Eligibility for Registered Plans*”.
- (73) “**TFSA**” means a trust governed by a “tax-free savings account” as defined in the Tax Act.
- (74) “**Trailer Fee**” means an ongoing deferred commission or trailer fee commissions, that the Trust will pay to Selling Agents.
- (75) “**Trust**” means the MarDi.info Income Trust, a private open-ended investment trust established under the laws of Quebec on December 5, 2020.
- (76) “**Trust Indenture**” means the trust indenture of the Trust initially dated December 5, 2020 among the settlor, the initial Unitholder of the Trust and the Trustees including any further amendments, restatements or supplemental indentures thereto.
- (77) “**Trust Investment Objectives**” has the meaning ascribed to that term under the heading “*Exempt Market LP – Investment Objectives*”.
- (78) “**Trust Property**” at any time, means all of the money, properties and other assets of any nature or kind whatsoever, including both income and capital of the Trust, as are, at such time, held by the Trust or by the Trustees on behalf of the Trust.
- (79) “**Trust Redemption Notes**” or “**Redemption Notes**” means promissory notes issued in Class, or otherwise, by the Trust pursuant to a note indenture, or otherwise, and issued to redeeming Unitholders in principal amounts determined in accordance with the Trust Indenture and having the following terms and conditions:
  - (v) unsecured and bearing interest from and including the issue date of each such note at a rate per annum equal to that of the corresponding Partnership Redemption Note and payable annually in arrears (with interest after as well as before maturity, default and judgment, and interest on overdue interest at such rate);
  - (vi) subordinated and postponed to all senior indebtedness and which may be subject to specific subordination and postponement agreements to be entered into by the Trustees pursuant to the note indenture with holders of senior indebtedness;
  - (vii) subject to earlier prepayment without penalty, being due and payable on the third anniversary of the date of issuance; and
  - (viii) subject to such other standard terms and conditions as would be included in a note indenture for promissory notes of this kind, as may be approved by the Trustees. See “*Summary of the Trust Indenture – Redemption of Units – Trust Redemption Notes*”.
- (80) “**Trustees**” means collectively Mr. Richard Boivin, Mrs. Ginette Fortin and Mr. André Halley.
- (81) “**Units**” or “**Trust Units**” means units of the Trust and includes units issued in any Class and Class.
- (82) “**Unitholder**” means a holder of Units.
- (83) “**\$**” means Canadian Dollars.

## SUMMARY OF THIS OFFERING MEMORANDUM

*The following is a summary of the principal features of this Offering Memorandum and should be read together with the more detailed information contained elsewhere in this Offering Memorandum. Certain terms used in this Offering Memorandum are defined in the Glossary of Terms.*

### ***Trust Investment Objectives:***

The Trust Investment Objectives are to provide:

(a) in the case of Class A1 Units, Class A2 Units, Class C1 Units, Class C2 Units, Class E1 Units, Class E2 Units, Class F1 Units, Class F2 Units, Class G1 Units and Class G2 Units primarily income from the Trust's investment in the Operating Trust corresponding class of units and the Operating Trust's investment in the Exempt Market LP Portfolio for the corresponding class of units (through the Exempt Market LP);

(b) in the case of Class A1 and Class A2 Units, primarily capital gains from the Trust's investment and dividends in the Exempt Market LP's investment in **MarDi.info VC**;

(c) in the case of Class C1 and Class C2 Units only, primarily dividends from Trust's investment in Exempt Market LP's investment in **Gigrow**;

(d) in the case of Class D1 and Class D2 Units only, interest income from secured corporate debt from the Trust's investment in the Exempt Market LP's investment in **MarDi.info Financial Services**;

(e) in the case of Class E1 and Class E2 Units, dividends, interest and capital gains from the Trust's investment in the Exempt Market LP's investment in **MarDi.info ESG Responsible**;

(f) in the case of Class F1 and Class F2 Units, dividends, interests and capital gains from the Trust's investment in the Exempt Market LP's investment in **MarDi.info ESG Impact**;

(g) in the case of Class G1 and Class G2 Units, royalties, dividends, interests and capital gains from the Trust's investment in the Exempt Market LP's investment in **MarDi.info ESG Opportunity**;

See "Exempt Market LP - Investment Objectives". For an illustration of the investment structure through which the Trust will participate in the Exempt Market LP Portfolio, see "The Investment Structure – Diagram of the Structure".

### ***Units Offered:***

The Trust is offering Units in sixteen (16) Classes. Class A1, Class A2, Class C1, Class C2, Class D1, Class D2, Class E1, Class E2, Class F1, Class F2, Class G1 and Class G2 Units provide investors indirect exposure to the investment performance of the Exempt Market LP Portfolio corresponding classes of units and their exclusive investment objectives.

### ***Investment Criteria:***

The Exempt Market LP will invest in the proceeds from the purchase of Class A1 and Class A2 Units in MarDi.info VC, the proceeds from the purchase of Class C1 and Class C2 Units in Gigrow, the proceeds from the purchase of Class D1 and Class D2 Units in MarDi.info Financial Services, the proceeds from the purchase of Class E1 and Class E2 Units in MarDi.info ESG Responsible, the proceeds from the purchase of

Class F1 and Class F2 Units in MarDi.info ESG Impact, the proceeds from the purchase of Class G1 and Class G2 Units in MarDi.info Opportunity.

***Closing Dates:***

Closings will take place on such dates as are determined by the Trustees in their sole discretion. The initial closing shall take place on or before December 30, 2020

***Income Tax Consequences:***

There are important tax consequences to investors holding Units. Subscribers should consult their own tax advisors in respect of an investment in Units. See “*Income Tax Consequences and RRSP Eligibility*”.

***Eligibility for Registered Plans:***

The Trust has been advised that once the Trust has qualified as a “mutual fund trust” for purposes of the Tax Act and continues thereafter at all relevant times, the Units will be qualified investments for Registered Plans. **As of the date of this Offering Memorandum, the Trust has not qualified as a “mutual fund trust” for purposes of the Tax Act.** Investors should consult their own tax advisors in respect to an investment in Units. See “*Income Tax Consequences and RRSP Eligibility*”.

***Selling Agents:***

The Trust has retained Cape Cove, a registered exempt market dealer and portfolio manager, as the principal Selling Agent in respect of the distribution and sale of the Units, and the Trust may choose to retain additional Selling Agents. See “*The Investment Structure – Relationship between the Trust, the Trustees, the General Partner and Cape Cove – Related and Connected Issuer Disclosure*”.

Selling commissions of up to 6% for Class A1 Units, Class C1 Units, Class E1 Units, Class F1 Units and Class G1 Units and up to 4% on Class D1 Units will be paid by the Trust to the Selling Agent for new subscriptions. Also, a trailer fee of 2% per annum (paid quarterly) will be paid to the Selling Agents after 36 months from subscription/conversion for Class A1 Units, Class C1 Units, Class E1 Units, Class F1 Units and Class G1 Units and 24 months after subscription for Class D1 Units. A selling commission of 2% will be paid to Selling agents for Class A1 Units at the conversion of bonds issued by AgroTech Ventures 1 inc and Malina Capital inc. No upfront selling commissions nor trailing fees will be paid on Class A2 Units, Class C2 Units, Class D2 Units, Class E2 Units, Class F2 Units and Class G2 Units to the Selling agents. See “*Compensation Paid to Sellers and Finders*”.

***Conflicts of Interest and Related and Connected Issuer Matters:***

The Trust is a related and connected issuer of Cape Cove. Cape Cove is the principal Selling Agent for the Offering and the General Partner is an Affiliate of Cape Cove. Dany Bergeron is indirectly the sole shareholder, officer and director of the General Partner of the Partnership and an indirect shareholder (1%) of Cape Cove. See “*The Investment Structure – Relationship between the Trust, the Trustees, the General Partner and Cape Cove – Related and Connected Issuer Disclosure*”, “*The Investment Structure – Conflict of Interest Policy*” and “*Risk Factors – Risks Associated with the Trust – Conflicts of Interest*”.

***Distributions:***

The investment structure of the Trust generates distributions exclusive to each class of units from the Operating Trust, which in turn generates distributions from the Exempt Market LP Portfolio through the Exempt Market LP in regards exclusively to each class of units.

The Trust will make quarterly distributions to Unitholders that vary by Class of Units. The different rates of quarterly distribution are attributable to a number of variables, including the proportion of Exempt Market LP Units in the Class Asset Pool, different Target Distribution Rates and different levels of fees. As a result, quarterly distributions on Units will vary across the Classes of Units and will change over time. For a discussion of how quarterly distributions are characterized and how they differ from

Class of Units to Class of Units, see “*Distributions – Distributions at the Trust level – Trust Unit Target Distribution Rate*”.

***DRIP:***

The Trust has adopted a distribution reinvestment plan (the “**DRIP**”) that allows eligible Unitholders to elect to have the quarterly cash distributions on the Class of Units held by them reinvested in additional Trust Units of the same Class on the Distribution Payment Date at a purchase price equal to the NAV per Unit at such time.

***Redemption:***

A Unitholder may redeem Units at any time (a “**Redemption Date**”), subject to certain restrictions, by providing written notice to the Trustees. The Redemption Amount shall be paid on the Redemption Payment Date. See “*Summary of the Trust Indenture – Redemption of Units*” See also the discussion of redemption restrictions and Early Redemption Charge immediately below in this Summary.

***Redemption Restrictions:***

**Units cannot be redeemed for the first four months following the date the investment was completed and the Units in question were issued.**

The Redemption Amount for Units paid by the Trust may not be paid in cash in certain circumstances but, instead, may be paid in whole or in part by the issue of Trust Redemption Notes by the Trust. For a description of the circumstances in which Trust Redemption Notes may be issued, see “*Summary of the Trust Indenture – Redemption of Units – Trust Redemption Notes*”.

**Trust Redemption Notes will not be qualified investments for Registered Plans. Accordingly, investors who hold Units through Registered Plans should consult their own tax advisors prior to exercising redemption rights. See “*Eligibility for Registered Plans*” and “*Risk Factors*”.**

***Early Redemption Fee:***

As noted above, Units cannot be redeemed for the first four months following the date the investment was completed and the Units in question were issued. However, an Early Redemption Charge applies for the next twenty-four to thirty-six months thereafter, as follows:

Class Units	Early redemption fee			
	4 to <12 months	12 to <24 months	24 to <36 months	36+ months
A1, C1, E1, F1, and G1	10,00%	4,00%	2,00%	0,00%
D1*	10,00%	2,00%	0,00%	0,00%
A2, C2, D2*, E2, F2 and G2	50 \$	50 \$	0 \$	0 \$

\*: Subscription/renewal bonus is acquired after 23 months from subscription/renewal.

See “*Summary of the Trust Indenture – Redemption of Units*”.

***Term of the Fund:***

Subject to the other provisions of the Trust Indenture, the Trust shall continue for a term ending on the dissolution or termination of the Partnership in accordance with the Partnership Agreement. For the purpose of terminating the Trust, the Trustees shall commence to wind-up the affairs of the Trust on such date as may be determined by the Trustees.

***Risk Factors:***

**It is recommended that each Subscriber, in order to assess tax, legal and other aspects of an investment in Trust Units and, indirectly, underlying LP Units, obtain independent advice with respect to the Offering and this Offering Memorandum. An investment in the Trust Units and, indirectly, underlying LP Units,**



is subject to significant risk from, among other things, changing economic and market conditions. Following is a list of some of the most significant risk factors:

**This is a speculative offering.** An investment in Units is appropriate only for Subscribers who have the capacity to absorb a total loss of their investment. Subscribers who are not willing to rely on the sole and exclusive discretion and judgment of the Trustees and the General Partner should not subscribe for Units.

**There is no market for Units and the transfer of Units is significantly limited and, in some circumstances, prohibited.** An investment in Units should only be considered by those Subscribers who are able to make and bear the economic risk of a long-term investment and the possible total loss of their investment.

**Qualification as a mutual fund trust.** The Trust will seek to qualify as a “mutual fund trust” within the meaning of the Tax Act, in order that the Units will qualify as investments for Registered Plans and as of the date of this Offering Memorandum, the Trust has not qualified as a mutual fund trust within the meaning of the Tax Act.

There is a risk that an investment in the Trust will be lost entirely. Only investors who do not require immediate liquidity of their investment, who understand the risks and who can afford the loss of their entire investment should consider the purchase of the Units. See “*Risk Factors*”.

## USE OF AVAILABLE FUNDS

### Funds Available

The following table discloses the estimated Net Proceeds that will be available to the Trust in the event the Maximum Offering is completed.

	Maximum Offering <sup>(1)</sup>
Amount to be raised by this Offering	\$50,000,000
Selling Commissions and Fees <sup>(3)</sup>	\$2,225,000
Estimated Offering Costs <sup>(2)</sup>	\$200,000
Available funds	\$47,575,000
Additional sources of funding required	N/A
Working capital deficiency	N/A
Total	\$47,575,000

#### Notes:

- (1) There is no minimum Offering. Units may be offered on a continuous basis.
- (2) The costs of the Offering including, but not limited to, legal, accounting, printing, marketing including promotional events, due diligence expenses and translation costs in connection with the preparation of this Offering Memorandum and related matters (the “**Offering Costs**”), are estimated to be up to \$200,000 based on a Maximum Offering of \$50,000,000.
- (3) Selling commissions of up to 6% for Class A1, C1, E1, F1 and G1 and up to 4% on Class D1 will be paid by the Trust to the Selling agents for new subscriptions. Also, a trailer fee of 2% per annum (paid quarterly) will be paid to the Selling agents after 36 months from subscription/conversion for Class A1, C1, E1, F1 and G1 and 24 months after subscription for Class D1. A selling commission of 2% will be paid to Selling agents for Class A1 at the conversion of bonds issued by Agro Tech Ventures 1 inc and/or Malina Capital inc. No upfront selling commissions nor trailing fees will be paid on all other Class to the Selling agents. See “*Compensation Paid to Sellers and Finders*”.

### Use of Available Funds

The following table sets out the proposed use of the Net Proceeds by the Trust.

#### Description of intended use of available funds listed in order of priority

	Assuming Maximum Offering
Investing in the Exempt Market LP Units <sup>(1)</sup>	\$47,575,000
Total	\$47,575,000

#### Notes:

- (1) Available funds or the Net Proceeds of the Offering consists of the gross proceeds from the Offering less the Offering Costs Fee and the Wholesaler Fee (if applicable). The Trust will use the Net Proceeds from the Offering to subscribe Operating Trust Units of a corresponding class which in turn will use the resulting proceeds to purchase Exempt Market LP Units of a corresponding class. The Exempt Market LP will use the resulting proceeds to make investments that form part of the Exempt Market LP Portfolio related to the particular class of units, in accordance with the Trust Indenture. See “Units Offered”.

## Reallocation

The Trust will only invest the Net Proceeds from the Offering in accordance with the Trust Investment Objectives, strategies and restrictions as described herein and will not reallocate funds for any other purpose.

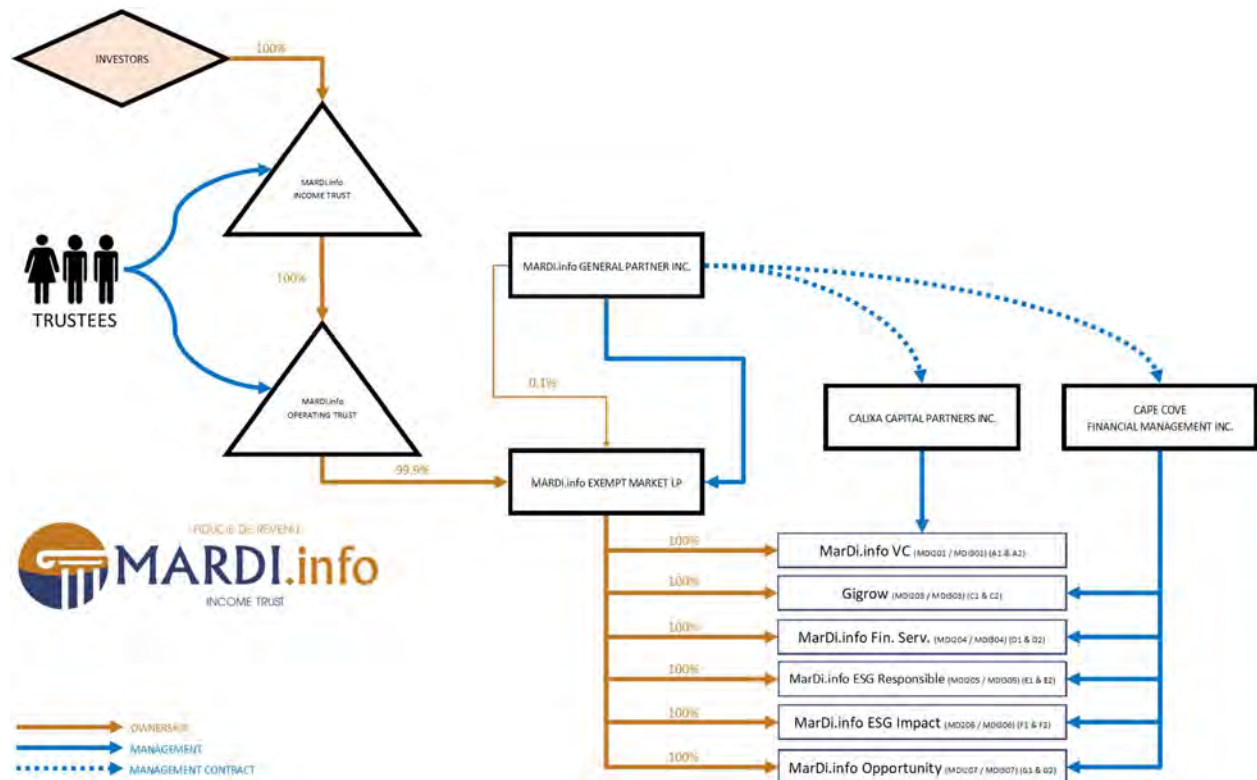
## Insufficient Proceeds

The Net Proceeds of this Offering may not be sufficient to accomplish the Trust Investment Objectives.

## THE INVESTMENT STRUCTURE

### Diagram of the Structure

The following diagram outlines the structure of the Trust and its various related entities.



Notes:

- (1) This diagram is provided for illustrative purposes, is intentionally non-technical in nature and is qualified in its entirety by the detailed information found elsewhere in this Offering Memorandum.
- (2) Solid bronze lines indicate an ownership interest. Solid blue lines indicate a management duty and the blue broken lines indicate a contractual relationship or service capacity.
- (3) Class A1 Units, Class A2 Units, Class C1 Units, Class C2 Units, Class D1 Units, Class D2 Units, Class E1 Units, Class E2 Units, Class F1 Units, Class F2 Units, Class G1 Units and Class G2 Units are offered.

## Details of the Structure

### *The Trust*

The Trust is an unincorporated, open-ended, limited purpose mutual fund trust formed under the laws of the Province of Quebec on December 5, 2020, pursuant to the Trust Indenture. The principal place of business of the Trust is 5255 Henri-Bourassa Blvd. West, Suite 225, Montréal, Québec H4R 2M6.

A Subscriber will become a Unitholder of the Trust upon the acceptance by the Trust of such Subscriber's subscription. The rights and obligations of Unitholders and the Trustees are governed by the Trust Indenture and the laws of the Province of Quebec and Canada applicable thereto.

The Trust seeks to qualify as a "mutual fund trust" as defined by the Tax Act provided certain requirements in the Tax Act are met. See *"Income Tax Consequences and RRSP Eligibility - Eligibility for Registered Plans"*. However, the Trust is not, and will not become, a "mutual fund" as defined by applicable Canadian securities legislation and the Trust does not operate in accordance with the requirements of the Canadian securities regulations applicable to mutual funds. Accordingly, certain investor protections contained in those regulations are not available to Subscribers of Units. In addition, the Trustees are not a trust company and are not registered under applicable legislation governing trust companies.

### *The Operating Trust*

The Trust is an unincorporated, open-ended, limited purpose mutual fund trust formed under the laws of the Province of Quebec on December 5, 2020, pursuant to the Trust Indenture. The principal place of business of the Trust is 5255 Henri-Bourassa Blvd. West, Suite 225, Montréal, Québec H4R 2M6.

### *The Partnership*

The Partnership was formed in the Province of Quebec on November 20, 2020 pursuant to the *Civil Code of Quebec*, by the filing of the certificate of limited partnership in accordance with the *Civil Code of Quebec*. See *"Summary of the Partnership Agreement"* for further information regarding the Partnership.

### *The General Partner*

The General Partner was incorporated on August 28, 2020 under the *QBCA* and is the general partner of the Exempt Market LP. The head office of the General Partner is 8275 Sherbrooke Street East, Suite 49, Montréal, Québec H1L 1A6.

The General Partner controls and has responsibility for the business of the Partnership, to bind the Partnership and to admit Special Partners and do or cause to be done in a prudent and reasonable manner any and all acts necessary, appropriate or incidental to the business of the Partnership. The General Partner is liable by law, as a general partner, for the debts of its Partnership.

## Relationship between the General Partner and Cape Cove – Related and Connected Issuer Disclosure

The following relationships should be considered by prospective investors in Units of the Trust:

- Dany Bergeron is indirectly the sole shareholder, officer and director of the General Partner of the Partnership and an indirect shareholder (1%) of Cape Cove;
- Cape Cove is the principal Selling Agent of the Offering; however, Units may also be offered by other Selling Agents;

See *"The Investment Structure – Governance of the Trust and the Partnership"* and *"Risk Factors – Risks Associated with the Trust – Conflicts of Interest"*.

## **Investment Policies and Restrictions of the Exempt Market LP Portfolio**

### ***Exempt Market LP Investment Restrictions***

In addition to other restrictions described above, investments made in the Exempt Market LP Portfolio shall also be subject to the following investment restrictions, each determined as at the time of investment.

The Exempt Market LP shall not:

- (a) engage in any undertaking other than the investment of the Exempt Market LP's assets in accordance with the Exempt Market LP's Investment Objectives and related strategies;
- (b) purchase any security which may by its terms require the Exempt Market LP to make a contribution in addition to the payment of the purchase price, provided that such restriction will not apply to the purchase of securities which are paid for on an instalment basis where the total purchase price and the amount of all such instalments are fixed at the time the first instalment is paid;

### **EXEMPT MARKET LP PORTFOLIO**

The Exempt Market LP provides financing to MarDi.info VC (Class A1 and A2 Units), Gigrow (Class C1 and C2 Units), MarDi.info Financial Services (Class D1 and D2 Units), MarDi.info ESG Responsible (Class E1 and E2 Units), MarDi.info ESG Impact (Class F1 and F2 Units) and MarDi.info Opportunity (Class G1 and G2 Units).

A summary of the Exempt Market LP's investment portfolio as at the date of this Offering Memorandum is set out below.

### **INVESTMENT #1 – CLASS A1 AND CLASS A2**



#### **MARDI.INFO VC**

MarDi.info VC intends to build a diverse portfolio of companies or finance companies or make venture capital investments in which MarDi.info VC shall have an active role. MarDi.info VC is not restricted in participating in any industry or sector.

MarDi.info VC will gain direct and indirect global exposure to but not limited to the following industries: 1) Energy Sector: This includes renewable and non-renewable projects worldwide and ancillary businesses associated with this sector. This may include but not limited to solar projects, "green" projects, wind turbines, lithium and other battery companies, applications, and software to optimize energy consumption. 2) Mining and natural resource sector: This includes but not limited to gold mines and claims, strategic land acquisitions, raw materials, various mining claims, land surveying companies or technologies, applications and software involved in mining and/or natural resources and ancillary businesses associated with this sector. 3) Biotechnology and technology Sector: This include but not limited to pharmaceutical and Nutraceutical industry, drug companies, innovative technologies, applications, software development companies and the Artificial Intelligence industry. 4) Health and Wellness Sector: This includes but not limited to fitness centres, health foods or products, and any form of media involving life improvement. 5) Agricultural sector which may include beverage companies, essential oils production, hemp and CBD, energy drinks, and other ancillary businesses associated with this sector.

MarDi.info VC's exposure to these assets will consist principally of privately owned companies and the portion of the net proceeds of the Offering that is not invested in issuers or securities related to the Assets of the sectors above will be held by MarDi.info VC in cash or cash equivalents and used for working capital .

#### Management and other fees

MarDi.info VC may retain the services of various parties to handle its management and administrative tasks, including, marketing, accounting, due diligence and other functions. All administration and operating expenses paid or incurred will be paid by MarDi.info VC in connection with the conduct of its business including without limitation: legal, accounting, marketing, salaries, compensation payable to consultants and other service providers. MarDi.info VC has retained the services of Calixa Capital Partners Inc. in an advisory committee role for this offering.

#### Venture Capital Investments

MarDi.info VC will either finance or invest in corporations, partnerships, or joint ventures on a global basis in which MarDi.info VC shall have an active role. The investment criteria are as follows:

In making investment decisions with respect to follow on investments for existing portfolio companies and for new opportunities, MarDi.info VC will focus on, among other factors, the following investment criteria:

- **Management:** Senior management should be well qualified, motivated and committed to the business relative to other industry participants operating in comparable fields.
- **Market Opportunity:** The business should have the potential to serve a defined marketplace and the opportunity must be significant enough to allow the business to experience rapid and sustainable growth.
- **Competition:** The business plans and operations should demonstrate a sustainable advantage over other industry participants operating in comparable fields.
- **Availability of co-investors:** MarDi.info VC believes that capable co-investors can add significant value to an investment opportunity by increasing the amount of capital available to the business and through access to the networks and expertise of their principals.
- **Diversification:** MarDi.info VC will endeavour to diversify its portfolio by investing in debt and equity securities in a variety of businesses of different sizes and at different stages of their development and by investing in businesses serving different markets.

#### Exit Strategy

Before each investment is made, MarDi.info VC will consider possible methods of realizing on the investment. Typically, MarDi.info VC will realize on investments in one of four ways: (i) through a public offering; (ii) through a sale or merger with another company for cash or shares for which a public market exists; (iii) through a sale to the principals of the business; or (iv) through automatic repayment terms contained within the investment structure. From the outset, MarDi.info VC will contemplate which alternative will be appropriate for the Portfolio Company and will seek to assist the business to perform towards achieving the requisite objectives. MarDi.info VC anticipates that it will seek representation on the board of directors of many Portfolio Companies in order to monitor the performance of the business and, where appropriate, to use the experience and industry expertise of principals of MarDi.info VC to identify strategic partners or purchasers for the Portfolio Company. It is anticipated that to benefit from the long-term growth potential of Portfolio Companies, MarDi.info VC will be required to hold investments for a significant period. MarDi.info VC will seek to remain fully invested. However it will generally seek to divest of investments in Portfolio Companies when the business no longer meets its investment criteria or when more attractive investment opportunities are available to MarDi.info VC. Since MarDi.info VC will generally invest in private businesses, there can be no assurance that it will be able to divest of investments on favourable terms, or at all. These factors may limit MarDi.info VC's ability to dispose of its investments profitably.

## INVESTMENT #2 – CLASS C1 AND CLASS C2

### GIGROW (GRAVITATIONAL INJECTION GROWING)

#### Investment objectives:

Exempt Market LP has a portfolio of investments in companies using Gigrow technology, either in partnership with operators or as a direct operator of vertical farms. Exempt Market LP will also provide financing in the form of loans and / or equity interests in companies that own, manufacture or use Gigrow's patented technology. This long-term investment aims to generate stable income over time while protecting capital.

#### Highlights:

- Production of very high-quality fresh vegetables, year round, regardless of the climate
- Locally produced;
- Allows for known lead times (the dream of supermarkets and restaurants!);
- Possibility of being on the shelves without great transport costs in 24 hours and better uniformity of products;
- Possibility of building customer loyalty all year round;
- Restricted spread of disease;
- Insurance against climate change drought, hail, and more!
- Patented technology developed in Canada;
- Production largely exceeding the criteria for "organic" production
- Optimizes production space (up to 3 machines high in a 21-foot building)
- Very reduced water use compared to cultivation in fields or greenhouses;
- Low carbon footprint;
- Consistent results exceeding all other means of cultivation;
- Allows the value-added production of certain foods that are difficult to grow;
- Possible niche cultures;
- All the elements used in the production of vegetables are recyclable and / or biodegradable.
- Automated harvest.

#### The Gigrow lab farm inc. project.

The first Gigrow farm will be erected in the Varennes region of Quebec, as a result of a partnership with an operator who will operate the farm. In total, 600 Gigrow machines will be deployed during the year 2021, generating a production of more than 3,500,000 organic lettuces annually in a closed building of 35,000 to 40,000 square feet, thus ensuring freshness and consistency of the products to the rhythm of the seasons. The Company will exceed the requirements of the Canadian Food Inspection Agency (CFIA) and achieve all Canada GAP and SQF certifications.

#### Objectives of the Gigrow lab farm inc. project:

- The Company's objective is to support the government effort in food self-sufficiency through local vegetable production;
- It targets the food safety of Quebec and Canadian consumers through a highly controlled process according to best production and hygiene practices;
- It wishes to offer a range of quality, attractive, healthy and cultivated products without any harmful products.

#### A market with strong potential

- In 2017, Canada recorded exports of around 30,000 tonnes of lettuce while imports were around 300,000 tonnes;
- Production reaches 70,500 tonnes annually in Canada, of which 59,000 tonnes come from Quebec. In figures, of the 43 million dollars in receipts, 24 million dollars in lettuce products are exported, or 56%;
- Lettuce is ranked 2nd among the 5 most consumed vegetables in Canada, in addition to being the most cultivated in Quebec;



- Lettuce represents one of the most significant market garden productions, occupying the second place in area in Quebec but also one of the most important Canadian market garden productions in monetary value;
- Globally, Canada ranks 46<sup>th</sup> among producers of fresh and processed vegetables, while our neighbors to the South rank third. It goes without saying that Canada and Quebec are in an inferior position vis-à-vis the major American producers. Importation currently remains a model of strength in the Quebec and Canadian supply chain and it is in the interest of the Government of Quebec that this situation changes.

SOURCE: - APPENDIX 2: Sector portrait-diagnosis of fresh vegetables in Quebec

## Products

At start-up, the Company will market 2 types of products in recyclable packaging under its own trademark:

### Live Salanova Aquino Lettuce

SALANOVA® is the result of a recent, completely new conception of lettuce. SALANOVA® is a plant with a tight apple, having no heart, only regular leaves, of uniform size and length.



### The duo Salanova Aquino and Green Sweet Crisp

Sweet and succulent flavor. Medium-dark green leaves with a very defined three-dimensional shape. An interesting mix that will remind you of romaine lettuce for its slightly sweet side and iceberg lettuce for its crunchy texture.



- The Company wishes, with the help of its research center and in partnership with other players in the field of agriculture, to develop and test a multitude of market garden products such as broccoli and cauliflower, spinach, strawberries, cherry tomatoes, etc.
- The Company relies on unmatched freshness through a unique nutrient recipe and a perfectly controlled growing environment all year round.

## Opportunity and Threats (SWOT)

### Strengths:

- The Company's cultivation process requires reduced labor due to a condensed and robotic cultivation surface;
- The company's cultivation technology allows for faster cultivation and less cost than the competition;
- The Company can control each of the variables of its culture;

- The versatility of cultivation systems allows diversified production;
- Use compost as growing medium for garden like taste and high quality;
- Just in time delivery of what the plant need, so no water re-use limiting the spread of illness.

#### Opportunities:

- Faced with the problem of drought in large lands, producers in soil and even cultivators in greenhouses are subject to problems of variable climates;
- The upper limits of cultivation create the opportunity to maximize production per square foot and therefore minimize the need for large facilities;
- The opening of major distribution chains and governments to favor the placement of Quebec products in grocery stores;
- The Company can robotize a large part of its production space.

#### Weaknesses:

- The business requires more expensive infrastructure than greenhouse production;
- The financing of installations is more complex and less accessible.

#### Threat:

- Agricultural companies can react by offering mass discounts in the summer season, thus putting the Company's market penetration strategy at risk;
- The costs of import products where labor is inexpensive can reduce the profitability of the Company;
- The general labor shortage in Quebec as well as labor import issues due to the COVID-19 pandemic may impact the Company's production.

