

# CONFIDENTIAL OFFERING MEMORANDUM

No. \_\_\_\_\_

*This confidential offering memorandum (the “Offering Memorandum”) constitutes an offering of the securities described herein only in those jurisdictions where, and to those persons to whom, they may be lawfully offered for sale. This Offering Memorandum is not, and under no circumstances is it to be construed as, a prospectus or an advertisement or a public offering of these securities. No securities commission or similar regulatory authority in Canada has reviewed this Offering Memorandum nor has it in any way passed upon the merits of the securities offered hereunder and any representation to the contrary is an offence. No prospectus has been filed with any such authority in Canada in connection with the securities offered hereunder.*

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

Continuous Offering



May 1, 2023

## NINEPOINT CANADIAN SENIOR DEBT FUND

Class A, Class F and Class I trust units (collectively, the “Units”) of Ninepoint Canadian Senior Debt Fund (formerly Sprott Canadian Senior Debt Fund) (the “Fund”) are being offered on a private placement basis pursuant to exemptions from the prospectus requirements and, where applicable, the registration requirements under applicable securities legislation. Units are being offered on a continuous basis to an unlimited number of eligible subscribers who are prepared to invest a minimum initial subscription amount of \$5,000 if the subscriber qualifies as an “accredited investor” under applicable securities legislation. If the subscriber does not qualify as a “accredited investor” then the minimum initial subscription amount for Units is \$150,000 pursuant to the “minimum amount investment” exemption under National Instrument 45-106 – *Prospectus Exemptions* (“NI 45-106”); provided that such subscriber is (i) not an individual, and (ii) not created or used solely to rely on the “minimum amount investment” exemption. Ninepoint Partners LP (the “Manager”), the manager of the Fund, may, in its sole discretion, accept subscriptions for lesser amounts provided such subscribers are “accredited investors” as defined under applicable securities legislation. Units are be offered at subscription price equal to the net asset value (“Net Asset Value”) per Unit for the applicable class (determined in accordance with the trust agreement applicable to the Fund dated as of May 1, 2023 (the “Trust Agreement”), as the same may be amended, restated or supplemented from time to time) as at the relevant Valuation Date (as hereinafter defined). Units are only transferable with the consent of the Manager and in accordance with applicable securities legislation.

**Units are subject to restrictions on resale under applicable securities legislation, unless a further statutory exemption may be relied upon by the investor or an appropriate discretionary order is obtained from the appropriate securities regulatory authorities pursuant to applicable securities legislation. As there is no market for the Units, it may be difficult or even impossible for a subscriber to sell them other than by way of a redemption of their Units. Subject to the restrictions described herein, Units may be redeemed at the end of each calendar quarter, provided that a written request for redemption is submitted to the Manager at least 120 days prior to the redemption date. The Manager may, in its sole discretion, accept a redemption request submitted 30 days prior to a Redemption Date (as hereinafter defined), provided the Manager has received a concurrent subscription from the Unitholder’s discretionary account manager or investment adviser which, at minimum, offsets Net Asset Value of the Fund that would be redeemed in connection with the redemption request. An early redemption fee of 2% of the Net Asset Value per Unit for Units of any series will be charged and deducted from the redemption price if such Unit is surrendered for redemption within 12 months of the date of its issuance.**

**The Units offered hereby are distributed exclusively by the Fund by way of a private placement. An investment in the Fund is not intended as a complete investment program and involves significant risks. The Fund invests substantially all of its assets in the Ninepoint Canadian Senior Debt Feeder Fund Ltd. which in turn invests substantially all of its assets in the Ninepoint Canadian Senior Debt Master Fund LP (the “Master Fund”). Investors should carefully review the risk factors outlined in this Offering Memorandum. Investors are urged to consult with an independent legal advisor prior to signing the subscription form for the Units which accompanies this Offering Memorandum. Investors relying on this Offering Memorandum must comply with all applicable securities legislation with respect to the acquisition or disposition of Units.**

**An investment in the Fund requires the financial ability and willingness to accept the high risks and lack of liquidity inherent in an investment in the Fund. Investors in the Fund must be prepared to bear such risks for an extended period of time. No assurance can be given that the Fund’s investment objectives will be achieved or that investors will receive a return of their capital. Investors should have the financial ability and willingness to accept the risk characteristics of the Fund’s investment in the Master Fund.**

**Sightline Wealth Management LP is a registered investment dealer participating in the offering of the Units to its clients for which it will receive a service commission with respect to Class A Units. The Fund may be considered to be a “connected issuer” and “related issuer” of Sightline Wealth Management LP and the Manager under applicable securities legislation. Sightline Wealth Management LP, 2573323 Ontario Inc. (the general partner of Sightline Wealth Management LP), the Manager and Ninepoint Partners GP Inc. are controlled, directly or indirectly, by the same group of individuals. See “Conflicts of Interest”.**

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## SUMMARY

*Prospective investors are encouraged to consult with their own professional advisors as to the tax and legal consequences of investing in the Fund. The following is a summary only and is qualified by the more detailed information contained in this Offering Memorandum, the Trust Agreement.*

- The Fund:** Ninepoint Canadian Senior Debt Fund (the “**Fund**”) is an open-ended unincorporated investment trust established under the laws of the Province of Ontario and governed pursuant to an amended and restated trust agreement dated as of May 1, 2023 (the “**Trust Agreement**”), as the same may be amended, restated or supplemented from time to time. See “The Fund”.
- The Trustee:** Pursuant to the Trust Agreement, CIBC Mellon Trust Company (the “**Trustee**”) is the trustee of the Fund. The Trustee is a trust company continued under the federal laws of Canada. See “Trustee”.
- Investment Objective and Strategy of the Fund:** The investment objective of the Fund is to achieve superior risk-adjusted returns, preserve capital and minimize volatility.
- To achieve its investment objective the Fund intends to invest substantially all of its assets in non-voting shares of Ninepoint Canadian Senior Debt Feeder Fund Ltd. (the “**Feeder Fund**”), a Cayman Islands exempted company, which will in turn invest substantially all of its assets in limited partnership interests of Ninepoint Canadian Senior Debt Master Fund LP (the “**Master Fund**”), a Cayman Islands exempted limited partnership. As a result, the performance of the Fund will be dependent on the performance of the Feeder Fund, which in turn will be dependent on the performance of the Master Fund.
- See “Investment Objective and Strategy of the Fund”.
- The Feeder Fund:** The Feeder Fund is an exempted company incorporated with limited liability in the Cayman Islands on April 20, 2017 under the *Companies Law* (as amended). See “The Feeder Fund”.
- The Master Fund:** The Master Fund is an exempted limited partnership established in the Cayman Islands on June 16, 2017. Ninepoint Canadian Senior Debt Master Fund GP Inc., an exempted company incorporated under the laws of the Cayman Islands, is the general partner of the Master Fund. See “The Master Fund”.
- Investment Objective and Strategies of the Feeder Fund and the Master Fund:** The Feeder Fund was formed for the purpose of making investments. The investment mandate of the Feeder Fund is to invest substantially all of its assets in limited partnership interests of the Master Fund. The Feeder Fund may in the future invest in securities of another fund which itself holds Master Fund limited partnership units if the directors of the Feeder Fund determine that it is in the best interest of the Feeder Fund or its shareholders to do so.
- The Master Fund will primarily invest, directly or indirectly, in a portfolio of first priority or first lien senior secured, traditional asset based loans to Canadian companies (the “**Portfolio**”). Loans comprising the Portfolio are expected to be fully supported by senior liens on collateral assets of the borrower companies. Such companies will also have capable management teams, strong fundamentals, visible potential cash-flow and, if necessary, strong liquidation or break-up values.
- The Master Fund will focus on identifying investment opportunities primarily in Canadian companies that are otherwise unable to access financing. These companies are often overlooked or underappreciated by the general financial community due to size, perceived risk, complexity or timing.
- The Master Fund will execute its investment strategy through the services and experience of the Loan Consultant (defined below). Portfolio construction by the Loan Consultant in respect of each of the Master Fund’s Portfolio investments will involve (i) origination and term sheet construction, (ii) due diligence and

underwriting on collateral and business strength, (iii) risk rating assignment and preparation of an investment summary, (iv) Loan Consultant's investment committee review and recommendation, (v) monitoring of the investment by collateral tracking and covenant testing, (vi) risk rating updates, audits and appraisals, and (vii) portfolio management. Each investment follows a rigorous documentation process. In conjunction with primary investments, the Master Fund may take warrants and other "equity sweeteners" to enhance investment yield in the Portfolio.

See "Investment Objective and Strategy of the Master Fund".

**The Manager:**

Ninepoint Partners LP (the "**Manager**") is the manager of the Fund. The Manager is a limited partnership formed and organized under the laws of the Province of Ontario. The Manager is responsible for the management of the day-to-day business and administration of the Fund. The Manager also acts as investment manager of the Master Fund and is responsible for the management of the Master Fund's investment portfolio. See "Management of the Fund – The Manager" and "Investment Advisory Agreement for the Master Fund".

**Loan Facilities:**

The Fund may enter into loan facilities with one or more lenders. The Manager views the loan facilities as being able to provide liquidity in the event of Unitholder redemptions.

In addition, the Master Fund may enter into loan facilities (the "Master Fund Loan Facilities") with one or more lenders for the purposes of (i) covering Master Fund expenses, (ii) financing investments, (iii) funding redemptions and (iv) any other purpose determined advisable by the Manager.

**Investment Restrictions of the Master Fund:**

The Manager may from time to time establish restrictions with respect to the investments of the Master Fund. The Master Fund will not allocate capital in any one Portfolio investment greater than 25% of the Net Asset Value of the Master Fund, at the time of investment.

The restrictions may be changed from time to time by the Manager to adapt to changing circumstances. Additional restrictions may also be imposed in order to ensure generally that the Master Fund is not subject to tax under the Tax Act.

**The Loan Consultant:**

The Manager has retained Waygar Capital Inc. (the "**Loan Consultant**") as the Loan Consultant to the Master Fund with respect to the Portfolio. The Loan Consultant is a corporation formed and organized under the laws of the Province of Ontario. Established in 2010, the Loan Consultant is a finance company, which provides asset-based loans to companies requiring working capital as well as term loan facilities typically ranging from \$5,000,000 to \$50,000,000.

The Loan Consultant will originate and underwrite transactions that are compliant with the Investment Restrictions and Guidelines of the Master Fund. The Loan Consultant will procure, service, administer and monitor the Portfolio. The Loan Consultant will also be responsible for collections and payments relating to the loan portfolio and maintain appropriate accounting records. Any and all fees collected from the borrowers, including all work fees, commitment fees, facility fees, audit fees, amendment fees and monitoring fees will be retained for the account of the Master Fund.

The Manager may, in its discretion, terminate and replace the Loan Consultant where it deems it to be in the best interests of the Fund. See "Management of the Fund – The Loan Consultant".

**Investor Suitability:**

The Fund is suitable for those investors seeking income, preservation of capital and growth potential over the long-term with a medium to a high tolerance for risk and lower volatility. Investors should have a long-term investment horizon. Investors are encouraged to consult with their professional advisors to determine whether an investment in the Fund is suitable having regard to their own circumstances.

- The Offering:** A continuous offering of Class A units, Class F units and Class I units of the Fund (collectively, the “**Units**”). There need not be any correlation between the number of Units of each class sold hereunder. The differences among the four classes of Units are the different eligibility criteria, fee structures and administrative expenses associated with each class. See “Description of Units of the Fund”, “Redemption of Units” and “Fees and Expenses”.
- Units may be purchased as at the close of business on a Valuation Date (as hereinafter defined) if a duly completed subscription form and the required payment reaches the Manager no later than 4:00 p.m. (Toronto time) on such Valuation Date. The issue date for subscription orders received and accepted after 4:00 p.m. (Toronto time) on a Valuation Date will be the next Valuation Date. If on any Valuation Date the amount of subscriptions for Units is less than \$150,000 in the aggregate, the Manager will hold such subscriptions in cash until such time as additional subscriptions are received and total \$150,000 in the aggregate. Accordingly, the issue date for such Units will be the next Valuation Date. No certificates evidencing ownership of Units will be issued to Unitholders. See “Details of the Offering”.
- Each Unit represents a beneficial interest in the Fund. The Fund is authorized to issue an unlimited number of classes and/or series of Units and an unlimited number of Units in each such class or series. The Fund may issue fractional Units so that subscription funds may be fully invested. Each whole Unit of a particular class has equal rights to each other Unit of the same class with respect to all matters, including voting, receipt of distributions from the Fund, liquidation and other events in connection with the Fund. See “Description of Units of the Fund”.
- Personal Investment Capital:** Certain directors, officers and employees of the Manager and/or its affiliates and associates may purchase and hold Units of the Fund and the securities of certain of the Portfolio companies from time to time. See “Conflicts of Interest”.
- Valuation Date:** The net asset value (“**Net Asset Value**”) of the Fund and the Net Asset Value per Unit of each class will be calculated on the last business day (that is, the last day on which the Toronto Stock Exchange is open for trading, such day, a “**Business Day**”) of each month and on such other Business Day or days as the Manager may in its discretion designate (each, a “**Valuation Date**”).
- Price:** Units are offered at a subscription price equal to the Net Asset Value per Unit for the applicable class of Units on each Valuation Date (determined in accordance with the Trust Agreement). See “Computation of Net Asset Value of the Fund”.
- Minimum Initial Subscription:** Units are being offered to investors resident in British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Québec, New Brunswick, Nova Scotia, Newfoundland and Labrador, Prince Edward Island, Northwest Territories, Nunavut and Yukon (the “**Offering Jurisdictions**”) pursuant to exemptions from the prospectus requirements under (i) section 2.3 of National Instrument 45-106 *Prospectus Exemptions* (“**NI 45-106**”) or section 73.3 of the *Securities Act* (Ontario), as the case may be (in each case, the accredited investor exemption), and (ii) section 2.10 of NI 45-106 (minimum amount investment exemption) and, where applicable, the registration requirements under National Instrument 31-103 *Registration Requirements, Exemptions and Ongoing Registrant Obligations* (“**NI 31-103**”). Units will not be issued to individuals under section 2.10 of NI 45-106 (minimum amount investment exemption). See “Details of the Offering”.
- Units are being offered by the Fund on a continuous basis to an unlimited number of eligible subscribers who are prepared to invest a sufficient amount to meet the minimum initial subscription requirements or who are otherwise qualified investors. As at the date of this Offering Memorandum, the minimum initial subscription amount for persons relying on the “accredited investor” exemption is \$5,000. The minimum initial subscription amount for persons relying on the “minimum amount investment” exemption is \$150,000; provided that such subscriber is (i) not an individual, and (ii) not created or used solely to rely on the

“minimum amount investment” exemption. At the sole discretion of the Manager, subscriptions may be accepted for lesser amounts provided such subscribers are “accredited investors”. These minimum initial subscription amounts are net of any sales commissions payable by an investor to their registered dealer. See “Dealer Compensation”.

Subscriptions for Units are subject to acceptance or rejection in whole or in part by the Manager in its sole discretion. No subscription for Units will be accepted from a subscriber unless the Manager is satisfied that the subscription is in compliance with the requirements of applicable securities legislation. Subscribers whose subscriptions have been accepted by the Manager will become Unitholders.

**Description of Units:**

**Class A Units** will be issued to qualified purchasers.

**Class F Units** will be issued to: (i) qualified purchasers who participate in fee-based programs through eligible registered dealers; (ii) qualified purchasers in respect of whom the Fund does not incur distribution costs; and (iii) qualified individual purchasers in the Manager’s sole discretion. If a Unitholder ceases to be eligible to hold Class F Units, the Manager may, in its sole discretion, reclassify such Unitholder’s Class F Units for Class A Units on five days’ notice, unless such Unitholder notifies the Fund during the notice period and the Manager agrees that the Unitholder is once again eligible to hold Class F Units.

**Class I Units** will be issued to institutional investors at the discretion of the Manager. If a Unitholder ceases to be eligible to hold Class I Units, the Manager, may, in its sole discretion, reclassify such Unitholder’s Class I Units for Class A Units on five days’ notice, unless such Unitholder notifies the Fund during the notice period and the Manager agrees that the Unitholder is once again eligible to hold Class I Units.

The Fund has also issued Class F1 units and Class S units which are not being offered hereunder. Subject to the consent of the Manager, Unitholders may reclassify or switch all or part of their investment in the Fund from one class of Units to another class if the Unitholder is eligible to purchase that class of Units. The timing and processing rules applicable to purchases and redemptions of Units also applies to reclassifications or switches between classes of Units. See “Details of the Offering” and “Redemption of Units”. Upon a reclassification or switch from one class of Units to another class, the number of Units held by the Unitholder will change since each class of Units has a different Net Asset Value per Unit.

Generally, reclassifications or switches between classes of Units are not dispositions for tax purposes. However, Unitholders should consult with their own tax advisors regarding any tax implications of reclassifying or switching between classes of Units.