### **The process**

#### Gigrow growing systems

- The Company will use horizontal roller cultivation systems developed by the Gigrow Company;
- The process halves the growth period of plants, uses 90% less water and 65% less nutrients than traditional hydroponics and reduces losses by nearly 50%;
- Use 20x less water than imported products and leave no waste of fertilizer in the environment.
- These systems have almost 5 times less footprint than traditional hydroponics as used by other growers;
- These are horizontal rotating rollers, accommodating 432 plants;
- The Company will install 600 of its systems, all distributed among the 3 fully controlled grow rooms that will comprise the building.

### **Factory**

- The plant will be located on the territory of Varennes in a new building;
- The premises for the first phase will be between 35,000 and 40,000 square feet;

### **Procurement**

- The Company will mainly supply its inputs via its various cultivation partners;
- The nutrients will be transported from a Quebec supplier to ensure the continuity of the cultivation process even during climatic constraints;
- The Company will favor the use of Quebec products in its supply chain;
- The Company aims to develop micro-propagation cloning techniques in order to reduce the cost of seeds necessary for cultivation.

### **Packaging and safety**

- Once the products are harvested, they will be transported to the packaging area where a team will strip and inspect the finished products before distributing them to the correct packaging machines;
- A packaging line will be set up to reduce the manpower required for this department;
- Rigorous health monitoring will be carried out in accordance with Canada GAP and SQF standards in order to ensure customer consumption of a clean and 100% safe product;
- Additional hygienic measures will be put in place by the Company to ensure the safety of employees as well as consumers.

**Local benefits**

- The Company will employ approximately 10 people who will be predominantly local labor.
- The Company will also donate around 3% of lettuce produced to regional food aid organizations.

### INVESTMENT #3 – CLASS D1 AND CLASS D2



The exempt market LP intends to finance, through debt guaranteed by assets, financial services companies wishing to do “books of business” acquisitions, mainly in the insurance and securities sectors. The Exempt Market LP will target companies with a good track record of integrating acquisitions as well as a systematic use of information technology in their day-to-day operations.

As the first financing, the Exempt Market LP will finance the acquisition projects put forward by Diversico. Founded in 1991, the company has built a more than enviable reputation in the financial services industry. Diversico is growing both organically and by acquisitions. On the sales side of the business, it provides advice and strategies to individuals, professionals and business owners. Diversico is fully engaged in creating a better world through numerous initiatives. The company’s innovative “hierarchy free” governance model based on eco and socio responsibility demonstrates the full engagement in an evolution towards a better world.

Since its creation, Diversico has acquired and integrated more than 65 books of business that collectively contribute to its success. Over the years, the company has developed a business model that consists of keeping the advisor in place when a clientele or a firm is acquired in order to benefit from a relationship transfer in favor of a younger advisor with whom Diversico is already in partnership. Through different subsidiaries and advisors, it serves clients of all size and needs.

### BUSINESS OPERATION

**ACTIVITIES:** Financial advice, money management, insurance strategies  
Consolidation of Canadian market in the independent advice channel

**LOCATIONS:** Québec:

- Montréal
- Brossard
- Laval
- Longueuil
- Québec
- Victoriaville
- La Rédemption
- Papineauville

Ontario:

- Sudbury

**CUSTOMERS:** Québec and Ontario

**PARTNERS:**

- Life insurance companies (about 15 companies)
- Mutual funds companies
- Mutual funds dealerships (Quadrus and IPC currently)

**COMPETITORS:**

- Banks and other financial institutions
- Corporate and independent financial services firms and advisors

**FINANCIAL PARTNERS:**

- FTQ (2M\$)
- London Life (5M\$, 1<sup>st</sup> position lien)
- BMO Financing (Banking and credit facilities of 100K)
- SSQ (50k)

## DIVERSICO IS IN THE BEST POSITION TO CONSOLIDATE THE CANADIAN MARKET

- Robust due diligence process,
- Experienced team dedicated to the whole process including valuation, legal aspects, negotiation, integration, human capital culture, etc.);
- Teleworking in place since 2012 that allows infinite growth without geographical constraints;
- State-of-the-art proprietary technology (iGeny Pro Expert-System, Forms & Funds virtual library) that gives Diversico unique competitive advantages;
- Corporate owned enterprises that provide exceptional value to our “growth-by-acquisition” model (ScanSquad, TechnoSquad, FinSquad);
- Anon-hierarchical organizational culture that provides the agility needed for rapid and unlimited expansion.
- Strong presence in influent media

## ABOUT MARKET CONSOLIDATION OPPORTUNITY

The life insurance industry is built on a three level market. On top there's the “manufacturer” level (Canada Life, Manulife, Sunlife, etc.). Life insurance companies have consolidated long ago, leaving the Canadian market with about 15-20 carriers. The second level is the Master General Agent (MGA) level (Financial Horizon, Hub Financial Group, PPI Financial Management, etc). This level also got consolidated dramatically, especially by Horizon who eventually sold to Great West LifeCo. The consolidation at Financial Services Firms level is barely started and Diversico is ceasing that opportunity. To best compare what will take place within the next 10 years, one can make a comparison with the P&C Insurance industry which is now consolidating rapidly. In Diversico's market, this is just the beginning. Diversico received an unsolicited offer to sell 50% of its shares at 12 times the EBITDA in 2018. This offer came too early in the history of the firm but it illustrates the potential opportunity in the acquisition model.

## MERGERS & ACQUISITIONS (M&A)

With more than 65 acquisitions and integrations to date, Diversico has developed a business model that is effective and agile in acquisitions and even more in integration of books of business. With an in-house experienced M&A team, Diversico is ahead of the competition when it comes to acquisitions. At the time of the current offering, many acquisitions are in the “pipeline”, as reflected below. The proceed of this current offering will be used to finance these acquisitions and others to come.

Status	Purchase price	Field market	Region & Province	Gross revenues	Financial advisors	Number of employees
LOI signed (J.B)	800,000 \$	Group plan	Rouyn-Noranda, QC	2,000,000 \$	18	8
LOI signed (P.D)	435,000 \$	Life and investment	Regina, SK	250,000 \$	1	1
LOI signed (K.C)	250,000 \$	Life and investment	Bedford, QC	160,000 \$	1	0
LOI signed (B.L)	1,200,000 \$	P&C	Quebec, QC	5,800,000 \$	96 members / 135 offices	23
LOI signed (D.G)	125,000 \$	Life and investment	Varennnes, QC	150,000 \$	2	0
LOI signed (H.P)	50,000 \$	Life and investment	Boucherville, QC	60,000 \$	1	0
<b>Total</b>	<b>2,860,000 \$</b>			<b>8,420,000 \$</b>	<b>23</b>	<b>32</b>
Discussions (A.N.)	12,000,000 \$	Life and investment	Ottawa, ON	5,500,000 \$	9	23

Discussions (C.F.L.)	250,000 \$	Life and investment	Quebec, QC	600,000 \$	1	0
NDA signed (R.C.)	1,300,000 \$	P&C	Quebec, QC	650,000 \$	3	1
NDA signed (C.F.)	6,600,000 \$	P&C	Montreal, QC	3,900,000 \$	40	21
Total	<b><u>20,150,000 \$</u></b>			<b><u>10,650,000 \$</u></b>	53	45
Grand total	<b><u>23,010,000 \$</u></b>			<b><u>19,070,000 \$</u></b>	76	77

## STRENGTHS, RISKS AND FASTENERS

### STRENGTHS

- Significant logistical and technological advance;
- Long history of constant growth;
- High level of expertise throughout the organization;
- Strong process and knowledge in people's integration;
- Excellent debt coverage ratio, CPR/EBITDA and repayment capacity;
- Large customer base (nearly 70,000 as of 2020);
- Internal full time compliance team.

### RISKS

- An industry that is subject to increasing regulatory and compliance requirements;
- Downward pressure on commissions and service fees;
- Retention of clients acquired from other brokers.

### FASTENERS

- Innovative "hierarchy free" model of governance, very attractive to the new generation of talents;
- Decentralized telework program and paperless strategy in place since 2012;
- Vertical integration through different subsidiaries (iGeny, ScanSquad, TechnoSquad, FinSquad, CEVIA).

## THE SERVICES

### FINANCIAL SECURITY PLANNING, PROCESS AND MONITORING

- Tax and Estate Financial planning
- Liquidity
- Disability and critical illness

### PENSION AND INVESTMENT PRODUCTS

- Registered Retirement Savings Plan
- Segregated fund policies

### INSURANCE PRODUCTS - INDIVIDUALS

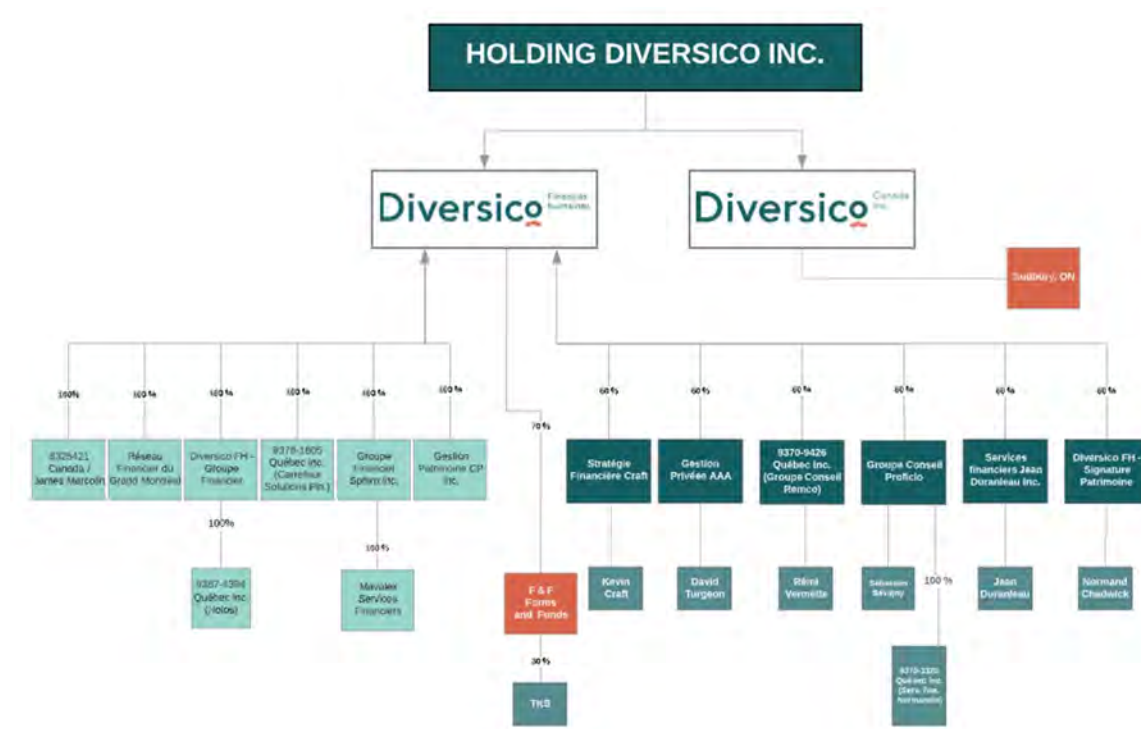
- Life insurance
- Disability insurance
- Critical Illness Insurance
- Supplementary Health Insurance
- Dental Insurance

### BUSINESS PRODUCTS

- Group Benefits
- Group Savings and Retirement Plan



## CROPORATE STRUCTURE



## MARKET SEGMENTS

### Diversico Finances Humaines

- Parent company
- Targets the middle market
- Provides support for the whole group of companies

### Diversico Finances Humaines: Signature Patrimoine

- Subsidiary
- Targets the wealthy market
- Group of advisors specialized in sophisticated tax and estate planning

### Diversico Finances Humaines - Signature Investissements

- Subsidiary
- Targets the wealthy market
- Group of financial planners specialized in large assets portfolios

### Diversico Groupe Sphinx

- Subsidiary
- Targets the less sophisticated market
- Group of advisors dedicated to the vast majority of our large clientele

## TECHNOLOGICAL ADVANTAGES



- The first and only business Process Management System (BPMS) specifically designed for Canadian advisors
- Reduces significantly the risk of errors and omissions
- Reduces administrative burden through a high level of task automation
- Includes a secured electronic signature mechanism from within the client's file
- Includes a videoconferencing platform with recording capacity from within the client's file



- Helps advisors become more efficient since 2013
- All insurance and mutual funds forms, applications, fund facts and fund profiles... All in one place!
- Always up-to-date
- Supports more than 120 insurance and mutual funds companies
- User friendly
- The most powerful and complete database in Canadian financial services industry



- Standardization of technological equipment
- Saves time and money typically spent on support
- Experienced IT technicians and developers



- Mobile "on-site" scanning enterprise
- Saves time and money typically spent over a long period of time
- Live on-site quality control
- Low cost "error free" solution



- Turn-key solution for advisors
- Automated payments and online invoice management
- Low cost annual tax return solution

## THE INVESTMENT

The investment by Exempt Market LP in MarDi.info Financial Services will consist of asset backed loans (second position lien to Holding Diversico inc.) secured by a "comfort letter" given by Canada Life (formally Great-West Life, Canada Life and London Life) that ensure Diversico's loans repayment to Exempt Market LP directly from commissions owed to Diversico by Canada Life in case of default payment by Diversico.

The investors in Class D1 Units will receive target distributions of 8% per annum (paid quarterly) and the investors in Class D2 Units of the Trust will receive target distributions of 10% per annum (paid quarterly). In addition, Class D1 and D2 Units will both receive a "signing bonus" of 4%, paid in cash at subscription (not discounted from Units price). This bonus will be fully acquired by the Unitholders after 23 months from subscription, meaning that any "signature bonus" received within 23 months from the redemption will be deducted in full (plus early redemption fees, if applicable) of the redemption amount. Unless a written notice received by the Trust at least 30 days before redemption, after each 24 months period after original subscription, an automatic renewal, including a new 4% signing bonus will be paid to Unitholders (with the same conditions as the first "signing bonus").

**INVESTMENT #4 – CLASS E1 AND CLASS E2**



The Exempt Market LP intend to build a portfolio of private ESG Responsible businesses.

## INVESTMENT #5 – CLASS F1 AND CLASS F2



The Exempt Market LP intend to invest in private ESG Impact businesses and build a portfolio that creates value primarily for the communities and, in the second place, give returns to the investors. It intends to be, for investors, a way to “give to the next” by inspiring and implementing sustainable and measurable changes while getting average to good financial returns on their investments. Exempt Market LP will invest in some or all of these thematic investments: Energy efficiency, Health, Education, Green buildings, Renewable energy, Water, Sustainable agriculture and Sustainable forestry.

The “ESG” acronym is for Environmental, Social and Governance<sup>1</sup>. It is defined by the environmental, social and governance metrics that investors apply to measure the sustainability of, and risk associated with, their investments. These factors are:

Environmental: issues such as those connected to global warming, energy usage and pollution.

Social: factors such as how a company treats its workers, health and safety considerations, and community outreach.

Governance: topics including business ethics, board structure and independence, executive compensation policies and accounting.

There are two main types of ESG Investments: Responsible and Impact. The ESG Responsible investments focusses on giving returns to investors while applying filters, negative or positive, in the selection process of individual investments. For example, a negative filter would be used if someone would like to own no investments in the military industry or in the pornographic industry. An example for positive filter would be to invest in companies that has a balanced women/men ratio for board members.

Impact investing is pushing the responsible concept further. In Impact investing, the investor seeks to make a difference, an impact, by his investment choices.

### Traditional impact investing

“Investments made into companies, organizations, and funds with the intention to generate measurable social and environmental impact alongside a financial return. Impact investments can be made in both emerging and developed markets and target a range of returns from below market to market rate, depending upon the circumstances. Impact investors actively seek to place capital in businesses and funds that can harness the positive power of enterprise.”

(Global Impact Investing Network, 2012)

### Mainstream impact investing

Companies and organisations that generate revenues (based on market rate returns) from products, services, technology and infrastructure that deliver solutions (or positive impacts) to society and the environment. In this sense, impact investments refer to an organisation’s outputs (i.e. products and services that are directly related to its business model and revenues) and outcomes (created by an organisation’s outputs), rather than inputs (i.e. ESG practices and policies, CSR initiatives and risk mitigation tools). Additionally, the concept of impact (both primary and direct) is associated with companies’ environmental and social outputs only; governance factors are excluded.

## TYPES OF IMPACT

### Primary and secondary impacts<sup>2</sup>

Organisations and investments can have different impacts on society and the environment. For instance, SME finance may provide micro-loans to a small company (primary impact) that could be used to purchase solar panels (secondary impacts). In this project, Exempt Market LP focuses on companies and organisations that generate primary and secondary impacts.

### **Direct and indirect impacts (direct beneficiaries)**

Different companies and organisations can track the direct, indirect and cumulative impacts<sup>3</sup> of their investments. The World Bank<sup>4</sup> defines direct impacts as investments that have a direct and clear cause-effect relationship with an output (a company's products and services)<sup>5</sup>.

In the ESG Impact investments target specific social or environmental themes and can be used by investors for ESG investing or impact investing. The thematic investments covered are:

Energy efficiency, Health, Education, Green buildings, Renewable energy, Water, Sustainable agriculture and Sustainable forestry.

- (1): Albert Desclée, Jay Hyman, Lev Dynkin, Simon Polbennikov. (2016) Sustainable Investing and Bond Returns. Barclays. Available at: [http://bit.ly/Barclays\\_Sustainable\\_Bonds](http://bit.ly/Barclays_Sustainable_Bonds) [Accessed: 2017].
- (2) Methodologic approach used by the GIIN.
- (3) For this methodology and tool, impact is associated with organisations' social and/or environmental outputs.
- (4) World Bank (2011) Types of Environmental Impact. World Bank. Available at: [http://bit.ly/World\\_Bank\\_Types\\_of\\_Impact](http://bit.ly/World_Bank_Types_of_Impact) [Accessed: 2016].
- (5) Both primary and direct impacts are similar, but the former focuses on the investment goal and the second on the beneficiary type.

## INVESTMENT #6 – CLASS G1 AND CLASS G2



### Business

MarDi.info Opportunity intends to build a diverse portfolio of companies associated or related to acquisitions in various industries, including Agricultural, Health, Information Technologies, Renewable energy, and any other business related to sustainability. MarDi.info Opportunity will finance companies or make Venture Capital Investments in which Exempt Market LP shall have an active role.

#### Venture Capital Investments

MarDi.info Opportunity will either finance or invest in corporations, partnerships or joint ventures on a global basis in which MarDi.info Opportunity shall have an active role. The investment criteria are as follows:

In making investment decisions with respect to follow-on investments for existing portfolio companies and for new opportunities, MarDi.info Opportunity will focus on, among other factors, the following investment criteria:

- Management: Senior management should be well qualified, motivated and committed to the business relative to other industry participants operating in comparable fields;
- No seed investments: The business should be beyond seed investment level. There should be some products/services already offered commercially by the company or proven commercial results by an advanced prototype with an existing market;
- Market Opportunity: The business should have the potential to serve a defined marketplace and the opportunity must be significant enough to allow the business to experience rapid and sustainable growth;
- Competition: The business plans and operations should demonstrate a sustainable advantage over other industry participants operating in comparable fields;
- Availability of co-investors: MarDi.info Opportunity believes that capable co-investors can add significant value to an investment opportunity by increasing the amount of capital available to the business and through access to the networks and expertise of their principals.
- Diversification: MarDi.info Opportunity will endeavour to diversify its portfolio by investing in debt and equity securities in a variety of businesses of different sizes and at different stages of their development and by investing in businesses serving different markets.

#### Exit Strategy

Before each investment is made, MarDi.info Opportunity will consider possible methods of realizing on the investment. Typically, MarDi.info Opportunity will realize on investments in one of four ways: (i) through a public offering; (ii) through a sale to or merger with another company for cash or shares for which a public market exists; (iii) through a sale to the principals of the business; or (iv) through automatic repayment terms contained within the investment structure. From the outset, MarDi.info Opportunity will contemplate which alternative will be appropriate for the Exempt Market LP and will seek to assist the business to perform towards achieving the requisite objectives. MarDi.info Opportunity anticipates that it will seek representation on the board of directors of many Portfolio Companies in order to monitor the performance of the business and, where appropriate, to use the experience and industry expertise of principals of MarDi.info Opportunity to identify strategic partners or purchasers for the Portfolio Company. It is anticipated that to benefit from the long-term growth potential of Portfolio Companies, MarDi.info Opportunity will be required to hold investments for a significant period. MarDi.info Opportunity will seek to remain fully invested, however it will generally seek to divest of investments in Portfolio Companies when the business no longer meets its investment criteria or when more attractive investment opportunities are available to the Exempt Market LP. Since MarDi.info Opportunity will generally invest in private businesses, there can be no assurance that

it will be able to divest of investments on favourable terms, or at all. These factors may limit MarDi.info Opportunity's ability to dispose of its investments profitably.

## TRUST MATTERS

### DISTRIBUTIONS

#### General

The Trust property is divided into a series of forty (40) exclusive lots, with each exclusive lot corresponding to a class of Units issued by the Trust. Subscribers of a class of Units will have rights related exclusively to the trust property of the Class Asset Pool of that class of Units.

In the investment structure established for the Trust, income distributions are primarily generated by the capital gains, dividends, interest income and royalties generated by the Exempt Market LP Portfolio. The Trust participates in the Exempt Market LP Portfolio through its investments in the Operating Trust units and subsequently in the Exempt Market LP Units. The discussion of distributions in this section, therefore, focuses on distributions made by the Exempt Market LP since distributions made by the Trust to its Unitholders are determined based upon, and almost exclusively dependent upon, distributions generated by the Exempt Market LP Portfolio. See *“The Investment Structure – Diagram of the Structure”*.

It is important to distinguish between distributions at the Trust level and distributions at the Exempt Market LP level as there are key differences. In order to make a clearer distinction, we refer, from time to time, in this section to “Trust Units” rather than “Units” in order to distinguish between Trust Units and Exempt Market LP Units.

#### Distributions at the Exempt Market LP Level

##### *The Exempt Market LP Portfolio and the Exempt Market LP*

At each Closing of the Offering, the Net Proceeds of a particular class of Units will be used by the Trust to purchase Operating Trust Units of a corresponding class which in turn will use the resulting proceeds to purchase Exempt Market LP Units of a corresponding class. The Exempt Market LP will use the resulting proceeds to make investments that form part of the Exempt Market LP Portfolio related to the particular class of units, as follows:

Class A1 and A2 Units shall ultimately be invested in MarDi.info VC.

Class C1 and C2 Units shall be ultimately invested in Gigrow.

Class D1 and D2 Units shall be ultimately invested in MarDi.info Financial Services.

Class E1 and E2 Units shall be ultimately invested in MarDi.info ESG Responsible.

Class F1 and F2 Units shall be ultimately invested in MarDi.info ESG Impact.

Class G1 and G2 Units shall be ultimately invested in MarDi.info Opportunity.

The resulting Distributable Cash will be used by the Exempt Market LP to make pro rata quarterly exclusive distributions on all outstanding Exempt Market LP Units on each class of its units. All of these exclusive distributions will be received by the Operating Trust as the sole holder of the Exempt Market LP units as an exclusive distribution under a particular class of units. All of these exclusive distributions will be received by the Trust as the sole holder of the Operating Trust Units as an exclusive distribution under a particular class of units.

##### *Distributions on Exempt Market LP Units*

Distributions on Exempt Market LP units can be expressed as a percentage of the NAV per Exempt Market LP unit. As the Exempt Market LP units are divided into classes, distributions on all Exempt Market LP units are different for each exclusive class of units. However, each Exempt Market LP unit has the same NAV per Exempt Market LP unit as the Trust unit.



## **Distributions at the Trust Level**

### ***Distribution Variables***

Distributions at the Exempt Market LP level are based on quarterly distributions of Distributable Cash at the same rate are made pro rata on all issued and outstanding Exempt Market LP Units of the specific class of Units invested by the Subscriber.

### ***Class Asset Pools***

Class Asset Pools are not a distribution variable. However, they are an integral part of the Trust Unit structure established by the Trust and play an important role in understanding how the distributions work for Trust Units. All Exempt Market LP units purchased by the Trust through the Operating Trust are held in an exclusive Class Asset Pools corresponding to the Class of Trust Units in respect of which the Net Proceeds were used to acquire the Exempt Market LP units. Accordingly, the distributions received by a Unitholder will vary depending on the number of Exempt Market LP units in the Class Asset Pool to which the Trust Units held by the Unitholder relate.

The Trust currently has forty (40) Class Asset Pools; namely, a separate Class Asset Pool in respect of each Class and Class of Trust Units issued by the Trust:

1. Class A1 Units, Class A1;
2. Class A2 Units, Class A2;
3. Class B1 Units, Class B1;
4. Class B2 Units, Class B2;
5. Class C1 Units, Class C1;
6. Class C2 Units, Class C2;
7. Class D1 Units, Class D1;
8. Class D2 Units, Class D2;
9. Class E1 Units, Class E1;
10. Class E2 Units, Class E2;
11. Class F1 Units, Class F1;
12. Class F2 Units, Class F2;
13. Class G1 Units, Class G1;
14. Class G2 Units, Class G2;
15. Class H1 Units, Class H1;
16. Class H2 Units, Class H2;
17. Class J1 Units, Class J1;
18. Class J2 Units, Class J2;

- 19. Class K1 Units, Class K1;
- 20. Class K2 Units, Class K2;
- 21. Class L1 Units, Class L1;
- 22. Class L2 Units, Class L2;
- 23. Class M1 Units, Class M1;
- 24. Class M2 Units, Class M2;
- 25. Class N1 Units, Class N1;
- 26. Class N2 Units, Class N2;
- 27. Class O1 Units, Class O1;
- 28. Class O2 Units, Class O2;
- 29. Class P1 Units, Class P1;
- 30. Class P2 Units, Class P2;
- 31. Class 1 Units, Class 1;
- 32. Class 2 Units, Class 2;
- 33. Class 3 Units, Class 3;
- 34. Class 4 Units, Class 4;
- 35. Class 5 Units, Class 5;
- 36. Class 6 Units, Class 6;
- 37. Class 7 Units, Class 7;
- 38. Class 8 Units, Class 8;
- 39. Class 9 Units, Class 9;
- 40. Class 10 Units, Class 10;

Class Asset Pools are maintained in order to track the different holdings ultimately held in Exempt Market LP units as well as the differential fee structures, for each Class of Trust Units issued by the Trust.

### ***Target Distribution Rate***

After the payment of applicable fees and expenses, the Trust will make quarterly distributions of the net amount of distributions received in respect of the Exempt Market LP units held in each Class Asset Pool exclusively to the holders of the Trust Units issued in respect of each Class Asset Pool. It is suggested that the Trust will have no fees and expenses deducted from the distributions as said fees and expenses shall be paid by the Partnership and will have been deducted by the Partnership in its distribution to the Operating Trust. The Operating Trust will deduct no fees and expenses in its distribution to the Trust. The Trust expects to make such distributions on a quarterly basis from

each Class Asset Pool at an annual rate as provided below (the “**Target Distribution Rate**”) for each Class of Trust Units.

The Target Distribution Rate is not guaranteed. The Exempt Market LP requires time to invest the funds received from the Trust following each Closing of the Offering. Until these funds are deployed in the Exempt Market LP Portfolio and generating cash flow, there will be no corresponding addition to the Distributable Cash of the Exempt Market LP. The lag between Closing and cash flow will create short-term constraints on the Trust’s ability to achieve the Target Distribution Rates. These circumstances may arise at each Closing of the Offering at which significant Net Proceeds are received by the Trust, but the impact will diminish over time as the Exempt Market LP Portfolio grows. This is not expected to pose a significant constraint beyond the period of six to twelve months following the Initial Closing. See “*Risk Factors – Risks Associated with the Trust – No Assurance of Achieving Investment Objectives or Distributions*”.

*Table 1* below demonstrates the Target Distribution Rate for each Class Asset Pool of Trust Units ultimately held in the Exempt Market LP. This rate is referred to as the “**Trust Class Unit Target Distribution Rate**”.

**TABLE 1 –Trust Class Unit Annual Target Distribution Rate<sup>(1)</sup>**

Unit Class	Description of Units	Target distribution rate	Annual profit sharing	Profit sharing breakdown			
				Unitholder	Cape Cove <sup>(4)</sup>	Calixa CG <sup>(5)</sup>	Other <sup>(6)</sup>
A1	MarDi.info VC	8,00%	✓	75,00%	10,00%	15,00%	0,00%
A2	MarDi.info VC	10,00%	✓	75,00%	10,00%	15,00%	0,00%
C1	Gigrow	10,00%	✓	85,00%	5,00%	5,00%	5,00%
C2	Gigrow	12,00%	✓	85,00%	5,00%	5,00%	5,00%
D1	MarDi.info Financial Services	8,00%		N/A	N/A	N/A	N/A
D2	MarDi.info Financial Services	10,00%		N/A	N/A	N/A	N/A
E1	MarDi.info ESG Responsible	10,00%	✓	85,00%	5,00%	5,00%	5,00%
E2	MarDi.info ESG Responsible	12,00%	✓	85,00%	5,00%	5,00%	5,00%
F1	MarDi.info ESG Impact	6,00%	✓	85,00%	5,00%	5,00%	5,00%
F2	MarDi.info ESG Impact	8,00%	✓	85,00%	5,00%	5,00%	5,00%
G1	MarDi.info Opportunity	10,00%	✓	95,00%	0,00%	0,00%	5,00%
G2	MarDi.info Opportunity	12,00%	✓	95,00%	0,00%	0,00%	5,00%

Notes on *Table 1*:

- (1) The information in *Table 1* presented above is for illustrative purposes. Subscribers should not assume that the Trust Unit Target Distribution Rate will be fixed at, or even close to, the rates presented above over time.
- (2) The Target Distribution Rate and the Trust Unit Target Distribution Rate are expressed on an annualized basis.
- (3) Over the course of the calendar year, it is expected that the Trust will accumulate cash based on the exclusive performance of each Class Asset Pool, if any, and those eligible classes of Units will receive distribution on a pro rata basis of such annualized performance, if any, in addition to the quarterly distributions.
- (4) Cape Cove Financial Management inc. will distribute, on a prorated basis, the profit sharing amounts received per Class to the dealing representatives who had their investors subscribe to these units.
- (5) Calixa Capital Group (11833405 Canada Inc.) is a holding company formed by persons related to Cape Cove (dealing representatives, management team, employees and close business partners). It owns 25% of Cape Cove Financial Management inc.

- (6) For Units C1, C2, E1, E2, F1, F2, G1, and G2, the product manager (Cape Cove Financial Management Inc.) will receive 5% of the annual profit sharing that he will remit to the portfolio manager in charge of managing each product.

## **Annual Performance Distributions**

### ***General***

Over the course of the calendar year, it is expected that the Trust will accumulate cash over and above the Trust Unit Target Distribution Rate maintained for each Class Asset Pool. At the end of each calendar year, the profit sharing, if any, will be calculated and distributed on a pro rata to the holders of the Trust Units issued in respect exclusively to that Class Asset Pool (referred to as a “Profit Sharing Distribution”). The Profit Sharing distribution is expected to be, for each Class of Units, as specified in Table 1 above.

### ***Annual Reporting on Distributions***

The Trust will provide Unitholders with an annual report on distributions, which report will include the Performance Distribution, if any, and the payment of the Performance Fee, if any, on all Classes and Class of Trust Units. See “*Reporting Obligations*”.

## **Additional considerations on certain Distributions**

If the Trust’s net income for tax purposes, including net realized capital gains, for any year exceeds the aggregate amount of the regular quarterly distributions made in the year to Unitholders, the Trust will also be required to pay or make payable such additional amounts (either in cash or Units) at year end year to Unitholders as is necessary to ensure that the Trust will not be liable for income tax on such amounts under the Tax Act (after taking into account all available deductions, credits and refunds).

## **SUMMARY OF THE TRUST INDENTURE**

*The following is a summary of the material terms of the Trust Indenture. This summary is not complete and is qualified in its entirety by the complete terms and conditions of the Trust Indenture. Investors are encouraged to read the Trust Indenture in its entirety, which is available upon request by contacting the Trustees.*

### **General**

#### ***The Trust***

The Trust is an unincorporated open-ended trust formed in the Province of Quebec pursuant to the Trust Indenture dated December 5, 2020. The Trust intends to elect in its first tax return to be a mutual fund trust from the beginning of its first taxation year under the provisions of subsection 132(6.1) of the Tax Act. The legal ownership of the trust property and the right to conduct affairs of the Trust are vested in the Trustees. The Trust, the Trustees and the Trust Property are governed by general trust law except as amended by applicable securities laws or the Trust Indenture.