Any investor who becomes a “non-resident” or a “financial institution” within the meaning of the *Income Tax Act* (Canada) (the “**Tax Act**”) shall disclose such status to the Fund at the time such status changes and the Fund may restrict the participation of any such investor or require any such investor to redeem all or some of such investor’s Units at the next Valuation Date.

By executing a subscription form for Units in the form prescribed by the Manager, each subscriber is making certain representations, and the Manager and the Fund are entitled to rely on such representations to establish the availability of exemptions from the prospectus and registration requirements described under NI 45-106 and NI 31-103. In addition, the subscriber is also acknowledging in the subscription form that the investment portfolio and trading procedures of the Fund are proprietary in nature and agrees that all information relating to such investment portfolio and trading procedures will be kept confidential by such subscriber and will not be disclosed to third parties (excluding the subscriber’s



professional advisors) without the prior written consent of the Manager.

**Additional Subscriptions:**

Following the required initial minimum investment in the Fund, Unitholders resident in the Offering Jurisdictions may make additional investments in the Fund of not less than \$5,000 provided that, at the time of the subscription for additional Units, the Unitholder is an “accredited investor” as defined under applicable securities legislation. Unitholders who are not “accredited investors” nor individuals, but previously invested in, and continue to hold, Units having an aggregate initial acquisition cost or current Net Asset Value equal to \$150,000, will also be permitted to make subsequent investments in the Fund of not less than \$5,000. Subject to applicable securities legislation, the Manager, in its sole discretion, may from time to time permit additional investments in Units of lesser amounts. Unitholders subscribing for additional Units should complete the subscription form prescribed from time to time by the Manager.

**Management Fees Payable by the Fund:**

The Fund will pay the following management fees in respect of the Adjusted Net Asset Value of the Fund attributable to each class of Units:

As compensation for providing management and administrative services to the Fund, the Manager receives a monthly management fee (the “**Management Fee**”) from the Fund attributable to Class A Units, Class F Units and, in certain circumstances described below, Class I Units. Each class of Units is responsible for the Management Fee attributable to that class.

**Class A Units:**

The Fund pays the Manager a monthly Management Fee equal to 1/12 of 1.45% of the Adjusted Net Asset Value of the Class A Units plus 1/12<sup>th</sup> of 1% of the Net Asset Value of the Class A Units (unadjusted) (determined in accordance with the Trust Agreement) representing the Service Commission, plus any applicable federal and provincial taxes (“**HST**”), calculated and accrued on each Valuation Date and payable on the last Business Day of each month.

From July 1, 2022 to June 30, 2023, the Management Fee in respect of Class A Units is temporarily reduced to 1/12 of 1.35% of the Adjusted Net Asset Value of the Class A Units, plus the Service Commission, plus HST.

**Class F Units:**

The Fund pays the Manager a monthly Management Fee equal to 1/12 of 1.45% of the Adjusted Net Asset Value of the Class F Units (determined in accordance with the Trust Agreement), plus any applicable HST, calculated and accrued on each Valuation Date and payable on the last Business Day of each month.

From July 1, 2022 to June 30, 2023, the Management Fee in respect of Class F Units is temporarily reduced to 1/12 of 1.35% of the Adjusted Net Asset Value of the Class F Units, plus HST.

**Class I Units:**

Subject to the discretion of the Manager, investors who purchase Class I Units must either: (i) enter into an agreement with the Manager which identifies the monthly Management Fee negotiated with the investor which is payable by the investor directly to the Manager; or (ii) enter into an agreement with the Fund which identifies the monthly Management Fee negotiated with the investor which is payable by the Fund to the Manager. In each circumstance, the monthly Management Fee, plus any applicable HST, is calculated and payable monthly in arrears as of each Valuation Date.

“Adjusted Net Asset Value” means, at any time, the Net Asset Value multiplied by the percentage obtained by dividing (A) by (B) where (A) equals the total assets of the Master Fund at such time including assets financed using the Master Fund Loan Facilities and (B) equals the total assets of the Master Fund at such

time less the outstanding balance of the Master Fund Loan Facilities.

The Fund will not pay a management fee to the Manager that to a reasonable person would duplicate a fee payable for the same service.

See “Fees and Expenses – Management Fees Payable by the Fund”.

**Fees Payable  
by the Master Fund:**

As the Fund will invest indirectly in the Master Fund, Unitholders of all classes will indirectly bear the fees and expenses of the Master Fund, such as audit fees, custody fees, interest expenses and other operating expenses. There is no management fee charged by the Manager to the Master Fund.

**Performance Fees Payable  
by the Fund:**

The Fund will pay the following Performance Fees (as hereinafter defined) to the Manager:

The Manager is entitled to receive from the Fund a quarterly performance fee (the “**Performance Fee**”) attributable to the Class A Units, Class F Units and Class I Units. Each such class of Units is charged a Performance Fee. If the difference by which the return in the Net Asset Value per Unit of the particular class of Units (before calculation and accrual for the Performance Fee) from the beginning of the quarter (or inception date of the class of Units) to the end of the quarter exceeds 7% annualized (the “**Hurdle Rate**”) for the same period (or prorated for partial quarters), and such return is between 7% and 8.75% on an annualized basis, such amount in excess of the Hurdle Rate shall be payable to the Manager as a Performance Fee, plus applicable HST. If the difference by which the return in Net Asset Value per Unit of the particular class of Units (before calculation and accrual of the Performance Fee) in the particular quarter exceeds the Hurdle Rate and is 8.75% or more on an annualized basis, then such amount between the Hurdle Rate and 8.75%, plus 20% of the return above 8.75% shall be payable to the Manager as Performance Fee, plus applicable HST.

If the performance of a particular class of Units in any quarter is positive but less than the Hurdle Rate, then no Performance Fee will be payable in that quarter for that class of Units, however, the difference between such return of the Fund and the Hurdle Rate is not carried forward. If the performance of a particular class of Units in any quarter is negative, such negative return will be carried forward when calculating the Performance Fee for that class of Units. The Performance Fee in respect of each class of Units will be calculated monthly and will be payable quarterly.

See “Fees and Expenses – Performance Fees Payable by the Fund”.

**Fees Payable to the Loan  
Consultant:**

The Loan Consultant is entitled to receive an annual fee from the Manager payable from the net Management Fee received by the Manager from the Fund or Master Fund, as applicable. In addition, the Loan Consultant is entitled to receive an annual fee from the Manager payable from the Performance Fee, if any, received by the Manager from the Fund or Master Fund, as applicable. The foregoing fees shall be paid by the Manager to the Loan Consultant out of the net Management Fee and Performance Fee, if any, received by the Manager.

No other fees or compensation shall be payable to the Loan Consultant in respect of the services performed by the Loan Consultant. See “Fees and Expenses – Fees Payable to the Loan Consultant”.

**Operating Expenses  
Payable by the Fund:**

The Fund is responsible for the payment of all routine and customary fees and expenses incurred relating to the administration and operation of the Fund including, but not limited to: Trustee fees and expenses; custodial, prime broker and safekeeping fees and expenses; registrar and transfer agency fees and expenses; audit, legal and record-keeping fees and expenses; communication expenses; printing and mailing expenses; all costs and expenses associated with the qualification for sale and distribution of the Units in the Offering Jurisdictions including securities filing fees (if any); investor servicing costs; costs of providing information to Unitholders (including proxy solicitation

material, financial and other reports) and convening and conducting meetings of Unitholders; taxes, assessments or other governmental charges of all kinds levied against the Fund; interest expenses; all brokerage commissions and other fees associated with the purchase and sale of portfolio securities and other assets of the Fund; and all expenses associated with the servicing, collection and liquidation of investments held directly by the Fund. In addition, the Fund will be responsible for the payment of all expenses associated with ongoing investor relations and education relating to the Fund. See “Fees and Expenses – Operating Expenses Payable by the Fund”.

**Sales Commission:**

No sales commission is payable to the Manager in respect of Units purchased directly by a subscriber. However, registered dealers may, at their discretion, charge purchasers a front-end sales commission of up to 5% of the Net Asset Value of the Class A Units purchased by the subscriber. Any such sales commission will be negotiated between the registered dealer and the purchaser and will be payable directly by the purchaser to their dealer. All minimum subscription amounts described in this Offering Memorandum are net of such sales commissions. See “Dealer Compensation – Sales Commission”.

**Service Commission:**

The Manager intends to pay a monthly service commission to participating registered dealers equal to 1/12<sup>th</sup> of 1.0% of the Net Asset Value of the Class A Units sold by such dealers then outstanding (the “**Service Commission**”). Payments are calculated and paid monthly to registered dealers from the Management Fees the Manager receives from the Fund. Notwithstanding the foregoing, the Manager, in its sole discretion, reserves the right to change the frequency of payment to registered dealers of the service commission to a quarterly or annual basis. See “Dealer Compensation – Service Commission”.

**Redemption of Units:**

An investment in Units is intended to be a long-term investment. However, Unitholders may request that Units may be redeemed at their Net Asset Value per Unit for the applicable class (determined in accordance with the Trust Agreement) on the last Business Day of each calendar quarter (a “**Redemption Date**”), provided the written request for redemption and all necessary documents relating thereto, is submitted to the Manager prior to 4:00 p.m. (Toronto time) on a Business Day which is at least 120 days prior to the Redemption Date. See “Redemption of Units”.

Notwithstanding the foregoing, the Manager may accept a redemption request submitted 30 days prior to a Redemption Date in the form included as Schedule “B” to this Offering Memorandum, provided that a concurrent subscription is received from the Unitholder’s discretionary account manager or investment adviser by the Manager which, at minimum, offsets the Net Asset Value of the Fund that would be redeemed in connection with the redemption request. Acceptance of offsetting subscription and the concurrent redemption are at the absolute discretion of the Manager. Notwithstanding the submission of an offsetting subscription, the early redemption fee described below will apply to Units that are redeemed within 12 months of the date of subscription.

Payment of the redemption amount (the “**Redemption Amount**”) will be paid to the redeeming Unitholder not later than the 30<sup>th</sup> day following the applicable quarter-end for which such redemption is effective. Each such redemption shall be made on a Redemption Date. The Redemption Amount payable to Unitholders will be adjusted by changes in the Net Asset Value of the Fund during the period between the date of the Redemption Notice and the Redemption Date and calculated on each Redemption Date in respect of the payment to be made on such date. Until such time as they are redeemed, the portion of any redemption requests that are not satisfied on a Redemption Date will remain invested in, and therefore still subject to the risks of, the Feeder Fund and the Master Fund.

On direction from the Manager, the record-keeper of the Fund shall hold back up to 20% of the Redemption Amount on any redemption to provide for an orderly disposition of assets. Any Redemption Amount which is held back shall be paid within a reasonable time period, having regard for applicable circumstances.

Notwithstanding and without limiting any of the provisions contained herein and in the Trust Agreement, the Manager may require the redemption of all or any part of the Units held by a Unitholder at any time in its absolute discretion. No early redemption fee will be charged to a Unitholder where the Manager requires such a redemption of a Unitholder's Units.

If the combined redemption requests in aggregate of the Fund, the Feeder Fund and Ninepoint Canadian Senior Debt US Feeder LP (the "**US Feeder Fund**", and collectively, the "**Fund Group**") exceed 5% of the Net Asset Value of the Master Fund for any quarter (the "**Redemption Cap**"), all redemption requests submitted to each member of the Fund Group, including the Fund, will be satisfied pro-rata in proportion to the aggregate dollar value of the redemption requests received by the Fund Group as a whole (as of the applicable Redemption Date), to the aggregate maximum dollar value (or equivalent value in Units) of the Master Fund permitted to be redeemed on the Redemption Date under the Redemption Cap. Any portion of redemption requests in respect of the Fund Group not satisfied will be cancelled. Unitholders may submit any cancelled redemption requests for the following Redemption Date. Such cancelled and resubmitted redemption requests will not have priority over new redemption requests submitted for the subsequent Redemption Date.

Quarterly redemptions of an aggregate of up to 5% of the Net Asset Value of the Master Fund are expected but not guaranteed. Net Asset Value of the Master Fund for the purposes of determining the Redemption Cap will be calculated as of the last Business Day of the previous calendar quarter.

The Manager may, at its discretion elect to redeem less than 5% of the Net Asset Value of the Master Fund in any calendar quarter with the approval of the IRC (as defined herein), if in its reasonable judgment it deems such limitation to be in the best interest of the Fund and the Unitholders. Such election shall constitute the Redemption Cap for the applicable calendar quarter.

The record-keeper of the Fund shall, upon any redemption of Units, deduct from the Redemption Amount an amount equal to any accrued and applicable fees and taxes payable by the Unitholder in connection with such redemption.

The Manager may suspend the right of Unitholders to require the Fund to redeem Units held by them and the concurrent payment for Units tendered for redemption and/or the calculation of Net Asset Value: (i) during the whole or any part of any period when normal trading is suspended on any stock exchange, options exchange or futures exchange within or outside Canada on which in the opinion of the Manager a significant portion of securities, instruments or derivatives owned by the Master Fund (or any successor thereto) are traded; (ii) for any period during which in the opinion of the Manager conditions exist which render the sale of assets of the Master Fund not reasonably practicable or the sale of such assets would be seriously prejudicial to investors or the Master Fund or at prices materially below their current valuation by the Master Fund, or which impair the ability of the Master Fund to determine the value of the assets of the Master Fund; or (iii) in the opinion of the Manager, the effect of such withdrawals or redemptions would result in a violation of law or violate or cause serious adverse consequences under any investment or agreement governing any indebtedness incurred by the Master Fund or would seriously impair the Master Fund's ability to operate.

**Early Redemption Fee:**

The Manager may, in its sole discretion, impose an early redemption fee equal to 2% of the aggregate Net Asset Value of Units redeemed if such Units are redeemed within 12 months of their date of purchase. This early redemption fee

will be deducted from the Redemption Amount otherwise payable to a Unitholder and will be paid to the Fund. No early redemption fee will be charged in respect of the redemption of Units which were acquired by a Unitholder through the automatic reinvestment of all distributions of net income or capital gains by the Fund or where the Manager requires a Unitholder to redeem some or all of the Units owned by such Unitholder. This early redemption fee is in addition to any other fees a Unitholder is otherwise subject to under this Offering Memorandum. See “Fees and Expenses – Early Redemption Fee”.

**Transfer or Resale:**

Units are subject to restrictions on resale under applicable securities legislation, unless a further statutory exemption may be relied upon by the investor or an appropriate discretionary order is obtained from the appropriate securities regulatory authorities pursuant to applicable securities legislation. As there is no market for the Units, it may be difficult or even impossible for a subscriber to sell them other than by way of a redemption of their Units on a Redemption Date. Accordingly, redemption of the Units in accordance with the provisions set out in this Offering Memorandum is likely to be the only means of liquidating an investment in the Fund.

**Distributions:**

Commencing with the Distribution Record Date (as hereinafter defined) falling on June 30, 2023, the Manager intends to make a quarterly distribution on all Classes of Units, to Unitholders of record as of the close of business on the last Business Day of each quarter (each, a “**Distribution Record Date**”). Distributions will be paid on a Business Day of the following month designated by the Manager after the NAV for the applicable month, in which the Distribution Record Date is set, is determined. At any time, the Manager may decide to change the frequency of distributions and make monthly or less frequent distributions. The amount and frequency of any distributions may fluctuate and there can be no assurance that any distributions will be made in any period or of any particular amount.

If in any taxation year, after any quarterly distributions, there would remain in the Fund additional Net Income or Net Realized Capital Gains (as such term is defined in the Trust Agreement), the Fund will distribute in each year as one or more special year-end distributions such portion of its annual Net Income and Net Realized Capital Gains as will result in the Fund paying no tax under the Tax Act.

All distributions will be automatically reinvested in additional Units of the Class at the Net Asset Value of such Class of Units on the date of distribution.

The Net Income and Net Realized Capital Gains of the Fund for the period since the immediately preceding date on which Net Income and Net Realized Capital Gains were calculated will be calculated as of the close of business on the last Valuation Date in each fiscal year and as of such other dates during the year as the Manager in its discretion may decide. Allocations and distributions of capital gains will generally be made by reference to the number of Units held as of the close of business on the last Valuation Date in each fiscal year (or such other distribution date as may be determined by the Manager); however, the Manager may make allocations in a manner to fairly reflect, as best as possible, subscriptions and redemptions made during the year. The Manager, in its sole discretion, may allocate and, where applicable, designate to a Unitholder who has redeemed Units during a year an amount equal to any Net Realized Capital Gains realized by the Fund for the year as a result of the disposition of any of the Fund Property to satisfy the Redemption Notice given by such Unitholder or such other amount that is determined by the Manager to be reasonable.

**Purchasers should not confuse these distributions with the Fund’s rate of return or yield.**

Any distributions to Unitholders shall be accompanied by a statement advising the Unitholders of the source of the funds so distributed so that distributions of

ordinary income, dividends, return of capital and capital gains will be clearly distinguished, or, if the source of funds so distributed has not been determined, the communication shall so state, in which event the statement of the source of funds shall be forwarded to Unitholders promptly after the close of the fiscal year in which the distribution was made.

See “Distributions”.