#### ***Fiscal Year***

The fiscal year of the Trust shall end on December 31st of each year.

#### ***Unitholders***

Unitholders shall have no interest in the Trust Property other than the interest specifically set forth in the Trust Indenture and they shall have no right to compel or call for any redemption of Units or any partition, division, dividend or distribution of the Trust Property, except as specifically provided for in the Trust Indenture. The Trust Indenture shall be binding upon all persons who become Unitholders from time to time. No Unitholder, in its capacity as such, shall incur or be subject to any liability in connection with items enumerated in the Trust Indenture.

### ***Power of Attorney***

Each Unitholder grants to the Trustees, and each of its successors and assigns, an irrevocable power of attorney constituting the Trustees, with full power of substitution, as its true and lawful attorney to act on its behalf, with full power and authority in its name, place and stead, to execute, under seal or otherwise, swear to, acknowledge, deliver, make, file or record certain necessary documents as described in the Trust Indenture.

Such power is coupled with an interest, and shall survive the death, mental incompetence, disability and any subsequent legal incapacity of the Unitholder and shall survive the assignment by the Unitholder of all or part of the Unitholder's interest in the Trust and will extend to and bind the heirs, executors, administrators and other legal representatives and successors and assigns of the Unitholder. Each Unitholder agrees to be bound by any representations or actions made or taken by the Trustees pursuant to this power of attorney and waives any and all defences, which may be available to contest, negate or disaffirm any actions taken by the Trustees in good faith under this power of attorney.

### ***Use of Funds***

Money or other property received by the Trust or the Trustees on behalf of the Trust, including the net proceeds of any Offering, may be used at any time and from time to time for any purpose not inconsistent with the Trust Indenture and the purposes of the Trust set out therein.

### ***Trust Expenses***

The Trustees will pay the operating expenses of the Trust out of the Trust Property. Operating expenses include costs associated with auditors, accountants, lawyers, appraisers and other professional advisors employed by or on behalf of the Trust, costs incurred in connection with the Offering (including printing, translation), costs of reporting to and giving notices to Unitholders, costs of certain ongoing marketing, travel and accommodation expenses, due diligence fees and related costs, regulatory and filings and fees, Trustees fees, fund accounting service expenses, insurance expenses, staffing costs, rent, general corporate expenses and overhead and fund administration and salary expenses. See "*Summary of Other Material Agreements – Expense Payment Agreement*", "*The Investment Structure – Relationship between the Trust, the Trustees, the General Partner and Cape Cove – Related and Connected Issuer Disclosure*" and "*The Investment Structure – Conflict of Interest Policy*".

### ***Units***

#### ***Description of the Units***

All of the beneficial interest in the Trust shall be divided into interests of multiple classes of Units, namely Class A1, Class A2, Class C1, Class C2, Class D1, Class D2, Class E1, Class E2, Class F1, Class F2, Class G1 and Class G2.

The aggregate proceeds raised pursuant to the issuance of Units of a particular Class in respect of a Valuation Date shall initially comprise the Class Asset Pool of such class. The Trustees shall, as soon as practicable following the receipt of such proceeds, purchase LP Units as follows (or in such other allocation determined by the Trustees from time to time):

- (a) in respect of Class A1 and Class A2 Units, 100% of such proceeds, to purchase Class A1 and Class A2 Units of the Operating Trust units which have as their sole purpose to purchase Exempt Market LP Class A1 and Class A2 units;
- (b) in respect of Class C1 and Class C2 Units, 100% of such proceeds, to purchase Class C1 and Class C2 Units of the Operating Trust units which have as their sole purpose to purchase Exempt Market LP Class C1 and Class C2 units; and
- (c) in respect of Class D1 and Class D2 Units, 100% of such proceeds, to purchase Class D1 and Class D2 Units of the Operating Trust units which have as their sole purpose to purchase Exempt Market LP Class D1 and Class D2 units;

- (d) in respect of Class E1 and Class E2 Units, 100% of such proceeds, to purchase Class E1 and Class E2 Units of the Operating Trust units which have as their sole purpose to purchase Exempt Market LP Class E1 and Class E2 units;
- (e) in respect of Class F1 and Class F2 Units, 100% of such proceeds, to purchase Class F1 and Class F2 Units of the Operating Trust units which have as their sole purpose to purchase Exempt Market LP Class F1 and Class F2 units;
- (f) in respect of Class G1 and Class G2 Units, 100% of such proceeds, to purchase Class G1 and Class G2 Units of the Operating Trust units which have as their sole purpose to purchase Exempt Market LP Class G1 and Class G2 units;

For greater certainty, the LP Units so purchased shall constitute Operating Trust Property attributed to the Class Asset Pool of such class of Units.

For a description of the various Class of each of the Class A1, Class A2, Class C1, Class C2, Class D1, Class D2, Class E1, Class E2, Class F1, Class F2, Class G1 and Class G2.

Each whole Unit shall entitle the holder thereof to receive notice of, attend at, and cast one vote at a meeting of the Unitholders in respect of any vote upon which the applicable Class of Units is entitled to vote, or to execute any written Ordinary Resolution or Special Resolution of the applicable Class of Trust.

Each Unit of the same Class will represent an equal undivided interest in the applicable Class Asset Pool. The Units shall not be listed or traded on a stock exchange or a public market.

Class attributes of the Units may be amended from time to time in accordance with provisions contained in the Trust Indenture. The aggregate number of Units that are authorized and may be issued under the Trust Indenture is unlimited.

#### ***Non-Resident Ownership Constraints***

It is in the best interest of the Unitholders that the Trust always qualifies as a “mutual fund trust” under the Tax Act and this requires, among other things, that the Trust shall not be established or maintained primarily for the benefit of Non-Residents. The Trustees is provided certain rights contained in the Trust Indenture, including the right to sell Units on behalf of a Non-Resident, to ensure such status is maintained.

#### ***Transfer of Units***

A transfer of Units shall not be effective as against the Trustees or shall be in any way binding upon the Trustees until the Trustees has received a form of transfer acceptable to the Trustees and the transfer has been recorded on the applicable Trust register.

#### ***Compulsory Acquisition of Units on a Take-Over Bid***

The Trust Indenture contains provisions to the effect that if a take-over bid is made for Units and the bid is accepted within 120 days of the date of such take-over bid by holders holding Units representing 90% or more of the Net Asset Value of the Trust (other than Units held at the date of the take-over bid by or on behalf of the offeror or associates or affiliates of the offeror), the offeror shall be entitled to acquire the Units held by Unitholders who did not accept the offer on the terms offered by the offeror, subject to compliance with the relevant provisions of the Trust Indenture.

#### ***Distributions***

Subject to certain provisions of the Trust Indenture, the Trustees shall have the sole discretion to determine if any distribution or distributions of the property or assets of the Trust are to be made, the Class of Units in respect of which such distribution will be paid, the time or times of such distributions and the record date or dates for the purposes of determining Unitholders entitled to receive distributions. See “*Distributions*” for additional information.

### ***Treatment of Distributions from the Operating Trust to the Trust***

Distributions, if any, received by the Trustees in respect of the Operating Trust Units held in a particular Class Asset Pool from time to time shall be deposited in the Class Asset Pool of such class, and the amount(s) of such deposit(s) during each Distribution Period shall be added by the Trustees to the “**Class Asset**” for such Class.

### **Redemption of Units**

#### ***Redemption Process***

Units of any class or Class may be surrendered for redemption at any time following the date that is four (4) months following the issuance of such Units at the demand of the Unitholder, subject to certain fees and conditions.

Payment shall be made on the Redemption Payment Date by cheque payable to or to the order of the Unitholder or by such other manner of payment, including electronic fund transfer, wire transfer or payment in kind, approved by the Trustees from time to time. However, if the Class Asset Pool of a Unit being redeemed is comprised in whole or in part of Partnership Redemption Notes (described below), payment of the redemption proceeds for such Unit shall be made in Trust Redemption Notes or Trust Redemption Notes and cash in the manner set out in the Trust Indenture. See “*Summary of the Trust Indenture – Trust Redemption Notes*”.

#### ***Trust Redemption Notes***

Due to the liquidity constraints of the Exempt Market LP Portfolio, the Exempt Market LP may not have sufficient cash available to fund redemptions where a significant amount is made in a single period, and could thereby leave the Exempt Market LP with insufficient cash available to fund redemptions. In the event a Partnership is required to issue Partnership Redemption Notes to the Operating Trust on redemption of LP Units, the Operating Trust shall issue corresponding Operating Trust Redemption Notes to redeeming Operating Trust unitholders, *pro rata*. As a result of the preceding, in the event a Operating Trust is required to issue Operating Trust Redemption Notes to the Trust on redemption of Operating Trust Units, the Trust shall issue corresponding Trust Redemption Notes to redeeming Unitholders, *pro rata*.

**Subscribers should note that Redemption Notes will not be a qualified investment for tax-exempt subscribers.** See “*Income Tax Consequences and RRSP Eligibility*” and “*Risk Factors – Trust Redemption Notes where Units held in Registered Plans*”.

In the event that the Trust issues Redemption Notes to redeeming Unitholders, the Trustees and General Partners shall comply with the following:

- (a) the Trustees, on behalf of the Trust, shall only issue Redemptions Notes in compliance with the terms and conditions of the Trust Indenture;
- (b) the form of the Redemption Notes to be issued by the Trust shall be approved by the independent directors of the Trustees in accordance with the Conflict of Interest Policy of the Trustees;
- (c) the Trustees, on behalf of the Trust, shall advise redeeming Unitholders as soon as practicable in writing (the “**Redemption Note Issuance Notice**”) that the Redemption Price for the Units tendered for redemption will be paid in whole or in part by Redemption Notes, and such Unitholders have 15 Business Days from the date of the Redemption Note Issuance Notice to rescind their redemption request, if desired; and
- (d) the Redemption Note Issuance Notice shall include: (i) the form of the Redemption Note; (ii) reference to the ineligibility of Redemption Notes as a qualified investment for Registered Plans and the general tax consequences to a Unitholder holding a “prohibited investment”, such as a Redemption Note in a Registered Plan; (iii) discussion of options available to a Unitholder and a Registered Plan trustee of a Unitholder, as a result of receiving a prohibited investment in a Registered Plan as issued by the Trust; (iv) reference to the risk factor having the heading “*Priority of Redemption Notes over Units*” in this Offering Memorandum; and

(v) advice to the Unitholder to speak with their legal counsel and tax advisors regarding points (i)-(iv) in this paragraph (d).

See “*Summary of the Partnership Agreements – Redemption of LP Units – Private LP Redemption Notes*” and “*Risk Factors – Risks Associated with the Trust – Repayment of Redemption Notes*”.

In the event that the Trust issues Redemption Notes to redeeming Unitholders, the Trustees and General Partner shall only issue Redemptions Notes in compliance with the terms and conditions of the Trust Indenture;

### ***Early Redemption Fee***

For Units A1, C1, D1, E1, F1 and G1, the Redemption Price shall be reduced to ninety percent (90%) of the Fixed Portion of the Redemption Price for redemption of the Units by a Unitholder if the tender for redemption is made after the fourth month and before the first anniversary from the issuance of Units by the Trust to a Unitholder requiring the redemption.

For Units A1, C1, E1, F1 and G1, the Redemption Price shall be reduced to ninety-six percent (96%) of the Fixed Portion of the Redemption Price or redemption of the Units by a Unitholder if the tender for redemption is made between the first anniversary and the second anniversary from the issuance of Units by the Trust to a Unitholder requiring the redemption.

For Units D1, the Redemption Price shall be reduced to ninety-eight percent (98%) of the Fixed Portion of the Redemption Price for redemption of the Units by a Unitholder if the tender for redemption is made between the first anniversary and the second anniversary from the issuance of Units by the Trust to a Unitholder requiring the redemption. Also, any bonus paid at the subscription or renewal of parts D1 and D2 is fully acquired by the unitholder after twenty-three months from subscription. If a redemption of Units D1 or D2 is made before the end of the twenty-third month from the issuance or renewal of Units, the non-acquired bonus will be deducted from the redemption amount.

For Units A1, C1, E1, F1 and G1, the Redemption Price shall be reduced to ninety-eight percent (98%) of the Fixed Portion of the Redemption Price for redemption of the Units by a Unitholder if the tender for redemption is made between the second anniversary and the third anniversary from the issuance of Units by the Trust to a Unitholder requiring the redemption.

For Units A1, C1, E1, F1 and G1, there will be no reduction of the Fixed Portion of the Redemption Price for redemption of the Units by a Unitholder if the tender for redemption is made after the third anniversary from the issuance of Units by the Trust to a Unitholder requiring the redemption.

For Units D1, there will be no reduction of the Fixed Portion of the Redemption Price for redemption of the Units by a Unitholder if the tender for redemption is made after the second anniversary from the issuance of Units by the Trust to a Unitholder requiring the redemption.

There is a flat 50\$ redemption fee for Class A2 Units, Class C2 Units, Class D2 Units, Class E2 Units, Class F2 Units and Class G2 Units redemption (in part or in full) after four months from subscription up to the second anniversary from the issuance of Units to a unitholder requiring the redemption.

It is intended that the Fixed Portion of the Redemption Price will be paid no later than five days after the end of the month in which the Units were tendered for redemption and that the Variable Portion of the Redemption Price will be paid concurrently to the Trust Distributions (as defined below) for the period in which the redemption occurred.



## **Pertaining to the Trustees**

### ***Resignation or Removal of the Trustees and Appointment/Election of Trustees***

Each Trustee shall remain in office until the earlier of: (a) the date of the termination of the Trust; (b) the effective date of the Trustees' resignation in accordance with the Trust Indenture; or (c) the effective date of the removal of the Trustees in accordance with the Trust Indenture.

The Trustees may resign as Trustees by giving to the other Trustees not less than 30 days' prior written notice of such resignation.

The Trustees shall also be removed at any time or without cause by way of a Resolution passed by the Unitholders. The Trustees may also be removed at any time upon the happening of certain events set out in the Trust Indenture. The removal or resignation of the Trustees shall take effect upon the earliest of (i) 30 days after the date of notice of such resignation is given, or ii) when such Resolution is approved, as applicable;

Upon the resignation or removal of the Trustees, the Trustees shall cease to have right, privileges and powers of a Trustees, except for its rights to be compensated and indemnified as pursuant to the terms of the Trust Indenture, and shall execute and deliver all documents reasonably required to transfer any Trust Property held in the Trustees' name and to provide for the transition of the Trust's activities and affairs to the successor Trustees.

The departing Trustees shall continue to be entitled to payment of any amounts owing by the Trust to the Trustees, which accrued prior to its departure. The departing Trustees shall continue to be liable in respect of or in any way arising out of the Trust Indenture which accrued prior to the resignation or removal of the Trustees; however, the departing Trustees shall continue to benefit from any indemnity and limitation of liability provisions set out in the Trust Indenture.

### ***Powers and Duties of Trustees***

The Trustees, subject only to the specific limitations and grant of powers to the Trustees contained in the Trust Indenture, shall have, without further or other action or consent, and free from any power of control on the part of the Unitholders, full, absolute and exclusive power, control and authority over the Trust Property and over the affairs of the Trust to the same extent as if the Trustees were the sole and absolute beneficial owner of the Trust Property in its own right, to do all such acts and things as in its sole judgement and discretion are necessary or incidental to, or desirable for, carrying out the trust created under the Trust Indenture.

In construing the provisions of the Trust Indenture, presumption shall be in favour of the granted powers and authority to the Trustees. Except as expressly prohibited by law, the Trustees may grant or delegate to any person such authority and such powers of the Trustees hereunder as the Trustees may in its sole discretion deem appropriate, necessary or desirable to carry out and effect the actual management and administration of the duties of the Trustees under this Trust Indenture, without regard to whether such authority is normally granted or delegated by Trustees.

The enumeration of any specific power or authority in the Trust Indenture shall not be construed as limiting the general powers or authority or any specified power or authority conferred on the Trustees. The Trustees shall also be entitled to make any reasonable decisions, designations or determinations not contrary to the Indenture which it may determine are necessary or desirable in interpreting, applying or administering this Indenture or in administering, managing or operating the Trust.

The standard of care required of the Trustees in exercising its powers and carrying out its functions under the Trust Indenture shall be that it exercise its powers and carry out its functions hereunder as Trustees honestly, in good faith and that in connection therewith it exercise that degree of care, diligence and skill that a reasonably prudent Trustees would exercise in comparable circumstances.

All costs, charges and expenses properly incurred by the Trustees on behalf of the Trust may be payable out of the funds received by the Trust from the Operating Trust.

## **Additional Provisions of the Trust Indenture**

### ***Amendments***

The Trustees may make amendments to the Trust Indenture, without the consent of the Unitholders, in certain limited circumstances such as: (a) ensuring compliance by the Trust with Applicable Laws; (b) providing additional protection for Unitholders or to obtain, preserve or clarify desirable tax treatment to Unitholders; (c) making minor corrections or cure inconsistencies within the Trust Indenture, making corrections, or removing or curing any conflicts or inconsistencies between the provisions of the Trust Indenture or any supplemental indenture and any other agreement of the Trust; and/or (c) curing, correcting or rectifying any ambiguities, defective or inconsistent provisions, errors, mistakes or omissions, provided that, the rights of the Unitholders are not materially prejudiced thereby. All other amendments are required to be made by a Special Resolution of the Unitholders, which are to be consented to by the Trustees; however, no such amendment shall limit, reduce, impair or negate any privilege, right, benefit or indemnity provided to the Trustees in the Trust Indenture without the consent of the Trustees.

### ***Meetings of Unitholders***

There shall be no requirement to hold an annual meeting of Unitholders. At the discretion of the Trustees, a meeting of the Unitholders may be called at any time by the Trustees for the purpose of: (i) placing the audited financial statements of the Trust before the Unitholders for the immediately preceding fiscal year, (ii) the election of the Trustees for the ensuing year, (iii) the appointment of auditors, and (iv) the transaction of such other business as Unitholders may be entitled to vote upon as hereinafter provided or as the Trustees may determine.

Unitholders holding in the aggregate not less than 5% of all votes entitled to be voted at (i) a Unitholder Meeting; or (ii) a meeting of a Class or Class (or combination thereof) of Unitholders, may requisition the Trustees to call a meeting of such Class or Class (or combination thereof) of Unitholders for the purposes stated in the requisition.

A quorum for any Unitholder meeting shall be two or more persons present in person and being Unitholders or representing, by proxy.

The Unitholders are permitted to pass resolutions in regards to certain matters that will bind the Trustees, either by way of Ordinary Resolution or Special Resolution. This includes: (i) the election or removal of the Trustees; (ii) the appointment or removal of the auditor; (iii) amendments to the Trust Indenture; (iv) the termination or dissolution of the Trust; and (v) other matters as set out in the Trust Indenture.

### ***Termination of Trust***

Subject to the other terms of the Trust Indenture, the Trust shall continue until there is no Trust Property held by the Trustees.

The Trust may be wound up or terminated if resolved by a Special Resolution of the Unitholders. Upon being required to commence to wind-up or terminate the affairs of the Trust, the Trustees shall give notice of such wind-up or termination to the Unitholders, which notice shall designate the time or times at which Unitholders may surrender their Units for cancellation. The Trustees shall sell and convert the Trust Property into money and do all other acts to liquidate the Trust and shall distribute the remaining proceeds of sale or the undivided interests in the remaining Trust Property directly to the Unitholders in accordance with their entitlements.

### ***Liability of Trustees, Unitholders and Other Matters***

Subject to the standard of care, diligence and skill to which the Trustees is held, none of the Trustees or any Unitholder should not be held liable for any action taken in good faith in reliance on any documents that are, prima facie, properly executed; for any depreciation of, or loss to, the Trust incurred by reason of the sale of any security; for the loss or disposition of monies or securities; or for any other action or failure to act. Any liability of the Trustees for, or in respect of, or that arise out of, or result from the Trustees' breach of this Trust Indenture shall be limited, in the aggregate, to the amount of remuneration paid by the Trust and its Affiliates to the manager and its affiliates and

associates in the twelve months immediately prior to the Trustees first receiving written notice of such liability, subject to the Trustees' gross negligence, wilful misconduct or fraud.

Each Trustees and each person who formerly held any of such positions shall be entitled to be indemnified and reimbursed out of the Trust Property in respect of any and all taxes, penalties or interest in respect of unpaid taxes or other governmental charges imposed upon such party as a result of his or her role pursuant to the Trust Indenture and in respect of all amount, costs, charges and expenses, including litigation costs, unless any such costs or amounts arise out of a result of such party's gross negligence, wilful misconduct or fraud.

### ***Records and Financial Information***

The Trustees shall prepare and maintain or cause to be prepared and maintained, records containing (a) the Trust Indenture; (b) minutes of meetings and resolutions of Unitholders; (c) minutes of meetings and resolutions of the Trustees; and (d) the registers of the Trust. The Trust shall also prepare and maintain adequate accounting records.

The Trust shall provide to Unitholders such information regarding the Trust required by Canadian law to be submitted to Unitholders for income tax purposes to enable Unitholders to complete their tax returns in respect of the prior calendar year.

The Trustees shall satisfy, perform and discharge all obligations and responsibilities of the Trust under the Tax Act and neither the Trust nor the Trustees shall be accountable or liable to any Unitholder by reason of any act or acts of the Trustees consistent, or carried out in intended compliance, with any such obligations or responsibilities.

See "*Reporting Obligations*" for a discussion of the ongoing disclosure the Trustees will provide to Unitholders.

### ***Auditor***

The auditor of the Trust is BCGO LLP. The auditor shall hold such office until the next subsequent auditor is approved by the Unitholders at a meeting that is called by the Trustees or requisitioned by the Unitholders for the purpose of electing the auditor or otherwise determined by the Trustees. A replacement auditor may be elected at a Unitholder meeting held in accordance with the Trust Indenture. The auditor shall audit the accounts of the Trust at least once each year and a report of the auditor with respect to annual financial statements of the Trust shall be provided to each Unitholder.

### ***Commingling of Trust Property***

The Trustees shall maintain the Trust Property separate from all other property in its possession and not commingled, and to the extent that all or part of the Trust Property is placed in the possession of any other person on behalf of the Trust, the Trustees shall take such reasonable steps to ensure that such persons shall also keep such Trust Property separate from all other property of such persons and not commingled.

## **SUMMARY OF THE OPERATING TRUST INDENTURE**

*The following is a summary of the material terms of the Operating Trust Indenture. This summary is not complete and is qualified in its entirety by the complete terms and conditions of the Operating Trust Indenture. Investors are encouraged to read the Operating Trust Indenture in its entirety, which is available upon request by contacting the Operating Trust Trustees.*

### **General**

#### ***The Operating Trust***

The Operating Trust is an unincorporated open-ended trust formed in the Province of Quebec pursuant to the Operating Trust Indenture dated **October 22, 2020**. The legal ownership of the trust property and the right to conduct affairs of the Operating Trust are vested in the Operating Trust Trustees. The Operating Trust, the Operating Trust Trustees and

the Operating Trust Property are governed by general trust law except as amended by applicable securities laws or the Operating Trust Indenture.

### ***Fiscal Year***

The fiscal year of the Operating Trust shall end on December 31st of each year.

### ***Unitholders***

The unitholders of the Operating Trust shall have no interest in the Operating Trust Property other than the interest specifically set forth in the Operating Trust Indenture and they shall have no right to compel or call for any redemption of Units or any partition, division, dividend or distribution of the Operating Trust Property, except as specifically provided for in the Operating Trust Indenture. The Operating Trust Indenture shall be binding upon all persons who become Unitholders from time to time. No Unitholder, in its capacity as such, shall incur or be subject to any liability in connection with items enumerated in the Operating Trust Indenture.

### ***Power of Attorney***

Each Unitholder grants to the Operating Trust Trustees, and each of its successors and assigns, an irrevocable power of attorney constituting the Operating Trust Trustees, with full power of substitution, as its true and lawful attorney to act on its behalf, with full power and authority in its name, place and stead, to execute, under seal or otherwise, swear to, acknowledge, deliver, make, file or record certain necessary documents as described in the Operating Trust Indenture.

Such power is coupled with an interest, and shall survive the death, mental incompetence, disability and any subsequent legal incapacity of the Unitholder and shall survive the assignment by the Unitholder of all or part of the Unitholder's interest in the Operating Trust and will extend to and bind the heirs, executors, administrators and other legal representatives and successors and assigns of the Unitholder. Each Unitholder agrees to be bound by any representations or actions made or taken by the Operating Trust Trustees pursuant to this power of attorney and waives any and all defences, which may be available to contest, negate or disaffirm any actions taken by the Operating Trust Trustees in good faith under this power of attorney.

### ***Use of Funds***

Money or other property received by the Operating Trust or the Operating Trust Trustees on behalf of the Operating Trust, including the net proceeds of any Offering, may be used at any time and from time to time for any purpose not inconsistent with the Operating Trust Indenture and the purposes of the Operating Trust set out therein.

### ***Operating Trust Expenses***

The Operating Trust Trustees will pay the operating expenses of the Operating Trust out of the Operating Trust Property. Operating expenses include costs associated with auditors, accountants, lawyers, appraisers and other professional advisors employed by or on behalf of the Operating Trust, costs incurred in connection with the Offering (including printing, translation), costs of reporting to and giving notices to Unitholders, costs of certain ongoing marketing, travel and accommodation expenses, due diligence fees and related costs, regulatory and filings and fees, Operating Trust Trustees fees, fund accounting service expenses, insurance expenses, staffing costs, rent, general corporate expenses and overhead and fund administration and salary expenses. See “*Summary of Other Material Agreements – Expense Payment Agreement*”, “*The Investment Structure – Relationship between the Operating Trust, the Operating Trust Trustees, the General Partner and Cape Cove – Related and Connected Issuer Disclosure*” and “*The Investment Structure – Conflict of Interest Policy*”.

## Units

### *Description of the Units*

All of the beneficial interest in the Operating Trust shall be divided into interests of multiple classes of Units, namely Class A1, Class A2, Class B1, Class B2, Class C1, Class C2, Class D1, Class D2, Class E1, Class E2, Class F1, Class F2, Class G1, Class G2, Class H1, Class H2, Class J1, Class J2, Class K1, Class K2, Class L1, Class L2, Class M1, Class M2, Class N1, Class N2, Class O1, Class O2, Class P1, Class P2, Class 1, Class 2, Class 3, Class 4, Class 5, Class 6, Class 7, Class 8, Class 9, Class 10 Units.

The aggregate proceeds raised pursuant to the issuance of Units of a particular Class in respect of a Valuation Date shall initially comprise the Class Asset Pool of such class. The Operating Trust Trustees shall, as soon as practicable following the receipt of such proceeds, purchase LP Units as follows (or in such other allocation determined by the Operating Trust Trustees from time to time):

- (a) in respect of Class A1 and Class A2 Units, 100% of such proceeds have as their sole purpose to purchase Exempt Market LP Class A units;
- (b) in respect of Class C1 and Class C2 Units, 100% of such proceeds have as their sole purpose to purchase Exempt Market LP Class C units; and
- (c) in respect of Class D1 and Class D2 Units, 100% of such proceeds have as their sole purpose to purchase Exempt Market LP Class D units;
- (d) in respect of Class E1 and Class E2 Units, 100% of such proceeds have as their sole purpose to purchase Exempt Market LP Class E units;
- (e) in respect of Class F1 and Class F2 Units, 100% of such proceeds have as their sole purpose to purchase Exempt Market LP Class F units;
- (f) in respect of Class G1 and Class G2 Units, 100% of such proceeds have as their sole purpose to purchase Exempt Market LP Class G units;

For greater certainty, the LP Units so purchased shall constitute Operating Trust Property attributed to the Class Asset Pool of such class of Units.

For a description of the various Class of each of the Class A1, Class A2, Class C1, Class C2, Class D1, Class D2, Class E1, Class E2, Class F1, Class F2, Class G1 and Class G2, see “*Description of the Units*”.

Each whole Unit shall entitle the holder thereof to receive notice of, attend at, and cast one vote at a meeting of the Unitholders in respect of any vote upon which the applicable Class of Units is entitled to vote, or to execute any written Ordinary Resolution or Special Resolution of the applicable Class of Operating Trust.

Each Unit of the same Class will represent an equal undivided interest in the applicable Class Asset Pool. The Units shall not be listed or traded on a stock exchange or a public market.

Class attributes of the Units may be amended from time to time in accordance with provisions contained in the Operating Trust Indenture. The aggregate number of Units that are authorized and may be issued under the Operating Trust Indenture is unlimited.

### *Transfer of Units*

A transfer of Units shall not be effective as against the Operating Trust Trustees or shall be in any way binding upon the Operating Trust Trustees until the Operating Trust Trustees has received a form of transfer acceptable to the Operating Trust Trustees and the transfer has been recorded on the applicable Operating Trust register.

## Distributions

Subject to certain provisions of the Operating Trust Indenture, the Operating Trust Trustees shall have the sole discretion to determine if any distribution or distributions of the property or assets of the Operating Trust are to be made, the Class of Units in respect of which such distribution will be paid, the time or times of such distributions and the record date or dates for the purposes of determining Unitholders entitled to receive distributions. See “*Distributions*” for additional information.

### *Treatment of Distributions from the Exempt Market LP to the Operating Trust*

Distributions, if any, received by the Operating Trust Trustees in respect of the Exempt Market LP Units held in a particular Class Asset Pool from time to time shall be deposited in the Class Asset Pool of such class, and the amount(s) of such deposit(s) during each Distribution Period shall be added by the Operating Trust Trustees to the “**Exempt Market LP Pool**” for such Class.

## Redemption of Units

### *Redemption Process*

The Operating Trust Units of any class or Class may be surrendered for redemption at any time following the date that is four months following the issuance of such Operating Trust Units at the demand of the Unitholder, subject to certain fees and conditions.

Payment shall be made on the Redemption Payment Date by cheque payable to or to the order of the Unitholder or by such other manner of payment, including electronic fund transfer, wire transfer or payment in kind, approved by the Operating Trust Trustees from time to time. However, if the Class Asset Pool of a Unit being redeemed is comprised in whole or in part of Partnership Redemption Notes (described below), payment of the redemption proceeds for such Unit shall be made in Operating Trust Redemption Notes or Operating Trust Redemption Notes and cash in the manner set out in the Operating Trust Indenture.

### *Trust Redemption Notes*

Due to the liquidity constraints of the Exempt Market LP Portfolio, the Exempt Market LP may not have sufficient cash available to fund redemptions where a significant amount is made in a single period, and could thereby leave the Exempt Market LP with insufficient cash available to fund redemptions. In the event a Partnership is required to issue Partnership Redemption Notes to the Operating Trust on redemption of LP Units, the Operating Trust shall issue corresponding Operating Trust Redemption Notes to redeeming Operating Trust unitholders, *pro rata*.

In the event that the Operating Trust issues Redemption Notes to redeeming unitholders of the Operating Trust, the Operating Trust Trustees shall comply with the following:

- (a) the Operating Trust Trustee, on behalf of the Operating Trust, shall only issue Redemptions Notes in compliance with the terms and conditions of the Trust Indenture;
- (b) the form of the Redemption Notes to be issued by the Operating Trust shall be approved by the Operating Trust Trustees; and
- (c) the Trustees, on behalf of the Operating Trust, shall advise redeeming Unitholders as soon as practicable in writing (the “**Redemption Note Issuance Notice**”) that the Redemption Price for the Units tendered for redemption will be paid in whole or in part by Redemption Notes, and such Unitholders have 15 Business Days from the date of the Redemption Note Issuance Notice to rescind their redemption request, if desired.

See “*Summary of the Partnership Agreements – Redemption of LP Units – Private LP Redemption Notes*” and “*Risk Factors – Risks Associated with the Trust – Repayment of Redemption Notes*”.

In the event that the Operating Trust issues Redemption Notes to redeeming Unitholders, the Operating Trust Trustees and General Partner shall only issue Redemptions Notes in compliance with the terms and conditions of the Operating Trust Indenture.

### **Pertaining to the Operating Trust Trustees**

#### ***Resignation or Removal of the Operating Trust Trustees and Appointment/Election of Operating Trust Trustees***

Each Operating Trust Trustee shall remain in office until the earlier of: (a) the date of the termination of the Operating Trust; (b) the effective date of the Operating Trust Trustees' resignation in accordance with the Operating Trust Indenture; or (c) the effective date of the removal of the Operating Trust Trustees in accordance with the Operating Trust Indenture.

The Operating Trust Trustees may resign as Operating Trust Trustees by giving to the other Operating Trust Trustees not less than 30 days' prior written notice of such resignation.

The Operating Trust Trustees shall also be removed at any time or without cause by way of a Resolution passed by the Unitholders. The Operating Trust Trustees may also be removed at any time upon the happening of certain events set out in the Operating Trust Indenture. The removal or resignation of the Operating Trust Trustees shall take effect upon the earliest of (i) 30 days after the date of notice of such resignation is given, or ii) when such Resolution is approved, as applicable;

Upon the resignation or removal of the Operating Trust Trustees, the Operating Trust Trustees shall cease to have right, privileges and powers of a Operating Trust Trustees, except for its rights to be compensated and indemnified as pursuant to the terms of the Operating Trust Indenture, and shall execute and deliver all documents reasonably required to transfer any Operating Trust Property held in the Operating Trust Trustees' name and to provide for the transition of the Operating Trust's activities and affairs to the successor Operating Trust Trustees.

The departing Operating Trust Trustees shall continue to be entitled to payment of any amounts owing by the Operating Trust to the Operating Trust Trustees, which accrued prior to its departure. The departing Operating Trust Trustees shall continue to be liable in respect of or in any way arising out of the Operating Trust Indenture which accrued prior to the resignation or removal of the Operating Trust Trustees; however, the departing Operating Trust Trustees shall continue to benefit from any indemnity and limitation of liability provisions set out in the Operating Trust Indenture.

#### ***Powers and Duties of Operating Trust Trustees***

The Operating Trust Trustees, subject only to the specific limitations and grant of powers to the Operating Trust Trustees contained in the Operating Trust Indenture, shall have, without further or other action or consent, and free from any power of control on the part of the Unitholders, full, absolute and exclusive power, control and authority over the Operating Trust Property and over the affairs of the Operating Trust to the same extent as if the Operating Trust Trustees were the sole and absolute beneficial owner of the Operating Trust Property in its own right, to do all such acts and things as in its sole judgement and discretion are necessary or incidental to, or desirable for, carrying out the trust created under the Operating Trust Indenture.

In construing the provisions of the Operating Trust Indenture, presumption shall be in favour of the granted powers and authority to the Operating Trust Trustees. Except as expressly prohibited by law, the Operating Trust Trustees may grant or delegate to any person such authority and such powers of the Operating Trust Trustees hereunder as the Operating Trust Trustees may in its sole discretion deem appropriate, necessary or desirable to carry out and effect the actual management and administration of the duties of the Operating Trust Trustees under this Operating Trust Indenture, without regard to whether such authority is normally granted or delegated by Operating Trust Trustees.

The enumeration of any specific power or authority in the Operating Trust Indenture shall not be construed as limiting the general powers or authority or any specified power or authority conferred on the Operating Trust Trustees. The Operating Trust Trustees shall also be entitled to make any reasonable decisions, designations or determinations not



contrary to the Indenture which it may determine are necessary or desirable in interpreting, applying or administering this Indenture or in administering, managing or operating the Operating Trust.

The standard of care required of the Operating Trust Trustees in exercising its powers and carrying out its functions under the Operating Trust Indenture shall be that it exercise its powers and carry out its functions hereunder as Operating Trust Trustees honestly, in good faith and that in connection therewith it exercise that degree of care, diligence and skill that a reasonably prudent Operating Trust Trustees would exercise in comparable circumstances.

All costs, charges and expenses properly incurred by the Operating Trust Trustees on behalf of the Operating Trust may be payable out of the funds received by the Operating Trust from the Partnership.

### **Additional Provisions of the Operating Trust Indenture**

#### ***Amendments***

The Operating Trust Trustees may make amendments to the Operating Trust Indenture, without the consent of the Unitholders, in certain limited circumstances such as: (a) ensuring compliance by the Operating Trust with Applicable Laws; (b) providing additional protection for Unitholders or to obtain, preserve or clarify desirable tax treatment to Unitholders; (c) making minor corrections or cure inconsistencies within the Operating Trust Indenture, making corrections, or removing or curing any conflicts or inconsistencies between the provisions of the Operating Trust Indenture or any supplemental indenture and any other agreement of the Operating Trust; and/or (c) curing, correcting or rectifying any ambiguities, defective or inconsistent provisions, errors, mistakes or omissions, provided that, the rights of the Unitholders are not materially prejudiced thereby. All other amendments are required to be made by a Special Resolution of the Unitholders, which are to be consented to by the Operating Trust Trustees; however, no such amendment shall limit, reduce, impair or negate any privilege, right, benefit or indemnity provided to the Operating Trust Trustees in the Operating Trust Indenture without the consent of the Operating Trust Trustees.

#### ***Meetings of Unitholders***

There shall be no requirement to hold an annual meeting of Unitholders. At the discretion of the Operating Trust Trustees, a meeting of the Unitholders may be called at any time by the Operating Trust Trustees for the purpose of: (i) placing the audited financial statements of the Operating Trust before the Unitholders for the immediately preceding fiscal year, (ii) the election of the Operating Trust Trustees for the ensuing year, (iii) the appointment of auditors, and (iv) the transaction of such other business as Unitholders may be entitled to vote upon as hereinafter provided or as the Operating Trust Trustees may determine.

Unitholders holding in the aggregate not less than 5% of all votes entitled to be voted at (i) a Unitholder Meeting; or (ii) a meeting of a Class or Class (or combination thereof) of Unitholders, may requisition the Operating Trust Trustees to call a meeting of such Class or Class (or combination thereof) of Unitholders for the purposes stated in the requisition.

A quorum for any Unitholder meeting shall be two or more persons present in person and being Unitholders or representing, by proxy.

The Unitholders are permitted to pass resolutions in regards to certain matters that will bind the Operating Trust Trustees, either by way of Ordinary Resolution or Special Resolution. This includes: (i) the election or removal of the Operating Trust Trustees; (ii) the appointment or removal of the auditor; (iii) amendments to the Operating Trust Indenture; (iv) the termination or dissolution of the Operating Trust; and (v) other matters as set out in the Operating Trust Indenture.

#### ***Termination of Operating Trust***

Subject to the other terms of the Operating Trust Indenture, the Operating Trust shall continue until there is no Operating Trust Property held by the Operating Trust Trustees.



The Operating Trust may be wound up or terminated if resolved by a Special Resolution of the Unitholders. Upon being required to commence to wind-up or terminate the affairs of the Operating Trust, the Operating Trust Trustees shall give notice of such wind-up or termination to the Unitholders, which notice shall designate the time or times at which Unitholders may surrender their Units for cancellation. The Operating Trust Trustees shall sell and convert the Operating Trust Property into money and do all other acts to liquidate the Operating Trust and shall distribute the remaining proceeds of sale or the undivided interests in the remaining Operating Trust Property directly to the Unitholders in accordance with their entitlements.

#### ***Liability of Operating Trust Trustees, Unitholders and Other Matters***

Subject to the standard of care, diligence and skill to which the Operating Trust Trustees is held, none of the Operating Trust Trustees or any Unitholder should not be held liable for any action taken in good faith in reliance on any documents that are, prima facie, properly executed; for any depreciation of, or loss to, the Operating Trust incurred by reason of the sale of any security; for the loss or disposition of monies or securities; or for any other action or failure to act. Any liability of the Operating Trust Trustees for, or in respect of, or that arise out of, or result from the Operating Trust Trustees' breach of this Operating Trust Indenture shall be limited, in the aggregate, to the amount of remuneration paid by the Operating Trust and its Affiliates to the manager and its affiliates and associates in the twelve months immediately prior to the Operating Trust Trustees first receiving written notice of such liability, subject to the Operating Trust Trustees' gross negligence, wilful misconduct or fraud.

Each Operating Trust Trustees and each person who formerly held any of such positions shall be entitled to be indemnified and reimbursed out of the Operating Trust Property in respect of any and all taxes, penalties or interest in respect of unpaid taxes or other governmental charges imposed upon such party as a result of his or her role pursuant to the Operating Trust Indenture and in respect of all amount, costs, charges and expenses, including litigation costs, unless any such costs or amounts arise out of a result of such party's gross negligence, wilful misconduct or fraud.

#### ***Records and Financial Information***

The Operating Trust Trustees shall prepare and maintain or cause to be prepared and maintained, records containing (a) the Operating Trust Indenture; (b) minutes of meetings and resolutions of Unitholders; (c) minutes of meetings and resolutions of the Operating Trust Trustees; and (d) the registers of the Operating Trust. The Operating Trust shall also prepare and maintain adequate accounting records.

The Operating Trust shall provide to Unitholders such information regarding the Operating Trust required by Canadian law to be submitted to Unitholders for income tax purposes to enable Unitholders to complete their tax returns in respect of the prior calendar year.

The Operating Trust Trustees shall satisfy, perform and discharge all obligations and responsibilities of the Operating Trust under the Tax Act and neither the Operating Trust nor the Operating Trust Trustees shall be accountable or liable to any Unitholder by reason of any act or acts of the Operating Trust Trustees consistent, or carried out in intended compliance, with any such obligations or responsibilities.

See "*Reporting Obligations*" for a discussion of the ongoing disclosure the Operating Trust Trustees will provide to Unitholders.

#### ***Auditor***

The auditor of the Operating Trust is BCGO LLP. The auditor shall hold such office until the next subsequent auditor is approved by the Unitholders at a meeting that is called by the Operating Trust Trustees or requisitioned by the Unitholders for the purpose of electing the auditor or otherwise determined by the Operating Trust Trustees. A replacement auditor may be elected at a Unitholder meeting held in accordance with the Operating Trust Indenture. The auditor shall audit the accounts of the Operating Trust at least once each year and a report of the auditor with respect to annual financial statements of the Operating Trust shall be provided to each Unitholder.

### ***Commingling of Operating Trust Property***

The Operating Trust Trustees shall maintain the Operating Trust Property separate from all other property in its possession and not commingled, and to the extent that all or part of the Operating Trust Property is placed in the possession of any other person on behalf of the Operating Trust, the Operating Trust Trustees shall take such reasonable steps to ensure that such persons shall also keep such Operating Trust Property separate from all other property of such persons and not commingled.

## **SUMMARY OF THE PARTNERSHIP AGREEMENT**

*The following is a summary of the material terms of the Partnership Agreement. This summary is not complete and is qualified in its entirety by the complete terms and conditions of the Partnership Agreement. Investors are encouraged to read the Partnership Agreement in their entirety, which are available upon request by contacting the Trustees or may be available on the Trust's website (which may be a password protected and only available to Unitholders).*

### **General**

#### ***Business of the Exempt Market LP***

The Exempt Market LP shall carry on the business of creating a pool of investment capital to be advanced by the Exempt Market LP General Partner to third parties for lending and other forms of financing in accordance with the investment guidelines and restrictions established in Exempt Market LP Agreement. Subject to the delegation of activities under the Exempt Market LP Agreement, and subject to the powers of the Special Partners, the Exempt Market LP General Partner has the full and exclusive right, power and authority to manage and control the activities and business of the Exempt Market LP and to make decisions regarding the undertaking and business of the Exempt Market LP.

#### ***Fiscal Year***

Each Partnership will use December 31st in each year, or such other date as its General Partner may determine, as its fiscal year.

### **Pertaining to the General Partner**

#### ***Power of the General Partner***

The Partnership Agreement sets out some of the specific powers of the General Partner. The General Partner has covenanted that it will exercise its powers and discharge its duties under the applicable Partnership Agreement honestly and in good faith. Certain restrictions are imposed on the General Partner and certain acts may not be taken by it without the approval of the Special Partners by way of an Ordinary or Special Resolution. The General Partner may retain advisors, experts or consultants to assist it in the exercise of its powers and the performance of its duties as General Partner.

Under the terms of the Partnership Agreement, the General Partner agrees, among other things, that the funds of the Partnership will not be commingled with any other funds or assets of the applicable General Partner or any other Person.

Certain matters concerning valuation and allocation of investments shall be determined by the General Partner, whose determination, so long as made in good faith, shall be final and conclusive as to all of the Partners.

### ***Expenses of the General Partner***

Each General Partner shall be reimbursed by its Partnership for all Expenses of the General Partner, including all direct general, administrative expenses that may be incurred by the Trust and all such other fees and expenses of the Trusts and/or Partnership as allocated to the Partnership.

Money or other property received by the Partnership or the General Partner on behalf of the Partnership, including the net proceeds of any offering, may be used at any time and from time to time for any purpose relating to the business of the Partnership as set out in the Partnership Agreement.

### ***Transfer of Interest of General Partner and Resignation or Removal of the General Partner***

Except as otherwise provided in each Partnership Agreement, the General Partner may not sell, assign, transfer or otherwise dispose of its interest as the general partner in the Partnership.

The General Partner will continue in its role as general partner of its Partnership until termination of the Partnership unless such General Partner is removed or has resigned in accordance with the Partnership Agreement. The General Partner may voluntarily withdraw as general partner by giving 180 days' notice, such notice to be effective immediately following the admission of the successor general partner.

Upon the passing of any resolution of the directors or shareholders of the General Partner requiring or relating to bankruptcy, dissolution, or winding-up of the General Partner, the making of any assignment by the General Partner for the benefit of creditors of the General Partner, the appointment of a Trustees or permanent receiver of the General Partner or the General Partner failing to maintain its status under the Partnership Agreement, the General Partner will be deemed to have been removed upon the appointment of a replacement general partner by the Special Partners. The General Partner may also be removed if it has committed a material breach or is in default of the Partnership Agreement for a period of 30 days after notice, and such removal is approved by Special Resolution of the Special Partners.

Upon the removal of the General Partner, the Partnership and the Special Partners shall release and hold harmless the General Partner from all actions, claims, costs, demands, losses, damages and expenses with respect to events, which occur in relation to the Partnership after the effective time of such removal.

### ***Liability of the General Partner***

The General Partner has unlimited liability for the debt, liabilities and obligations of the Partnership.

The General Partner shall assume no responsibility to the Partnership and shall bear no liability to the Partnership or the Special Partners for any loss suffered by the Partnership unless caused by the gross negligence or wilful misconduct of the General Partner. The General Partner shall be indemnified by the Partnership for all liabilities, costs and expenses incurred in connection with any action, suit or proceeding made against the General Partner in the exercise of the performance by the General Partner of its duties as general partner of the Partnership, except those resulting from wilful misconduct or gross negligence.

The General Partner will indemnify and hold harmless the Special Partners from and against all costs, damages, liabilities or losses incurred resulting from not having limited liability, other than the loss of limited liability caused by any act or omission of the Special Partners. Further, the General Partner shall indemnify the Partnership for any costs, damages, liabilities or losses incurred by the Partnership or the Special Partners as a result of gross negligence or wilful misconduct by the General Partner.

### ***Pertaining to Special Partners***

#### ***Becoming a Special Partner***

A subscriber for LP Units will become a Special Partner upon the acceptance by the General Partner of the subscriber's subscription agreement and other documentation and payment of such Special Partner's Capital Contribution.

It is anticipated that the Operating Trust will be the sole Special Partner of the Partnership.

### ***Powers of the Special Partners***

The Special Partners may, by way of a Special Resolution of the Special Partners: (i) removing the General Partner where the General Partner has committed a material breach of the Partnership Agreement, which breach has continued for 30 days or more after notice given to the General Partner by any of the Special Partners; (ii) electing a New General Partner as provided in Subsection 6.15 and Section 6.16 where the removal or voluntary withdrawal of the General Partner, as applicable, would result in the Partnership having no general partner; (iii) approving a transfer by the General Partner of its GP Units; (iv) waiving any default by the General Partner, other than a default pertaining to any event of insolvency, receivership or bankruptcy of the Partnership, on those terms as the Special Partners may determine and releasing the General Partner from any claims in respect thereof; (v) amending, modifying, altering or repealing any Special Resolution previously passed by Partners; (vi) amending the Partnership Agreement in accordance with Section 9.1 and other relevant provisions of the Partnership Agreement; (vii) an amalgamation, arrangement or other merger of the Partnership with any other person, except in conjunction with an internal reorganization of the Partnership; (viii) a sale, lease or other disposition of all or substantially all of the assets of the Partnership, except in conjunction with an internal reorganization of the Partnership; (ix) continuing the Partnership if the Partnership is terminated by operation of law; (x) adding to, changing or removing any right, privilege, restriction or condition attaching to the LP Units which may reasonably be considered materially adverse to the holders of the LP Units or the Fund; and (xi) the dissolution of the Partnership.

### ***Limited Liability of Special Partners***

Subject to the Civil Code of Quebec, and any specific assumption of liability, the liability of a Special Partner for the debts of the Partnership is limited to the amount of its Capital Contribution made or agreed to be made to such Partnership plus its pro rata share of the Exempt Market LP Pool and a Special Partner shall have no further personal liability for such debts and, after making the full amount of its Capital Contribution to the Partnership, a Special Partner shall not be subject to, nor be liable for, any further calls or assessments or further contributions to the Partnership.

### ***Representations of Special Partners under the Partnership Agreement***

Under the terms of the Partnership Agreement, each Special Partner represents and warrants and covenants, as applicable, with each other Partner that it: (i) if it is a person other than an individual, such Special Partner is incorporated or formed and validly subsisting under the laws of its jurisdiction of incorporation or formation; (ii) such Special Partner has and will continue to have the capacity and authority to act as a Special Partner and the necessary authority to enter into the Partnership Agreement and to perform its obligations hereunder, and such obligations: (a) if it is a person other than an individual, do not and will not conflict with, nor do they or will they result in a breach of any of, the constating documents or by-laws of the Special Partner or resolutions of its trustees, directors or shareholders (or its sole shareholder, as the case may be) or any agreement by which it is bound and, in the case of any Special Partner that is itself a limited partnership, any resolutions of the directors or the sole shareholder of its general partner or any agreement by which its general partner is bound or its respective limited partnership agreement; and (b) do not and will not require the approval or consent of, or any notice to or filing with, any Governmental Authority, other than those which have been obtained; (iii) such Special Partner has taken all necessary action to authorize the execution, delivery and performance of the Partnership Agreement, and the Partnership Agreement constitutes a valid and binding obligation of the Special Partner, enforceable in accordance with the terms of the Partnership Agreement; (iv) no authorization, consent or approval of, or filing with or notice to, any person is required in connection with the execution, delivery or performance of the Partnership Agreement by such Special Partner, other than those which have been obtained; (v) such Special Partner is not and will not become a “non-resident”, a “financial institution” or a partnership that is not a “Canadian partnership”, each within the meaning of the Income Tax Act, and such Special Partner will not otherwise change its status as represented herein or transfer or purport to transfer any of its LP Units to any person that is a “non-resident” of Canada, a “financial institution”, or a partnership that is not a “Canadian partnership” for purposes of the Income Tax Act; and (vi) Such Special Partner is not and will not become a person an interest in which is a “tax shelter investment” for the purposes of the Income Tax Act, and such Special Partner’s interest in the Partnership will not be a “tax shelter investment” for the purposes of the Income Tax Act,

provided all other interests in the Partnership are not a “tax shelter investment” within the meaning of the Income Tax Act.

Each Special Partner covenants and agrees that it will not transfer or purport to transfer its LP Units to any person who is or would be unable to make the representations and warranties as stated above. Where at any time a Special Partner is a Non-Resident, the General Partner may require that Special Partner to transfer its LP Unit or LP Units to a resident of Canada.

### ***Limitation on Authority of Special Partners***

While Special Partners have voting rights with respect to certain matters, including the termination of the Partnership, no Special Partner, in its capacity as such, may (i) take part in the administration, management, control or operations of the Business or exercise any power in connection therewith; (ii) transact any matters on behalf of the Partnership or make any commitment on behalf of or otherwise obligate or bind the Partnership; (iii) other than by voting on a resolution of the Partners (where the Partner is entitled to vote), execute any document which binds or purports to bind any other Partner or the Partnership; (iv) hold itself out as having the power or authority to bind any other Partner or the Partnership or deal with any person on behalf of the Partnership and, if contacted by any person in respect of the Partnership, shall inform such person that it does not take an active part in the activities of the Partnership, nor acts or makes decisions on behalf of the Partnership and then refer such person to the General Partner; (v) have any authority or power to act for, or undertake any obligation or responsibility on behalf of, any other Partner or the Partnership; (vi) bring any action for partition or sale or otherwise in connection with the Partnership or any interest in any assets of the Partnership, whether real, personal or mixed or whether tangible or intangible, or file or register, or permit to be filed, registered or remain undischarged, any adverse claim in respect of any assets of the Partnership; (vii) bring any action for the dissolution of the Partnership; (viii) compel or seek a partition, judicial or otherwise, of any of the assets of the Partnership distributed or to be distributed to the Partners in kind in accordance with the Partnership Agreement; or (ix) take any action that will jeopardize or eliminate the status of the Partnership as a limited partnership or a “Canadian partnership” for the purposes of the Income Tax Act. Special Partners shall comply with the provisions of the *Civil Code of Quebec* in force or in effect from time to time and shall not take any action, which will jeopardize or eliminate the status of the Partnership as a limited partnership.

### **LP Units and Capital**

#### ***LP Units***

The Partnership is authorized to issue an unlimited number of Exempt Market LP Units, as the case may be, and an unlimited number of general partner units, each having the rights, privileges, restrictions and conditions referred to in each of the Partnership Agreement.

Except as otherwise expressly provided in the Exempt Market LP Agreement, each of the outstanding Exempt Market LP Units within a particular class of Units shall be equal to each other outstanding Exempt Market LP Unit with respect to all matters including the right to receive distributions from the Exempt Market LP regarding that particular class of units, and no Exempt Market LP Unit shall have any preference or right in any circumstances over any other Exempt Market LP Unit in regards to there particular class.

Each Special Partner shall be entitled to one (1) vote for each whole LP Unit held by it in respect of all matters to be decided by holders of those same LP Units. Each LP Unit represents the right to receive a *pro rata* share of allocations and distributions declared by the Partnership for each particular class of Units.

The General Partner may, at any time or times set a record date on which each applicable LP Unit shall be (i) subdivided into additional LP Units, and effective as of the record date, each such LP Unit shall stand subdivided accordingly without any further action by the General Partner or the holder; or (ii) consolidated into a fraction of an LP Unit, and effective as of such record date, each such LP Unit shall stand consolidated accordingly without any further action by the General Partner or the holder.

At no time may “financial institutions” (as that term is defined in subsection 142.2(l) of the Tax Act) be the beneficial owners of Exempt Market LP Units. The General Partner may require any Special Partner to provide a declaration as to its status as a financial institution.

### ***Transfer of LP Units***

LP Units may be transferred, subject to compliance with the provisions of the applicable Partnership Agreement and all applicable securities legislation. No transfer shall be effective unless, among other things, the General Partner has given its written consent approving the transfer. LP Units may be transferred by the Special Partner or its agent duly authorized in writing to any Person by delivering to the General Partner a duly completed instrument of transfer in the approved form, or such other form acceptable to the General Partner, together with such evidence of genuineness of each such endorsement, execution and authorization and other matters as may be reasonably required by the General Partner. The transferee must execute a counterpart to the Partnership Agreement or otherwise agree to be bound by its terms and must become responsible for all obligations of the transferor to the Partnership.

### ***Capital Contributions and Capital Accounts***

Each Partner shall make a Capital Contribution to the Partnership, which shall be the subscription price for the LP Units or general partner units, as applicable, purchased by the Partner. The General Partner proposes to raise capital for the Partnership by offering LP Units and will admit Subscribers for LP Units as Special Partners in the Partnership at the applicable subscription price. A Special Partner may participate in multiple subscriptions for LP Units, each closing at a different time, as may be agreed by the appropriate General Partner in accordance with the terms of the Partnership Agreement.

A Capital Account shall be established for each Partner on the books of the Partnership and such account shall be adjusted as provided for in the Partnership Agreement. This Capital Account shall be credited with such Partner's Capital Contributions and any Net Profits allocated to such Partner pursuant to terms contained in the Partnership Agreement and shall be debited with any Net Losses allocated to such Partner pursuant to the terms of the Partnership Agreement and the amount of any capital withdrawals or distributions.

### ***Exempt Market LP Redemption Notes***

If for any Redemption, the aggregate amount of redemptions for such Redemption reflected in the notices received by the General Partner (the “**Exempt Market LP Aggregate Redemption Amount**”) exceeds the cash reserves of the Exempt Market LP, the Exempt Market LP Aggregate Redemption Amount may be paid in whole or in part through the issuance of Partnership Redemption Notes to the relevant Partners. For greater certainty, the Exempt Market LP General Partner will be obliged in all circumstances to pay the full amount of the Exempt Market LP Aggregate Redemption Amount to Partners in either cash, Partnership Redemption Notes or a combination thereof.

The General Partner has the discretion to determine the stated interest rate of the Partnership Redemption Notes at the time of issuance. It is expected that Partnership Redemption Notes will be issued at a rate equivalent to the 90-day T-bill rate plus 1% per annum. The General Partner intends to repay the Partnership Redemption Notes in the order issued, subject to the availability of sufficient funds.

### ***Distributions and Allocations***

After payment and reservation of all amounts necessary for the payment of all expenses of the Partnership, as more particularly described in the Partnership Agreement, distributions of all remaining cash or property of the Partnership (which remaining cash or property are collectively referred to as “**Distributable Cash**”) will be made.



## **Conflict of Interest**

### ***Competing Interests***

Each Partner is entitled, without the consent of the other Partners, to carry on any business of the same nature as, or competing with those activities of, the applicable Partnership, and is not liable to account to the other Partners or the Partnership. See “*Risk Factors – Risks Associated with the Trust – Conflicts of Interest*”.

## **Additional Provisions of the Partnership Agreement**

### ***Amendments***

The Partnership Agreement may generally only be amended with the consent of the Special Partners given by Special Resolution.

However, the General Partner may, without prior notice to or consent from any Special Partner, amend any provision of the applicable Partnership Agreement from time to time: (i) to changes necessary or desirable for the protection or benefit of all the Special Partners or the Partnership or necessary or desirable to cure an ambiguity in, or to correct or supplement, any provision contained herein which is defective or inconsistent with any other provision contained herein, provided that such cure, correction or supplemental provision does not and will not materially affect the interests of any Special Partner in an adverse manner; (ii) change in the name of the Partnership or the location of the principal place of business of the Partnership or the registered office of the Partnership; (iii) admission, substitution, withdrawal or removal of Special Partners in accordance with the Partnership Agreement; (iv) a change that, as determined by the General Partner, is reasonable and necessary or appropriate to qualify or continue the qualification of the Partnership as a limited partnership in which the Special Partners have limited liability under applicable law; (v) a change that, as determined by the General Partner, is reasonable and necessary or appropriate to enable the Partnership to take advantage of, or not be detrimentally affected by, changes in the Income Tax Act, the Taxation Act or other taxation laws; or (vi) a change to amend or add any provision, or to cure any ambiguity or to correct or supplement any provisions contained in the Agreement which may be defective or inconsistent with any other provision contained in the Agreement or which should be made to make the Partnership Agreement consistent with the disclosure set out in the Prospectus; or (vii) a change that, as determined by the General Partner, does not materially affect the Special Partners in an adverse manner.

### ***Meetings of Special Partners***

Except where otherwise provided for in the Partnership Agreement, Special Partners may not take part in the conduct of the business of the Partnership. Meetings of the Special Partners will be held only for those purposes listed in the Partnership Agreement.

Meetings of the Special Partners may be called at any time by the General Partner and shall also be called upon written request of Special Partners holding in the aggregate not less than 10% of the outstanding Exempt Market LP Units, as the case may be.

The presence in person or by proxy and entitled to vote of one (1) or more Special Partners shall be necessary to constitute a quorum for the transaction of business at any meetings of Special Partners.

Each Special Partner shall be entitled to cast one vote for each LP Unit owned by it upon each matter presented for vote at a Exempt Market LP Special Partner’s meeting, as the case may be. In addition, the General Partner shall be entitled to one vote in respect of each matter presented for vote.

### ***Termination of the Partnership***

The Exempt Market LP was formed upon the filing and recording of the Certificate under the Act respecting the legal publicity of enterprises and will continue until terminated upon the earlier of the dissolution or termination of the Exempt Market LP in accordance with the terms of the Exempt Market LP Agreement.

Following the approval of a dissolution by the Partnership by way of a Special Resolution, the General Partner shall act as a receiver and liquidator of the assets of the Partnership and shall dispose of the assets of the Partnership, pay the debts and liabilities of the Partnership, distribute any remaining assets to the Special Partner and file the notice of dissolution and satisfy all applicable formalities as may be required by law. The Partnership shall terminate when all assets have been sold and the net proceeds therefrom have been distributed.

### ***Power of Attorney***

The Special Partner irrevocably nominates, constitutes and appoints the General Partner, with full power of substitution, as its true and lawful attorney and agent, with full power and authority in the Special Partner's name, place and stead to execute, under seal or otherwise, swear to, acknowledge, deliver, make, record and file when, as and where required or appropriate, certain necessary documents.

Such power is irrevocable and coupled with an interest and shall survive the death or disability of the Special Partner and extends to the heirs, executors, administrators, successors and assigns of the Special Partner. Under the Partnership Agreement, the Special Partner agrees to be bound by any representation or action made or taken by the General Partner in good faith pursuant to the power of attorney in accordance with the terms thereof and will ratify any and all actions taken by the General Partner pursuant to such power of attorney.

### ***Accounting and Reporting***

The General Partner will forward to each Special Partner within 90 days of the end of each fiscal year of the Partnership, a copy of the annual financial statements of the Partnership and any necessary tax information. The General Partner will provide each Special Partner with reports substantially similar to those provided by the Trust to Unitholders; however, such reports of the General Partner will not include audited financial statements or comparative financial statements for the most recently completed fiscal year. See "*Reporting Obligations*".

The General Partner will keep appropriate books and records with respect to the Partnership's business reflecting the assets, liabilities, income and expenditures of each Partnership and register listing all Special Partners and the LP Units held by such Special Partners.

## **SUMMARY OF OTHER MATERIAL AGREEMENTS**

*The following is a summary of the material terms of the other material agreements in respect of the Trust. The respective summaries are not complete and are qualified in their entirety by the complete terms and conditions of the respective material agreements. Investors are encouraged to read the material agreements in their entirety, which are available upon request by contacting the Trustees or may be available on the Trust's website (<http://mardi.info>) (which may need a password protected and only available to Unitholders).*

*The foregoing is a summary only and is subject to the complete terms and conditions of the Portfolio Management Agreement.*

### **Distribution Agreement**

Pursuant to the Distribution Agreement, the Trust has appointed Cape Cove as the principal Selling Agent in connection with the Offering in Alberta, British Columbia, Manitoba, Ontario, Québec and Saskatchewan. Cape Cove will use its reasonable efforts to successfully market and attract purchasers of the Trust Units through its network of dealing representatives and/or sub-agents. See "*Summary of the Trust Indenture – Units*".

To support Cape Cove's dealing representatives, the Trust will provide ongoing product knowledge, copies of all offering documents, and access to the Trust's management team.

During the term of the Distribution Agreement, Cape Cove must remain a properly registered exempt market dealer under Securities Laws, and its dealing representatives must also be in good standing as representatives of Cape Cove. Similarly, the Trust must remain in good standing and comply with all applicable corporate and securities laws. The



Distribution Agreement also contains provisions relating to confidentiality, non-solicitation, use of trademarks, and indemnification.

Either the Trust or Cape Cove may terminate the Distribution Agreement at any time with 7 days written notice to the other.