**Risk Factors and  
Conflicts of Interest:**

The Fund is subject to various risk factors and conflicts of interest. **An investment in the Fund is not guaranteed and is not intended as a complete investment program.** A subscription for Units should be considered only by persons financially able to maintain their investment and who can bear the risk of loss associated with an investment in the Fund. Prospective investors should review closely the investment objective, strategies and restrictions to be utilized by the Fund as outlined herein to familiarize themselves with the risks associated with an investment in the Fund. An investment in the Fund is also subject to certain other risks. These risk factors and the Code of Ethics to be followed by the Manager to address conflicts of interest are described under “Risk Factors” and “Conflicts of Interest”.

**Investment Risk Level:**

The Manager has identified the investment risk level of the Fund as an additional guide to help prospective investors decide whether the Fund is suitable for the investor. The Manager’s determination of the risk rating for the Fund is based on several quantitative and qualitative measures and is guided by the AIMA Canada Risk Ratings Guideline which includes several characteristics including, but not limited to, seniority, leverage, borrower characteristics, portfolio diversification and loan structures.

However, an investor should also be advised that other types of risk, both measurable and non-measurable, may exist. Additionally, just as historical performance may not be indicative of future returns, the Fund’s historical volatility may not be indicative of its future volatility.

In accordance with the methodology described above and having regard for the Fund having no previous performance, the Manager has rated the Fund as “medium to high”.

Notwithstanding the foregoing, investors should consider this Offering Memorandum in its entirety before making an investment decision, including the risk factors set out herein. See “Risk Factors”.

**Canadian Federal  
Income Tax Considerations:**

A prospective investor should consider carefully all of the potential tax consequences of an investment in the Fund and should consult with their tax advisor before subscribing for Units. For a discussion of certain income tax consequences of this investment, see “Canadian Federal Income Tax Considerations”.

**Not Eligible  
for Investment by  
Tax Deferred Plans:**

The Fund Units are **not** “qualified investments”, as defined in the Tax Act for a trust governed by a registered retirement savings plan (“RRSP”), a registered retirement income fund (“RRIF”), a registered disability savings plan (“RDSP”), a deferred profit sharing plan (“DPSP”), a registered education savings plan (“RESP”) or a tax-free savings account (“TFSA”).

**Year-End:**

December 31

**Auditors to the Fund:**

Ernst & Young LLP  
Toronto, Ontario

**Legal Counsel to the Fund:**

Stikeman Elliott LLP  
Toronto, Ontario

**Custodian to the Fund:**

CIBC Mellon Trust Company  
Toronto, Ontario

**Record-keeper to the Fund:** CIBC Mellon Global Securities Services Company  
Toronto, Ontario

**Administrator of the Fund:** CIBC Mellon Global Securities Services Company  
Toronto, Ontario

**Cayman Administrator:** First Caribbean International Bank and  
Trust Company (Cayman) Limited  
Grand Cayman, Cayman Islands

## THE FUND

Ninepoint Canadian Senior Debt Fund is an open-ended unincorporated investment trust established under the laws of the Province of Ontario pursuant to an amended and restated trust agreement applicable to the Fund dated as of May 1, 2023 (the “**Trust Agreement**”), as the same may be amended, restated or supplemented from time to time.

Pursuant to the Trust Agreement, CIBC Mellon Trust Company is the Trustee of the Fund. The principal office of the Trustee is located at 1 York Street, Suite 900, Toronto, Ontario M5J 0B6. CIBC Mellon Trust Company also acts as the custodian of the Fund. CIBC Mellon Global Securities Services Company is the record-keeper of the Fund. See “Trustee” and “Custodian”.

Ninepoint Partners LP is the Manager of the Fund. The principal office of the Fund and of the Manager is located at Suite 2700, South Tower, Royal Bank Plaza, 200 Bay Street, Toronto, Ontario, M5J 2J1. The Manager is responsible for the management of the day-to-day business and administration of the Fund. The Manager also acts as manager of the Master Fund (defined below) and is responsible for the management of the Master Fund’s investment portfolio. A copy of the Trust Agreement is available for review during regular business hours at the offices of the Manager. See “Management of the Fund – The Manager”.

The capital of the Fund is divided into an unlimited number of Units issuable in one or more classes and/or series of Units. The Fund currently offers four classes of Units: Class A Units, Class F Units, Class I Units and Class S Units. Additional classes and/or series of Units may be offered in the future. See “Description of Units of the Fund”.

Subscribers whose subscription for Units of the Fund have been accepted by the Manager will become Unitholders.

### **Recent Developments**

#### *Trust Agreement Amendments*

On June 15, 2022, the Unitholders of the Fund approved amendments to the Trust Agreement and this Offering Memorandum to, among other things, shorten the notice period for redemption requests effective December 31, 2022, eliminate the minimum investment term, implement an early redemption fee and revise the redemption features of the Units by adopting the Redemption Cap. In addition, the Trust Agreement was amended to clarify certain administrative provisions and the circumstances under which Unitholder approval is required to amend the Trust Agreement.

#### *Suspension of Redemptions*

On February 28, 2022, the Manager suspended redemptions of Units of the Fund due to tensions in the market for private debt funds which resulted in a significant and sudden increase in redemption requests received by the Manager for other investment funds managed by the Manager. Effective June 30, 2022 the Manager re-opened the Fund and the suspension was terminated. As of the date hereof, there are no limitations on redemptions of Units other than those described in this Offering Memorandum and the Trust Agreement.



### *Legal Proceedings*

The Master Fund, the Manager and the Loan Consultant, among other parties, were named in a complaint filed in the Supreme Court of the State of New York by O3 Industries, LLC (“O3”) on March 22, 2022. The complaint alleges breach of contract, among other allegations, by the Master Fund, as lender, under a loan agreement with a related party of O3. A motion to dismiss the action was granted on October 24, 2022 and is pending appeal.

The Manager and its affiliates are currently, and may in the future from time to time be named in other legal proceedings. None of such legal proceedings to date are in the opinion of the Manager material to the Fund or the Manager’s duties performed for the Fund.

### *Loans in Default*

As at December 31, 2022, the Fund had one loan in default, the value of which was 2.2% of the Net Asset Value of the Fund.

## **INVESTMENT OBJECTIVE AND STRATEGY OF THE FUND**

### **Investment Objective**

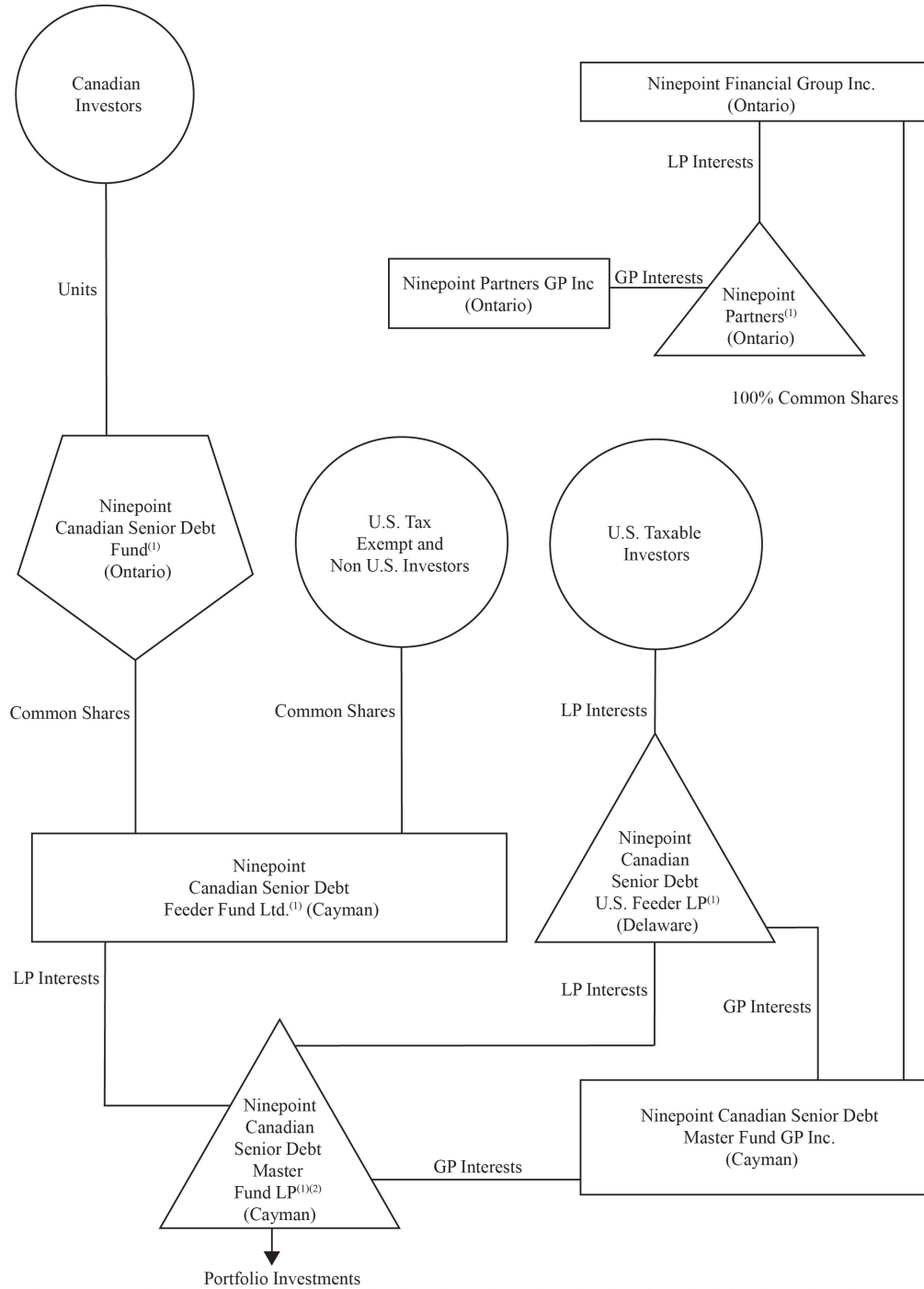
The investment objective of the Fund is to achieve superior risk-adjusted returns, preserve capital and minimize volatility.

### **Investment Strategy**

To achieve its investment objective the Fund intends to invest substantially all of its assets in non-voting shares of Ninepoint Canadian Senior Debt Feeder Fund Ltd. (the “**Feeder Fund**”), a Cayman Islands exempted company, which will turn invest substantially all of its assets in limited partnership interests of Ninepoint Canadian Senior Debt Master Fund LP (the “**Master Fund**”), also a Cayman Islands exempted limited partnership. As a result, the performance of the Fund will be dependent on the performance of the Feeder Fund, which in turn will be dependent on the performance of the Master Fund.

The Fund may enter into loan facilities with one or more lenders. The Manager views the loan facilities as being able to provide liquidity in the event of Unitholder redemptions.

The following chart outlines the master-feeder organizational structure.



(1) Ninepoint Partners LP is the Manager of Ninepoint Canadian Senior Debt Fund, Ninepoint Canadian Senior Debt Feeder Fund Ltd, Ninepoint Canadian Senior Debt US Feeder LP and Ninepoint Canadian Senior Debt Master Fund LP.  
 (2) Waygar Capital Inc. is the Loan Consultant to Ninepoint Canadian Senior Debt Master Fund LP.

## **THE FEEDER FUND**

The Feeder Fund (defined below) is an exempted company incorporated with limited liability in the Cayman Islands on April 20, 2017 under the *Companies Law* (as amended). The Feeder Fund's registered office is located at c/o Walkers Corporate Limited, Cayman Corporate Centre, 27 Hospital Road, George Town, Grand Cayman KY1-9008, Cayman Islands.

The Feeder Fund was formed for the purpose of making investments. The investment mandate of the Feeder Fund is to invest substantially all of its assets in limited partnership interests of the Master Fund. The Feeder Fund may in the future invest in securities of another fund which itself holds Master Fund limited partnership interests if the directors of the Feeder Fund determine that it is in the best interest of the Feeder Fund or its shareholders to do so.

The authorized share capital of the Feeder Fund is \$US50,000 divided into 5,000,000 shares each of a par value of US\$0.01 par value per share (the "**Feeder Fund Shares**").

Subject to the Feeder Fund's articles of association, the unissued Feeder Fund Shares are under the control of the directors. The directors may issue, allot, dispose of or grant options over those unissued shares to any persons, on any terms and in any manner they think fit. No shareholder has any pre-emptive right to purchase the Feeder Fund Shares.

The Feeder Fund Shares are redeemable at the demand of investors. The directors have engaged the Administrator to, among other things, administer the issuance and redemption of Feeder Fund Shares and the distribution of Feeder Fund Shares on the reinvestment of dividends payable.

The return to Unitholders of the Fund will be dependent on the return to the Fund of the Feeder Fund Shares. As an investor in the Feeder Fund, the Fund will indirectly bear the expenses of the Feeder Fund. The Manager provides investment management services to, but receives no compensation from, the Feeder Fund in respect of the Feeder Fund Shares held by the Fund.

The directors of the Feeder Fund is responsible for the overall management and control of the Feeder Fund. The directors have delegated certain duties to certain service providers, subject to overall supervision and direction by the directors. The current board of directors is composed of Paul Stevenson and Danesh Varma. Biographies for Paul Stevenson and Danesh Varma appear below under "The Master Fund". If additional directors are elected, the Feeder Fund may also compensate those directors for services rendered in that capacity.

## **THE MASTER FUND**

The Master Fund is an exempted limited partnership established in the Cayman Islands on June 16, 2017. The Master Fund's registered office is located at c/o Walkers Corporate Limited, Cayman Corporate Centre, 27 Hospital Road, George Town, Grand Cayman KY1-9008, Cayman Islands. Ninepoint Canadian Senior Debt Master Fund GP Inc., an exempted company incorporated under the laws of the Cayman Islands, is the general partner of the Master Fund.

The Master Fund was formed for the purpose of making investments. See "Investment Objective and Strategies of the Master Fund" below. The Master Fund may maintain a portion of its assets in cash from time to time to pay expenses, to pay dividends and to fund redemption requests.

Limited partnership interests of the Master Fund are issuable in one class. The limited partnership interests of the Master Fund have an operational currency of Canadian dollars for subscription, redemption and performance reporting purposes.

The Master Fund may, in the sole discretion of the directors of its general partner, issue additional classes of limited partnership interests with offering terms that differ from the existing class of limited partnership interests.

Subject to the Master Fund's limited partnership agreement, the unissued limited partnership interests of the Master Fund are under the control of the directors of its general partner. The directors may issue, allot, dispose of or grant options over those unissued limited partnership interests to any persons, on any terms and in any manner they think fit. No limited partner has any pre-emptive right to purchase the limited partnership interests of the Master Fund.

The limited partnership interests of the Master Fund are redeemable at the demand of investors. The directors have engaged the Administrator to, among other things, administer the issuance and redemption of such units.

The return to the Fund as the holder of Feeder Fund Shares will be dependent on the return to the Feeder Fund of the limited partnership interests of the Master Fund it holds. As an investor in the Master Fund, the Feeder Fund (and, therefore, the Fund) will indirectly bear the expenses of the Master Fund.

The Board of Directors of the general partner of the Master Fund is responsible for the overall management of the Master Fund. The Directors have delegated certain duties to certain service providers, subject to overall supervision and direction by the Directors. The current Board of Directors of the general partner is composed of Paul Stevenson and Danesh Varma. If additional directors are elected, the Master Fund may also compensate those directors for services rendered in that capacity.

#### **Paul Stevenson**

Mr. Stevenson is the CFO of Mayflower Management Services (Bermuda) Limited, a Bermuda corporation which provides consultancy and other services to hedge funds. Mr. Stevenson also provides independent director services to offshore companies, including hedge funds and fund of funds. Prior to joining Mayflower in June 2006, Mr. Stevenson was the Managing Director of Citco Fund Services (San Francisco), Inc. from March 2002 through May 2006. Before joining Citco, Mr. Stevenson was the Senior Manager and a Director of Citigroup Fund Services (Bermuda) Ltd. (formerly Forum Fund Services Ltd.) from July 1998 until February 2002. From 1996 to 1998, Mr. Stevenson was the Controller of UBP Asset Management (Bermuda) Limited (formerly UBAM Asset Management (Hamilton) Limited), a Bermuda based subsidiary of Union Bancaire Privée, and prior to that from 1994 to 1996, Mr. Stevenson was a Supervisor with Ernst & Young (Bermuda). Mr. Stevenson is a Chartered Professional Accountant and a member of CPA Canada and Bermuda.

#### **Danesh Varma**

Mr. Varma is the chief financial officer of Anglesey Mining plc, Buchans Resources Limited, Canadian Manganese Corporation, Conquest Resources Limited and Minco Exploration plc. He served as Managing General Partner of Brookfield Infrastructure Partners from 2007-2019. Prior to that, Mr. Varma held a number of senior positions in the banking, corporate finance and accounting fields. Mr. Varma holds a degree from Delhi University and is a Chartered Accountant in England and India.

## INVESTMENT OBJECTIVE AND STRATEGIES OF THE MASTER FUND

### Investment Objective

The investment objective of the Fund is to achieve superior risk-adjusted returns, preserve capital and minimize volatility, primarily by investing in asset-based loans of Canadian companies.

### Investment Strategy

The Master Fund will primarily invest, directly or indirectly, in a portfolio of first priority or first lien senior secured, traditional asset based loans to Canadian companies (the “**Portfolio**”). Loans comprising the Portfolio are expected to be fully supported by senior liens on assets of the borrower companies. Such companies will also have capable management teams, strong fundamentals, visible potential cash-flow and, if necessary, strong liquidation or break-up values.

The Master Fund will focus on identifying investment opportunities primarily in Canadian companies that are otherwise unable to access financing. These companies are often overlooked or underappreciated by the general financial community due to size, perceived risk, complexity or timing.

The Master Fund will execute its investment strategy through the insight and experience of the Loan Consultant (defined below). Portfolio construction by the Loan Consultant in respect of each of the Master Fund’s Portfolio investments will involve (i) origination and term sheet construction, (ii) due diligence and underwriting on collateral and business strength, (iii) risk rating assignment and preparation of an investment summary, (iv) Loan Consultant’s investment committee review and recommendation, (v) monitoring of the investment by collateral tracking and covenant testing, (vi) risk rating updates, audits and appraisals and (vii) portfolio management. Each investment follows a rigorous documentation process. In conjunction with primary investments, the Master Fund may take warrants and other “equity sweeteners” to enhance investment yield.

The Master Fund may enter into loan facilities (the “**Master Fund Loan Facilities**”) with one or more lenders for purposes of (i) covering Master Fund expenses, (ii) financing investments, (iii) funding redemptions and (iv) any other purpose determined advisable by the Manager, provided that the Master Fund will not incur additional borrowing if such additional borrowing would cause the outstanding leverage amount of the Master Fund following such additional borrowing to exceed 100% of the Net Asset Value of the Master Fund as of the date of debt incurrence.

## INVESTMENT GUIDELINES OF THE MASTER FUND

The Master Fund will seek to achieve superior long-term performance through a strict and disciplined credit selection strategy. The credit selection process is designed with the objective of reducing risks to capital while attempting to maximize opportunities for income and capital appreciation. The foundation of this strategy is rigorous, bottom-up fundamental analysis that emphasizes asset-level overcollateralization based on liquidation value, identifying good companies that are overlooked or out-of-favour, and diversification based on asset-type, investment size, as well as company and industry exposures.

The investments by the Master Fund will generally be originated and negotiated by the Loan Consultant. The Portfolio investments may have varying terms with respect to over-collateralization, seniority, price, convertibility, interest rate, and maturity, but will consist primarily of passive positions (that is, positions in which the Fund does not participate or seek to participate in management or control). In the course of making Portfolio investments, the Master Fund may also acquire common or preferred stock, warrants to purchase common or preferred stock, royalty participations, and other equity interests or participations, from time to time.

The Master Fund believes that a minimum gross return of at least five (5) percentage points above the prevailing risk free rate (as determined by the Loan Consultant) will be required for the Fund to make Portfolio investments, especially those loans to middle market companies where information is not always publicly available. Each potential Portfolio investment must also have an identifiable catalyst that will enable the borrower to deleverage the loan within a reasonable period of time (as determined by the Loan Consultant). Such deleveraging can come from a variety of sources, including projected free cash flow, accelerating earnings, the possibility of equity issuance, improved operations, assets sales, mergers and acquisitions, refinancing or corporate restructuring.

The Master Fund will seek, through portfolio construction, to minimize the specific risk of any single investment and to reduce the overall volatility of returns. The Master Fund may have certain limitations with respect to size, industry, and geography concentration of its Portfolio investments, as determined by the Manager; however, there can be no assurance that these limitations will not be exceeded from time to time.

Any un-allocated cash will be held by the Master Fund until such time as the Master Fund identifies attractive investment opportunities or requires additional funding for portfolio management purposes. Any reserve cash held by the Master Fund will be used to manage cash flows, pay expenses, and facilitate redemption payments. Such reserve will be held in an interest-bearing account or invested in money-market funds, other short-term instruments or U.S. Treasury bills.

## **INVESTMENT RESTRICTIONS OF THE MASTER FUND**

### **General**

The Master Fund will not allocate capital in any one Portfolio investment greater than 25% of the Net Asset Value of the Master Fund, at the time of investment.

The Manager may from time to time establish restrictions with respect to the investments of the Master Fund including, without limitation, restrictions as to the proportion of the assets of the Master Fund which may be invested the securities of issuers operating in any industry sector or in any class of investment. The Manager does not anticipate imposing any restrictions with respect to the investments of the Master Fund other than those outlined above. These restrictions may be changed from time to time by the Manager to adapt to changing circumstances. Additional restrictions may also be imposed in order to ensure generally that the Master Fund is not subject to tax under the Tax Act.

The Manager may open accounts for the Master Fund with brokerage firms, banks or others and may invest assets of the Master Fund in, and may conduct, maintain and operate these accounts for, the purchase, sale and exchange of stocks, bonds and other securities, and in connection therewith, may borrow money or securities on behalf of the Master Fund to complete trades, obtain guarantees, pledge securities and engage in all other activities necessary or incidental to conducting, maintaining and operating such accounts.

### **Borrowing**

The Master Fund may (either directly or at the level of any intermediary vehicle) enter into lines of credit, credit agreements and other financing arrangements (including, without limitation, the establishment of one or more credit facilities), and may incur indebtedness for the purpose of (i) covering Master Fund expenses, (ii) financing investments (either singly or on a portfolio basis), (iii) funding redemptions and (iv) any other purpose determined advisable by the Manager provided that the Master Fund will not incur additional borrowing if such additional borrowing would cause the outstanding leverage amount of the

Master Fund following such additional borrowing to exceed 100% of the Net Asset Value of the Master Fund as of the date of debt incurrence. Subject to the foregoing restriction on the use of leverage, the Master Fund may obtain letters of credit/financial guarantees instead of cash borrowings. Any such borrowings may be secured by the assets of the Master Fund (or the assets of any of its intermediary vehicles).

### **Investment Through Intermediary Vehicles**

Investments may be made by the Master Fund through intermediary vehicles, including, without limitation, special purposes or joint ventures, general or limited partnerships, and limited liability companies. The Master Fund will seek to fully control any such intermediary vehicles, but may also hold investments through joint ventures where the Master Fund will seek to retain control over management, sale, and financing of the venture's assets or alternatively will have a viable mechanism for exiting the venture, within a reasonable period of time.

Unless otherwise provided for in this Offering Memorandum, an investment into an intermediary vehicle should be ignored for the purposes of "Investment Restrictions of the Master Fund – General" above, and the underlying investments of the intermediary vehicle should be treated as if they were direct investments made by the Master Fund.

### **Security Interests and Guarantees**

In furtherance of the Master Fund's investment objective, the Master Fund may give guarantees and grant security in favour of third parties to secure the Master Fund's obligations and the obligations of intermediary vehicles and it may grant any assistance to intermediary vehicles, including, without limitation, assistance in the management and the development of such companies and their portfolio, financial assistance, loans, advances, or guarantees. The Master Fund may pledge, transfer, encumber, or otherwise create security over some or all of the Master Fund's assets.

The foregoing investment objective, strategy and restrictions of the Master Fund may be changed from time to time by the Manager to adapt to changing circumstances. Unitholders will be given not less than 60 days' prior written notice of any material changes to the investment objective, strategy and restrictions of the Master Fund unless such changes are required to comply with applicable laws in which case prompt notice will be given.

## **MANAGEMENT OF THE FUND**

### **The Manager**

Ninepoint Partners LP is the Manager of the Fund. The Manager is a limited partnership formed and organized under the laws of the Province of Ontario pursuant to the *Limited Partnerships Act* (Ontario) by declaration dated May 1, 2017. The general partner of the Manager is Ninepoint Partners GP Inc. ("**Ninepoint GP**"), which is a corporation incorporated under the laws of the Province of Ontario on April 21, 2017. Ninepoint GP is a directly wholly-owned subsidiary of Ninepoint Financial Group Inc., which is a corporation incorporated under the laws of the Province of Ontario on March 21, 2017. John Wilson and James Fox are the principal shareholders of Ninepoint Financial Group Inc.

The Manager, together with its affiliates and related entities, provides management and investment advisory services to many entities, including mutual funds, hedge funds, offshore funds and closed-end funds. The Manager may establish and manage other investment funds from time to time.

The Manager's and Ninepoint GP's principal office is located at Suite 2700, South Tower, Royal Bank Plaza, 200 Bay Street, Toronto, Ontario, M5J 2J1. The Manager may also be contacted by toll-free telephone at 1-888-362-7172, by telephone at (416) 362-7172, by facsimile at (416) 362-4928 or by e-mail to invest@ninepoint.com.

The Manager is responsible for the day-to-day business and administration of the Fund, including management of the Fund's investment portfolio. The Manager is responsible for all investment advice provided to the Fund.

### **Directors and Officers of the Manager and of Ninepoint GP**

The name, municipality of residence and position(s) with the Manager and Ninepoint GP, and the principal occupation of the directors and senior officers of the Manager and of Ninepoint GP are as follows:

<b>Name and Municipality of Residence</b>	<b>Position with the Manager</b>	<b>Position with Ninepoint GP</b>	<b>Principal Occupation</b>
John Wilson Toronto, Ontario,	Senior Portfolio Manager and Managing Partner	Co-Chief Executive Officer and Director	Senior Portfolio Manager and Managing Partner of the Manager
James R. Fox Toronto, Ontario,	Managing Partner	Co-Chief Executive Officer and Director	Managing Partner of the Manager
Kirstin H. McTaggart Mississauga, Ontario,	Chief Compliance Officer and Chief Administrative Officer	Corporate Secretary and Director	Chief Compliance Officer and Chief Administrative Officer of the Manager
Shirin Kabani Toronto, Ontario,	Chief Financial Officer	Chief Financial Officer	Chief Financial Officer of the Manager

Set out below are the particulars of the professional experience of the directors and senior officers of the Manager and of Ninepoint GP:

#### **John Wilson**

Mr. Wilson established the Manager in April 2017. Mr. Wilson has over 29 years of investment and business experience. Mr. Wilson currently serves as the Senior Portfolio Manager and Managing Partner of the Manager. Mr. Wilson currently also serves as Co-Chief Executive Officer of the general partner of the Manager and is a director of Sightline GP Inc.. Most recently, Mr. Wilson was Chief Executive Officer and co-Chief Investment Officer of Sprott Asset Management LP. Prior to joining Sprott in January 2012, Mr. Wilson was the Chief Investment Officer of Cumberland Private Wealth Management from March 2009 to January 2012. Previously, Mr. Wilson was the founder of DDX Capital Partners, an alternative investment manager, where he worked from September 2004 to March 2009. Prior to that, from December 2000 to January 2004, he was a Managing Director and a top-rated technology analyst at RBC Capital Markets; and previously, a Director at UBS Canada from November 1996 to November 2000. Mr. Wilson is an MBA graduate of The Wharton School, University of Pennsylvania in 1996.

#### **James Fox**



Mr. Fox established the Manager with Mr. Wilson in April 2017. Mr. Fox currently serves as Managing Partner of the Manager. Mr. Fox currently also serves as Co-Chief Executive Officer of the general partner of the Manager and as Ultimate Designated Person and Chief Executive Officer of Sightline Asset Management LP (“Sightline”) and director of Sightline GP Inc.. Most recently, Mr. Fox was President of Sprott Asset Management LP. Prior to being appointed President of Sprott in 2009, Mr. Fox was one of the Manager’s founding executives when it spun out of Sprott Securities Inc. in 2001. Mr. Fox was a key contributor to the growth of Sprott Inc. Domestically, Mr. Fox led the development and management of the wholesale and institutional sales teams of Sprott and was involved in product development, product launches and overall management decisions. In recent years, Mr. Fox helped lead the launch of three Bullion Trust investment vehicles that are dually listed on NYSE Arca and TSX exchanges, raising approximately \$4B in assets. Internationally, Mr. Fox represented Sprott Inc. as a panel speaker at institutional conferences in London, Geneva, New York, Tokyo, and was a key contributor to the firm’s institutional accounts and client relationships. Mr. Fox holds a Masters of Business Administration degree from the Rotman School of Management at the University of Toronto (1999) and holds a B.A. in Finance and Economics at the University of Western Ontario (1996).

### **Kirstin McTaggart**

Ms. McTaggart joined the Manager in July 2017 and is the Chief Compliance Officer and Chief Administrative Officer of the Manager. Ms. McTaggart also serves as Chief Operating Officer and Chief Compliance Officer of Sightline and director of Sightline GP Inc. Prior to joining the Manager, Ms. McTaggart was Chief Compliance Officer of Sprott Asset Management LP since April 2007. Ms. McTaggart currently also serves as the Corporate Secretary of the general partner of the Manager. Ms. McTaggart has accumulated over 29 years of experience in the financial and investment industry. Prior to joining Sprott in April 2003, Ms. McTaggart spent five years as a Senior Manager at Trimark Investment Management Inc., where her focus was the development of formal compliance and internal control policies and procedures.

### **Shirin Kabani**

Ms. Kabani is Chief Financial Officer of the Manager and has over 15 years of experience in Finance, Planning, Budgeting and Accounting. Prior to joining the Manager, Ms. Kabani was a Senior Manager in Finance at Sprott Asset Management LP for approximately 2 years. Prior to joining Sprott Asset Management, Ms. Kabani was with IBM where she managed various operations and processes, including financial planning, forecasting, accounting, capital budgeting, cost management, governance and controls. Ms. Kabani received a Honors Bachelor of Commerce (High distinction) from McMaster University and is a CPA, CMA (Ontario).

### **Powers and Duties of the Manager**

Pursuant to the Trust Agreement, the Manager has the full authority and exclusive responsibility to manage the business and affairs of the Fund including, without limitation, to provide the Fund with all necessary investment management and all clerical, administrative and operational services.

In particular, the Manager is responsible for:

- (a) determining the investment policies, practices, fundamental objectives and investment strategies applicable to the Fund, including any restrictions on investments which it deems advisable and to implement such policies, practices, objectives, strategies and restrictions, provided that the investment policies, practices, objectives, strategies and

restrictions applicable to the Fund shall concur with those set forth in any current offering memorandum or like offering document of the Fund or in any amendment thereto;

- (b) receiving all subscriptions for Units, approving or rejecting subscriptions, and submitting such subscriptions to the record-keeper of the Fund for processing;
- (c) offering Units for sale to prospective purchasers and entering into arrangements regarding the distribution and sale of Units, including arrangements relating to the right to charge fees of any nature or kind (including, without limitation, sales commissions, redemption fees, distribution fees and transfer or switch fees) in connection with the distribution or sale of Units. Any such fees may be deducted from the amount of a subscription, redemption proceeds or a distribution if not paid separately;
- (d) conducting or causing to be conducted the day-to-day correspondence and administration of the Fund;
- (e) providing, at its own expense, the office accommodation, secretarial staff and other facilities that may be required to properly and efficiently carry out its duties;
- (f) appointing the auditors of the Fund, changing the auditors of the Fund and causing the financial statements of the Fund to be audited for each fiscal year;
- (g) appointing the bankers of the Fund and establishing banking procedures to be implemented by the Trustee;
- (h) establishing general matters of policy and governance of the Fund subject, where specifically provided in the Trust Agreement, to the approval of the Trustee;
- (i) authorizing, negotiating, entering into and executing all contractual arrangements relating to the Fund including, without limitation, any loan agreement, granting of a security interest and supporting documentation;
- (j) if deemed advisable, appointing a record-keeper, valuation service provider, registrar, transfer agent, and one or more custodians and prime brokers of the Fund, all of which appointments shall be subject to the approval of the Trustee;
- (k) subject to applicable laws, prescribing any minimum initial and/or subsequent subscription amounts and minimum aggregate Net Asset Value balances of the Fund with respect to all classes of Units, and prescribing any procedures in connection therewith;
- (l) on or before March 31 in each year, other than a leap year in which case on or before March 30 in such year, preparing and delivering to Unitholders the information pertaining to the Fund, including all distributions and allocations which is required by the Tax Act or which is necessary to permit Unitholders to complete their individual tax returns for the preceding year;
- (m) keeping proper records relating to the performance of its duties as Manager;
- (n) delegating any or all of the powers and duties of the Manager contained in the Trust Agreement to one or more agents, representatives, officers, employees, independent

contractors or other persons without liability to the Manager except as specifically provided in the Trust Agreement; and

- (o) doing all such other acts and things as are incidental to the foregoing, and exercising all powers which are necessary or useful to carry on the business of the Fund, promoting any of the purposes for which the Fund was formed and carrying out the provisions of the Trust Agreement.