### **Distribution Reinvestment Plan**

The Trust has adopted a distribution reinvestment plan (“**DRIP**”) that will allow eligible Unitholders to elect to have their quarterly cash distributions reinvested in additional Units of the same class on the distribution payment date at a purchase price equal to the NAV per Unit on the relevant date. All Unitholders who are residents of Canada for the purposes of the Tax Act, and in certain circumstances non-residents of Canada, are entitled to enrol in the DRIP. Unitholders who do not enrol in the DRIP will receive their regular cash distributions. The Trust will determine for each distribution payment date the amount of new equity, if any, which will be made available under the DRIP on that date. No assurances can be made that new Units will be made available under the DRIP on a regular basis, or at all. Accordingly, participation may be prorated in certain circumstances. **In the event of *proration*, or if for any other reason all or a portion of the distributions cannot be reinvested under the DRIP, Unitholders enrolled in the DRIP will receive their regular cash distributions.**

Units issued pursuant to the DRIP will be subject to the same ongoing fees that the corresponding Units enrolled in the DRIP are subject to (see “*Compensation Paid to Sellers and Finders*”) Beneficial owners of Units who enrol in the DRIP through a nominee may also be subject to fees imposed under the terms governing their relationship with the nominee. All administrative costs of the DRIP, including the fees and expenses of the DRIP’s administrator, will be paid by the Partnership. Within 30 calendar days following the end of each calendar year, the Trust will provide an annual statement to each DRIP participant either electronically or by mail. These statements are such participant’s continuing record of purchases of Units made for their account under the DRIP and should be retained for income tax purposes.

A DRIP participant may voluntarily terminate participation in the DRIP by delivering to the DRIP plan administrator a written notice signed by such participant stating that such participant wishes to withdraw its participation in the DRIP. Participation in the DRIP does not relieve Unitholders of any liability for any income or other taxes that may be payable on or in respect of the distributions that are reinvested for their account under the DRIP.

## **INTERESTS OF DIRECTORS, MANAGEMENT AND PRINCIPAL HOLDERS**

### **Compensation and Securities Held**

#### **1.1. Compensation and Securities Held**

The following table provides specified information about each Trustees and promoter of the Trust and each person who directly or indirectly beneficially owns or controls 10% or more of any class of voting securities of the Trust (a “**Principal Holder**”). Where the Principal Holder is not an individual, the following table provides the name of any

person that directly or indirectly, beneficially owns or controls more than 50% of the voting rights of the Principal Holder. The Trust has not completed its first financial year and no compensation has been paid since its inception:

Name and municipality of principal residence	Position held and date of obtaining that position	Compensation paid by the Trust since inception and the compensation anticipated to be paid in current financial year	Number, type and percentage of securities of the Trust held after the completion of the Maximum Offering
Mr. Richard Boivin <sup>(1)</sup> , Quebec City (Quebec)	Trustee since December 5, 2020	\$5 000	0
Mrs. Ginette Fortin <sup>(1)</sup> , Trois-Rivières (Québec)	Trustee since December 5, 2020	\$5 000	0
Mr. André Halley <sup>(1)</sup> , Montréal (Québec)	Trustee since December 5, 2020	\$5 000	0

(1) Independent Trustee from Cape Cove Financial Management inc, the Partnership and any other related structures of the Trust.


### Annual fees by the Trustees

Each of the Trustees will charge annual fees to the Trust based on the Assets Under Management (AUM) of the income Trust as explained in the table below:

AUM (Income Trust)	Annual fees per Trustee
0\$ to 5M\$	5 000,00 \$
5M\$ to 10M\$	7 500,00 \$
10M\$ to 20M\$	10 000,00 \$
20M\$ to 30M\$	15 000,00 \$
30M\$ to 40M\$	20 000,00 \$
40M\$ +	25 000,00 \$

### Management Experience

The names, offices held, and principal occupations of the directors, and officers of the Trustees for the past 5 years are as follows above and below:

**Mr. Richard Boivin LL.B., LL.M., Québec City, Quebec** - Mr. Boivin has extensive experience in the financial sector, both private and public. He has a BBA from . Member of the Bar since 1973, he also has a degree in administration. He has held various management positions in property and casualty insurance, life insurance, group savings plans and securities. He has also worked in various organizations, such as the *Société de l'assurance automobile du Québec* and the Inspector General of Financial Institutions (now the *Autorité des marchés financiers*).

Mr. Boivin left the Quebec Department of Finance in December 2018 after a mandate of nearly 14 years as Assistant Deputy Minister responsible for Policies relating to financial institutions and corporate law. In this capacity, he was notably responsible for the development of Bill 141, which thoroughly reviewed all of the laws governing the financial sector in Quebec.

**Mrs. Ginette Fortin FCPA, FCGA, F.Pl., ASC, Trois-Rivières, Quebec** - Mrs. Fortin has more than 30 years of experience in corporate governance, strategic planning and entrepreneur coaching. Her field of expertise is finance and financial planning. During her professional career, Mrs. Fortin was a director for many public entities such as *Société d'Habitation du Québec* and *Retraite Québec*, for which she is a director, president of the audit committee and member of the IT committee since 2016.

Mrs. Fortin also currently acts as President of the *École Nationale de Police du Québec* and was for a long time a member of the executive committee of the Quebec Chartered Professional Accountant Order. Mrs. Fortin was twice a director of the *Institut Québécois de Planification Financière* and worked from 2004 to 2016, notably as manager of the financial planners of the National Bank of Canada and principal strategy and operations consultant of Private Banking 1859.

**André Halley XXX XXX XXX, Montréal, Quebec** - A seasoned entrepreneur, André Halley has a Bachelor of Commerce from Sherbrooke University and has completed the Directors Education Program of the Institute of Corporate Directors, Rotman School of Management, from the University of Toronto. An excellent negotiator and developer, André Halley is recognised for his creative strategic thinking, his strong communication skills, his flair to identify opportunities globally and an ability to raise the capital to fulfill them. He is currently President and CEO of EVAH Corp., a Canadian business platform that aims to develop sustainable technologies in Animal Health and sell them to major players in the industry.

He was the chief architect of Prevtex Microbia's business and financial strategies from 2005 to 2019, from a start-up company spun out of academia to a successful business, active in markets globally, up to its sale to Elanco, the second largest Animal Health company in the world. Previously he was a partner of Fortin, Tremblay et Associés, specialized in management consulting and accounting. He is the current President of BIOQuébec, the Trade Association of life sciences companies in Québec.

### Penalties, Sanctions and Bankruptcy

No Trustees, the Trust or the Partnership has been a director, executive officer or control person of any issuer (including the Trust) that, while such person was acting in that capacity, was subject to any penalty or sanction or cease trade order or any declaration of bankruptcy, voluntary assignment in bankruptcy, proposal under any bankruptcy or insolvency legislation, proceedings, arrangement or compromise with creditors or appointment of a receiver or Trustees to hold assets, that has been in effect during the last 10 years, whether currently in effect or not.

### Interest of Management and Others in Material Transactions

The Trustees, the Partnership, Cape Cove and other partnerships or corporations managed by the directors, officers, employees, subcontractors and consultants of Cape Cove or in which the directors, officers, employees, subcontractors and consultants of Cape Cove play a role (directly or indirectly) may own securities of certain entities in which the Trust is considering investing. In addition, certain directors, officers and consultants of Cape Cove may be or may become directors of certain entities in which the Trust invests.

## CAPITAL STRUCTURE

### Trust's Capital

The following sets out the capital structure of the Trust as at the date indicated below:

Description of Security	Number authorized to be issued	Price per security	Number outstanding as at November 25, 2020	Number outstanding assuming completion of Minimum Offering	Number outstanding assuming completion of Maximum Offering
Class A1 Units	Unlimited	10,00 \$	10(1)		1 000 000
Class A2 Units	Unlimited	10,00 \$	0		200 000

Description of Security	Number authorized to be issued	Price per security	Number outstanding as at November 25, 2020	Number outstanding assuming completion of Minimum Offering	Number outstanding assuming completion of Maximum Offering
Class C1 Units	Unlimited	10,00 \$	0		500 000
Class C2 Units	Unlimited	10,00 \$	0		200 000
Class D1 Units	Unlimited	10,00 \$	0		800 000
Class D2 Units	Unlimited	10,00 \$	0		200 000
Class E1 Units	Unlimited	10,00 \$	0		450 000
Class E2 Units	Unlimited	10,00 \$	0		100 000
Class F1 Units	Unlimited	10,00 \$	0		450 000
Class F2 Units	Unlimited	10,00 \$	0		100 000
Class G1 Units	Unlimited	10,00 \$	0		800 000
Class G2 Units	Unlimited	10,00 \$	0		200 000

(1) The 10 units currently outstanding will be redeemed upon the completion of the offering.

The Trust is authorized to issue an unlimited number of Class A1, Class A2, Class C1, Class C2, Class D1, Class D2, Class E1, Class E2, Class F1, Class F2, Class G1 and Class G2.

### Long-Term Debt

The Trust does not have any long-term debt as of the date of this Offering Memorandum.

### Prior Sales

As of the date of this Offering Memorandum, there are 10 Units issued and outstanding.

Date of issuance	Type of security issued	Number of securities issued	Price per security	Total funds received
December 5, 2020	Class A1 Units	10	10	\$100

## UNITS OFFERED

### The Investment

The securities being offered pursuant to this Offering Memorandum are Class A1 Units, Class A2 Units, Class C1 Units, Class C2 Units, Class D1 Units, Class D2 Units, Class E1 Units, Class E2 Units, Class F1 Units, Class F2 Units, Class G1 Units and Class G2 Units of the Trust. Each Unit shall entitle the holder thereof to receive notice of, attend at, and cast one vote at a meeting of the Unitholders in respect of any vote upon which the applicable Class of Units is entitled to vote, or to execute any written Ordinary Resolution or Special Resolution of the applicable Class of Trust. Each Unit of the same Class will represent an equal undivided interest in the applicable Class Asset Pool of that particular class. The Units shall not be listed or traded on a stock exchange or a public market.

The Net Proceeds raised pursuant to the issuance of Units of a particular Class on a Valuation Date shall initially comprise the Class Asset Pool of such Class. The Trustees shall, as soon as practicable following the receipt of such proceeds, purchase Units of the Operating Trust Units, that shall in turn, as soon as practicable following the receipt of such proceeds, purchase LP Units.

Class or Class attributes of the Units may be amended from time to time in accordance with provisions contained in the Trust Indenture.

## Distributions

The Trustees may, and is required to in certain circumstances, declare to be payable and make distributions to Unitholders. See “*Distributions*”.

## Distribution Reinvestment Plan

The Trust has adopted a distribution reinvestment plan or DRIP that will allow eligible Unitholders to elect to have their monthly cash distribution reinvested in additional Units of the same Class and Class. See “*Material Agreements – Distribution Reinvestment Plan*”.

## INCOME TAX CONSEQUENCES AND RRSP ELIGIBILITY

You should consult your own professional advisers to obtain advice on the income tax consequences that apply to you. Not all securities are eligible for investment in a Deferred Plan. You should consult your own professional advisers to obtain advice on the eligibility of these securities for investment by a Deferred Plan.

## COMPENSATION PAID TO SELLERS AND FINDERS

The Trust has retained Cape Cove, a registered exempt market dealer and portfolio manager, as the principal Selling Agent in respect of the distribution and sale of the Units. The Trust may choose to retain additional Selling Agents. See “*Risk Factors – Risks Associated with the Trust – Conflicts of Interest*”.

## New subscriptions

A selling commission of up to 6% for Class A1 Units, Class C1 Units, Class E1 Units, Class F1 Units and Class G1 Units and up to 4% on Class D1 Units will be paid by the Trust to the Selling Agent for new subscriptions that are not a conversion of Bonds issued by AgroTech Ventures 1 inc and/or Malina Capital inc.

## Conversion of existing bonds

A selling commission of 2% will be paid to Selling agent for Class A1 Units at the conversion of bonds issued by AgroTech Ventures 1 inc and/or Malina Capital inc.

## Trailer Fee

A trailer fee of 2% per annum (paid quarterly) on the original subscription amount and will be paid to the Selling Agent after 36 months from subscription/conversion for Class A1 Units, Class C2 Units, Class E1 Units, Class F1 Units and Class G1 Units and after 24 months after subscription for Class D1 Units. So long as the client continues to hold the Units in question, the Selling Agent continues to receive the Trailer Fee. The continuing payment of a Trailer Fee may, over time, result in an amount being paid to a Selling Agent that is greater than the amount of a traditional up-front selling commission, depending on how long an investor holds an investment in Units.

UNITS	Commissions at subscription		Trailer fees		Description
	New subscription	Conversion	Rate	Beginning after	
A1	6,00%	2,00%	2,00%	36 months	MarDi.info VC
C1	6,00%	N/A	2,00%	36 months	Gigrow
D1	4,00%	N/A	2,00%	24 months	MarDi.info Financial Services

E1	6,00%	N/A	2,00%	36 months	MarDi.info ESG Responsible
F1	6,00%	N/A	2,00%	36 months	MarDi.info ESG Impact
G1	6,00%	N/A	2,00%	36 months	MarDi.info Opportunity

## No commissions

No upfront selling commissions nor trailer fees will be paid on Class A2 Units, Class C2 Units, Class D2 Units, Class E2 Units, Class F2 Units and Class G2 Units to the Selling Agent. These units are intended to be used on fee-based portfolio management accounts.

## Conflict of Interest

The Trust has retained Cape Cove, a registered exempt market dealer and portfolio manager, as the principal Selling Agent in respect of the distribution and sale of the Units. The Trust may choose to retain additional Selling Agents. Certain of the compensation described above will be paid or payable to Cape Cove and/or dealing representatives of Cape Cove. See “*The Investment Structure – Relationship between the Trust, the Trustees, the General Partner and Cape Cove – Related and Connected Issuer Disclosure*”, “*The Investment Structure – Conflict of Interest Policy*” and “*Risk Factors – Risks Associated with the Trust – Conflicts of Interest*”.

## RISK FACTORS

An investment in the Trust is speculative and contains certain investment, operational, technological, business and other risks. Prospective investors should carefully consider, among other factors, the matters described below, each of which could have an adverse effect on the value of the Units. As a result of these factors, as well as other risks inherent in any investment, there can be no assurance that the Trust will meet the Trust Investment Objectives or otherwise be able to successfully carry out its investment program. The Trust’s returns may be unpredictable and, accordingly, the Trust’s investment program is not suitable as the sole investment vehicle for an investor or for an investor that is looking for a predictable source of cash flow. An investor should only invest in the Trust as part of an overall diversified investment strategy. Based on, among others, the factors described below, the possibility of partial or total loss of capital will exist and investors should not subscribe unless they understand the risks and can readily bear the consequences of such loss of capital.

### Risks Associated with the Offering

#### *Speculative Offering*

**THIS IS A SPECULATIVE OFFERING.** The purchase of Trust Units involves a number of risk factors. There is no assurance that Unitholders will receive any return or repayment of their Capital Contributions to the Trust. An investment in any Class of Units is appropriate only for Subscribers who have the capacity to absorb a total loss of their investment. Subscribers who are not willing to rely on the sole and exclusive discretion and judgment of the Trustees should not subscribe for Trust Units. This is not a liquid investment.

#### *Liquidity*

**THERE IS NO MARKET FOR THESE SECURITIES AND THE TRANSFER OF TRUST UNITS IS SIGNIFICANTLY LIMITED AND, IN SOME CIRCUMSTANCES, PROHIBITED.** An investment in the Trust Units should only be considered by those Unitholders who are able to make and bear the economic risk of a long-term investment and the possible total loss of their investment.

### Risks Associated with the Trust

#### *Nature of Investment*

An investment in the Trust requires a long-term commitment, with no certainty of return. Investments made by the Trust, indirectly through the Partnership, may not generate current income. Therefore, the return of capital and the

realization of gains, if any, from an investment generally will occur upon the partial or complete realization or disposition of such investment. While an investment may be realized or disposed of at any time, the ultimate realization or disposition of the Trust's indirect investments may not occur for a number of years after such investments are made. This investment has a long duration that may be impacted by significant, low-probability, high-consequence events. The Trust expects to invest, indirectly through Exempt Market LP, primarily in securities that are illiquid and subject to resale restrictions. These investments are subject to various risks, particularly the risk that the Trust, indirectly through the Partnership, will be unable to realize its investment objectives by sale or other disposition at attractive prices or otherwise be unable to complete any exit strategy. In some cases, the Trust, indirectly through the Partnership, may be prohibited or limited by contract from selling certain securities for a period of time, and as a result, may not be permitted to dispose of an investment at a time it might otherwise desire to do so. Furthermore, the types of investments made may require a substantial length of time to liquidate and may have limited or no liquidity in terms of buyers for the investments at certain times, such as debt market disruptions. There can be no assurance that a public market will develop for any of the Trust's indirect investments or that the Trust, indirectly through the Partnership, will otherwise be able to realize such investments. While the Trust maintains sufficient cash balances to cover general and operating expenses, the illiquidity of the Trust's investments may cause deficiencies if substantial unexpected events occur or expenses become due. The Trust is not a reporting issuer or the equivalent thereof under the securities legislation in any jurisdiction in Canada and it is not currently anticipated that the Trust will become a reporting issuer or the equivalent thereof under such securities legislation.

### ***No Assurance of Investment Return***

The success of the Trust will depend on the ability of the Trustees to identify, select, close, grow and exit appropriate investments. The task of identifying investment opportunities, monitoring such investments and realizing a significant return for Unitholders is difficult and subject to many factors. Many organizations operated by individuals of competence and integrity have been unable to make, manage and realize on such investments successfully at certain times. There is no assurance that the Trustees will be able to generate returns for Unitholders or that returns will be at levels currently anticipated by the Trustees. The expenses of the Trust may exceed its investment returns, and the Unitholders could lose the entire amount of their Capital Contribution.

### ***Pandemic Outbreak***

On March 11, 2020, the World Health Organization recognized the outbreak of COVID-19 as a pandemic. The COVID-19 pandemic continues to negatively impact the global economy, disrupt global supply chains and create significant economic uncertainty and disruption of financial markets. Emergency measures being enacted by governments worldwide to contain the spread of the virus, including the implementation of travel bans, self-imposed quarantine periods, self isolation, physical and social distancing and the closure of non-essential businesses, are causing material disruption to businesses in Canada and globally which has resulted in an uncertain and challenging economic environment. Global debt and equity capital markets have experienced significant volatility and weakness. Governments and central banks have reacted with significant monetary and fiscal interventions designed to stabilize economic conditions. In addition, severe disruption and instability in the global financial markets and continued deteriorations in credit and financing conditions may increase the likelihood of litigation, increase the cost of or limit or restrict our ability to access debt and equity capital or other sources of funding on favourable terms, or at all, increase competition, result in reductions in our work force, cause us to further reduce our capital spend or otherwise disrupt our business or make it more difficult to implement our strategic plans. Sustained adverse effects may also prevent us from satisfying debt financial covenants.

As an emerging risk, the duration, scope and impact of the ongoing COVID-19 pandemic is unknown at this time, as is the efficacy of the government and central bank interventions and the pace of any subsequent recovery and economic normalization. Given the rapid and evolving nature of the COVID-19 pandemic, any estimate of the length and severity of these developments is therefore subject to significant uncertainty, and accordingly it is challenging for the Trust to estimate or quantify the extent to which the COVID-19 pandemic may, directly or indirectly, affect the Trust's business activities, financial condition, cash flows, profitability, prospects and results of operations in future periods.

While the impact of the COVID-19 pandemic has created short-term uncertainty, the Trust still expects to continue to grow in the medium to long term once the impact of the COVID-19 pandemic has subsided.

### ***Limited Operational History***



The Trust was formed for a limited purpose and will carry on no business other than to:

distribute Units;

invest proceeds from the issue and sale of Units in and hold a limited partnership interest in, or lend funds to, the Partnership; and

pay distributions to Unitholders in each distribution period pursuant to the Trust Indenture.

The Trust's business is subject to all the risks inherent in the establishment of a new business enterprise. There is no certainty that the Trust's business strategy will be successful. The likelihood of success of the Trust must be considered in light of the problems, expenses, difficulties, complications and delays frequently encountered in connection with the establishment of any business. If the Trust fails to address any of these risks or difficulties adequately, its business will likely suffer. There is no assurance that the Trust can operate profitably.

#### ***No Assurance of Achieving Investment Objectives or Distributions***

There is no assurance that the Trust will be able to achieve the Trust Investment Objectives. Furthermore, there is no assurance that the Trust will be able to pay distributions in the short or long term, nor is there any assurance that Net Asset Value will be preserved. There is no assurance that there will be adequate cash flow of the Trust to meet the anticipated obligations and economic objectives described in this Offering Memorandum. The funds available for distribution to Unitholders will vary according to, among other things, the return on its investments and the value of the Exempt Market LP Units. The Trust may not have any available funds to distribute cash or pay expenses, even where it has established and funded a working capital reserve for such purposes. The Trust will rely on the cash flow of the Trust to fund, in the Trustees' discretion, distributions (if any) of distributable cash (if any). Accordingly, cash distributions are not guaranteed and cannot be assured.

The Trust may not achieve the Trust Unit Target Distribution Rate for any Class Asset Pool for an interim period of six to twelve months after the Initial Closing until the amounts invested in Exempt Market LP Units are deployed by the Exempt Market LP in the Exempt Market LP Portfolio and start to generate returns. In addition, the Trust may, from time to time, including more than a year following the Initial Closing, not achieve the Trust Unit Target Distribution Rate for any Class Asset Pool in the event that high volumes of Net Proceeds from Closings of the Offering exceed the ability of the Exempt Market LP to invest those proceeds in the Exempt Market LP Portfolio over the short term. While the Trustees will manage the availability of investments in the Exempt Market LP Portfolio to the extent possible and will defer costs to the extent reasonably practicable in order to mitigate or eliminate any interim impact on the Trust Unit Target Quarterly Distribution Rate, there is no assurance that such strategies will be effective.

The return on an investment in the Units is not comparable to the return on an investment in fixed-income securities. Cash distributions to Unitholders are not guaranteed and are not fixed obligations of the Trust; any receipt of cash distributions by a Unitholder is at any time subject to the terms of the Trust Indenture. Any anticipated return on investment is based upon many performance assumptions. Although the Trust intends to distribute its available cash to Unitholders, cash distributions may be reduced or suspended at any time and from time to time. The value of the Trust Units may decline if the Trust is unable to meet its cash distribution targets in the future and that decline may be significant.

#### ***Trust Units are Not Liquid***

There is currently no market through which the Trust Units may be sold, and it is very unlikely that one will develop. The Trust intends to restrict the transfer of Trust Units to prevent the development of a market for the Trust Units. None of the Trust Units will be listed or posted for trading on a recognized stock exchange or other trading or quotation system. The Trust has not prepared, filed or delivered to potential Trust Unitholders a prospectus. The Trust Units are subject to a number of restrictions respecting transferability and resale, including a restriction on trading imposed by applicable securities laws. Until the restriction on trading expires, you will not be able to trade the Trust Units unless you comply with an exemption from the prospectus and registration requirements under securities legislation and the Trust Declaration.

Unless permitted under securities legislation, no Trust Unitholder can trade Trust Units before the date that is four months and a day after the date the Trust becomes a reporting issuer in any province or territory of Canada. The Trust is not, and currently has no intention of becoming, a reporting issuer in any province or territory of Canada, and



therefore the Trust Units will be subject to an indefinite hold period. The Trust Units may only be transferred under limited exemptions under applicable securities laws. Consequently, Trust Unitholders may not be able to sell the Trust Units readily or at all, and they may not be accepted as collateral for a loan. Trust Unitholders should be prepared to hold the Trust Units indefinitely and cannot expect to be able to liquidate their investment even in the case of an emergency. Accordingly, an investment in Trust Units is suitable solely for persons able to make and bear the economic risk of a long-term investment.

As stated above, none of the Trust Units may be sold, assigned or transferred by a Trust Unitholder, in whole or in part: (a) without prior written consent of the Trustees; or (b) as otherwise expressly provided in the Trust Declaration, subject to compliance with applicable law (including applicable securities laws and regulatory policy) and the transfer requirements in the Trust Declaration.

### ***The Trust has Limited Assets and Working Capital***

The Trust has no assets, and will undertake no activities, other than as described in this Offering Memorandum (being the Trust's investment in the Partnership through the purchase of LP Units). The Trust will not carry on business and will have limited sources of working capital. There is no assurance that the Trust will have adequate working capital to meet the anticipated requirements. In addition, there is no assurance that the Trust will have access to additional debt or equity financing when needed or at all, or on acceptable terms. It is unlikely that the Trust and its subsidiaries will have sufficient assets to satisfy any claim that a Unitholder may have against such entities.

### ***Reliance upon the Partnership***

The Trust is an open-ended limited purpose investment trust that will entirely depend upon the Exempt Market LP since the Trust's primary asset is its interest in the Partnership, as a Special Partner. Distributions, if any, to Unitholders will depend upon numerous factors, including profitability and fluctuations in working capital of the Partnership.

***Performance of the Portfolio.*** The Trust has no control over the factors that affect the value of the investments, including factors that affect the debt and equity markets generally such as general economic and political conditions and fluctuations in interest rates, foreign currency exchange rates and factors unique to each issuer included in the Exempt Market LP Portfolio, such as commodity prices or the performance of emerging market economies generally. The Trust's indirect holdings through the Partnership in particular investments may be insufficient to give it control or influence over changes in management, changes in strategic direction, achievement of strategic goals, mergers, acquisitions and divestitures, changes in distribution policies and other events that may affect the value of its securities.

### ***Valuation of the Trust's Investments***

The valuation of the Trust's and the Partnership's securities and other investments by the Trustees may involve uncertainties and judgmental determinations and, if such valuations should prove to be incorrect, the Net Asset Value could be adversely affected. Independent pricing information may not at times be available regarding certain of the Trust and the Partnership's securities and other investments. Valuation determinations will be made in good faith in accordance with the Trust Indenture. The Trust, indirectly through the Partnership, may have some of its assets in investments, including private companies or asset-backed securities, which by their very nature may be extremely difficult to value accurately and may depend significantly on assumptions. To the extent that the value assigned by the Trustees to any such investment differs from the actual value, the Net Asset Value may be understated or overstated, as the case may be. The Trustees does not intend to adjust the Net Asset Value retroactively.

### ***Reliance on the Trustees***

All decisions with respect to the Trust Property and the operations of the Trust are expected to be made exclusively by the Trustees. Unitholders will have no right to make any decisions with respect to the management, disposition or other realization of any investment, or other decisions regarding the Trust's business and affairs.

### ***Information Technology Governance and Security, Including Cyber Security***

In the ordinary course of the Trust's business, the Trust collects, stores, processes and/or transmits sensitive data belonging to subscribers, Unitholders, vendors, employees and contractors, as well as proprietary business information and intellectual property of the Trust. The secure processing, maintenance and transmission of this information is critical to the business of the Trust. The Trust has implemented a secure operating framework which will include

eventual policies and governance, prevention and detection technologies, backup and recovery processes and other procedures and technology in the protection of its data, software and infrastructure assets from loss, theft, unauthorized access, vandalism, cyber-attacks, or events such as power outages or surges, floods, fires or other natural disasters. The Trust has also implemented a major incidence process whereby breaches or unauthorized access to its systems are assessed and reported based on established communication protocols. Despite such security measures, data, systems and infrastructure may be vulnerable to cyber-attacks or breached due to employee error, malfeasance or other disruptions. These security breaches could materially compromise information, disrupt business operations or cause the Trust to breach obligations, thereby exposing the Trust to liability, reputational harm and/or significant remediation costs. A theft, loss, corruption, exposure, fraudulent use or misuse of information whether by third parties or as a result of employee malfeasance could result in significant remediation and other costs, fines, litigation or regulatory actions against the Trust, as well as, cause reputational harm, negatively impact the Trust's competitive position and affect financial results. The Trust is increasingly relying on third party data storage providers, including cloud storage solution providers, resulting in less direct control over data and system processing. Such third parties may also be vulnerable to security breaches for which the Trust may not be indemnified, and which could cause materially adverse harm to the Trust's reputation and competitive position or affect the Trust's financial results.

### ***Employee Errors or Misconduct***

There have been a number of highly publicized cases involving fraud or other misconduct by employees in the investment industry in recent years and, notwithstanding the measures we take and intend to take to deter and prevent such activity, there is the risk that employee misconduct could occur. Misconduct by employees could include binding us to transactions that exceed authorized limits or present unacceptable risks, or concealing from us unauthorized or unsuccessful activities, which in either case, may result in unknown and unmanaged risks or losses. Employee misconduct could also involve the improper use of confidential information, which could result in regulatory sanctions and serious reputational harm. The Trust and the Partnership are also susceptible to loss as a result of employee error. It is not always possible to deter employee misconduct or prevent employee error and the precautions taken to prevent and detect this activity may not be effective in all cases, which could materially adversely affect the Trust and the Partnership.

### ***Reliance on Assumptions***

The Trust Investment Objectives, strategy, analysis and expectations regarding recent economic developments have been formulated by the Trustees. Such analysis and expectations regarding recent economic developments. Such analysis may be incorrect and such expectations may not be realized; in which event the Trust may not generate sufficient funds to pay the expected distributions.

### ***Dependence on Investment Professionals***

The success of the Trust will depend in large part upon the skill and expertise of the investment professionals and other personnel employed by the Trust and the Partnership. There can be no assurance that such personnel will remain with The Trustees. The loss of one or more of these individuals could have a significant adverse impact on the business of the Trust.

### ***Hedging***

The Exempt Market LP may engage in currency risk management activities that may make use of financial instruments to hedge its exposure to fluctuations in CDN\$ / USD\$ currency exchange rates and other market risks, which creates exposure to the following risks for the Trust:

Unfavourable movements in foreign exchange could result in a financial or opportunity loss to the Trust;

A lack of counterparties, due to market conditions or other circumstances, could result in the Exempt Market LP being unable to liquidate or offset a position, or unable to do so at or near the previous market price;

The Exempt Market LP may not receive funds or instruments from the counterparty at the expected time or at all;

The counterparty could default or fail to perform an obligation owed to the Exempt Market LP; and

Loss as a result of human error, technological, cybersecurity or deficiency in the Exempt Market LP's systems or controls.

### ***Conflicts of Interest***

There may be occasions when the officers and directors of the Trust, General Partner or Cape Cove encounter conflicts of interest in connection with the Trust's activities, including where Cape Cove is providing advisory (or other business) services to other entities, have another business relationship with regards to an investment or are engaged in other investment management business activities.

Other than the standard of care specified in the Trust Indenture and the Partnership Agreement, the Trustees and the General Partner are not in any way limited or affected in their ability to carry on business ventures for their own account and for the account of others and may be engaged in the ownership, acquisition and operation of businesses, which compete with the Trust.

### ***Use of Available Cash***

The payment in cash by the Trust of the Redemption Price of Trust Units (as opposed to payment of the Redemption Price through the issuance of Redemption Notes) will reduce the amount of cash available to the Trust for the payment of distributions to Unitholders, as cash payments of the amount due in respect of redemptions will take priority over the payment of cash distributions.

### ***Limitation on Payment of Redemption Amount in Cash***

**Cash redemptions payable at the Trust are dependent on the ability of its investments in LP Units of the Partnership to fund such redemption requests. The Exempt Market LP will hold securities of reporting issuers. However, the Exempt Market LP is less liquid and imposes a quarterly cash redemption limit.**

### ***Termination of Trust as a Result of Redemption***

If holders of a substantial number of Units exercise their redemption rights, the number of Units outstanding could be significantly reduced. In any such circumstance, the Trustees may at any time terminate the Trust without the approval of the Unitholders if, in the opinion of the Trustees, it is no longer economically feasible to continue the Trust, or the Trustees determines that it would be in the best interests of Unitholders to terminate the Trust.

### ***Redemption Notes***

The Redemption Price for Units paid by the Trust may not be paid in cash in certain circumstances but instead may be paid through the issue of Redemption Notes by the Trust. **Subscribers should note that Redemption Notes will not be a qualified investment for tax-exempt subscribers.** See "Income Tax Consequences and RRSP Eligibility" - "Risk Factors - Payment of Redemption Price in Kind and through issuance of Redemption Notes".