The Manager may appoint one or more investment managers in respect of the Fund. The Manager shall enter, in its sole discretion, into an investment management agreement with any such investment manager to act for all or part of the portfolio investments of the Fund. The investment manager will be a person or entity, or persons or entities who, if required by applicable laws, will be duly registered and qualified as a portfolio manager under applicable securities legislation and the regulations thereunder and will determine, in its sole discretion, which securities and other assets of the Fund shall be purchased, held or sold and shall execute or cause the execution of purchase and sale orders in respect such determinations. As at the date hereof, the Manager has not appointed an investment manager, but has appointed the Loan Consultant to act as the Loan Consultant of the loans comprising the Portfolio. See “Management of the Fund - The Loan Consultant”.

Units will be distributed in the Offering Jurisdictions through registered dealers, including the Manager and such other persons as may be permitted by applicable law. In the event of such distribution, registered dealers (other than the Manager) will be entitled to the compensation described under “Dealer Compensation”. Subject to the requirements under NI 31-103, the Manager may pay, out of the Management Fees it receives from the Fund, a negotiated referral fee to registered dealers or other persons in connection with the sale of Units. See “Dealer Compensation – Referral Fees”.

The Manager shall have the right to resign as Manager of the Fund by giving notice in writing to the Trustee and the Unitholders not less than 90 days prior to the date on which such resignation is to take effect. Such resignation shall take effect on the date specified in such notice. Notwithstanding the foregoing, no approval of, or notice to, Unitholders is required to effect a reorganization of the Manager as provided for in the Trust Agreement. The Manager shall appoint a successor manager of the Fund, and, unless the successor manager is an affiliate of the Manager, such appointment must be approved by a majority of the Unitholders. If, prior to the effective date of the Manager’s resignation, a successor manager is not appointed or the Unitholders do not approve of the appointment of the successor manager as required under the Trust Agreement, the Fund shall be terminated and dissolved upon the effective date of resignation of the Manager and, after providing for the liabilities of the Fund, the property of the Fund shall be distributed in accordance with the provisions of the Trust Agreement and the Trustee shall continue to act as trustee of the Fund until such property of the Fund has been so distributed. See “Termination of the Fund”.

### **Fees and Expenses of the Fund**

In addition to the Management Fees and Performance Fees payable by the Fund to the Manager or the Loan Consultant, as the case may be, the Fund is responsible for the payment of all routine and customary fees and expenses incurred relating to the administration and operation of the Fund. See “Fees and Expenses – Operating Expenses Payable by the Fund”.

### **Standard of Care and Indemnification of the Manager**

The Manager will exercise the powers and discharge the duties of its office honestly, in good faith and in the best interests of the Fund and in connection therewith shall exercise the degree of care, diligence and skill that a reasonably prudent professional manager would exercise in comparable circumstances.

The Manager may employ or engage, and rely and act on information or advice received from auditors, distributors, brokers, depositories, custodians, prime brokers, electronic data processors, advisers, lawyers and others and will not be responsible or liable for the acts or omissions of such persons or for any other matter, including any loss or depreciation in value of the property of the Fund. The Manager shall be entitled to assume that any information received from the Trustee, custodian, prime broker or a sub-custodian or their respective authorized representatives associated with the day-to-day operation of the Fund is accurate and complete and no liability shall be incurred by the Manager as a result of any error in such information or any failure to receive any notices required to be delivered pursuant to the Trust Agreement.

The Manager will not be required to devote its efforts exclusively to or for the benefit of the Fund and may engage in other business interests and may engage in other activities similar or in addition to those relating to the activities to be performed for the Fund. In the event that the Manager, its partners, officers, employees, associates and affiliates or any of them now or hereafter carry on activities competitive with those of the Fund or buy, sell or trade in assets and portfolio securities of the Fund or of other investment funds, none of them will be under any liability to the Fund or to the Unitholders for so acting.

The Manager and its related entities, affiliates, subsidiaries and agents, and their respective directors, partners, officers and employees and any other person will at all times be indemnified and saved harmless by the Fund from and against all legal fees, judgments and amounts paid in settlement, actually and reasonably incurred by them in connection with the Manager's services provided pursuant to the Trust Agreement, provided that the Fund has reasonable grounds to believe that the action or inaction that caused the payment of the legal fees, judgments and amounts paid in settlement was in the best interests of the Fund and provided that such person or companies shall not be indemnified by the Fund where: (i) there has been negligence, wilful misconduct or dishonesty on the part of the Manager or such other person; (ii) a claim is made as a result of a misrepresentation contained in any current offering memorandum or like offering documents of the Fund distributed or filed in connection with the issue of Units and officers, directors or partners of the Manager or Ninepoint GP or both have granted a contractual right of action forming part of any current offering memorandum or like offering documents of the Fund; or (iii) the Manager has failed to fulfill its standard of care or other obligations as set forth in the Trust Agreement, unless in an action brought against such persons or companies they have achieved complete or substantial success as a defendant.

The Fund will be indemnified and saved harmless by the Manager against any costs, charges, claims, expenses, actions, suits or proceedings arising from a claim made as a result of a misrepresentation contained in any current offering memorandum or like offering document of the Fund distributed or filed in connection with the issue of Units and officers, directors or partners of the Manager or Ninepoint GP or both have granted a contractual right of action forming part of any current offering memorandum or like offering documents of the Fund.

## **The Loan Consultant**

### **General**

The Loan Consultant was incorporated under the laws of the Province of Ontario on April 5, 2012. The registered office of the Loan Consultant is located at Waygar Capital Inc., P.O. Box 201, 260 Adelaide Street East, Toronto, Ontario M5A 1N1. The Loan Consultant's primary operations are acting as a finance company, which provides asset-based loans to companies requiring working capital as well as term loan facilities typically ranging from \$5,000,000 to \$50,000,000.

Pursuant to a Loan Agency Agreement dated as of June 30, 2017 (the "**Loan Agency Agreement**"), the Manager appointed the Loan Consultant to act as the Loan Consultant to the Fund to perform investment and risk analysis, monitor, service, and administer the portfolio of asset-based loans held directly by the Fund. The Loan Consultant will originate and underwrite transactions that are compliant with the Investment Restrictions and Guidelines of the Fund. The Loan Consultant will procure, service, administer and monitor the Portfolio. The Loan Consultant will also be responsible for collections and payments relating to the loan portfolio and maintain appropriate accounting records. Any and all fees collected from borrowers, including, work fees, commitment fees, facility fees, audit fees, amendment fees and monitoring fees collected from borrowers will be retained for the account of the Fund. The Loan Consultant's remuneration is described below.

Wayne R. Ehgoetz is the President and CEO of the Loan Consultant, Terrence G. Kruk, Aaron Ehgoetz, Stuart Somers, Craig Millar and General (retired) Rick Hillier are members of the Investment Committee of the Loan Consultant, and will be responsible, under authorization, by the Manager, to evaluate and implement the Fund's overall investment strategies.

### **Loan Agency Agreement**

Pursuant to the Loan Agency Agreement, the Manager appointed the Loan Consultant to provide or engage others to provide all necessary or advisable services to the Fund in respect of the loans comprising the Portfolio. The Loan Consultant will take such action from time to time in connection therewith as the Loan Consultant will deem necessary or desirable for the proper administration of the loans comprising the Portfolio at all times in compliance with the investment objective, strategy, guidelines and restrictions set forth in the Loan Agency Agreement.

The Loan Consultant will exercise the powers granted and discharge its duties pursuant to the Loan Agency Agreement honestly, in good faith and in the best interests of the Fund and, in connection therewith, will exercise the degree of care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances. However, the Loan Consultant does not in any way guarantee the performance of the assets of the Fund and will not be responsible for any loss in respect of the assets of the Fund, except where such loss arises out of acts and omissions of the Loan Consultant done or suffered in bad faith or through the Loan Consultant's own gross negligence, wilful misconduct, wilful neglect, default or a material failure to comply with applicable laws or the provisions set forth in the Loan Agency Agreement.

The Loan Consultant will not be liable to the Fund or any unitholder of the Fund for any loss suffered by the Fund or any unitholder of the Fund, as the case may be, which arises out of any action or inaction of the Loan Consultant if such course of conduct did not constitute bad faith, gross negligence, wilful misconduct, wilful neglect, default or a material failure to comply with applicable laws or the provisions set forth in the Loan Agency Agreement, and if the Loan Consultant, in good faith, determined that such course of conduct was in the best interests of the Fund.

The Manager, on behalf of the Fund, acknowledges and agrees that the Loan Consultant will not be responsible for any loss of opportunity whereby the value of any of the assets of the Fund could have been increased nor shall it be responsible for any decline in value of any of the assets of the Fund unless such decline is the result of the Loan Consultant's bad faith, gross negligence, wilful misconduct, wilful neglect, default or a material failure to comply with applicable laws or the provisions set forth in the Loan Agency Agreement.

The Manager will indemnify and hold harmless the Loan Consultant and its directors, officers, employees and agents from and against any and all expenses, losses, damages, liabilities, demands, charges, costs and claims of any kind or nature whatsoever (including legal fees, judgments and amounts paid in settlement, provided that the Manager has approved such settlement) in respect of the acts, omissions, transactions, duties, obligations or responsibilities of the Loan Consultant as investment manager to the Fund, save and except where such expenses, losses, damages, liabilities, demands, charges, costs or claims are caused by acts or omissions of the Loan Consultant done or suffered in breach of its standard of care or through the Loan Consultant's own gross negligence, wilful misconduct, wilful neglect, default or a material failure to comply with applicable laws or the provisions set forth in the Loan Agency Agreement.

The Loan Consultant will indemnify and hold harmless the Trustee, the Manager and the Fund and their respective directors, partners, officers, employees and agents from and against any and all expenses, losses, damages, liabilities, demands, charges, costs and claims of any kind or nature whatsoever (including legal fees, judgments and amounts paid in settlement, provided that the Loan Consultant has approved such settlement) as a result of, in respect of, connected with, or arising out of, under, or pursuant to the breach of the Loan Consultant's standard of care or the gross negligence, wilful misconduct, wilful neglect, default or a material failure to comply with applicable laws or the provisions set forth in the Loan Agency Agreement by the Loan Consultant and its directors, officers, employees and agents.

The Loan Agency Agreement will continue in full force and effect until the Loan Agency Agreement is terminated either by the Manager upon at least 90 days' prior written notice (or such shorter period as the parties may mutually agree upon) or by the Loan Consultant upon at least 90 days' written notice after the first anniversary of the Loan Agency Agreement.

The Manager may terminate the Loan Agency Agreement at any time if the Loan Consultant breaches any of its material obligations under the Loan Agency Agreement and such breach has not been cured within 30 days following notice thereof from the Manager.

Notwithstanding the foregoing, the Loan Agency Agreement will terminate immediately where a winding-up, liquidation, dissolution, bankruptcy, sale of substantially all assets, sale of business or insolvency proceeding have been commenced by the Manager or the Loan Consultant, and terminated upon the completion of any such proceeding by the Fund.

Such termination of the Loan Agency Agreement will be without prejudice to the rights and liabilities created under the Loan Agency Agreement prior to the effective date of the termination. Termination of the Loan Agency Agreement in accordance with the terms hereof shall not result in any penalty or other fee.

The Manager may, in its sole discretion, terminate and replace the Loan Consultant where it deems it to be in the best interests of the Fund.

## **Fees and Expenses**

The Loan Consultant is entitled to receive an annual fee from the Manager payable from the net Management Fee received by the Manager from the Fund, the Feeder Fund or the Ninepoint Canadian Senior Debt U.S. Feeder, as applicable. In addition, the Loan Consultant is entitled to receive an annual fee from the Manager payable from the Performance Fee, if any, received by the Manager from the Fund, the Feeder Fund or the Ninepoint Canadian Senior Debt U.S. Feeder, as applicable. The foregoing fees shall be paid by the Manager to the Loan Consultant out of the net Management Fee and Performance Fee, if any, received by the Manager.

No other fees or compensation shall be payable to the Loan Consultant in respect of the services performed by the Loan Consultant.

## **Directors and Officers of the Loan Consultant**

The name, municipality of residence and position(s) with the Loan Consultant, and the principal occupation of the directors and senior officers of the Loan Consultant are as follows:

<b>Name and Municipality of Residence</b>	<b>Position with the Loan Consultant</b>	<b>Principal Occupation</b>
Wayne R. Ehgoetz Toronto, Ontario	President and Chief Executive Officer	Chief Executive Officer and Chief Investment Officer of the Loan Consultant
Terrence G. Kruk Toronto, Ontario	Managing Director, Compliance	Managing Director, Compliance of the Loan Consultant
Aaron Ehgoetz Toronto, Ontario	Managing Director, Finance	Managing Director, Finance of the Loan Consultant
Donald Rogers Toronto, Ontario	Managing Director, Portfolio	Managing Director, Portfolio of the Loan Consultant
Geoffrey Hiscock Toronto, Ontario	Managing Director, Originations	Managing Director, Originations of the Loan Consultant

Set out below are the particulars of the professional experience of the directors and senior officers of the Loan Consultant:

### **Wayne Ehgoetz**

Mr. Ehgoetz is President and Chief Executive Officer of the Loan Consultant. Mr. Ehgoetz has spent over 30 years in asset based lending in Canada. From 1988 to 1992, Mr. Ehgoetz led Stanchart Business Credit, the first asset based lender in Canada. Stanchart was acquired by ABN Amro Bank and Mr. Ehgoetz continued to run the organization until leaving to start Congress Financial in 1992. During the next 15 years, Congress became the largest asset based lender in Canada. In subsequent years, Congress Financial rebranded to Wachovia. As President and CEO of Wachovia Canada, Mr. Ehgoetz had full responsibility for both the Canadian as well as International operations. Mr. Ehgoetz retired from Wachovia and was recruited by Bank of Nova Scotia to start up their asset based lending capability. Over the next 6 years, as Managing Director and Group Head, Scotiabank became the second largest asset

based lending group in Canada. Mr. Ehgoetz retired from Scotiabank in the fall of 2014 to join Waygar Capital Inc. Mr. Ehgoetz has served on a number of public and private boards including past Chairman of the Toronto Community Care Access Centers as well as President of the Canadian Commercial Finance Association. Mr. Ehgoetz has a Bachelor of Arts (economics) from the University of Western Ontario (1982) and a Bachelor of Commerce from the University of Windsor (1984).

### **Terrence Kruk**

Mr. Kruk is Senior Vice President of the Loan Consultant. Mr. Kruk has spent the last 25 years in asset based lending including business development, underwriting, field examinations and portfolio management. Prior his involvement in lending, Mr. Kruk was an Audit Supervisor (Coopers & Lybrand), Internal Auditor – Head Office (Alcan Canada), Controller (Blake, Cassels and Graydon LLP) and Controller (Tilden Car Rental). Mr. Kruk was a key senior member in a number of asset based lending startups by GE, Congress Financial and Scotiabank and held progressively senior positions. Mr. Kruk joined the Loan Consultant in the spring of 2015 and has full responsibility for Operations, Administration and Loan protocols. Mr. Kruk has Bachelor of Commerce from Concordia University (1976).

### **Aaron Ehgoetz**

Aaron Ehgoetz is a Managing Director of Waygar Capital Inc. He has spent over 10 years in various positions building a skill set in finance, accounting, due diligence, field examinations, underwriting, and operations. Aaron began his career at Focus Lenders Services Group LLP, performing collateral field exams, assisting Asset Based Lenders across Canada and the United States. Subsequently, he joined PricewaterhouseCoopers (PwC) where he worked as a member of the Corporate Finance team, advising middle market companies on the purchase and sale of businesses, as well as assisting in finding alternative financing solutions and growth capital. While at PwC, Aaron was also a member of the Audit & Assurance practice with a focus on mining, renewable energy, manufacturing, construction and retail industries. Aaron has a Bachelors of Commerce from McGill University, and is a Chartered Professional Accountant.

### **Donald Rogers**

Donald (Don) Rogers is the Managing Director, Portfolio at Waygar Capital Inc. Don has over 30 years in Asset Based Lending as well as Commercial/Corporate Lending including internal audit, credit, and portfolio management. Don also owned an advisory firm specializing in loan recovery, portfolio realization, restructuring, and business asset realization. Throughout his career, he has held progressively senior positions at Royal Bank of Canada, First Interstate Bank, CIT Business Credit as well as CIBC. Don has pursued continuing education courses in accounting and finance as well as a Business/Finance Diploma through Algoma College.

### **Geoffrey Hiscock**

Geoffrey Hiscock is a Managing Director at Waygar Capital Inc. Geoff has spent over 25 years establishing a skill set in all aspects of asset-based lending and commercial real estate lending including operations, portfolio/relationship management, underwriting, and new business origination. Previously, Geoff held progressively senior positions, supporting multi-national transactions across a wide spectrum of industries at Wells Fargo (previously Congress Financial/Wachovia Bank), CIBC (previously CIT Business Credit), PNC Bank, and Business Development Bank of Canada (BDC). Geoff is devoted to assisting mid-market companies to achieve their ideal debt structure by way of developing and providing creative and innovative financing solutions. Geoff is passionate about delivering a superior level of



service for customers and influencers throughout the life cycle of a transaction. Geoff is currently a member of the Membership Committee for the Association of Corporate Growth, Toronto. Geoff has a Bachelor of Arts (Economics) and a Bachelor of Life Science (Life Sciences) from Queen's University.