In the event that the Trust issues Redemption Notes to redeeming Unitholders, the Trustees and General Partner shall comply with the following:

- (a) the Trustees, on behalf of the Trust, shall only issue Redemptions Notes in compliance with the terms and conditions of the Trust Indenture;
- (b) the form of the Redemption Notes to be issued by the Trust shall be approved by the Trustees in accordance with the Conflict of Interest Policy of the Trustees;
- (c) the Trustees, on behalf of the Trust, shall advise redeeming Unitholders as soon as practicable in writing (the "**Redemption Note Issuance Notice**") that the Redemption Price for the Units tendered for redemption will be paid in whole or in part by Redemption Notes, and such Unitholders have 15 Business Days from the date of the Redemption Note Issuance Notice to rescind their redemption request, if desired; and
- (d) the Redemption Note Issuance Notice shall include: (i) the form of the Redemption Note; (ii) reference to the ineligibility of Redemption Notes as a qualified investment for Registered Plans and the general tax consequences to a Unitholder holding a "prohibited investment", such as a Redemption Note in a Registered Plan; (iii) discussion of options available to a Unitholder and a Registered Plan Trustees of a Unitholder, as a result of receiving a prohibited

investment in a Registered Plan as issued by the Trust; (iv) reference to the risk factor having the heading “*Priority of Redemption Notes over Units*” in this Offering Memorandum; and (v) advice to the Unitholder to speak with their legal counsel and tax advisors regarding points (i)-(iv) in this paragraph (d).

See “*Summary of the Partnership Agreement – Redemption of LP Units – Exempt Market LP Redemption Notes*” and “*Risk Factors – Risks Associated with the Trust – Repayment of Redemption Notes*”.

### ***Redemption Notes will be Unsecured***

Redemption Notes issued by the Trust will be unsecured debt obligations of the Trust and may be subordinated to other financing obtained by the Trust.

### ***Repayment of Redemption Notes***

The Trust will create a reserve fund for interest payable with respect to Redemption Notes issued by the Trust. In the event that the Trust is unable to pay out a Redemption Note on maturity it may borrow funds from related and unrelated parties or seek to extend the terms of the Redemption Note. Notwithstanding the aforesaid circumstances may arise resulting in the Trust may not have funds available to pay on maturity the principal balance and accrued unpaid interest under any Redemption Notes issued.

### ***Priority of Redemption Notes over Units***

Redemption Notes, if issued by the Trust, may, in certain circumstances, have priority over Units in the event of the liquidation of the assets of the Trust. There are various considerations with respect to creditor rights and bankruptcy law that will need to be considered both at the time Redemptions Notes are issued and at the time of any liquidation of the assets of the Trust in order to determine if such a priority exists.

### ***Payment of Redemption Price Issuance of Redemption Notes***

The redemption of Units may be paid and satisfied by way of Redemption Notes, as determined by the Trustees in their discretion, to the redeeming Unitholder. Redemption Notes will not be liquid and will not be a qualified investment for Registered Plans and will be a prohibited investment for Deferred Plans. Adverse tax consequences generally may apply to a Unitholder, or Deferred Plan and/or its annuitant, beneficiary thereunder or holder thereof, as a result of the redemption of Units. Accordingly, investors that propose to invest in Units through Deferred Plans should consult their own tax advisors before doing so to understand the potential tax consequences of exercising their redemption rights attached to such Units.

### ***Lack of Independent Counsel Representing Unitholders***

The Trust and the Trustees have consulted with and retained for their benefit legal counsel to advise them in connection with the formation and terms of the Trust and Partnership and the offering of Trust Units. Unitholders have not, however, as a group been represented by independent legal counsel or independent tax and financial advisors regarding the desirability of purchasing Trust Units and the suitability of investing in the Trust. Therefore, to the extent that the Unitholders could benefit by further independent review, such benefit will not be available unless individual Unitholders retain their own legal counsel. Unitholders are urged to seek their own independent legal, tax, and financial advisors regarding this or any investment.

### ***Unitholder Liability***

There is a risk that Unitholders could become subject to liability. The Trust Indenture provides that no Unitholder shall be liable in connection with the ownership or use of the Trust Property, the obligations or activities of the Trust, any acts or omissions of the Trustees or any other person in respect of the activities or affairs of the Trust or any taxes or fines payable by the Trust or the Trustees, provided that each Unitholder remain responsible for taxes assessed against them by reason of or arising out of their ownership of Trust Units. Further, if a Unitholder is held to be liable in circumstances for which the Trust Indenture provides that there is to be no liability to the Unitholder. The Unitholder will be entitled to be indemnified and reimbursed out of the Trust Property for the full extent of any such costs and liability to the Unitholder. The Trust Indenture provides that every contract entered into by or on behalf of the Trust, whether by the Trustees or otherwise, shall include a provision to the effect that such obligation will not be binding upon Unitholders personally.

Certain provinces have legislation relating to unitholder liability protection, including British Columbia, Alberta, Saskatchewan, Manitoba, Ontario and Québec. To the Trust's knowledge, certain of these statutes have not yet been judicially considered and it is possible that reliance on such statute by a Unitholder could be successfully challenged on jurisdictional or other grounds.

### ***Unitholders have limited voting rights***

Unitholders are NOT shareholders and do not enjoy the rights and privileges offered to shareholders under corporate statutes. The Trust is not generally regulated by established corporate law and Unitholders' rights are governed primarily by the specific provisions of the Trust Indenture. Subject to the Trust Indenture, Unitholders have rights to attend and vote at meetings; however, the Trust may but is not required to hold annual meetings of Unitholders or any Unitholder meetings on a periodic basis.

### ***Recourse to the Trust's Assets***

The Trust Property, including any investments made by the Trust and any capital held by the Trust, are available to satisfy all liabilities and other obligations of the Trust. If the Trust itself becomes subject to a liability, parties seeking to have the liability satisfied may have recourse to the Trust's assets generally and not be limited to any particular asset, such as the investment, giving rise to the liability.

### ***Indemnification***

The Trustees and each former Trustees is entitled to indemnification and reimbursement out of the Trust Property, except under certain circumstances, from the Trust. Such indemnification obligations could decrease the returns, which would otherwise be available to the Unitholders of the Trust.

### ***Effect of Expenses on Returns***

The Trust will bear all expenses related to its operations and such expenses will reduce the actual returns to the Unitholders. Most of the expenses will be paid regardless of whether the Trust produces positive investment returns. If the Trust does not produce significant positive investment returns, these expenses could result in a Unitholder incurring a net loss in its investment.

### ***Lack of Regulatory Oversight***

The Trust is not a "reporting issuer" or the equivalent under securities legislation and is not subject to the same level of regulatory oversight as applicable to "reporting issuers" (or the equivalent).

### ***No Review of Offering Memorandum by Regulatory Authorities***

Investors will not have the benefit of a review of this Offering Memorandum, the Trust Indenture, or any other documents in relation to the Offering by any regulatory authorities.

### ***Disclosure of Personal Information***

Investors are advised that their names and other specified information, including the number and aggregate value of the Units owned: (i) will be disclosed to the relevant Canadian securities regulatory authorities and may become available to the public in accordance with the requirements of applicable securities and freedom of information laws and the investor consents to the disclosure of such information; (ii) is being collected indirectly by the applicable Canadian securities regulatory authority under the authority granted to it in securities legislation; and (iii) is being collected for the purposes of the administration and enforcement of the applicable Canadian securities legislation.

### ***U.S. Tax Risk - FATCA***

Pursuant to U.S. tax rules that came into force in 2014 a new withholding tax system known as the Foreign Account Tax Compliance Act ("FATCA") was added to the U.S. Internal Revenue Code. With effect since July 1, 2014, the regulations under FATCA may result in the imposition of a 30% U.S. withholding tax on certain U.S. source income (and, effective January 1, 2019, on gross proceeds from the disposition of property that can give rise to U.S. source interest or dividends) paid unless the recipient or jurisdiction in which the recipient is located enters into and complies with an agreement with the Internal Revenue Service ("IRS"). The Trust may be considered to be a non-U.S. financial

institution for purposes of FATCA and, therefore, payments to the Trust may be subject to such U.S. withholding tax requirements unless the Trust collects certain information from its investors and (where applicable) their beneficial owners, including information regarding their citizenship, and reports certain information to the IRS on its U.S. investors who are considered to be “US persons” and certain investors that are entities whose beneficial owners include US persons. Additionally, commencing in 2014, if the Trust meets certain conditions, it may be required to withhold 30% U.S. tax on all or a portion of certain payments made to an investor in the Trust who (i) fails to provide the required information to the Trust, or (ii) is a non-U.S. financial institution that has not entered into an agreement with the IRS under FATCA or (iii) holds securities of the Trust directly or indirectly through a noncompliant non-U.S. financial institution. The Trust intends to comply with these obligations to ensure that the 30% U.S. withholding tax does not apply to any payment they receive.

In February of 2014, the Governments of Canada and the United States signed an agreement, the Agreement Between the Government of the United States of America and the Government of Canada to Improve International Tax Compliance through Enhanced Exchange of Information under the Convention Between the United States of America and Canada with Respect to Taxes on Income and on Capital (“IGA”) under the Canada-United States Tax Convention (1980) (the “Treaty”), as amended, concerning the implementation of FATCA. The IGA was, in turn, implemented in Canada and its application modified for certain purposes under provisions found in Part XVIII of the Tax Act. Several of the key provisions of the IGA as it is implemented by the Tax Act are as follows:

1. Financial institutions in Canada will not report any information directly to the IRS. Rather, relevant information on accounts held by U.S. residents and U.S. citizens and certain entities with controlling persons that are U.S. residents or U.S. citizens will be reported to the Canada Revenue Agency (previously defined as the CRA). The CRA will then exchange the information with the IRS through the existing provisions and safeguards of the Treaty. The information required for this purpose must be requested and obtained from investors.
2. Significant exemptions and relief have been obtained under the IGA for reporting under FATCA. These include registered retirement savings plans, registered retirement income funds and tax-free savings accounts which will be exempt from reporting.
3. The 30% U.S. withholding tax under FATCA will generally not apply to clients of Canadian financial institutions and will apply to such institutions only if the institution is in significant and long-term non-compliance with its obligations under the IGA.

In 2016, the Tax Act was amended to implement the Organization for Economic Co-operation and Development’s Common Report Standard (the “CRS Legislation”). Pursuant to the CRS Legislation, starting as of July 1, 2017 “Canadian financial institutions” (as defined in the CRS Legislation) are required to have procedures in place to identify accounts held by residents of foreign countries (other than the U.S.), or held by certain entities the “controlling persons” of which are residents in such countries, and to report prescribed information to the Canada Revenue Agency. Such information would be exchanged on a reciprocal, bilateral basis with the countries in which the account holders or such controlling persons are resident where such countries have agreed to a bilateral information exchange with Canada under the Common Reporting Standard. Under the CRS Legislation, investors will be required to provide certain information including their tax identification numbers for the purpose of such information exchange unless their investment is held within a registered account.

## **Risks Associated with the Business**

### ***General Economic Conditions***

The current general economic conditions, including in Canada and the U.S. and a worldwide economic slowdown, together with market disruptions to the credit and financial markets in Canada, the U.S. and the rest of the world may adversely affect the Partnership’s activities and its investments. Interest rates, changes in currency exchange rates, general levels of economic activity, the price of securities and participation by other investors in the financial markets may affect the value of investments made by the Partnership or considered for prospective investment.

### ***Competitive Marketplace***

Exempt Market LP will be competing for investment opportunities with a significant number of other entities offering sources of equity and debt capital, including banks, private equity funds, institutional investors, strategic investors, as well as the public equity markets. As a result of this competition, there can be no assurance that the Partnership will



be able to locate suitable investment opportunities, acquire them for an appropriate level of consideration, achieve its targeted rate of return or fully invest its Capital Contributions. In addition, if the Partnership makes only a limited number of investments, the aggregate returns realized by the Trust could be adversely affected in a material manner by the unfavourable performance of even one such investment.

### ***Interest Rate Risk***

Interest rate risk is the risk that the market value of the Trust's and the Partnership's interest-bearing investments will fluctuate due to changes in market interest rates. Generally, interest-bearing investments will decrease in value when interest rates rise and increase in value when interest rates decline. The Net Asset Value of the Partnership will fluctuate with interest rate changes and the corresponding changes in the value of their investments.

### ***Credit Risk***

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The nature of the Partnership's investments in various types of lending creates credit risk through the possibility of borrowers defaulting on their repayment obligations. Through substantial loan defaults, the Partnership's investments could be devalued or lost.

### ***Currency Risk***

Currency risk is the risk that the value of investments denominated in foreign currencies will fluctuate due to changes in exchange rates. The assets and liabilities of the Trust are held in the functional currency of the Trust, which is the Canadian dollar. The Trust currently only invests and makes distributions denominated in Canadian dollars; however, the underlying Partnership may at times have exposures to more than one currency and in this case fluctuation in the value of the U.S. dollar could devalue the Partnership's investments.

### ***Foreign Market Risk***

Exempt Market LP may, at any time, include securities of an issuer established in jurisdictions outside Canada and the U.S. Although most of such issuers will be subject to uniform accounting, auditing and financial reporting standards comparable to applicable Canadian and U.S. companies, some issuers may not be subject to such standards and, as a result, there may be less publicly available information about such issuers than Canadian or U.S. companies. Volume and liquidity in some foreign markets may be less than in Canada and the U.S. and, at times, volatility of price may be greater than in Canada or the U.S. As a result, the price of such securities may be affected by conditions in the market of the jurisdiction in which the issuer is located or its securities are traded. Investments in foreign markets may carry the potential exposure to the risk of political upheaval, acts of terrorism and war, all of which could have an adverse impact on the value of such securities.

### ***Liquidity of Investments***

In certain circumstances, such as where securities of private issuers are involved or the disruption of the orderly markets for equity securities, currencies, commodities, derivatives and/or financial instruments in which the Trust indirectly invests, the Trust, indirectly through the Partnership, may not be able to dispose of certain holdings quickly or at prices that represent true market value.

### ***Past Performance and Fluctuations in Value***

There can be no assurance that either Exempt Market LP will achieve its investment objectives. The past investment performance of the Trust should not be construed as an indication of the future results of an indirect investment in Exempt Market LP. Investors may not get back the amount they have invested.

### ***Reinvestment Risk***

There can be no assurances that any of the mortgages or commercial loans in which the Partnership has invested, from time to time, can or will be renewed at the same interest rates and terms, or in the same amounts as are currently in effect. With respect to each mortgage or loan it is possible that the lender, the borrower or both, will not elect to renew such mortgage or loan or the borrower will elect to prepay all or a part of such mortgage or loan. In addition, if the mortgages or loans are renewed, the principal balance of such renewals, the interest rates and the other terms and

conditions of such mortgages or loans will be subject to negotiations between the lenders, the borrower and the Mortgage Administrators, as applicable, at the time of renewal.

### ***Investments in Early Stage Companies***

Exempt Market LP's strategies may include investing in issuers at an early stage. Early stage issuers may be more volatile due to their limited operating and financial history, relative lack of financial resources or their susceptibility to major setbacks or downturns.

### ***Litigation Risks***

In the normal course of the Partnership's operations, whether directly or indirectly, it may become involved in, named as a part to or the subject of, various legal proceedings, including, but not limited to, 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 the Partnership's interests and as a result, could have a Material Adverse Effect of the Partnership's investments, liabilities, business, financial condition and results of operations. Even if the Partnership 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 business operations, which could have a Material Adverse Effect on the Partnership's business, cash flow, financial condition and results of operations and ability to make distributions to Unitholders.

### ***Changes in Legislation***

There can be no assurance that income tax, securities or other laws, or any administrative practice or interpretation thereof will not be changed in a manner, which adversely affects funds or their investors.

### ***Uninsured and Underinsured Losses***

The Trustees will use discretion in determining amounts, coverage and limits and deductibility provisions of insurance for their respective operations and assets, with a view to maintaining appropriate insurance coverage on its assets at a commercially reasonable cost and on suitable terms. This may result in insurance coverage that, in the event of a substantial loss, would not be sufficient to pay the full current market value or current replacement cost of its assets. Further, in many cases certain types of losses (generally of a catastrophic nature) are either uninsurable or not economically insurable. A judgment against the Partnership in excess of available insurance or in respect of which insurance is not available could have a Material Adverse Effect on the Trust's business and financial condition. A substantial loss without adequate insurance coverage could have a Material Adverse Effect on the business, financial condition, liquidity and results of operation for the Partnership.

### ***No Assurance Trust Investment Objectives or Distributions will be Achieved***

There is no assurance that the Trust will be able to achieve the Trust Investment Objectives. Furthermore, there is no assurance that the Trust will be able to pay distributions in the short or long term, nor is there any assurance that the Net Asset Value will be preserved. The distributions received by the Trust from issuers whose securities are held as investments may vary from quarter to quarter and certain of these issuers may pay distributions less frequently than quarterly, with the result that revenue generated by the portfolio and available for distribution to Unitholders of the Trust could vary substantially.

### ***Trust Units are Not Insured***

The 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 or any other insurance company or program.

### ***Trust Units do Not Have Rights Normally Associated with the Ownership of Shares in a Corporation***

A Unitholder does not have all of the same protections, rights and remedies as a shareholder would have under the QBCA. Unlike shareholders of an QBCA corporation, the Trust will not be required to hold annual Unitholder meetings and Unitholders do not have a comparable right of a shareholder to make a proposal at a general meeting of the Trust. The matters in respect of which Unitholder approval is required under the Trust Indenture are generally less extensive than the rights conferred on the shareholders of an QBCA corporation. Unitholders do not have recourse to



a dissent right under which shareholders of an QBCA corporation are entitled to receive the fair value of their shares where certain fundamental changes affecting the corporation are undertaken (such as an amalgamation, the sale of all or substantially all of its property, or a going private transaction). Unitholders similarly do not have recourse to the statutory oppression remedy that is available to shareholders of an QBCA corporation, which would apply where the corporation undertakes actions that are oppressive, unfairly prejudicial or disregard the interests of security holders and certain other parties. Shareholders of an QBCA corporation may apply to a court to order the liquidation and dissolution of the corporation in certain circumstances whereas Unitholders may rely only on the general provisions of the Trust Indenture, which permit the winding-up of the Trust with the approval of an extraordinary resolution of the Unitholders. Shareholders of an QBCA corporation may also apply to a court for the appointment of an inspector to investigate the manner in which the business of the corporation and its affiliates is being carried on where there is reason to believe that fraudulent, dishonest or oppressive conduct has occurred. The QBCA also permits shareholders to bring or intervene in derivative actions in the name of the corporation or any of its subsidiaries, with the leave of a court. The Declaration of Trust does not include comparable rights.

### ***Trustees not Registered Under Trust and Loan Legislation***

Neither the Trust nor the Trustees is a trust company and, accordingly, is not registered under any trust and loan company legislation as it does not carry on or intend to carry on the business of a trust company. Neither is the Trust a legally recognized entity within the relevant definitions of the *Bankruptcy and Insolvency Act* (Canada) or *The Companies Creditors Arrangement Act* (Canada). As a result, if a restructuring of the Trust were necessary, the Trust would not be able to access the remedies available under these statutes.

### ***Eligibility for Registered Plans***

In order for the Trust to qualify as a mutual fund trust, and hence be a qualified investment for Registered Plans, it must have at least 150 Unitholders of a class, each holding at least CD\$500 worth of Units of such class in addition to satisfying certain additional requirements under the Tax Act. There can be no assurance that the Trust will have more than 150 Unitholders of a class, each holding at least CD\$500 worth of Units of such class and that the Trust will otherwise satisfy the requirements under the Tax Act in order for it to qualify as a “mutual fund trust” thereunder.

### ***Income Tax Risks***

Canadian federal and provincial tax aspects and local tax aspects should be considered prior to purchasing Units under the Offering. Unitholders are urged to consult their own tax advisors, prior to purchasing Units, with respect to the specific tax consequences to them. No advance income tax ruling has been applied for or received with respect to the income tax consequences described in this Offering Memorandum.

There can be no assurance that Canadian federal income tax laws or the judicial interpretation thereof or the administrative or assessing practices of the CRA respecting the treatment of trusts or limited partnerships will not be changed in a manner that adversely affects Unitholders or fundamentally alters the income tax consequences of investing in, holding or disposing of the Units. There is also a risk that CRA may reassess the returns of Unitholders relating to their investments in the Units.

The taxation of corporations, trusts and limited partnerships is complex. In the ordinary course of business, the Trust may be subject to ongoing audits by tax authorities. In addition, tax legislation changes periodically, sometimes with retroactive effect.

While the Trust believes that its tax filing position is appropriate and supportable, and that the Trust and the Partnership will not be subject to the SIFT rules contained in the Tax Act, it is possible that tax matters, including the calculation and determination of revenue, expenditures, deductions, credits and other tax attributes, taxable income and taxes payable, may be reviewed and challenged by the tax authorities. If such challenge were to succeed, it could have a material adverse effect on the Trust’s tax position. Further, the interpretation of and changes in tax laws, whether by legislative or judicial action or decision, and the administrative policies and assessing practices of taxation authorities, could materially adversely affect the Trust’s tax position. As a consequence, the Trust is unable to predict with certainty the effect of the foregoing on its effective tax rate and earnings.

Unitholders should consult their own professional advisors as to the tax consequences to them of making an investment in, and of holding, Units.

Although the Trust is of the view that all expenses to be claimed by it in the determination of its income under the Tax Act will be reasonable and deductible in accordance with the applicable provisions of the Tax Act and that the allocations of income and losses to be made for purposes of the Tax Act will be reasonable, there can be no assurance that the Tax Act or the interpretation of the Tax Act will not change, or that the CRA will agree with the expenses claimed. If CRA successfully challenges the deductibility of expenses or the allocation of income and losses, the Trust's allocation of taxable income and losses to the Unitholders may change.

The possibility exists that a Unitholder will receive allocations of income without receiving cash distributions from the Trust in the year sufficient to satisfy the Unitholder's tax liability for the year arising from its status as a Unitholder.

#### ***Trust Redemption Notes where Units held in Registered Plans***

The Redemption Amount payable on redemption of Units may be satisfied, in whole or in part, by the issuance of Trust Redemption Notes, as determined by the Trustees in certain circumstances (see "*Summary of the Trust Indenture – Redemption of Units – Trust Redemption Notes*"). Such Trust Redemption Notes may not be liquid and generally will not be a qualified investment for Registered Plans. Adverse tax consequences generally may apply to a Unitholder, or a Registered Plan and/or its annuitant, beneficiary thereunder or holder thereof, as a result of the acquiring and holding of Trust Redemption Notes. Accordingly, investors that propose to invest in Units through Registered Plans should consult their own tax advisors before redeeming Units in order to understand the potential tax consequences of exercising their redemption rights attached to such Units.

#### ***Securities Regulatory Risks***

In the ordinary course of business, the Trust may be subject to ongoing reviews by the securities regulators, who have broad powers to pass, interpret, amend and change the interpretation of securities laws from time to time and broad powers to protect the public interest and to impose terms, conditions, restrictions or requirements regarding registration under securities laws. Further, the securities regulators have the authority to retroactively deny the benefit of an exemption from prospectus or registration requirements otherwise provided for in the securities laws where the regulator considers it necessary to do so to protect investors or the public interest.

While the Trust believes that its position regarding compliance with securities laws is appropriate and supportable, it is possible that securities matters may be reviewed and challenged by the securities authorities. If such challenge were to succeed, it could have a material adverse effect on the Trust. There can be no assurance that applicable securities laws or the securities regulators interpretation thereof or the practices of the securities regulators will not be changed or re-interpreted in a manner that adversely affects the Trust.

#### ***Environmental Costs and Liabilities Risk***

Exempt Market LP is subject to a variety of national, state, foreign, provincial and/or local laws and regulations that impose limitations and prohibitions on the discharge and emission of, and establish standards for the use, disposal and management of regulated materials and waste, and that impose liability for the costs of investigating and cleaning up damages resulting from present and past spills, disposals or other releases of hazardous substances or materials. These domestic and international environmental laws can be complex and may change often, the compliance expenses can be significant, and violations may result in substantial fines and penalties. As a result, Exempt Market LP may be liable for contamination at properties that it currently owns or operates. As a manufacturer, Exempt Market LP related businesses has an inherent risk of liability under environmental laws, both with respect to ongoing operations and with respect to contamination that may have occurred in the past on its properties or as a result of its operations. Exempt Market LP could, in the future, incur a material liability resulting from the costs of complying with environmental laws or any claims concerning noncompliance, or liability from contamination.

Exempt Market LP cannot predict what environmental legislation or regulations will be enacted in the future, how existing or future laws or regulations will be administered or interpreted, or what environmental conditions may be found to exist at its facilities or at third party sites for which it is liable. Enactment of stricter laws or regulations, stricter interpretations of existing laws and regulations or the requirement to undertake the investigation or remediation of currently unknown environmental contamination at its own or third-party sites may require Exempt Market LP to make additional expenditures, some of which could be material.

#### ***Intellectual Property Risk***

Exempt Market LP related businesses relies on a combination of trademarks, licensing agreements and unpatented proprietary know-how and trade secrets to establish and protect its intellectual property rights. Exempt Market LP related businesses enters into confidentiality agreements with customers, vendors, employees, consultants and potential acquisition candidates as necessary to protect its know-how, trade secrets and other proprietary information. However, these measures may not afford complete protection of the intellectual property, and it is possible that third parties may copy or otherwise obtain and use Exempt Market LP related businesses proprietary information and technology without authorization or otherwise infringe on its intellectual property rights. Exempt Market LP cannot assure that its competitors will not independently develop equivalent or superior know-how, trade secrets or production methods. Significant impairment of its intellectual property rights could harm Exempt Market LP related businesses business or its ability to compete. For example, if it is unable to maintain the proprietary nature of its technologies, Exempt Market LP related businesses profit margins could be reduced as competitors could more easily imitate its products, possibly resulting in lower prices or lost sales for certain products. In such a case, Exempt Market LP related businesses business, results of operations and financial condition may be materially and adversely affected.

Exempt Market LP may be periodically involved in litigation in the course of its business to protect and enforce its intellectual property rights, and third parties may from time to time initiate claims or litigation asserting infringement or violation of their intellectual property rights. Exempt Market LP cannot assure that its products will not be found to infringe upon the intellectual property rights of others. Further, Exempt Market LP cannot assure that it will prevail in any such litigation, or that the results or costs of any such litigation will not have a material adverse effect on its business. Any litigation concerning intellectual property could be protracted and costly and is inherently unpredictable and could have a material adverse effect on Exempt Market LP related businesses business, results of operations or financial condition regardless of its outcome.

### ***Management of Growth Risk***

Exempt Market LP may be subject to growth-related risks. The ability of Exempt Market LP to manage growth effectively will require it to continue to implement and improve related businesses operational and financial systems and to expand, train and manage its employee base. The inability of Exempt Market LP to deal with this growth may have a material adverse effect on business, financial condition, results of operations and prospects.

### ***Strategic Alliances Risks***

Exempt Market LP currently has, and may in the future enter into further, strategic alliances with third parties that it believes will complement or augment its existing business. Exempt Market LP related businesses ability to complete strategic alliances is dependent upon, and may be limited by, the availability of suitable candidates and capital. In addition, strategic alliances could present unforeseen integration obstacles or costs, may not enhance Exempt Market LP related businesses business, and may involve risks that could adversely affect Exempt Market LP, including significant amounts of management time that may be diverted from operations to pursue and complete such transactions or maintain such strategic alliances. Future strategic alliances could result in the incurrence of additional debt, costs and contingent liabilities, and there can be no assurance that future strategic alliances will achieve, or that Exempt Market LP related businesses existing strategic alliances will continue to achieve, the expected benefits to Exempt Market LP related businesses business or that Exempt Market LP will be able to consummate future strategic alliances on satisfactory terms, or at all. Any of the foregoing risks and uncertainties could have a material adverse effect on Exempt Market LP related businesses business, financial condition and results of operations.

### ***Innovation and technological changes Risk***

Exempt Market LP's success may depend on its ability to adapt to technological changes in the industry its related businesses are involved. If it is unable to timely develop and introduce new products, or enhance existing products, in response to changing market conditions or customer requirements or demands, its competitiveness could be materially and adversely affected.

### ***Composition of Investments***

The composition of the Investments taken as a whole may vary widely from time to time and may be concentrated by type of security, commodity, industry or geography, resulting in the Investments being less diversified than anticipated.

### ***Risks Particular to Alternative Credit Transactions***

### Financing of Mid-Market Businesses

The Exempt Market LP Portfolio will consist primarily of financing solutions provided to small to mid-market businesses, including privately-owned issuers, many of which do not publicly report their financial condition and are not subject to the same accounting rules and securities laws that govern disclosure and financial controls of reporting issuers (i.e., public companies).

Compared to larger, publicly traded companies, financing solutions offered to these types of businesses may carry more inherent risk. It is anticipated that the Exempt Market LP's financing clients will generally have limited access to capital and higher funding costs. Such businesses may need more capital to expand or compete and may be unable to obtain financing from public capital markets or from traditional sources, such as commercial banks. Mid-market businesses may also have shorter operating histories, narrower product lines and smaller market shares than larger businesses, which tend to render them more vulnerable to competitors' actions and market conditions, as well as the Exempt Market LP's financing clients will likely not publicly report their financial condition and may not have sophisticated financial controls and oversight, the Exempt Market LP is more susceptible to a client's misrepresentation, which could result in a Material Adverse Effect. See also "*Risk Factors – Risks Associated with the Business – Risks Particular to the Alternative Credit Industry – Fraud by a Financing Client*".

The failure of a financing client to accurately report its financial position could result in the Exempt Market LP providing financing solutions to a financing client that does not meet the partnership's criteria, defaults on payments owing to the Exempt Market LP, the loss of some or all of the principal of a loan, or non-compliance by a financing client with applicable covenants. Accordingly, financing solutions offered to these types of businesses involve higher risk than financing solutions offered to larger businesses with greater financial resources or that are otherwise able to access traditional credit sources.

### Creditworthiness of Financing Clients

The Exempt Market LP's business depends on the creditworthiness of its financing clients and their ability to fulfill their obligations to the Exempt Market LP. Although the Exempt Market LP intends to offer financing solutions only to financing clients that have the ability to pay the interest rate or yield negotiated between the parties, there can be no assurance that the Exempt Market LP's financing clients will not default and that the Exempt Market LP will not sustain a loss as a result. See "*Risk Factors – Risks Associated with the Business – Risks Particular to the Alternative Credit Industry – Default by and Bankruptcy of a Financing Client*".

The Exempt Market LP will also rely on representations and warranties made by financing clients in their financing documentation; however, there can be no assurance that such representations will be accurate or that the Exempt Market LP will have any recourse against the financing client in the event a representation proves to be untrue. See "*Risk Factors – Risks Associated with the Business – Risks Particular to the Alternative Credit Industry – Fraud by a Financing Client*".

### Fraud by a Financing Client

While the Exempt Market LP will make efforts to verify the accuracy of information provided to it when making a decision on whether to offer a financing solution, a financing client may misrepresent information relating its financial health, operations, or compliance with the terms under which the Exempt Market LP has advanced funds. In cases of fraud, it is difficult and often unlikely that the Exempt Market LP will be able to collect amounts owing under loan or realize on collateral, which could have a Material Adverse Effect.

### Dependence on the Performance of Financing Clients

The Exempt Market LP will be dependent on the operations, assets and financial health of the financing clients to which it directly and indirectly provides capital. The Exempt Market LP's ability to fund cash distributions to investors and its own operating expenses in the long term will be largely dependent on the investment returns and management fees received from the Exempt Market LP Portfolio. If the financial performance of its financing clients decline, cash payments to the Exempt Market LP will likely decline. The failure of any financing client to fulfill its payment obligations to the Exempt Market LP could adversely affect the Exempt Market LP's financial condition and cash flow. The partnership conducts due diligence on each financing transaction prior to entering into agreements and monitors activities of financing clients by receiving and reviewing regular financial reports. Nonetheless, there is a risk that there may be some liabilities or other matters that are not identified through the Manager's due diligence or

that arise subsequent to the Exempt Market LP's funding of a loan that may have an adverse effect on a financing client's business.