## **ADVISORY BOARD MEMBERS**

### **General (Ret.) Rick Hillier**

General (Ret.) Hillier is the former Chief of Defence Staff of the Canadian Forces. He was posted to his first regiment, the 8<sup>th</sup> Canadian Hussars (Princess Louise's) in Petawawa, Ontario, and subsequently to the Royal Canadian Dragoons in Lahr, Germany. He has also served as a staff officer at Force Mobile Command Headquarters at CFB St. Hubert in Montreal, and at the National Defence Headquarters in Ottawa. He was named Chief of the Land Staff, commanding the Canadian Army on May 30, 2003. After serving as Chief of the Land Staff and before being appointed Chief of Defence Staff, he commanded the NATO ISAF in Afghanistan from February 9<sup>th</sup> to August 12<sup>th</sup>, 2004. On February 4<sup>th</sup>, 2005, General Hillier became Chief of Defence Staff. He retired as Chief of Defence Staff on July 1<sup>st</sup> 2008.

### **Craig S. Millar**

Craig Millar is senior business executive with over 30 years line and staff experience in Financial Services. Prior to founding Extant Group Inc., a consulting company, he was Group Vice President, Personal Financial Services for Canada's second largest trust company – National Trust. At National Trust, he was responsible for all aspects of retail banking, small and medium business lending, mutual funds as well as personal trust services. Extant Group Inc. has executed numerous consulting initiatives for a variety of Canadian as well as international financial institutions including ING Bank USA, MasterCard Canada, GE Money, Canadian Tire Bank, Manulife Financial, Canada Life, Home Trust, MBNA, Capital One, Walmart Canada Bank, President's Choice and American Express Bank Canada. In addition Extant has also consulted for government agencies in the United Kingdom and Republic of Ireland. Craig is also a former Logistics Officer in the Canadian Armed Forces, serving 9 years in the active Reserve and 27 years in the Strategic Ready reserve. He was awarded the Queen Elizabeth II Diamond Jubilee Medal in 2012 for services to the Canadian military in Quebec and across Canada.

### **Stewart Somers**

Stewart Somers has 45 years of experience in corporate advisory services. In 1976 he started his own consulting practice S.D. Somers & Associates which provided strategic planning and turnaround services to debtor corporations, both private and public (TSX/NASDAQ), facing significant challenges. Commencing in 2000, Stewart was associated with the insolvency consulting firm Spergel, for which he established and led its mid-market services to asset based lenders and Canadian banks dealing with problem and distressed loans. Over his career, he has developed and led interactive workshops for Canadian as well as presenting papers on a variety of insolvency matters. He has also authored and lectured across Canada and the Caribbean on subject matters under the CICA Professional Development Program which is geared to its members in the industry. Semi-retired since 2013, he continues to provide, on a limited basis, his expertise to lenders and corporations on insolvency and realization solutions. He is a director of numerous private and public corporations. Stuart obtained a Bachelor of Arts (Economics) from the University of Toronto and earned his accountancy designation with Coopers & Lybrand. He is a Life Member (2012) OF THE Ontario Institute of Chartered Accountants.

## DESCRIPTION OF UNITS OF THE FUND

Each Unit represents a beneficial interest in the Fund. The Fund is authorized to issue an unlimited number of classes and/or series of Units and an unlimited number of Units in each such class or series. Units of each such class or series shall have such terms and conditions as the Manager may determine. Additional classes may be offered in the future on different terms, including having different fee and dealer compensation terms and different minimum subscription levels. Each Unit of a class represents an undivided ownership interest in the net assets of the Fund attributable to that class of Units. The Fund will consult with its tax advisors prior to the establishment of each new class to ensure that the issuance of Units of that class will not have adverse Canadian tax consequences. Three classes of Units of the Fund are offered under this Offering Memorandum, namely Class A Units, Class F Units and Class I Units.

**Class A Units** will be issued to qualified purchasers.

**Class F Units** will be issued to: (i) qualified purchasers who participate in fee-based programs through eligible registered dealers; (ii) qualified purchasers in respect of whom the Fund does not incur distribution costs; and (iii) qualified individual purchasers in the Manager's sole discretion. If a Unitholder ceases to be eligible to hold Class F Units, the Manager may, in its sole discretion, reclassify such Unitholder's Class F Units for Class A Units on five days' notice, unless such Unitholder notifies the Fund during the notice period and the Manager agrees that the Unitholder is once again eligible to hold Class F Units.

**Class I Units** will be issued to institutional investors at the discretion of the Manager. If a Unitholder ceases to be eligible to hold Class I Units, the Manager, may, in its sole discretion, reclassify such Unitholder's Class I Units for Class A Units on five days' notice, unless such Unitholder notifies the Fund during the notice period and the Manager agrees that the Unitholder is once again eligible to hold Class I Units.

The Fund has also issued Class F1 units and Class S units. Although the money invested by investors to purchase Units of any class of the Fund is tracked on a class by class basis in the Fund's administration records, the assets of all classes of Units will be combined into a single pool to create one portfolio for investment purposes.

All Units of the same class have equal rights and privileges. Units and fractions thereof will be issued only as fully paid and non-assessable. Units will have no preference, conversion, exchange or pre-emptive rights. Each whole Unit of a particular class entitles the holder thereof to one vote at meetings of Unitholders where all classes vote together, or to one vote at meetings of Unitholders where that particular class of Unitholders votes separately as a class.

The Manager, in its sole discretion, determines the number of classes of Units and establishes the attributes of each class, including investor eligibility, the designation and currency of each class, the initial offering price for the first issuance of Units of the class, any minimum initial or subsequent investment thresholds, any minimum redemption amounts or minimum account balances, valuation frequency, fees and expenses of the class, sales or redemption fees payable in respect of the class, redemption rights, convertibility among classes and any additional class specific attributes. The Manager may establish additional classes of Units at any time without prior notice to or approval of Unitholders. No class of Units will be created for the purpose of giving any Unitholder a percentage interest in the property of the Fund that is greater than the Unitholder's percentage interest in the income of the Fund.

All Units of the same class are entitled to participate *pro rata*: (i) in any allocations or distributions made by the Fund to the Unitholders of the same class; and (ii) upon liquidation of the Fund, in any distributions to Unitholders of the same class of net assets of the Fund attributable to the class remaining

after satisfaction of outstanding liabilities of such class. Units are not transferable, except by operation of law (for example, a death or bankruptcy of a Unitholder) or with the consent of the Manager in accordance with applicable securities legislation. To dispose of Units, a Unitholder must have them redeemed.

The Fund may issue fractional Units so that subscription funds may be fully invested. Fractional Units carry the same rights and are subject to the same conditions as whole Units (other than with respect to voting rights) in the proportion which they bear to a whole Unit. Outstanding Units of any class may be subdivided or consolidated in the Manager's discretion upon the Manager giving at least 21 days' prior written notice to each Unitholder of its intention to do so. Units of a class may be reclassified by the Manager as Units of any other class having an aggregate equivalent Class Net Asset Value (as described under "Computation of Net Asset Value of the Fund") if such reclassification is approved by the holder of the Units to be reclassified or with 30 days' prior written notice.

Subject to the consent of the Manager, Unitholders may reclassify or switch all or part of their investment in the Fund from one class of Units to another if the Unitholder is eligible to purchase that class of Units. The timing and processing rules applicable to purchases and redemptions of Units also applies to reclassifications or switches between classes of Units. See "Details of the Offering" and "Redemption of Units". Upon a reclassification or switch from one class of Units to another class, the number of Units held by the Unitholder will change since each class of Units has a different Net Asset Value per Unit.

Generally, reclassifications or switches between classes of Units are not dispositions for tax purposes. However, Unitholders should consult with their own tax advisors regarding any tax implications of reclassifying or switching between classes of Units.

## **FEES AND EXPENSES**

### **Management Fees Payable by the Fund**

The Fund will pay the following management fees in respect of the Adjusted Net Asset Value of the Fund attributable to each class of Units.

"Adjusted Net Asset Value" means, at any time, the Net Asset Value multiplied by the percentage obtained by dividing (A) by (B) where (A) equals the total assets of the Master Fund at such time including assets financed using the Master Fund Loan Facilities and (B) equals the total assets of the Master Fund at such time less the outstanding balance of the Master Fund Loan Facilities.

As compensation for providing management and administrative services to the Fund, the Manager receives a monthly Management Fee from the Fund attributable to Class A Units, Class F Units and, in certain circumstances described below, Class I Units of the Fund. Each class of Units is responsible for the Management Fee attributable to that class.

### **Class A Units:**

The Fund pays the Manager a monthly Management Fee equal to  $1/12$  of 1.45% of the Adjusted Net Asset Value of the Class A Units plus  $1/12^{\text{th}}$  of 1% of the Net Asset Value of the Class A Units (unadjusted) (determined in accordance with the Trust Agreement) representing the Service Commission, plus any applicable HST, calculated and accrued on each Valuation Date and payable on the last Business Day of each month.

From July 1, 2022 to June 30, 2023, the Management Fee in respect of Class A Units is temporarily reduced to 1/12 of 1.35% of the Adjusted Net Asset Value of the Class A Units, plus the Service Commission, plus HST.

**Class F Units:**

The Fund pays the Manager a monthly Management Fee equal to 1/12 of 1.45% of the Adjusted Net Asset Value of the Class F Units (determined in accordance with the Trust Agreement), plus any applicable HST, calculated and accrued on each Valuation Date and payable on the last Business Day of each month.

From July 1, 2022 to June 30, 2023, the Management Fee in respect of Class F Units is temporarily reduced to 1/12 of 1.35% of the Adjusted Net Asset Value of the Class F Units, plus HST.

**Class I Units:**

Subject to the discretion of the Manager, investors who purchase Class I Units must either: (i) enter into an agreement with the Manager which identifies the monthly Management Fee negotiated with the investor which is payable by the investor directly to the Manager; or (ii) enter into an agreement with the Fund which identifies the monthly Management Fee negotiated with the investor which is payable by the Fund to the Manager. In each circumstance, the monthly Management Fee, plus any applicable HST, is calculated and payable monthly in arrears as of each Valuation Date.

The Fund will not pay a management fee to the Manager that to a reasonable person would duplicate a fee payable for the same service.

**Fees Payable by the Master Fund**

As the Fund will invest indirectly in the Master Fund, Unitholders of all classes will indirectly bear the fees and expenses of the Master Fund, such as audit fees, custody fees, interest expenses and other operating expenses. There is no management fee charged by the Manager to the Master Fund.

**Performance Fees Payable by the Fund**

The Fund will pay the following Performance Fees payable to the Manager:

The Manager is entitled to receive from the Fund a quarterly performance fee (the “**Performance Fee**”) attributable to the Class A Units, Class F Units and Class I Units. Each such class of Units is charged a Performance Fee. If the difference by which the return in the Net Asset Value per Unit of the particular class of Units (before calculation and accrual for the Performance Fee) from the beginning of the quarter (or inception date of the class of Units) to the end of the quarter exceeds 7% annualized (the “**Hurdle Rate**”) for the same period (or prorated for partial quarters), and such return is between 7% and 8.75% on an annualized basis, such amount in excess of the Hurdle Rate shall be payable to the Manager as a Performance Fee, plus applicable HST. If the difference by which the return in Net Asset Value per Unit of the particular class of Units (before calculation and accrual of the Performance Fee) in the particular quarter exceeds the Hurdle Rate and is 8.75% or more on an annualized basis, then such amount between the Hurdle Rate and 8.75%, plus 20% of the return above 8.75% shall be payable to the Manager as Performance Fee, plus applicable HST.

If the performance of a particular class of Units in any quarter is positive but less than the Hurdle Rate, then no Performance Fee will be payable in that quarter for that class of Units, however, the difference

between such return of the Fund and the Hurdle Rate is not carried forward. If the performance of a particular class of Units in any quarter is negative, such negative return will be carried forward when calculating the Performance Fee for that class of Units. The Performance Fee in respect of each class of Units will be calculated monthly and will be payable quarterly.

If any class of Units of the Fund are redeemed prior to the last Valuation Date of a fiscal quarter, the Manager will determine if any Performance Fee is payable on such Units immediately before such Units are redeemed. If a Performance Fee is payable on such Units being redeemed, the Performance Fee will be accrued and paid to the Manager as soon as practicable.

#### **Fees Payable to the Loan Consultant**

The Loan Consultant is entitled to receive an annual fee from the Manager payable from the net Management Fee received by the Manager from the Fund or Master Fund, as applicable. In addition, the Loan Consultant is entitled to receive an annual fee from the Manager payable from the Performance Fee, if any, received by the Manager from the Fund or Master Fund, as applicable. The foregoing fees shall be paid by the Manager to the Loan Consultant out of the net Management Fee and Performance Fee, if any, received by the Manager.

No other fees or compensation shall be payable to the Loan Consultant in respect of the services performed by the Loan Consultant.

#### **Early Redemption Fee**

The Manager may, in its sole discretion, impose an early redemption fee equal to 2% of the aggregate Net Asset Value of Units redeemed if such Units are redeemed within 12 months of their date of purchase. This early redemption fee will be deducted from the Redemption Amount otherwise payable to a Unitholder and will be paid to the Fund. No early redemption fee will be charged in respect of the redemption of Units which were acquired by a Unitholder through the automatic reinvestment of all distributions of net income or capital gains by the Fund or where the Manager requires a Unitholder to redeem some or all of the Units owned by such Unitholder. This early redemption fee is in addition to any other fees a Unitholder is otherwise subject to under this Offering Memorandum.

#### **Operating Expenses Payable by the Fund**

The Fund is responsible for the payment of all routine and customary fees and expenses incurred relating to the administration and operation of the Fund including, but not limited to: Trustee fees and expenses; custodial, prime broker and safekeeping fees and expenses; registrar and transfer agency fees and expenses; audit, legal and record-keeping fees and expenses; communication expenses; printing and mailing expenses; all costs and expenses associated with the qualification for sale and distribution of the Units in the Offering Jurisdictions including securities filing fees (if any); investor servicing costs; costs of providing information to Unitholders (including proxy solicitation material, financial and other reports) and convening and conducting meetings of Unitholders; taxes, assessments or other governmental charges of all kinds levied against the Fund; interest expenses; and all brokerage commissions and other fees associated with the purchase and sale of portfolio securities and other assets of the Fund; and all expenses associated with the servicing, collection and liquidation of investments held directly by the Fund. In addition, the Fund will be responsible for the payment of all expenses associated with ongoing investor relations and education relating to the Fund.

Each class of Units is responsible for the expenses specifically relating to that class and a proportionate share of expenses that are common to all classes of Units. The Manager shall allocate expenses to each class of Units in its sole discretion as it deems fair and reasonable in the circumstances.

The Manager may from time to time waive any portion of the fees and reimbursement of expenses otherwise payable to it, but no such waiver shall affect its right to receive fees and reimbursement of expenses subsequently accruing to it. In accordance with NI 31-103, the Manager may provide short-term financing to fund redemptions or pay expenses incurred by the Fund in the normal course of its business.

## **DEALER COMPENSATION**

Units will be distributed in the Offering Jurisdictions through registered dealers, including the Manager and such other persons as may be permitted by applicable law. In the event of such distribution, registered dealers (other than the Manager) will be entitled to the compensation described below.

### **Sales Commission**

No sales commission is payable to the Manager in respect of Units purchased directly by a subscriber. However, registered dealers may, at their discretion, charge purchasers a front-end sales commission of up to 5% of the Net Asset Value of the Class A Units purchased by the subscriber. Any such sales commission will be negotiated between the registered dealer and the purchaser and will be payable directly by the purchaser to their dealer. All minimum subscription amounts described in this Offering Memorandum are net of such sales commissions.

### **Service Commission**

The Manager intends to pay a monthly service commission to participating registered dealers equal to 1/12<sup>th</sup> of 1.0% of the Net Asset Value of the Class A Units sold by such dealers then outstanding. Payments are calculated and paid monthly to registered dealers from the Management Fees the Manager receives from the Fund. Notwithstanding the foregoing, the Manager, in its sole discretion, reserves the right to change the frequency of payment to registered dealers of the service commission to a quarterly or annual basis. See “Conflicts of Interest”.

### **Referral Fees**

Subject to the requirements under NI 31-103, the Manager may pay, out of the Management Fees it receives from the Fund, a negotiated referral fee to registered dealers or other persons in connection with the sale of Units.

## **INVESTMENT ADVISORY AGREEMENT FOR THE MASTER FUND**

Pursuant to an investment advisory agreement among the Master Fund, the Feeder Fund, the Ninepoint Canadian Senior Debt US Feeder LP (the “**US Feeder Fund**”) and the Manager (the “**Investment Advisory Agreement**”), the Master Fund has appointed the Manager as the investment manager and adviser to the Master Fund. The Manager is authorized to provide advisory and investment management services to the Master Fund with respect to its assets in accordance with its investment objective and strategies, as well as marketing support from time to time. The Manager will limit the services it provides under the Investment Advisory Agreement to “designated investment services” for the purpose of section 115.2 of the Tax Act.

Under the terms of the Investment Advisory Agreement, the Manager is required to exercise the powers and discharge the duties of its office honestly, in good faith and in a manner believed to be in the best interests of the Master Fund and in connection therewith, to exercise the degree of care, diligence and skill that a reasonably prudent person would exercise in the circumstances. The Investment Advisory Agreement provides that the Manager shall not be liable, in the absence of gross negligence, wilful default, fraud or bad faith, for any error in judgment or for any loss sustained by reason of any action taken or omitted to be taken, including but not limited to the adoption or implementation of any investment program or the purchase, sale or retention of any portfolio investment by it on behalf of the Master Fund. In addition, the Manager and each of its shareholders, directors, officers, employees and agents (each a “**Potential Indemnitee**”) will be indemnified and saved harmless by the Master Fund, respectively, from and against all actions, proceedings, claims, costs, demands and expenses (including legal costs, judgements and amounts paid in settlement) brought, commenced or prosecuted against the Potential Indemnitee for or in respect of any act, deed, matter or thing whatsoever made, done, acquiesced in or omitted in or about or in relation to the execution of the Manager’s duties under the Investment Advisory Agreement, unless such claim arises as a result of the gross negligence, wilful default, fraud or bad faith by the Manager or such Potential Indemnitee.

The Investment Advisory Agreement will continue in force unless and until terminated by the Master Fund or the Manager by giving the other party not less than 90 days’ written notice, except that such Agreement may be terminated forthwith by either party if (i) the other party commits any breach of its obligations under such Agreement, which breach is not remedied within ten days or (ii) the other party goes into liquidation or makes or proposes any arrangement or composition with its creditors or a receiver is appointed or (iii) on the redemption of all of the shares of the Master Fund.

## DETAILS OF THE OFFERING

### Subscription Process

Units are being offered by the Fund on a continuous basis to an unlimited number of eligible subscribers who are prepared to invest a sufficient amount to meet the minimum initial subscription requirements or who are otherwise qualified investors. There need not be any correlation between the number of Class A Units, Class F Units and Class I Units sold hereunder. The differences among the three classes of Units are the different eligibility criteria, fee structures and administrative expenses associated with each class. See “Description of Units” and “Fees and Expenses”.

As at the date of this Offering Memorandum, the minimum initial subscription amount for persons relying on the “accredited investor” exemption is \$5,000. The minimum initial subscription amount for persons relying on the “minimum amount investment” exemption is \$150,000; provided that such subscriber is (i) not an individual and, (ii) not created or used solely to rely on the “minimum amount investment” exemption. At the sole discretion of the Manager, subscriptions may be accepted for lesser amounts from subscribers who are “accredited investors”. These minimum initial subscription amounts are net of any sales commissions payable by an investor to their registered dealer. See “Dealer Compensation”.

Units are being offered to investors resident in the Offering Jurisdictions pursuant to exemptions from the prospectus requirements under (i) section 2.3 of National Instrument 45-106 *Prospectus Exemptions* (“**NI 45-106**”) or section 73.3 of the *Securities Act* (Ontario), as the case may be (in each case, the accredited investor exemption), and (ii) section 2.10 of NI 45-106 (minimum amount investment exemption) and, where applicable, the registration requirements under National Instrument 31-103 *Registration Requirements, Exemptions and Ongoing Registrant Obligations* (“**NI 31-103**”). Units will not be issued to individuals under section 2.10 of NI 45-106 (minimum amount investment exemption).

Investors, other than individuals that are “accredited investors”, must also execute a subscription form for Units which includes a representation (and a requirement to provide additional evidence promptly upon request to establish) that such investor was not formed solely in order to make private placement investments which may not have otherwise been available to any persons holding an interest in such investor.

At no time may non-residents of Canada as determined for the purposes of the Tax Act be the beneficial owners of any Units. The Manager may require declarations from Unitholders as to the jurisdictions in which beneficial owners of Units are resident. If the Manager becomes aware, as a result of requiring such declarations as to beneficial ownership, that the beneficial owners any of the Units then outstanding are, or may be, non-residents, the Manager may send or cause to be sent a notice to such non-resident holders of Units requiring them to sell their Units within a specified period of not less than 60 days. If the Unitholders receiving such notice have not sold the specified number of Units or provided the Manager with satisfactory evidence that they are not non-residents of Canada within such period, the Manager may, on behalf of such Unitholders, sell such Units and, in the interim and in accordance with Applicable Laws, may suspend the voting rights and the distribution rights attached to such Units. Upon such sale, the affected holders shall cease to be holders of Units and their rights shall be limited to receiving the net proceeds of sale of such Units. The Manager may also not issue Units to, and may direct the Record-keeper not to register a transfer of Units to, a Person unless the Person provides a declaration, in form and content satisfactory to the Manager, that the Person is not a non-resident of Canada. See “Redemption of Units”.

“Financial institutions” within the meaning of Section 142.2 of the Tax Act may not invest in this Fund. In the event that any Unitholder subsequently becomes a “financial institution”, such Unitholder is required to immediately notify the Manager in writing of such change in status and the Units of such Unitholder will be redeemed by the Fund at the next Valuation Date. See “Redemption of Units”.

Units are offered at a price equal to the Net Asset Value per Unit for the applicable class of Units on each Valuation Date (determined in accordance with the Trust Agreement). Units may be purchased as at the close of business on a Valuation Date if a duly completed subscription form and the required payment reaches the Manager no later than 4:00 p.m. (Toronto time) on such Valuation Date. The issue date for subscription orders received and accepted after 4:00 p.m. (Toronto time) on a Valuation Date will be the next Valuation Date. If on any Valuation Date the amount of subscriptions for Units is less than \$150,000 in the aggregate, the Manager will hold such subscriptions in cash until such time as additional subscriptions are received and total \$150,000 in the aggregate. Accordingly, the issue date for such Units will be the next Valuation Date. No certificates evidencing ownership of Units will be issued to Unitholders. See “Computation of Net Asset Value of the Fund”.

The Net Asset Value for each class of Units (and the Net Asset Value per Unit) determined for the purposes of a subscription of Units which takes place other than at quarter-end will reflect a reduction to take into account the Manager’s accrued performance fee, if any, based on returns of the particular class of Units during the quarter from the date of commencement of the fiscal quarter to the date of the issuance or redemption of such Units.

The Manager, on behalf of the Fund, may approve or disapprove a subscription for Units in whole or in part. If the subscription (or part) is not approved, the Manager will so advise the subscriber, and will forthwith return to the subscriber the amount (or a portion thereof) tendered by the subscriber in respect of the rejected subscription without interest or deduction.



By executing a subscription form for Units in the form prescribed by the Manager, each subscriber is making certain representations, and the Manager and the Fund are entitled to rely on such representations to establish the availability of exemptions from the prospectus and registration requirements described under NI 45-106 and NI 31-103. In addition, the subscriber is also acknowledging in the subscription form that the investment portfolio and trading procedures of the Fund are proprietary in nature and agrees that all information relating to such investment portfolio and trading procedures will be kept confidential by such subscriber and will not be disclosed to third parties (excluding the subscriber's professional advisors) without the prior written consent of the Manager.

### **Not Eligible for Investment by Registered Plans**

The Fund Units are **not** "qualified investments", as defined in the Tax Act for a trust governed by a registered retirement savings plan ("RRSP"), a registered retirement income fund ("RRIF"), a registered disability savings plan ("RDSP"), a deferred profit sharing plan ("DPSP"), a registered education savings plan ("RESP") or a tax-free savings account ("TFSA").

### **Rescission of Purchase**

Pursuant to Ontario securities legislation, where the amount of a purchase does not exceed the sum of \$50,000, purchasers of mutual funds may rescind their purchase by written notice given to the registered dealer from whom the purchase was made within 48 hours after receipt of the sale confirmation. Purchasers of mutual funds under an automatic investment plan may have longer to cancel an order. Purchasers must exercise these rights within the prescribed time limits under applicable securities legislation. Purchasers should refer to provisions contained under applicable securities legislation in the Offering Jurisdiction where the purchaser is a resident to determine whether they have similar rescission rights or they should consult with their legal advisor for more details.

## **ADDITIONAL SUBSCRIPTIONS**

Following the required initial minimum investment in the Fund, Unitholders resident in the Offering Jurisdictions may make additional investments in the Fund of not less than \$5,000 provided that, at the time of the subscription for additional Units, the Unitholder is an "accredited investor" as defined under applicable securities legislation. Unitholders who are not "accredited investors" nor individuals, but previously invested in, and continue to hold, Units having an aggregate initial acquisition cost or current Net Asset Value equal to \$150,000, will also be permitted to make subsequent investments in the Fund of not less than \$5,000. Subject to applicable securities legislation, the Manager, in its sole discretion, may from time to time permit additional investments in Units of lesser amounts. Unitholders subscribing for additional Units should complete the subscription form prescribed from time to time by the Manager.

## **USE OF PROCEEDS**

The net proceeds derived by the Fund from the sale of Units offered pursuant to this Offering Memorandum will be used for investment purposes in accordance with the investment objective, strategies and restrictions of the Fund and the Master Fund as described earlier in this Offering Memorandum. See "Investment Objective and Strategy of the Fund" and "Investment Restrictions of the Master Fund".

## **REDEMPTION OF UNITS**

An investment in Units is intended to be a long-term investment. However, Units may be redeemed at their Net Asset Value per Unit for the applicable class (determined in accordance with the Trust

Agreement) on a Redemption Date (being the last Business Day of each calendar quarter), provided the written request for redemption (a “**Redemption Notice**”), and all necessary documents relating thereto, is submitted to the Manager prior to 4:00 p.m. (Toronto time) on a Business Day which is at least 120 days prior to the Redemption Date.

Notwithstanding the foregoing, the Manager may accept a redemption request submitted 30 days prior to a Redemption Date in the form included as Schedule “B” to this Offering Memorandum, provided that a concurrent subscription is received from the Unitholder’s discretionary account manager or investment adviser by the Manager which, at minimum, offsets the Net Asset Value of the Fund that would be redeemed in connection with the redemption request. Acceptance of offsetting subscription and the concurrent redemption are at the absolute discretion of the Manager. Notwithstanding the submission of an offsetting subscription, the early redemption fee described below will apply to such subscribed Units that are redeemed within 12 months of the date of subscription.

A Redemption Notice shall be irrevocable (except as otherwise provided in the Trust Agreement) and shall contain a clear request by the Unitholder that a specified number of Units be redeemed or stipulate the dollar amount which the Unitholder requires to be paid. A Unitholder’s signature on a Redemption Notice shall be guaranteed by a Canadian chartered bank, a trust company or a registered broker or securities dealer acceptable to the Manager.

If a Redemption Notice is received, and deemed acceptable, by the Manager at such time, Units will be redeemed at the Net Asset Value per Unit determined on the first quarter end which is at least 120 days following receipt of the Redemption Notice, subject to the Manager’s discretion to accept a redemption request submitted 30 days prior to a Redemption Date described above.

Payment of the Redemption Amount will be paid to the redeeming Unitholder as soon as is practicable and in any event within 30 days following the Redemption Date (or 60 days if such Valuation Date is the Fund’s fiscal year end) for which such redemption is effective. Each such redemption shall be made on a Valuation Date. The Redemption Amount payable to Unitholders will be adjusted by changes in the Net Asset Value of the Fund during the period between the date of the Redemption Notice and the Valuation Date and calculated on each Valuation Date in respect of the payment to be made on such date. Until such time as they are redeemed, the portion of any redemption requests that are not satisfied on a Redemption Date will remain invested in, and therefore still subject to the risks of, the Feeder Fund and the Master Fund. In accordance with NI 31-103, the Manager may provide short-term financing to fund redemptions or pay expenses incurred by the Fund in the normal course of its business.

On direction from the Manager, the record-keeper of the Fund shall hold back up to 20% of the Redemption Amount on any redemption to provide for an orderly disposition of assets. Any Redemption Amount which is held back shall be paid within a reasonable time period, having regard for applicable circumstances.

Notwithstanding and without limiting any of the provisions contained herein and in the Trust Agreement, the Manager, in its sole discretion, may require the redemption of all or any part of the Units held by a Unitholder at any time. No early redemption fee will be charged to a Unitholder where the Manager requires such a redemption of a Unitholder’s Units.

If the combined redemption requests in aggregate of the Fund, the Feeder Fund the US Feeder Fund (collectively, the “**Fund Group**”) exceed 5% of the Net Asset Value of the Master Fund for any quarter (the “**Redemption Cap**”), all redemption requests submitted to each member of the Fund Group, including the Fund, will be satisfied pro-rata in proportion to the aggregate dollar value of the redemption requests received by the Fund Group as a whole (as of the applicable Redemption Date), to the aggregate maximum dollar value (or equivalent value in Units) of the Master Fund permitted to be redeemed on the

Redemption Date under the Redemption Cap. Any portion of redemption requests in respect of the Fund Group not satisfied will be cancelled. Unitholders may submit any cancelled redemption requests for the following Redemption Date. Such cancelled and resubmitted redemption requests will not have priority over new redemption requests submitted for the subsequent Redemption Date.

Quarterly redemptions of an aggregate of up to 5% of the Net Asset Value of the Master Fund are expected but not guaranteed. Net Asset Value of the Master Fund for the purposes of determining the Redemption Cap will be calculated as of the last Business Day of the previous calendar quarter.

The Manager may, at its discretion elect to redeem less than 5% of the Net Asset Value of the Master Fund in any calendar quarter with the approval of the IRC (as defined herein), if in its reasonable judgment it deems such limitation to be in the best interest of the Fund and the Unitholders. Such election shall constitute the Redemption Cap for the applicable calendar quarter.

The Manager may also from time to time fix a minimum investment amount for Unitholders and thereafter give notice to any Unitholder whose Units have an aggregate Net Asset Value of less than such threshold amount that all such Units will be redeemed on the next Redemption Date following the 30<sup>th</sup> day after the date of the notice. A Unitholder may prevent such redemption by subscribing for and purchasing within the 30-day notice period a sufficient number of additional Units to increase the Net Asset Value of the total number of Units owned to an amount equal to or greater than such threshold amount. As at the date hereof, the Manager has not fixed a minimum threshold amount. The Manager may, in its sole discretion, waive this redemption requirement.

Each Unitholder who has delivered a Redemption Notice or whose Units are required to be redeemed, shall be paid a Redemption Amount equal to the Net Asset Value per Unit for the applicable class on the applicable Redemption Date, multiplied by the number of Units to be redeemed, and the Manager concurrently shall pay to such Unitholder the proportionate share attributable to such Units of any distribution of Net Income and Net Realized Capital Gains of the Fund which has been declared and not paid prior to the applicable Redemption Date.

The record-keeper of the Fund shall, upon any redemption of Units, deduct from the Redemption Amount an amount equal to any accrued and applicable fees and taxes payable by the Unitholder in connection with such redemption.

The Manager may suspend the right of Unitholders to require the Fund to redeem Units held by them and the concurrent payment for Units tendered for redemption and/or the calculation of Net Asset Value: (i) during the whole or any part of any period when normal trading is suspended on any stock exchange, options exchange or futures exchange within or outside Canada on which in the opinion of the Manager a significant portion of securities, instruments or derivatives owned by the Master Fund (or any successor thereto) are traded; (ii) for any period during which in the opinion of the Manager conditions exist which render the sale of assets of the Master Fund not reasonably practicable or the sale of such assets would be seriously prejudicial to investors or the Master Fund or at prices materially below their current valuation by the Master Fund, or which impair the ability of the Master Fund to determine the value of the assets of the Master Fund; or (iii) in the opinion of the Manager, the effect of such withdrawals or redemptions would result in a violation of law or violate or cause serious adverse consequences under any investment or agreement governing any indebtedness incurred by the Master Fund or would seriously impair the Master Fund's ability to operate.

A suspension may apply to all Redemption Notices received prior to the suspension, but as for which payment has not been made, as well as to all Redemption Notices received while the suspension is in

effect. In such circumstances, all outstanding redemption requests will be cancelled, and no additional redemption requests will be accepted until the suspension has ended. During any period during which redemptions are suspended the Manager will not accept any subscriptions for the purchase of Units.

A suspension will terminate in any event on the first day on which the condition giving rise to the suspension has ceased to exist, provided that no other condition under which a suspension is authorized then exists. Subject to applicable laws, any declaration of suspension made by the Manager shall be conclusive.

The Manager may, in its sole discretion, impose an early redemption fee equal to 2% of the aggregate Net Asset Value of Units redeemed if such Units are redeemed within 12 months of their date of purchase. This early redemption fee will be deducted from the Redemption Amount otherwise payable to a Unitholder and will be paid to the Fund. No early redemption fee will be charged in respect of the redemption of Units which were acquired by a Unitholder through the automatic reinvestment of all distributions of net income or capital gains by the Fund or where the Manager requires a Unitholder to redeem some or all of the Units owned by such Unitholder. This early redemption fee is in addition to any other fees a Unitholder is otherwise subject to under this Offering Memorandum.