### Risks Facing Financing Clients

Each financing client will also be subject to risks, which will affect their financial condition. As the Manager is not privy to all aspects of its clients' businesses, it is impossible to predict exactly what risks financing clients will face. Nonetheless, the Manager expects that typical risks may include the following:

- The success of the Exempt Market LP's financing clients may depend on the management talents and efforts of one or two key persons or a small group of persons. The death, disability or resignation of one or more of these persons could have a Material Adverse Effect on a financing client.
- Financing clients may require additional working capital to carry out their business activities and to expand their businesses. If such working capital is not available, or is not available on beneficial terms, the financial performance and development of the businesses of the Exempt Market LP's financing clients may be adversely affected.
- Damage to the reputation of the Exempt Market LP's financing clients' brands could negatively impact consumer opinion of those businesses or their related products and services, which could have an adverse effect on their business.
- Financing clients may face intense competition, including competition from companies with greater financial or other resources, more extensive development, manufacturing, marketing, and other capabilities. There can be no assurance that the Exempt Market LP's financing clients will be able to successfully compete against their competitors or that such competition will not have a material adverse effect on their businesses.
- Financing clients may experience reduced revenues from the loss of one or more customers representing a high percentage of their monthly revenues.
- Financing clients may experience reduced revenues due to an inability to meet regulatory requirements or may experience losses of revenues due to unforeseeable changes in regulations imposed by various levels of government.
- Financing clients may rely on government or other subsidy programs for revenue or profit generation. Changes to or elimination of such programs may have an adverse effect on the financing client.
- Financing clients may derive some of their revenues from non-Canadian sources and may experience negative financial results based on foreign exchange losses, hedging costs or foreign investment restrictions.

### Default by and Bankruptcy of a Financing Client

A financing client's failure to satisfy its borrowing obligations, including any covenants imposed by the Exempt Market LP, could lead to defaults and the termination of the financing client's loans and enforcement against its assets. In order to protect and recover its investments, the Manager may be required to bear significant expenses (including legal, accounting, valuation, and transaction expenses) to the extent necessary to seek recovery upon default or to negotiate new terms with a defaulting financing client. In certain circumstances, a financing client's default under one loan could also trigger cross defaults under other agreements and jeopardize that financing client's ability to meet its obligations under a loan agreement it may have with the Exempt Market LP.

Should a financing client become insolvent, the value of any collateral in the event of liquidation will depend on market and economic conditions, the availability of buyers and other factors. There can be no assurance that the proceeds, if any, from the sale of all of a financing client's collateral will be sufficient to satisfy the loan obligations secured by the collateral, or that sufficient assets to repay the Exempt Market LP will remain after more senior creditors have been repaid. See also "Risk Factors – Risks Associated with the Business – Risks Particular to the Alternative Credit Industry – Collateral Securing Exempt Market LP's Loans".



### Additional Indebtedness of Financing Clients

To the extent a financing client is permitted to incur other debt secured by certain assets that ranks equally with, or senior to, the loans made by the Exempt Market LP, such debt instruments may provide that the senior holders are entitled to receive payment of interest or principal on or before the dates on which the Exempt Market LP's debt is serviced. The rights the Exempt Market LP may have with respect to the collateral securing the loans it provides, if any, may also be limited pursuant to the terms of one or more inter-creditor agreements with the holders of senior debt. Typically, an inter-creditor agreement will provide various rights and remedies to the holder of a first priority lien during the time it is outstanding, which may result in the Exempt Market LP failing to be repaid outstanding principal and interest owed to it and could have a Material Adverse Effect.

### Collateral Securing the Exempt Market LP's Loans

Where the Exempt Market LP's financing solutions are secured by a lien on specified collateral of the financing client (particularly inventory, receivables and tangible fixed assets), there is no assurance that the Exempt Market LP has obtained or properly perfected its liens, or that the value of the collateral securing any particular financing solution will protect the Exempt Market LP from suffering a partial or complete loss if the financing solution becomes nonperforming and the Exempt Market LP moves to enforce against the collateral. In such event, the Exempt Market LP could suffer losses that could have a Material Adverse Effect. In addition, during its due diligence process, the Exempt Market LP makes an estimate of the value of the collateral. A decrease in the market value of collateral assets at a rate greater than the rate projected by the Exempt Market LP may adversely affect the current realization values of such collateral. The degree of realization risk varies by the business of the financing client and the nature of the security.

### Fair Value Estimate

Loans and other investments within the Exempt Market LP Portfolio are assigned a fair value based on the Trust's reasonable estimates of value and the Trust's expectations for performance of the loan or other investments. The fair value may be negatively affected by factors outside the knowledge or control of the Trustees and may result in the actual fair value being materially different from that assigned by the Manager.

### Monitoring and Enforcement Procedures

From time to time, the Exempt Market LP will be required to take enforcement proceedings with respect to nonperforming loans and may be required to liquidate a financing client's assets. Enforcement and liquidation proceedings can be time consuming and, if a sufficient number of loans require enforcement, the Manager may incur significant expenses that cannot be recovered.

At any given time, financing clients may represent a risk of a loss to the Exempt Market LP. Such situations could arise where the collateral of the financing client falls below the outstanding loan balance, where the financial condition of the financing client has materially deteriorated, or where the financing client has otherwise failed to comply with its obligations.

### Control Over Financing Clients

The Exempt Market LP is not always in a position to exercise control over its financing clients or prevent decisions by the management or shareholders of a financing client that may affect the fair value of a Exempt Market LP loan, or otherwise affect the ability of the financing client to repay its obligations to the Exempt Market LP. Furthermore, the Exempt Market LP does not intend to take significant equity positions in its financing clients. The lack of liquidity of debt positions that the Exempt Market LP typically holds in its financing clients results in the risk that the Exempt Market LP may not be able to dispose of its exposure to the financing client in the instance where a financing client is underperforming. This could have a Material Adverse Effect.

### Securities of Financing Clients

The securities issued by private companies to the Exempt Market LP will be subject to legal and other restrictions on resale or will be otherwise less liquid than publicly traded securities. To the extent the Exempt Market LP receives any form of securities issued by private companies, it may be difficult for the Exempt Market LP to dispose of such holdings if the need arises. Furthermore, if the Exempt Market LP is required to liquidate all or a portion of the

securities it holds in an illiquid company, it may realize significantly less than the value at which it had previously recorded its holdings. In addition, the Exempt Market LP may face restrictions imposed by securities law on its ability to liquidate or otherwise trade in securities of a financing client, including, where the Exempt Market LP obtains material non-public information regarding such financing client.

### ***Target Industry Specific Risks***

#### **Commercial Credit Financing Investment Risk**

An investment in commercial loans, particularly mezzanine finance can require a long-term commitment. Many of Exempt Market LP investments will be highly illiquid and there can be no assurance that Exempt Market LP 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 Exempt Market LP.

As Exempt Market LP may make only a limited number of investments, poor performance by a few of the investments could significantly affect the total returns to Exempt Market LP.

In the event a Portfolio Company fails to meet projections, Exempt Market LP may suffer a partial or total loss of capital invested in that company. Therefore, there can be no assurance that Exempt Market LP will be able to realize the value of its investments and distribute proceeds in a timely manner.

Exempt Market LP income and funds available for distribution to Unitholders would be adversely affected if a significant number of borrowers were unable to pay their obligations to Exempt Market LP or if Exempt Market LP were unable to invest their funds in mortgages or commercial loans on economically favourable terms.

On default by a borrower, Exempt Market LP may experience delays in enforcing their rights as lender and may incur substantial costs in protecting its investment.

#### **Cannabidiol Investment Risk**

##### **Unfavourable Publicity or Consumer Perception**

Exempt Market LP believes the cannabidiol industry is highly dependent upon consumer perception regarding the safety, efficacy and quality of the cannabidiol produced. Consumer perception of Exempt Market LP related businesses products can be significantly influenced by scientific research or findings, regulatory investigations, litigation, media attention and other publicity regarding the consumption of cannabidiol products. There can be no assurance that future scientific research, findings, regulatory proceedings, litigation, media attention or other research findings or publicity will be favourable to the cannabidiol market or any particular product, or consistent with earlier publicity. Future research reports, findings, regulatory proceedings, litigation, media attention or other publicity that are perceived as less favourable than, or that question earlier research reports, findings or publicity could have a material adverse effect on the demand for Exempt Market LP related businesses products and the business, results of operations, financial condition and cash flows of Exempt Market LP related businesses. Exempt Market LP dependence upon consumer perceptions means that adverse scientific research reports, findings, regulatory proceedings, litigation, media attention or other publicity, whether or not accurate or with merit, could have a material adverse effect on Exempt Market LP, the demand for products, and the business, results of operations, financial condition and cash flows of Exempt Market LP. Further, adverse publicity reports or other media attention regarding the safety, efficacy and quality of cannabidiol in general, or Exempt Market LP related businesses products specifically, or associating the consumption of cannabidiol with illness or other negative effects or events, could have such a material adverse effect. Such adverse publicity reports or other media attention could arise even if the adverse effects associated with such products resulted from consumers' failure to consume such products legally, appropriately or as directed.

#### **Reliance on Licences**

Exempt Market LP related businesses ability to grow, store, sell and use as edibles cannabidiol in Canada is dependent on the Licences it will obtain. The Licences are subject to ongoing compliance and reporting requirements. Failure to comply with the requirements of the Licences or any failure to maintain the Licences would have a material adverse impact on the business, financial condition and operating results of Exempt Market LP. Although Exempt Market LP believes it will meet the requirements of the ACMPR for the grants or renewals of the Licences, there can be no

guarantee that Health Canada or other regulatory agencies, will grant, extend or renew these Licences or, if extended or renewed, that they will be extended or renewed on the same or similar terms. Should Health Canada or other regulatory agencies not grant, extend or renew the Licences or should they renew the Licences on different terms, the business, financial condition and results of the operation of Exempt Market LP would be materially adversely affected.

### **Product Liability**

As a manufacturer and distributor of products designed to be ingested by humans, Exempt Market LP related businesses faces an inherent risk of exposure to product liability claims, regulatory action and litigation if its products are alleged to have caused significant loss or injury. In addition, the manufacture and sale of cannabidiol products involve the risk of injury to consumers due to tampering by unauthorized third parties or product contamination. Previously unknown adverse reactions resulting from human consumption of cannabidiol products alone or in combination with other medications or substances could occur. Exempt Market LP related businesses may be subject to various product liability claims, including, among others, that the products caused injury or illness, include inadequate instructions for use or include inadequate warnings concerning possible side effects or interactions with other substances.

A product liability claim or regulatory action against Exempt Market LP or any related businesses could result in increased costs, could adversely affect Exempt Market LP related businesses reputation with its clients and consumers generally, and could have a material adverse effect on the results of operations and financial condition of Exempt Market LP. There can be no assurances that Exempt Market LP related businesses will be able to obtain or maintain product liability insurance on acceptable terms or with adequate coverage against potential liabilities. Such insurance is expensive and may not be available in the future on acceptable terms, or at all. The inability to obtain sufficient insurance coverage on reasonable terms or to otherwise protect against potential product liability claims could prevent or inhibit the commercialization of products.

### **Product Recalls**

Manufacturers and distributors of products are sometimes subject to the recall or return of their products for a variety of reasons, including product defects, such as contamination, unintended harmful side effects or interactions with other substances, packaging safety and inadequate or inaccurate labeling disclosure. If any of the products produced by Exempt Market LP related businesses are recalled due to an alleged product defect or for any other reason, Exempt Market LP related businesses could be required to incur the unexpected expense of the recall and any legal proceedings that might arise in connection with the recall. Exempt Market LP related businesses may also lose a significant amount of sales and may not be able to replace those sales at an acceptable margin or at all. In addition, a product recall may require significant management attention. Although Exempt Market LP related businesses has detailed procedures in place for testing finished products, there can be no assurance that any quality, potency or contamination problems will be detected in time to avoid unforeseen product recalls, regulatory action or lawsuits. Additionally, if one of the products were subject to recall, the image of that product and Exempt Market LP related businesses could be harmed. A recall for any of the foregoing reasons could lead to decreased demand for products and could have a material adverse effect on the results of operations and financial condition of Exempt Market LP. Additionally, product recalls may lead to increased scrutiny of the operations of Exempt Market LP related businesses by Health Canada or other regulatory agencies, requiring further management attention and potential legal fees and other expenses.

### **Competition**

The introduction of a recreational model for cannabidiol production and distribution may impact the cannabidiol market. The impact of this potential development may be negative for Exempt Market LP, and could result in increased levels of competition in its existing medical market and/or the entry of new competitors in the overall cannabidiol market in which Exempt Market LP operates.

There is potential that Exempt Market LP related businesses will face intense competition from other companies, some of which can be expected to have longer operating histories and more financial resources and manufacturing and marketing experience than Exempt Market LP related businesses. Increased competition by larger and better financed competitors could materially and adversely affect the business, financial condition and results of operations of Exempt Market LP.



Exempt Market LP also faces competition from illegal cannabidiol dispensaries that are selling cannabidiol to individuals despite not having a valid license under the ACMPR. Various Canadian cities have seen an influx in the number of dispensaries.

If the number of users of cannabidiol in Canada increases, the demand for products will increase and Exempt Market LP expects that competition will become more intense, as current and future competitors begin to offer an increasing number of diversified products. To remain competitive, Exempt Market LP related businesses will require a continued high level of investment in research and development, marketing, sales and client support. Exempt Market LP may not have sufficient resources to maintain research and development, marketing, sales and client support efforts on a competitive basis which could materially and adversely affect the business, financial condition and results of operations of Exempt Market LP.

As well, the legal landscape for medical and recreational cannabidiol is changing internationally. More countries have passed laws that allow for the production and distribution of cannabidiol in some form or another. Exempt Market LP related businesses has some international partnerships in place, which may be affected if more countries legalize cannabidiol. Increased international competition might lower the demand for Exempt Market LP related businesses products on a global scale.

### ***Factoring Investments Risk***

Exempt Market LP may acquire or invest in businesses that expand or complement its current business and such acquisitions or investments may involve significant commitments of financial or other resources of Exempt Market LP; there can be no assurance that any such acquisitions or investments will generate additional earnings or other returns for Exempt Market LP, or that financial or other resources committed to such activities will not be lost.

### ***Health Care, Social Services & Medical Investments Risk***

The healthcare and social services industry in general is subject to regulation by a number of federal, state, provincial and local governmental agencies. The healthcare and social services industry is also affected by federal, state, provincial and local policies developed to regulate the manner in which health care and social services are provided, administered and paid for nationally and locally. As a result, the healthcare and social services industry is sensitive to legislative and regulatory changes in such programs and is affected by reductions and limitations in governmental spending for such programs as well as changing healthcare policies, such as Medicare, and state and provincial health care plans. The enactment of other new legislation or the adoption of new regulations in health care, social services, insurance, government entitlements, pensions and related human resources-related areas could have an adverse effect on the performance of the Exempt Market LP's investments and its operating results.

Regulatory agencies inspect, survey and audit health care, social services and medical facilities to review compliance with Applicable Laws and regulations. Despite the efforts of Exempt Market LP, there can be no assurance that these regulatory authorities will determine that all applicable requirements are fully met at any given time. A determination by any of these regulatory authorities that a facility is not in compliance with these requirements could lead to the imposition of requirements that the facility takes corrective action, assessment of fines and penalties, or loss of licensure, certification or accreditation. These consequences could have a Material Adverse Effect on Exempt Market LP's investments.

There are a number of federal, state, provincial and local laws and regulations addressing patient and consumer privacy concerns, including unauthorized access or theft of personal information. There can be no assurance that a breach of privacy or security will not occur. If there is a breach, various penalties and damages may be imposed and costs may be incurred by Exempt Market LP to mitigate the impact of the breach on affected individuals.

Exempt Market LP will depend on the ability of its operators to bill and collect on a timely basis pursuant to health care, social services and medical regulations and rules. Failure to do so could subject Exempt Market LP to payment delays that could negatively impact its business, financial position, results of operations and liquidity.

Physicians, hospitals and other healthcare and social services providers have become subject to an increasing number of legal actions alleging malpractice, product liability, class actions or related legal theories, all of which may impact Exempt Market LP's investments.

On-going or future contracts with a government related agency or organisation in health care or social services may not be renewed at the expiration for any reason leading to a Material Adverse Effect on Exempt Market LP's investments.

### ***Energy Investments Risk***

The energy sector is affected by the cost of natural gas, the price of natural gas liquids and the price of electricity, and other energy forms, and commodities.

The energy sector is subject to extensive federal, provincial, and local environmental protection laws. These laws concern emissions to the air, discharges to surface and subsurface waters, land use activities, and the handling, manufacturing, processing, use, emission and disposal of materials and waste products. These existing and proposed environmental regulations could have a material impact on future financial performance.

Renewable resources risk is an operational risk concerning the dependence of power production on adequate resources such as wind, sunlight and water flow. Inadequate wind, sunlight or water flow leads to lower power production, which results in lower revenues.

### ***Technology Industry Risk***

Technology issuers' rapid growth may not be sustainable and depends on its ability to attract new clients, and may not retain existing contracts, clients.

Technology issuers' limited operating history in new and developing markets makes it difficult to evaluate long-term viability.

Technology issuers may fail to improve and enhance the functionality, performance, reliability, design, security and scalability of its technology platform, products and services in a manner that responds to the evolving needs of its technology clients.

Security breaches, denial of service attacks, or other hacking and phishing attacks on systems or other security breaches could delay or interrupt service to a technology issuer's clients and their customers, and this may harm the issuer's reputation or subject it to significant liability, litigation, and adversely affect its business and financial results and ability to service loans from the Exempt Market LP.

The technology issuer and investment may store personal, private, health or credit information that may be compromised or otherwise subjected to unauthorized access, the technology issuer's reputation may be harmed, and it may be exposed to liability and loss of business.

If a technology issuer's products and services contains serious errors or defects, it may lose revenue and market acceptance and may incur costs to defend or settle claims with its clients or third parties impacted by product liability, privacy or other legal claims.

Technology issuers use a limited number of data centers, and service providers such as Google and Amazon to deliver its services. Any disruption of service at these facilities or counterparties could harm the technology issuer's business and ability to remain viable and service any debt, loan, debenture or other fixed income product.

Technology issuers may be impacted in material ways if business and prospects would be harmed if changes to technologies used in platforms, competition, or new versions or upgrades of operating systems, software and internet browsers adversely impact the issuer's business processes.

A Technology issuers' business is susceptible to risks associated with international sales, competition and the adoption and use of platforms, software, SAAS, and services in various countries. This may also be subject to illegal use and hacking to undermine royalties, revenues from intellectual property and undermine the business model of the technology firm.

New tax laws could be enacted or existing laws could be applied to technology firms that would impair profitability and reduce viability of certain business models in technology issuers and the industry.

### ***Service Industry Risk***

The services industry and service issuers to a significant extent, the service issuers' prospects, depend on its ability to attract a sufficient number of skilled workers for the industry. In certain sub-industries this may be dependent on foreign workers and are subject to visa restrictions and immigration policies and limits.

A major subcontractor default or failure to properly manage subcontractor performance could materially impact results in the services. There is brand risk related to services where an incident or negative press can materially impact the service provider and long-term viability and ability to service debts, loans or other obligations.

Service industry issuers may be subject to regulatory claims, legal claims, class action or individual litigation that may result in unfavorable outcomes that could materially impact the service industry issuer's financial position, and ability to manage contractors or other employees.

Capital requirements may impact the availability of working capital and growth prospects for the industry and individual service industry issuers.

Access to adequate human resources may be unavailable in the future due to economic or other external or political factors.

Extended periods of poor economic conditions can have an adverse effect on a service industry issuer's revenues and profitability. These factors, together or individually, may impact the ability of any issuer to service their debt to the Exempt Market LP, and may result in the default, delay in payment or total loss of capital for the Exempt Market LP's investment.

**The foregoing list of risk factors does not purport to be a complete enumeration or explanation of the risks involved in an investment in the Trust. Prospective investors should read this entire Offering Memorandum and consult their own counsel and financial advisors before deciding to invest in the Trust.**

**Neither the Trust, the Trustees, the Manager nor the General Partner is responsible for, and undertakes no obligation to, determine the general investment needs and objectives of a potential investor and the suitability of the Units having regard to any such investment needs and objectives of the potential investor.**

## REPORTING OBLIGATIONS

The Trust is not a "reporting issuer" or equivalent under the securities legislation of any jurisdiction. Accordingly, the Trust is not subject to the continuous disclosure requirements of any securities legislation and there is therefore no requirement that the Trust make ongoing disclosure of its affairs including, without limitation, the disclosure of financial information on a quarterly basis or the disclosure of material changes in the business or affairs of the Trust.

The Trust will furnish to Unitholders, in accordance with applicable securities laws, all financial statements of the Trust, OpTrust and Exempt Market LP (including annual and, when required, quarterly financial statements and certifications) and other reports as are from time to time required by applicable law within the delays prescribed therein, including prescribed forms needed for the completion of the Unitholder's tax returns under the Tax Act and equivalent provincial legislation. In addition, the Trustees will supply Unitholders with any information that may be required by them in connection with their obligations under the Tax Act and equivalent provincial legislation.

## SUBSCRIPTION PROCEDURE

### Minimum Subscription Amount

The minimum subscription amount is set out below:

CLASS OF TRUST UNITS	Minimum amount	Increment	Description
A1	2 500,00 \$	100,00 \$	MarDi.info VC
A2	2 500,00 \$	100,00 \$	MarDi.info VC
C1	2 500,00 \$	100,00 \$	Gigrow

C2	2 500,00 \$	100,00 \$	Gigrow
D1	2 500,00 \$	100,00 \$	MarDi.info Financial Services
D2	2 500,00 \$	100,00 \$	MarDi.info Financial Services
E1	2 500,00 \$	100,00 \$	MarDi.info ESG Responsible
E2	2 500,00 \$	100,00 \$	MarDi.info ESG Responsible
F1	2 500,00 \$	100,00 \$	MarDi.info ESG Impact
F2	2 500,00 \$	100,00 \$	MarDi.info ESG Impact
G1	2 500,00 \$	100,00 \$	MarDi.info Opportunity
G2	2 500,00 \$	100,00 \$	MarDi.info Opportunity

Notes:

- (1) A lesser minimum amount may be accepted by the Trustees in their sole discretion.

### Subscription Documents

Subscribers will be required to enter into a Subscription Agreement with the Trust which will contain, among other things, representations, warranties and covenants by the Subscriber that it is duly authorized to purchase the Units, that it is purchasing the Units as principal and for investment and not with a view to resale and as to its corporate or other status to purchase the Units and that the Trust is relying on an exemption from the requirements to provide the Subscriber with a prospectus and to sell securities through a person or company registered to sell securities under applicable securities laws and as a consequence of acquiring the securities pursuant to this exemption, certain protections, rights and remedies, provided by applicable securities laws, including statutory rights of rescission or damages, will not be available to the Subscriber.

Reference is made to the Subscription Agreement to this Offering Memorandum for the terms of these representations, warranties and covenants.

In order to subscribe for Units, Subscribers must complete, execute and deliver the following documentation to the Trust at 5255 Henri-Bourassa Blvd. West, Suite 225, Montréal, Québec H4R 2M6:

- one completed and signed copy of the Subscription Agreement (including any exhibits attached thereto);
- a wire transfer in an amount equal to the Aggregate Subscription Amount (as set forth in the Subscription Agreement), payable to the following account:

For credit to:	TD Bank 525, rue Viger Ouest, bureau 100 Montréal (Québec) H2Z 0B2 CANADA
Swift Code:	TDOMCATTTOR
Bank number:	004
Transit number:	4160-1
Account number:	53-268-43
Beneficiary's name:	BCF s.e.n.c.r.l. in trust
Beneficiary's address:	1100, boul. René-Lévesque Ouest bureau 2500 Montréal, Québec, H3B 5C9 CANADA
Reference no.:	043685-00002

3. completed and executed copies of the appropriate investor qualification form(s). The appropriate form(s) to be completed depend on your place of residence and on the amount of your investment:
- i) if you are resident in British Columbia, Alberta, Saskatchewan, Manitoba, Quebec, Prince Edward Island, New Brunswick, Nova Scotia, Newfoundland and Labrador, Northwest Territories, Nunavut or Yukon you must submit two completed and signed copies of the Risk Acknowledgment Form attached to the Subscription Agreement;
  - ii) if you are resident in Alberta, Saskatchewan, Manitoba, Prince Edward Island, Quebec, Northwest Territories, Nunavut or Yukon and your subscription is for more than \$10,000 in Units, one completed and signed copy of the Representation Letter attached to the Subscription Agreement;
  - iii) if you are resident in Ontario and you are purchasing Units as an “accredited investor” (as such term is defined by NI 45-106), one completed and signed copy of the Accredited Investor Representation Letter attached to the Subscription Agreement and, if applicable, the Risk Acknowledgement Form attached to the Subscription Agreement.

Subject to applicable securities laws, and the purchaser’s two-day cancellation right, a subscription for Units, evidenced by a duly completed Subscription Agreement delivered to the Trust shall be irrevocable by the Subscriber.

Subscriptions for Units will be received, subject to rejection and allotment, in whole or in part, and subject to the right of the Trust to close the subscription books at any time, without notice. If a subscription for Units is not accepted, all subscription proceeds will be promptly returned to the Subscriber without interest.

The first closing is scheduled to occur on or before December 30, 2020. It is expected that certificates representing the Units will be available for delivery within a reasonable period of time after the relevant closing date(s). If the first closing is not done prior to December 30, 2020, collected funds will be returned to the respective parties by January 30, 2021 without interest.

The subscription funds will be held in the Issuer’s bank account until midnight of the second business day subsequent to the date that each Subscription Agreement is signed by a Subscriber.

## **Distribution**

The Offering is being conducted:

- i) in the Provinces of British Columbia, Alberta, Saskatchewan, Manitoba, Quebec, Prince Edward Island, Nova Scotia, New Brunswick, Newfoundland and Labrador, Yukon, Nunavut and Northwest Territories pursuant to the exemptions from the prospectus requirements afforded by Section 2.9(1) “*Offering Memorandum*” and 2.9(2) “*Eligible Investor*” of NI 45-106; and
- ii) in the Province of Ontario pursuant to the exemption from the prospectus requirements afforded by Section 2.3 “*Accredited Investor*” of NI 45-106.

The exemption pursuant to Section 2.9 of NI 45-106 is available for distributions to Subscribers in British Columbia, Alberta, Saskatchewan, Manitoba, Quebec, Prince Edward Island, Nova Scotia, New Brunswick, Newfoundland and Labrador, Yukon, Nunavut and Northwest Territories purchasing as principals, who receive this Offering Memorandum prior to signing the Subscription Agreement and who sign a Risk Acknowledgment Form attached to the Subscription Agreement as Schedule A-1 OR Schedule A-2, as applicable.

In addition, Alberta, Saskatchewan, Manitoba, Quebec, Prince Edward Island, Northwest Territories, Nunavut and Yukon Subscribers relying on the exemption set out in Section 2.9(2) of NI 45-106 must also sign the Representation Letter attached to the Subscription Agreement as Schedule B where their subscription for Units is more than \$10,000.

The exemption pursuant to Section 2.3 of NI 45-106 is available for distributions to Subscribers in the Province of Ontario purchasing as principal and who are “accredited investors” as defined in NI 45-106 and that sign the Accredited Investor Representation Letter attached to the Subscription Agreement as Schedule C and, if applicable, the Risk Acknowledgement Form attached to the Subscription Agreement as Schedule D.

The foregoing exemptions relieve the Trust from the provisions of the applicable securities laws of each of the Provinces and Territories of British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Quebec, Prince Edward Island, Nova Scotia, New Brunswick, Newfoundland and Labrador, Yukon, Nunavut and Northwest Territories which otherwise would require the Trust to file and obtain a receipt for a prospectus. Accordingly, prospective Subscribers for Units will not receive the benefits associated with a subscription for securities issued pursuant to a filed prospectus, including the review of material by securities regulatory authorities.

The exemptions from the registration requirements contained in the applicable securities laws of each of the Provinces and Territories of British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Quebec, Prince Edward Island, Nova Scotia, New Brunswick, Newfoundland and Labrador, Yukon, Nunavut and Northwest Territories allow the Trust to offer the Units for sale directly to the Subscribers.

**Neither the Trust, the Trustees nor any other affiliate or associate of the foregoing, other than Cape Cove in its capacity as an exempt market dealer and not as Manager, is responsible for, and undertakes no obligation to, determine the general investment needs and objectives of a potential investor and the suitability of the Units having regard to any such investment needs and objectives of the potential investor.**

## RESALE RESTRICTIONS

**These Units are subject to a number of resale restrictions under securities legislation, including a restriction on trading. Unless or until the restrictions on trading expire, you will not be able to trade the Units unless you are eligible to rely on and comply with an exemption from the prospectus and registration requirements under securities legislation. Additionally, Unitholders will not be permitted to transfer their securities without the consent of the Trust. See “*Summary of the Trust Indenture – Units – Transfer of Units*” For information about these resale restrictions you should consult a lawyer.**

### General Statement

For trades in Alberta, British Columbia, Saskatchewan, Ontario, Quebec, Nova Scotia, New Brunswick, Prince Edward Island, Newfoundland and Labrador, Yukon, Nunavut and Northwest Territories:

The Units will be subject to a number of resale restrictions, including a restriction on trading. Until the restriction on trading expires, you will not be able to trade the Units unless you comply with an exemption from the prospectus and registration requirements under securities legislation.

### Restricted Period

For trades in Alberta, British Columbia, Saskatchewan, Ontario, Quebec, Nova Scotia, New Brunswick, Prince Edward Island, Newfoundland and Labrador, Yukon, Nunavut and Northwest Territories:

Unless permitted under securities legislation, you cannot trade the Units without an exemption before the date that is 4 months and a day after the date the Trust becomes a reporting issuer in any province or territory of Canada.

The Trust does not intend to become a reporting issuer in any province or territory of Canada. Since the Trust is not a reporting issuer in any province or territory, the applicable hold period for Subscribers may never expire, and if no further exemption may be relied upon and if no discretionary order is obtained, this could result in a Subscriber having to hold the Units acquired under the Offering for an indefinite period of time.

## **Manitoba Resale Restrictions**

For Manitoba residents, you must not trade the securities without the prior written consent of the regulator in Manitoba unless:

- the Trust has filed a prospectus with the regulator in Manitoba with respect to the securities you have purchased and the regulator in Manitoba has issued a receipt for that prospectus; or
- you have held the securities for at least 12 months.

The regulator in Manitoba will consent to your trade if the regulator is of the opinion that to do so is not prejudicial to the public interest.

The Trust must approve of any proposed disposition. It is the responsibility of each individual Subscriber to ensure that all forms required by the applicable securities legislation are filed as required upon disposition of the Units acquired pursuant to this Offering.

*The foregoing is a summary only of resale restrictions relevant to a Subscriber of the securities offered hereunder. It is not intended to be exhaustive. All Subscribers under this Offering should consult with their legal advisors to determine the applicable restrictions governing resale of the securities purchased hereunder including the extent of the applicable hold period and the possibilities of utilizing any further statutory exemptions or obtaining a discretionary order.*

## **PURCHASER'S RIGHTS**

If you purchase Units you will have certain rights, some of which are described below. These rights may not be available to you if you purchase the Units pursuant to a prospectus exemption other than the offering memorandum exemption in section 2.9 of National Instrument 45-106 *Prospectus and Registration Exemptions*. For information about your rights you should consult a lawyer.

### **Two Day Cancellation Right for a Subscriber**

You can cancel your agreement to purchase the Units. To do so, you must send a notice to the Trust before midnight on the second business day after you sign the Subscription Agreement in respect of the Units.

### **Rights of Action in the Event of a Misrepresentation**

Applicable securities laws in the Offering Jurisdictions provide you with a remedy to sue to cancel your agreement to buy the securities or for damages if this Offering Memorandum, or any amendment thereto, contains a misrepresentation. Unless otherwise noted, in this section, a “misrepresentation” means an untrue statement or omission of a material fact that is required to be stated or that is necessary in order to make a statement in this Offering Memorandum not misleading in light of the circumstances in which it was made.

These remedies are available to you whether or not you relied on the misrepresentation. However, there are various defences available to the Persons or companies that you have a right to sue. In particular, they have a defence if you knew of the misrepresentation when you purchased the securities. In addition, these remedies, or notice with respect thereto, must be exercised or delivered, as the case may be, by you within the strict time limit prescribed in the applicable securities laws.

The applicable contractual and statutory rights are summarized below. By its execution of the Subscription Agreement, the Trust will be deemed to have granted these rights to you. Subscribers should refer to the applicable securities laws of their respective Offering Jurisdiction for the particulars of these rights or consult with professional advisors.

### **Statutory Rights of Action for Subscribers in the Province of British Columbia**



Securities legislation in British Columbia provides that every purchaser of securities pursuant to this Offering Memorandum shall have, in addition to any other rights they may have at law, a right of action for damages against the Trust, every director of the Trust at the date of the Offering Memorandum or any person who signed the Offering Memorandum. The purchaser may also elect to exercise a right of rescission against the Trust in which case the purchaser has no right of action for damages. Purchasers should refer to the applicable provisions of the British Columbia securities legislation for particulars of those rights or consult with a lawyer. This right of action may be summarized as set forth below.

If there is a misrepresentation in this Offering Memorandum, purchasers have a statutory right to sue:

- a) the Trust to cancel their agreement to buy the Units; or
- b) for damages against the Trust, directors of the issuer at the date of the Offering Memorandum and any person who signed the Offering Memorandum (collectively defined as the “Insiders” for this section).

If this Offering Memorandum or any amendment thereto contains a misrepresentation and it was a misrepresentation on the date of investment, a purchaser to whom such Offering Memorandum was delivered and who purchases securities shall have a right of action for rescission or alternatively for damages against the Insiders. A purchaser who purchases a security offered by the Offering Memorandum during the period of distribution shall be deemed to have relied on the representation, if it was a misrepresentation at the time of purchase, and has a right of action for damages against the Trust:

- a) the purchaser may elect to exercise a right of rescission against the Trust in which case the purchaser does not have a right of action for damages against the Insiders;
- b) the Insiders are not liable under subsection (a) if the Trust proves that the purchaser purchased the securities with knowledge of the misrepresentation;
- c) in an action for damages pursuant to subsection (a), the Insiders are not liable for all or any portion of the damages that the Insiders prove do not represent the depreciation in value of the security as a result of the misrepresentation relied on;
- d) in no case shall the amount recoverable by the purchaser exceed the price at which the securities were sold to the purchaser; and
- e) the right of action for damages or rescission will be in addition to any other right or remedy available to the purchaser at law.

#### **Statutory Rights of Action for Subscribers in the Province of Alberta**

Securities legislation in Alberta provides that every purchaser of securities pursuant to this Offering Memorandum shall have, in addition to any other rights they may have at law, a right of action for damages or rescission, or both, against the Trust or selling security holder on whose behalf the distribution is made if the Offering Memorandum or any amendment thereto contains a misrepresentation. However, such rights must be exercised within prescribed time limits. Purchasers should refer to the applicable provisions of the Alberta securities legislation for particulars of those rights or consult with a lawyer. This right of action may be summarized as set forth below.

If there is a misrepresentation in this Offering Memorandum, purchasers have a statutory right to sue:

- a) the Trust to cancel their agreement to buy the Units; or
- b) for damages against the Trust, directors of the issuer at the date of the Offering Memorandum and every person who signed this Offering Memorandum.

This statutory right to sue is available to the purchaser whether or not the purchaser relied on the misrepresentation. However, there are various defences available to the persons or companies that the purchaser has the right to sue. In



particular, the Trust would have a defence if the purchaser knew of the misrepresentation when the purchaser purchased the Units.

If the purchaser intends to rely on the rights described in (a) or (b) above, the purchaser must do so within strict time limitations. The purchaser must commence its action to cancel the agreement by notice to the Trust within 180 days and must commence its action for damages by notice to the Trust within one year from the date of the transaction.

If this Offering Memorandum or any amendment thereto contains an untrue statement of a material fact or omits to state a material fact which is required to be stated or which is necessary in order to make any statement therein not misleading in light of the circumstances in which it was stated (herein called a “misrepresentation”) and it was a misrepresentation on the date of investment, a purchaser to whom this Offering Memorandum was delivered and who purchases securities shall have a right of action for rescission or alternatively for damages against the Trust, while still the owner of any of the securities offered hereunder. provided that, if the Offering Memorandum contains a misrepresentation, a purchaser who purchases a security offered by the Offering Memorandum during the period of distribution shall be deemed to have relied on the representation if it was a misrepresentation at the time of purchase, and has a right of action for damages against the Trust:

- a) the purchaser may elect to exercise a right of rescission against the Trust in which case the purchaser does not have a right of action for damages against the Trust;
- b) the Trust is not liable under subsection (a) if the Trust proves that the purchaser purchased the securities with knowledge of the misrepresentation;
- c) in an action for damages pursuant to subsection (a), the Trust is not liable for all or any portion of the damages that the Trust proves does not represent the depreciation in value of the security as a result of the misrepresentation relied on;
- d) in no case shall the amount recoverable by the purchaser exceed the price at which the securities were sold to the purchaser; and
- e) the right of action for damages or rescission will be in addition to any other right or remedy available to the purchaser at law.

#### **Statutory Rights of Action for Subscribers in the Province of Saskatchewan**

In the event that this Offering Memorandum and any amendment thereto or advertising or sales literature used in connection therewith delivered to a purchaser of the securities resident in Saskatchewan contains an untrue statement of a fact that significantly affects, or would reasonably be expected to have a significant effect on, the market price or value of the securities (herein called a “material fact”) or omits to state a material fact that is required to be stated or that is necessary to make a statement not misleading in light of the circumstances in which it was made (herein called a “misrepresentation”), a purchaser will be deemed to have relied upon that misrepresentation and will have a right of action for damages against the Trust, the promoters and “directors” (as defined in *The Securities Act, 1988* (Saskatchewan)) of the Trust, every person or company whose consent has been filed with this Offering Memorandum or amendment thereto but only with respect to reports, opinions or statements that have been made by them, every person who signed this Offering Memorandum or any amendment thereto, and every person who or company that sells the securities on behalf of the Trust under this Offering Memorandum or amendment thereto.

Alternatively, where the purchaser purchased the securities from the Trust, the purchaser may elect to exercise a right of rescission against the Trust.

In addition, where an individual makes a verbal statement to a prospective purchaser that contains a misrepresentation relating to the securities and the verbal statement is made either before or contemporaneously with the purchase of the securities, the purchaser has a right of action for damages against the individual who made the verbal statement.

No persons or company is liable, nor does a right of rescission exist, where the persons or company proves that the purchaser purchased the securities with knowledge of the misrepresentation. In an action for damages, no persons or

company will be liable for all or any portion of the damages that it proves do not represent the depreciation in value of the securities as a result of the misrepresentation relied on.

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

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

in the case of any action, other than an action for rescission, the earlier of one year after the purchaser first had knowledge of the facts giving rise to the cause of action or six years after the date of the transaction that gave rise to the cause of action.

These rights are (i) in addition to and do not derogate from any other right the purchaser may have at law; and (ii) subject to certain defences as more particularly described in *The Securities Act, 1988* (Saskatchewan).

### **Statutory Rights of Action for Subscribers in the Province of Manitoba**

In the event that this Offering Memorandum (including any amendment hereto) delivered to a purchaser of Units resident in Manitoba, contains a misrepresentation and it is a misrepresentation at the time of purchase, the purchaser shall be deemed to have relied upon the misrepresentation and shall have, in addition to any other rights they may have at law: (a) a right of action for damages against (i) the Trust, (ii) every director of the Trust at the date of this Offering Memorandum (collectively, the “Directors”), and (iii) every person or company who signed this Offering Memorandum (collectively, the “Signatories”); and (b) a right of rescission against the Trust.

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

A purchaser may elect to exercise a right of rescission against the Trust, in which case the purchaser will have no right of action for damages against the Trust, Directors or Signatories.

The Trust, the Directors and Signatories will not be liable if they prove that the purchaser purchased Units with knowledge of the misrepresentation.

All persons or companies referred to above that are found to be liable or accept liability are jointly and severally liable. A person or company 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 the circumstances of the case, the court is satisfied that it would not be just and equitable.

A Director or Signatory will not be liable:

- a) if they prove this Offering Memorandum was sent or delivered to the purchaser without their knowledge or consent and, on becoming aware of its delivery, gave reasonable notice to the Trust that it was delivered without their knowledge and consent;
- b) if they prove that, after becoming aware of a misrepresentation in this Offering Memorandum, they withdrew their consent to this Offering Memorandum and gave reasonable notice to the Trust of their withdrawal and the reasons therefore;
- c) if, with respect to any part of this Offering Memorandum purporting to be made on the authority of an expert or to be a copy of, or an extract from, a report, opinion or statement of an expert (“Expert Opinion”), such person proves they did not have any reasonable grounds to believe and did not believe that there was a misrepresentation or that the relevant part of this Offering Memorandum did not fairly represent the Expert Opinion or was not a fair copy of, or an extract from, such Expert Opinion; or
- d) with respect to any part of this Offering Memorandum not purporting to be made on an expert’s authority, or not purporting to be a copy of, or an extract from an Expert Opinion, unless the Director or Signatory (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.

In an action for damages, the Trust, the Directors and Signatories will not be liable for all or any part of the damages that they prove do not represent the depreciation in value of the Units as a result of the misrepresentation relied upon. The amount recoverable under the right of action shall not exceed the price at which the Units were offered for sale.

A purchaser of Units to whom this Offering Memorandum was not delivered prior to such purchase in circumstances where such Offering Memorandum was required to be delivered has a right of rescission or a right of action for damages against the Trust or any Selling agents who failed to deliver the Offering Memorandum within the prescribed time.

A purchaser of Units to whom the Offering Memorandum is required to be sent may rescind the contract to purchase the Units by sending a written notice of rescission to the Trust not later than midnight on the second day, excluding Saturdays, Sun days and statutory holidays, after the purchaser signs the agreement to purchase the Units.

Unless otherwise provided under applicable securities legislation, no action shall be commenced to enforce a right of action unless the right is exercised not later than:

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

The rights discussed above are in addition to, and without derogation from, any other right or remedy which purchasers may have at law and are intended to correspond to the provisions of The Securities Act (Manitoba) and are subject to the defences contained therein.

### **Statutory Rights of Action for Subscribers in the Province of Ontario**

Section 6.2 of Ontario Securities Commission Rule 45-501 (“**Rule 45-501**”) provides that when an offering memorandum is delivered to a prospective purchaser resident in the Province of Ontario to whom securities are sold in reliance upon the prospectus exemption contained in section 2.3 [*accredited investor*] of National Instrument 45-106, the right of action referred to in Section 130.1 of the *Securities Act* (Ontario) (the “Act”) shall be described in the offering memorandum.

Section 130.1 of the Act and Rule 45-501 provide that in the event that this Offering Memorandum, together with any amendments hereto, is delivered to a prospective purchaser in the Province of Ontario and contains an untrue statement of a material fact or omits to state a material fact that is required to be stated or that is necessary to make a statement not misleading in light of the circumstances in which it was made, a purchaser in Ontario who purchases securities offered by this Offering Memorandum (other than a purchaser purchasing under the accredited investor exemption that is a Canadian financial institution or a Schedule III Bank, the Business Development Bank of Canada incorporated under the *Business Development Bank of Canada Act* (Canada) or a subsidiary of any such entity if the such entity owns all of the voting securities of the subsidiary, except the voting securities required by law to be owned by the directors of that subsidiary) will have a right of action against the Trust for damages or rescission as follows:

- a) the right of action for rescission or damages will be exercisable by an investor resident in Ontario, only if the investor gives written notice to the Trust, not later than 180 days after the date on which payment was made for the securities (or after the initial payment was made for the securities, where payments subsequent to the initial payment are made pursuant to a contractual commitment assumed prior to or concurrently with the initial payment), that the investor is exercising this right, or alternatively, in an action for damages, the right of action will be exercisable by an investor only if the investor gives notice to the Trust not later than the earlier of:
  - i) 180 days after the investor had knowledge of the facts giving rise to the course of action; or

- ii) three years after the date of the transaction giving rise to the cause of action;
- b) the Trust will not be liable if it proves that the investor purchased securities with knowledge of the misrepresentation;
- c) in the case of an action for damages, the Trust will not be liable for all or any portion of such damages that it proves do not represent the depreciation in value of the securities as a result of the misrepresentation that the investor relied upon;
- d) in no case will the amount recoverable in any action exceed the price at which the securities were sold to the investor; and
- e) the rights of action for rescission or damages are in addition to and without derogation from any other right the investor may have at law.

Reference is made to the *Securities Act* (Ontario) for the complete text of the provisions under which these rights are conferred and this summary is subject to the express provisions of the *Securities Act* (Ontario).

### **Statutory Rights of Action for Subscribers in the Province of Quebec**

If this Offering Memorandum, together with any amendment to it, is delivered to a Subscriber resident in Quebec and contains a misrepresentation that was a misrepresentation at the time of purchase, the Subscriber will be deemed to have relied upon the misrepresentation and will have a statutory right of action against the issuer, the officers and directors of the issuer or any Selling agents under contract with the issuer for damages or for rescission or revision of the price.

This right of action is subject to the following limitations:

- a) the right of action for rescission or revision of the price must be exercised within three years of the date of the transaction that gave rise to the cause of action; or, in the case of any action other than an action for rescission or revision of the purchase price, the earlier of: (i) three years after the plaintiff first had knowledge of the facts giving rise to the cause of action unless the delay in knowledge is caused by the negligence of the plaintiff, or (ii) five years after the Offering Memorandum is filed with the *Autorité des marchés financiers*;
- b) no person or company will be liable if it proves that the Subscriber acquired the Units with knowledge of the misrepresentation;
- c) in the case of an action for damages, the officers or directors of the issuer or the Selling agents under contract with the issuer will not be liable if they acted with prudence and diligence; and
- d) a defendant may defeat an action based on a misrepresentation in forward-looking information by proving that
  - i) the document containing the forward-looking information contained, proximate to that information,
    - (A) reasonable cautionary language identifying the forward-looking information as such, and identifying material factors that could cause actual results to differ materially from a conclusion, forecast or projection in the forward-looking information; and
    - (B) a statement of the material factors or assumptions that were applied in drawing a conclusion or making a forecast or projection; and
  - ii) the defendant had a reasonable basis for drawing the conclusions or making the forecasts or projections set out in the forward-looking information.

### **Statutory Rights of Action for Subscribers in the Province of New Brunswick**

In addition to any other right or remedy available to you at law, if there is a misrepresentation in this Offering Memorandum, you have a statutory right to sue in New Brunswick:

- (1) the Trust to cancel your agreement to buy the Units; or
- (2) for damages against the Issuer and a selling security holder on whose behalf the distribution is made.

This statutory right to sue is available to you whether or not you relied on the misrepresentation. If you choose to rescind your purchase, you cannot then sue for damages. In addition, in an action for damages, the defendant will not be liable for all or any portion of damages that it proves do not represent the depreciation in value of your Units as a result of the misrepresentation. Furthermore, the amount recoverable in an action for damages will not exceed the price at which the Units were offered. There are various defences available to the persons or companies that you have a right to sue. For example, they have a defence if they prove that you knew of the misrepresentation when you purchased the Units.

In New Brunswick, the defendant will not be liable for a misrepresentation in forward-looking information if the Issuer proves that:

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

However, in New Brunswick, the above defence does not relieve a person of liability respecting forward -looking information in a financial statement.

If you intend to rely on the statutory rights to sue described above, you must do so within strict time limitations.

In New Brunswick, you must commence your action to cancel the agreement within 180 days after the transaction or commence your action for damages within the earlier of: (i) one year after you knew of the misrepresentation, or (ii) six years after the transaction.

### **Statutory Rights of Action for Subscribers in the Province of Prince Edward Island**

In addition to any other right or remedy available to you at law, if there is a misrepresentation in this Offering Memorandum, you have a statutory right to sue in Prince Edward Island:

- (1) the Trust to cancel your agreement to buy these securities; or
- (2) for damages against the Trust, any selling security holder on whose behalf the distribution is made and any director of the Trust (who was a director at the date of this Offering Memorandum), and any person who signed this Offering Memorandum.

This statutory right to sue is available to you whether or not you relied on the misrepresentation. If you choose to rescind your purchase, you cannot then sue for damages. In addition, in an action for damages, the defendant will not be liable for all or any portion of damages that it proves do not represent the depreciation in value of your securities as a result of the misrepresentation. Furthermore, the amount recoverable in an action for damages will not exceed the price at which the securities were offered. There are various defences available to the persons or companies that you have a right to sue. For example, they have a defence if they prove that you knew of the misrepresentation when you purchased the securities.

The defendant will not be liable for a misrepresentation in forward-looking information if the Trust proves that:

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

However, in Prince Edward Island, the above defence does not relieve a person of liability respecting forward-looking information in a financial statement required to be filed under Prince Edward Island securities laws. If you intend to rely on the statutory rights to sue described above, you must do so within strict time limitations.

In Prince Edward Island, you must commence your action to cancel the agreement to purchase securities within 180 days after the transaction or commence your action for damages within the earlier of: (i) 180 days after learning of the misrepresentation, or (ii) three years after the transaction.

### **Statutory Rights of Action for Subscribers in Newfoundland and Labrador**

In addition to any other right or remedy available to you at law, if there is a misrepresentation in this Offering Memorandum, you have a contractual right to sue:

- a) to cancel your agreement to buy these Units; or
- b) for damages.

This contractual right to sue is available to you whether or not you relied on the misrepresentation. If you choose to rescind your purchase, you cannot then sue for damages. In addition, in an action for damages, the defendant will not be liable for all or any portion of damages that it proves do not represent the depreciation in value of your Units as a result of the misrepresentation. Furthermore, the amount recoverable in an action for damages will not exceed the price at which the Units were offered. There are various defences available to the Trust should you exercise a right to sue. For example, it has a defence if you knew of the misrepresentation when you purchased the Units.

### **Time limitations**

If you intend to rely on the rights described above, you must do so within strict time limitations.

In Newfoundland and Labrador, you must commence your action to rescind your agreement to purchase Units within 180 days after you signed the agreement to purchase the Units or commence your action for damages within the earlier of: (1) 180 days after learning of the misrepresentation, or (2) three years after the transaction.

### **Statutory Rights of Action for Subscribers in the Province of Nova Scotia**

If this offering memorandum, together with any amendment thereto, contains a misrepresentation, an investor in Nova Scotia who purchases a security offered by this offering memorandum during the period of distribution shall be deemed to have relied on the misrepresentation, if it was a misrepresentation at the time of purchase, and such investor shall have a right of action for damages against the Trust and every person or company who signed the offering memorandum or, at the election of the investor, a right of rescission against the Trust (in which case the investor does not have a right of action for damages), provided that:

- a) no action may be commenced to enforce a right of action:
  - i) for rescission more than 180 days after the date of the purchase; and

- ii) for damages later than the earlier of (A) 180 days after the investor first had knowledge of the facts giving rise to the cause of action, and (B) three years after the date of purchase;
- b) where a misrepresentation is contained in an offering memorandum, the Trust or any person or company is not liable for damages:
  - i) if it is proven that the purchaser had knowledge of the misrepresentation;
  - ii) if it is proven that the offering memorandum was sent to the purchaser without the person's or company's knowledge or consent and that, on becoming aware of its being sent, the person or company promptly gave reasonable notice to the issuer that it was sent without the knowledge and consent of the person or company;
  - iii) if it is proven that the person or company, on becoming aware of the misrepresentation in the offering memorandum, 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;
  - iv) if, 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, opinion or statement of an expert, the person or company proves that the person or company did not have any reasonable grounds to believe and did not believe that there had been a misrepresentation, or the relevant part of the 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;
  - v) 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 or company did not conduct an investigation sufficient to provide reasonable grounds for a belief that there had been no misrepresentation, or believed there had been a misrepresentation;
- c) the amount recoverable under this section shall not exceed the price at which the securities were offered under the offering memorandum;
- d) subsection (b)(ii) to (v) do not apply to the Trust;
- e) in an action for damages, the Trust or any person or company will not be liable for all or any portion of such damages that it proves do not represent the depreciation in value of the security as a result of the misrepresentation; and
- f) in no case shall the amount recoverable exceed the price at which the security was offered.

### **Statutory Rights of Action for Subscribers in the Northwest Territories**

If an Offering Memorandum contains a misrepresentation, a Subscriber who purchases a security offered by the Offering Memorandum during the period of distribution has, without regard to whether the Subscriber relied on the misrepresentation, a right of action for damages against the Trust, the selling holder of a Unit on whose behalf the distribution is made, every director of the Trust at the date of the Offering Memorandum, and every person who signed the Offering Memorandum. If an Offering Memorandum contains a misrepresentation, a Subscriber who purchases a security offered by the Offering Memorandum during the period of distribution has a right of action for rescission against the Trust or the selling security holder on whose behalf the distribution is made. If the Subscriber elects to exercise a right of action for rescission, the Subscriber shall have no right of action for damages.

A defendant is not liable if he or she proves that the Subscriber purchased the securities with knowledge of the misrepresentation. A person, other than the Trust and selling security holder, is not liable if he or she proves that:

- a) the Offering Memorandum was sent to the Subscriber 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 their consent to the Offering Memorandum and given reasonable notice to the Trust of the withdrawal and the reason for it;
- 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:
    - (1) there had been a misrepresentation, or
    - (2) the relevant part of the offering memorandum did not fairly represent the report, statement or opinion of the expert, or was not a fair copy of, or an extract from, the report, statement or opinion of the expert.

A defendant, other than the Trust and selling holder of a Unit, is not liable with respect to any part of an 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, statement or opinion of an expert, unless the person:

- A. failed to conduct a reasonable investigation to provide reasonable grounds for a belief that there had been no misrepresentation; or
- B. believed that there had been a misrepresentation.

A defendant is not liable with respect to a misrepresentation in forward-looking information if the offering memorandum containing the forward-looking information also contains, proximate to the forward-looking information,

- d) reasonable cautionary language identifying the forward-looking information as such forecast or projection in the forward- looking information; and
- e) a statement of the material factors or assumptions that were applied in drawing a conclusion or making a forecast or projection set out in the forward-looking information; and
- f) the person had a reasonable basis for drawing the conclusions or making the forecasts or projections set out in the forward - looking information.

In an action for damages, the defendant is not liable for any damages that the defendant proves do not represent the depreciation in value of the Units resulting from the misrepresentation. The amount recoverable by a plaintiff must not exceed the price at which the Units purchased by the plaintiff were offered. The right of action for rescission or damages is in addition to and without derogation from any other right the Subscriber may have at law. If a misrepresentation is contained in a record incorporated by reference in, or deemed to be incorporated into, an Offering Memorandum, the misrepresentation is deemed to be contained in the Offering Memorandum.

### **Statutory Rights of Action for Subscribers in the Yukon Territory**

In addition to any other right or remedy available to you at law, if there is a misrepresentation in this Offering Memorandum, then you have a statutory right to sue in Yukon:

- g) for the Trust to cancel your agreement to buy these securities; or
- h) for damages against the Trust, every person who was a director of the Trust at the date of this Offering Memorandum and any other person who signed this Offering Memorandum.

This statutory right to sue is available to you whether or not you relied on the misrepresentation. If you choose to rescind your purchase, you cannot then sue for damages. In addition, in an action for damages, the defendant will not be liable for all or any portion of damages that it proves do not represent the depreciation in value of your securities as a result of the misrepresentation. Furthermore, the amount recoverable in an action for damages will not exceed the price at which the securities were offered. There are various defences available to the persons or companies that you have a right to sue. For example, they have a defence if you knew of the misrepresentation when you purchased the securities.

The defendant will not be liable for a misrepresentation in forward-looking information if the Trust proves that:

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

However, in Yukon, the above defence does not relieve a person of liability respecting forward -looking information in a financial statement required to be filed under Yukon securities laws.

If you intend to rely on the statutory right to sue described above, you must do so within strict time limitations.

In Yukon, you must commence your action to cancel the agreement within 180 days after the transaction or commence your action for damages within the earlier of:

- i) 180 days after learning of the misrepresentation, or
- ii) three years after the transaction.

### **Statutory Rights for Failure to Deliver the Offering Memorandum in Yukon**

If you reside in Yukon and you did not receive a copy of this Offering Memorandum before you signed your Subscription Agreement, you have a right to sue for damages, or if you still own your securities, you can choose to cancel your agreement instead of suing for damages.

### **Statutory Rights of Action for Subscribers in the Nunavut Territory**

In addition to any other right or remedy available to you at law, if there is a misrepresentation in this Offering Memorandum, you have a statutory right to sue in Nunavut:

- k) the Trust to cancel your agreement to buy the Units; or
- l) for damages against the Trust, any selling security holder on whose behalf the distribution is made, any director of the Trust (who was a director at the date of this Offering Memorandum), and any person who signed this Offering Memorandum.

This statutory right to sue is available to you whether or not you relied on the misrepresentation. If you choose to rescind your purchase, you cannot then sue for damages. In addition, in an action for damages, the defendant will not be liable for all or any portion of damages that it proves do not represent the depreciation in value of your securities as a result of the misrepresentation. Furthermore, the amount recoverable in an action for damages will not exceed the price at which the securities were offered. There are various defences available to the persons or companies that you have a right to sue. For example, they have a defence if they prove that you knew of the misrepresentation when you purchased the securities.

The defendant will not be liable for a misrepresentation in forward-looking information if the Trust proves that:

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

If you intend to rely on the statutory rights to sue described above, you must do so within strict time limitations.

In Nunavut, you must commence your action to cancel the agreement to purchase securities within 180 days after the transaction or commence your action for damages within the earlier of:

- i) 180 days after learning of the misrepresentation, or
- ii) three years after the transaction.

**Subscribers should consult their own legal advisers with respect to their rights and the remedies available to them.**

**THE FOREGOING IS A SUMMARY ONLY AND SUBJECT TO INTERPRETATION. REFERENCE SHOULD BE MADE TO THE APPLICABLE SECURITIES LEGISLATION, THE REGULATIONS AND THE RULES THEREUNDER FOR THE COMPLETE TEXT OF THE PROVISIONS UNDER WHICH THE FOREGOING RIGHTS ARE CONFERRED. THE FOREGOING SUMMARY IS SUBJECT TO THE EXPRESS PROVISIONS THEREOF.**

#### **INDEPENDENT AUDITORS**

The auditors of the Trust are BCGO s.e.n.c.r.l., Chartered Professional Accountants, who are located at 50 Crémazie Boulevard West, Suite 600, Montréal (Québec), H2P 2T3.

## Financial Statement

# **MARDI.INFO INCOME TRUST**

Opening Balance Sheet

December 5, 2020

# MARDI.INFO INCOME TRUST

Opening Balance Sheet  
December 5, 2020

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## INDEPENDENT AUDITOR'S REPORT

To the Trustees of  
MARDI.INFO INCOME TRUST

### *Opinion*

We have audited the opening balance sheet of **MARDI.INFO INCOME TRUST** (the Trust) as at December 5, 2020, and notes to the financial statement, including a summary of significant accounting policies.

In our opinion, the accompanying financial statement presents fairly, in all material respects, the financial position of the Trust as at December 5, 2020 in accordance with International Financial Reporting Standards (IFRS).

### *Basis for Opinion*

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statement section of our report. We are independent of the Trust in accordance with the ethical requirements that are relevant to our audit of the financial statement in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### *Responsibilities of Management and Those Charged with Governance for the Financial Statement*

Management is responsible for the preparation and fair presentation of the financial statement in accordance with International Financial Reporting Standards (IFRS), and for such internal control as management determines is necessary to enable the preparation of financial statement that is free from material misstatement, whether due to fraud or error.

In preparing the financial statement, management is responsible for assessing the Trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Trust or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Trust's financial reporting process.

## BCGO S.E.N.C.R.L.

Société de comptables professionnels agréés  
Partnership of Chartered Professional Accountants



membre de MSI,  
un réseau de firmes  
professionnelles  
indépendantes

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### *Auditor's Responsibilities for the Audit of the Financial Statement*

Our objectives are to obtain reasonable assurance about whether the financial statement is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial statement.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statement, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Trust's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Trust's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statement or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Trust to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

*BCGO S.E.N.C.B.L.*<sup>1</sup>

Montréal  
December 16, 2020

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<sup>1</sup> By CPA auditor, CA, public accountancy permit No. A117300

## MARDI.INFO INCOME TRUST

Opening Balance Sheet  
As at December 5, 2020

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### ASSET

#### CURRENT ASSET

Cash	\$	100
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### NET ASSET ATTRIBUTABLE TO UNITHOLDERS

UNITS (note 4)	\$	100
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APPROVED BY:

\_\_\_\_\_, Trustee

The accompanying notes are an integral part of the opening balance sheet.

# MARDI.INFO INCOME TRUST

Notes to Opening Balance Sheet  
December 5, 2020

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## 1. STATUTES AND NATURE OF ACTIVITIES

The Trust was created on December 5, 2020 under the Civil Code of Québec. Its head office is located at 5255, Henri-Bourassa West Boulevard, Suite 225, Montréal, Québec, Canada, H4R 2M6.

The Trust was created in order to invest in units of a corresponding class of the MarDi.info Operating Trust (" Operating Trust ") which, in turn, will invest in units of a corresponding class of the MarDi.info Exempt Market Limited Partnership (" Limited Partnership ") which, in turn, will invest in several private companies under the offering memorandum. Management actively targets sources of financing under the offering memorandum for an amount of \$50,000,000.

The Trust is not a reporting issuer under regulation 45-106 on prospectus exemptions.

## 2. BASIS OF PRESENTATION

### a) Declaration of conformity

The opening balance sheet has been prepared in accordance with International Financial Reporting Standards (IFRS).

The publication of this opening balance sheet was authorized by the Trustees for issuance on December 16, 2020.

### b) Basis of valuation

The opening balance sheet was prepared on the historical cost basis.

### c) Functional and presentation currency

The opening balance sheet is presented in Canadian dollars, which is the Trust's functional currency.

# MARDI.INFO INCOME TRUST

Notes to Opening Balance Sheet  
December 5, 2020

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## 3. SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies applied in the preparation of the opening balance sheet are set out below.

### Financial instruments

The Trust classifies its financial assets according to the economic model for the management of those assets and their contractual cash flows. Financial assets are classified into one of the following categories: At fair value through profit or loss, at fair value through other comprehensive income or at amortized cost. Upon initial recognition, the Trust may irrevocably designate any financial asset to be measured at fair value through profit or loss.

The only financial asset of the Trust is cash, which is classified at amortized cost.

The Trust classifies its financial liabilities at amortized cost, with the exception of derivatives and financial liabilities which the Trust, on initial recognition, irrevocably designates them to be measured at fair value through profit or loss.

The only financial liabilities of the Trust are Class A1 units issued, which are classified at amortized cost.

## 4. UNITS

### Authorized

An unlimited number of units, voting, right to participate in the distributions of net income related to the corresponding class of units of the MarDi.info Operating Trust and of capital, retractable after 4 months following the issuance

The Trust is authorized to issue units of Class A1, A2, B1, B2, C1, C2, D1, D2, E1, E2, F1, F2, G1, G2, H1, H2, I1, I2, J1, J2, K1, K2, L1, L2, M1, M2, N1, N2, O1, O2, P1, P2 and 1 to 10

### Issued

10 Class A1 units	\$	100
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# MARDI.INFO INCOME TRUST

Notes to Opening Balance Sheet  
December 5, 2020

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## 5. CAPITAL MANAGEMENT DISCLOSURES

The Trust's capital structure is defined by management as being comprised of units. The Trust's objectives when managing its capital structure are to preserve the Trust's access to capital markets and its ability to meet its financial obligations and to finance the Operating Trust operating activities, the Limited Partnership operating activities and its general corporate costs. This is achieved by (i) the Board of Trustees review and approval of operating budgets that are achievable within existing resources and (ii) the matching of the next stage of expenditures with the resources made available from private investments or other funding when required.

The Trust monitors its capital structure using annual forecasted cash flows, budgets and targets for the year as well as corporate capitalization schedules.

The Trust currently has no source of revenue; the Trust is dependent upon external financing to fund the Operating Trust activities, the Limited Partnership activities and its own activities. In order to carry out future projects and to pay for administrative costs, the Trust will spend its existing working capital and raise additional funds as needed. Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Trust, is reasonable.

Based on available funds, the Trust manages its capital structure and makes appropriate adjustments to maintain flexibility while achieving the objectives stated above as well as supporting future business opportunities. To manage the capital structure, the Trust may adjust its operating expenditure plans, or issue new units and warrants.

The Board of Trustees does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Trust's management to sustain future business development. The Trust is not subject to externally imposed capital requirements or covenants.



## **CERTIFICATE PAGE**

Dated December 5, 2020.

**This Offering Memorandum does not contain a misrepresentation.**

### **MARDI.INFO INCOME TRUST**

**by its Trustees,**

**“Richard Boivin”** (signed)

Trustee

**“Ginette Fortin”** (signed)

Trustee

**“André Halley”** (signed)

Trustee