### **RESALE RESTRICTIONS**

As the Units offered by this Offering Memorandum are being distributed pursuant to exemptions from the prospectus requirements under NI 45-106, the resale of these Units by subscribers is subject to restrictions. Subscribers are advised to consult with their legal advisors concerning restrictions on resale and are further advised against reselling their Units until they have determined that any such resale is in compliance with the requirements of applicable securities legislation. There is no market for these Units and no market is expected to develop, therefore, it may be difficult or even impossible for a purchaser to sell their Units other than by way of a redemption of their Units on a Valuation Date.

No transfers of Units may be effected unless the Manager, in its sole discretion, approves the transfer and the proposed transferee. Subject to applicable securities legislation a Unitholder shall be entitled, if permitted by the Manager, to transfer all or, subject to any minimum investment requirements prescribed by the Manager, any part of the Units registered in the Unitholder's name at any time by giving written notice to the Manager. The proposed transferee will be required to make representations and warranties to the Fund and the Manager in form and substance satisfactory to the Manager. The Manager may prescribe the minimum dollar value of Units which may be transferred but has not currently done so.

### **COMPUTATION OF NET ASSET VALUE OF THE FUND**

The Net Asset Value of the Fund will be determined by the Manager, who may consult with the Trustee, any investment manager, custodian, prime broker and/or the auditors of the Fund. The Net Asset Value of the Fund will be determined for the purposes of subscriptions and redemptions as at 4:00 p.m. (Toronto time) on each Valuation Date, and on December 31 of each year if that day is not otherwise a Valuation Date for the purpose of the distribution of Net Income and Net Realized Capital Gains of the Fund to Unitholders. The Net Asset Value of the Fund on any Valuation Date shall be equal to the aggregate fair market value of the assets of the Fund as of such Valuation Date, less an amount equal to the total liabilities of the Fund (excluding all liabilities represented by outstanding Units) as of such Valuation Date. The Net Asset Value per Unit will be determined by dividing the Net Asset Value of the Fund on a Valuation Date by the total number of Units then outstanding on such Valuation Date.

The Net Asset Value of the Fund on a Valuation Date shall be determined in accordance with the following:

- (a) The assets of the Fund shall be deemed to include the following property:
  - (i) all cash on hand or on deposit, including any interest accrued thereon adjusted for accruals deriving from trades executed but not yet settled;
  - (ii) all bills, notes and accounts receivable, including loans comprising the Portfolio;
  - (iii) all bonds, debentures, shares, subscription rights and other securities owned by or contracted for the Fund including, without limitation, any units;
  - (iv) all shares, rights and cash dividends and cash distributions to be received by the Fund and not yet received by it when the Net Asset Value of the Fund is being determined so long as, in the case of cash dividends and cash distributions to be received by the Fund and not yet received by it when the Net Asset Value of the Fund is being determined, the shares are trading ex-dividend;
  - (v) all interest accrued on any interest-bearing securities owned by the Fund other than interest, the payment of which is in default; and
  - (vi) prepaid expenses.
- (b) The fair market value of the assets and the amount of the liabilities of each of the Master Fund, the Feeder Fund and the Fund (the net result of which is the "Net Asset Value" of the respective fund) will be calculated by the Administrator in such manner as it shall determine from time to time, subject to the following guidelines:
  - (i) the value of any cash on hand or on deposit, bills, demand notes, loans receivable (including loans and Portfolio investments comprising the Portfolio), accounts receivable, prepaid expenses, cash dividends received (or to be received and declared to securityholders of record on a date before the date as of which the Net Asset Value of the Fund is being determined), and interest accrued and not yet received, shall be deemed to be the full amount thereof unless the Manager shall have determined that any such deposit, bill, demand note, account receivable, prepaid expense, cash dividend received or interest is not worth the full amount thereof, in which event the value thereof shall be deemed to be such value as the Manager shall determine to be the reasonable value thereof;
  - (ii) the value of any bonds, debentures, and other debt obligations shall be valued by taking the average of the bid and ask prices on a Valuation Date at such times as the Manager, in its discretion, deems appropriate. Short-term investments including notes and money market instruments shall be valued at cost plus accrued interest;

- (iii) the value of any security which is listed or dealt in upon a stock exchange shall be determined by (1) in the case of a security which was traded on the day as of which the Net Asset Value of the Fund is being determined, the closing sale price; (2) in the case of a security which was not traded on the day as of which the Net Asset Value of the Fund is being determined, a price which is the average of the closing recorded bid and ask prices; or (3) if no bid or ask quotation is available, the price last determined for such security for the purpose of calculating the Net Asset Value of the Fund. The value of inter-listed securities shall be computed in accordance with directions laid down from time to time by the Manager; provided, however, that if, in the opinion of the Manager, stock exchange or over-the-counter quotations do not properly reflect the prices which would be received by the Fund upon the disposal of securities necessary to effect any redemptions of Units, the Manager may place such value upon such securities as appears to the Manager to most closely reflect the fair value of such securities;
- (iv) the value of any security, the resale of which is restricted or limited, shall be the quoted market value less a percentage discount for illiquidity amortized over the length of the hold period;
- (v) the value of any loan comprising the Portfolio will be the fair value thereof determined by the Manager on each Valuation Date, using the present value of anticipated future economic benefits;
- (vi) a long position in an option or a debt-like security shall be valued at the current market value of the position;
- (vii) the value of any security or other property for which no price quotations are available or, in the opinion of the Manager, to which the above valuation principles cannot or should not be applied, shall be the fair value thereof determined from time to time in such manner as the Manager shall from time to time provide; and
- (viii) the value of all assets and liabilities of the Fund valued in terms of a currency other than the currency used to calculate the Net Asset Value of the Fund shall be converted to the currency used to calculate the Net Asset Value of the Fund by applying the rate of exchange obtained from the best available sources to the Manager including, but not limited to, the Trustee or any of its affiliates.

The Directors of the Master Fund and Feeder Fund must approve any change to the above valuation methodologies employed for the Master Fund and Feeder Fund, respectively.

- (c) The liabilities of the Fund shall be calculated on an accrued basis and shall be deemed to include the following:
  - (i) all bills, notes and accounts payable;
  - (ii) all fees (including management fees and performance fees, if any) and administrative and operating expenses payable and/or accrued by the Fund;

- (iii) all contractual obligations for the payment of money or property, including distributions of Net Income and Net Realized Capital Gains, if any, declared, accrued or credited to the Unitholders but not yet paid on the day before the day as of which the Net Asset Value of the Fund is being determined;
  - (iv) all allowances authorized or approved by the Manager or the Trustee for taxes or contingencies; and
  - (v) all other liabilities of the Fund of whatever kind and nature, except liabilities represented by outstanding Units.
- (d) Portfolio transactions (investment purchases and sales) will be reflected in the first computation of the Net Asset Value of the Fund made after the date on which the transaction becomes binding.
  - (e) The Net Asset Value of the Fund and Net Asset Value per Unit on the first Business Day following a Valuation Date shall be deemed to be equal to the Net Asset Value of the Fund (or per Unit, as the case may be) on such Valuation Date after payment of all fees, including administrative fees, management fees and performance fees, if any, and after processing of all subscriptions and redemptions of Units in respect of such Valuation Date.
  - (f) The Net Asset Value of the Fund and the Net Asset Value per Unit established by the Manager in accordance with the provisions of this section shall be conclusive and binding on all Unitholders.
  - (g) The Manager may determine such other rules as it deems necessary from time to time, which rules may deviate from International Financial Reporting Standards (“IFRS”).

The Net Asset Value of the Fund (or per Unit, as the case may be) calculated in this manner will be used for the purpose of calculating the Manager’s and other service providers’ fees and will be published net of all paid and payable fees. Such Net Asset Value of the Fund (or per Unit, as the case may be) will be used to determine the subscription price and redemption value of Units. To the extent that such calculations are not in accordance with IFRS, the financial statements of the Fund will include a reconciliation note explaining any difference between such published Net Asset Value of the Fund and Net Asset Value per Unit for financial statement reporting purposes (which must be calculated in accordance with IFRS).

The Net Asset Value for a particular class of Units (“**Class Net Asset Value**”) as at 4:00 p.m. (Toronto time) on a Valuation Date shall be determined for the purposes of subscriptions and redemptions in accordance with the following calculation:

- (a) the Class Net Asset Value last calculated for that class of Units; plus
- (b) the increase in the assets attributable to that class as a result of the issue of Units of that class or the redesignation of Units into that class since the last calculation; minus
- (c) the decrease in the assets attributable to that class as a result of the redemption of Units of that class or the redesignation of Units out of that class since the last calculation; plus or minus

- (d) the proportionate share of the Net Change in Non-Portfolio Assets (as defined below) attributable to that class since the last calculation; plus or minus
- (e) the proportionate share of the impact of portfolio transactions and the adjustments to the assets as a result of a stock dividend, stock split or other corporate action recorded on that Valuation Date attributable to that class since the last calculation; plus or minus
- (f) the proportionate share of market appreciation or depreciation of the portfolio assets attributable to that class since the last calculation; minus
- (g) the proportionate share of the Fund expenses (other than class specific expenses) (“**Common Expenses**”) allocated to that class since the last calculation; minus
- (h) any expenses specific to that class since the last calculation.

“**Net Change in Non-Portfolio Assets**” on a Valuation Date means

- (a) the aggregate of all income accrued by the Fund as of that Valuation Date, including cash dividends and distributions, interest and compensation; minus
- (b) the Common Expenses to be accrued by the Fund as of that Valuation Date which have not otherwise been accrued in the calculation of the Net Asset Value of the Fund as of that Valuation Date; plus or minus
- (c) any change in the value of any non-portfolio assets or liabilities stated in any foreign currency accrued on that Valuation Date including, without limitation, cash, accrued dividends or interest and any receivables or payables; plus or minus
- (d) any other item accrued on that Valuation Date determined by the Manager to be relevant in determining the Net Change in Non-Portfolio Assets.

A Unit of a class of the Fund being issued or a Unit that has been redesignated as a part of that class shall be deemed to become outstanding as of the next calculation of the applicable Class Net Asset Value immediately following the Valuation Date at which the applicable Class Net Asset Value per Unit that is the issue price or redesignation basis of such Unit is determined and the issue price received or receivable for the issuance of the Unit shall then be deemed to be an asset of the Fund attributable to the applicable class.

A Unit of a class of the Fund being redeemed or a Unit that has been redesignated as no longer being a part of that class shall be deemed to remain outstanding as part of that class until immediately following the Valuation Date at which the applicable Class Net Asset Value per Unit that is the redemption price or redesignation basis of such Unit is determined; thereafter, the redemption price of the Unit being redeemed, until paid, shall be deemed to be a liability of the Fund attributable to the applicable class and the Unit which has been redesignated will be deemed to be outstanding as a part of the class into which it has been redesignated.

On any Valuation Date that a distribution is paid to Unitholders of a class of Units, a second Class Net Asset Value shall be calculated for that class, which shall be equal to the first Class Net Asset Value calculated on that Valuation Date minus the amount of the distribution. For greater certainty, the second Class Net Asset Value shall be used for determining the Class Net Asset Value per Unit on such Valuation Date for purposes of determining the issue price and redemption price for Units on such



Valuation Date, as well as the redesignation basis for Units being redesignated into or out of such class, and Units redeemed or redesignated out of that class as at such Valuation Date shall participate in such distribution while Units subscribed for or redesignated into such class as at such Valuation Date shall not.

The Class Net Asset Value per Unit for a particular class of Units as at any Valuation Date is the quotient obtained by dividing the applicable Class Net Asset Value as at such Valuation Date by the total number of Units of that class outstanding at such Valuation Date. This calculation shall be made without taking into account any issuance, redesignation or redemption of Units of that class to be processed by the Fund immediately after the time of such calculation on that Valuation Date. The Class Net Asset Value per Unit for each class for the purpose of the issue of Units or the redemption of Units shall be calculated on each Valuation Date by or under the authority of the Manager as at such time on every Valuation Date as shall be fixed from time to time by the Manager and the Class Net Asset Value per Unit so determined for each class shall remain in effect until the time as of which the Class Net Asset Value per Unit for that class is next determined.

Units are offered at a price equal to the Net Asset Value per Unit for the applicable class on each Valuation Date (determined in accordance with the Trust Agreement). The Net Asset Value per Unit of any one class of Units need not be equal to the Net Asset Value per Unit of any other class.

The Manager shall be entitled to delegate any of its powers and obligations to a valuation service provider, including, but not limited to, the Trustee or any of its affiliates, by entering into a valuation services agreement relating to the calculation of the Net Asset Value of the Fund and the Class Net Asset Value for each class of Units on each Valuation Date. For greater certainty, the calculation of the Net Asset Value of the Fund and the Class Net Asset Value for each class of Units on each Valuation Date pursuant to this section is for the purposes of determining subscription prices and redemption values of Units and not for the purposes of accounting in accordance with IFRS.

See the Trust Agreement for a full and complete description of the determination of the Net Asset Value of the Fund and the Class Net Asset Value for each class of Units on each Valuation Date.

“Adjusted Net Asset Value” means, at any time, the Net Asset Value multiplied by the percentage obtained by dividing (A) by (B) where (A) equals the total assets of the Master Fund at such time including assets financed using the Master Fund Loan Facilities and (B) equals the total assets of the Master Fund at such time less the outstanding balance of the Master Fund Loan Facilities.

## DISTRIBUTIONS

Commencing with the Distribution Record Date (as hereinafter defined) falling on June 30, 2023, the Manager intends to make a quarterly distribution on all Classes of Units, to Unitholders of record as of the close of business on the last Business Day of each quarter (each, a “**Distribution Record Date**”). Distributions will be paid on a Business Day of the following month designated by the Manager after the NAV for the applicable month, in which the Distribution Record Date is set, is determined. At any time, the Manager may decide to change the frequency of distributions and make monthly or less frequent distributions. The amount and frequency of any distributions may fluctuate and there can be no assurance that any distributions will be made in any period or of any particular amount.

If in any taxation year, after any quarterly distributions, there would remain in the Fund additional Net Income or Net Realized Capital Gains (as such term is defined in the Trust Agreement), the Fund will distribute in each year as one or more special year-end distributions such portion of its annual Net Income and Net Realized Capital Gains as will result in the Fund paying no tax under the Tax Act.

All distributions will be automatically reinvested in additional Units of the Class at the Net Asset Value of such Class of Units on the date of distribution.

The Net Income and Net Realized Capital Gains of the Fund for the period since the immediately preceding date on which Net Income and Net Realized Capital Gains were calculated will be calculated as of the close of business on the last Valuation Date in each fiscal year and as of such other dates during the year as the Manager in its discretion may decide. Allocations and distributions of capital gains will generally be made by reference to the number of Units held as of the close of business on the last Valuation Date in each fiscal year (or such other distribution date as may be determined by the Manager); however, the Manager may make allocations in a manner to fairly reflect, as best as possible, subscriptions and redemptions made during the year.

Any distributions to Unitholders shall be accompanied by a statement advising the Unitholders of the source of the funds so distributed so that distributions of ordinary income, dividends, return of capital and capital gains will be clearly distinguished, or, if the source of funds so distributed has not been determined, the communication shall so state, in which event the statement of the source of funds shall be forwarded to Unitholders promptly after the close of the fiscal year in which the distribution was made.

The Manager on behalf of the Fund may cause to be paid such additional distributions of monies or properties of the Fund and make such designations, determinations and allocations for tax purposes of amounts or portions of amounts which the Fund has received, paid, declared payable or allocated to Unitholders and of expenses incurred by the Fund and of tax deductions of which the Fund may be entitled as the Manager may, in its sole discretion, determine. The Manager, in its sole discretion, may allocate and, where applicable, designate to a Unitholder who has redeemed Units during a year an amount equal to any Net Realized Capital Gains realized by the Fund for the year as a result of the disposition of any of the Fund Property to satisfy the Redemption Notice given by such Unitholder or such other amount that is determined by the Manager to be reasonable.

**Purchasers should not confuse these distributions with the Fund's rate of return or yield.**

### **UNITHOLDER MEETINGS**

Meetings of Unitholders will be held by the Manager or the Trustee at such time and on such day as the Manager or the Trustee may from time to time determine for the purpose of considering the matters required to be placed before such meetings and for the transaction of such other matters as the Manager or the Trustee determines. Unitholders holding not less than 50% of the outstanding Units may requisition a meeting of Unitholders by giving a written notice to the Manager or the Trustee setting out in detail the reason(s) for calling and holding such a meeting.

Notice of the time and place of each meeting of Unitholders will be given not less than 21 days before the day on which the meeting is to be held to each Unitholder of record at the close of business on the day on which the notice is given. Notice of a meeting of Unitholders will state the general nature of the matters to be considered by the meeting. A meeting of Unitholders may be held at any time and place without notice if all the Unitholders entitled to vote thereat are present in person or represented by proxy or, if those not present or represented by proxy waive notice of, or otherwise consent to, such meeting being held.

A quorum for the transaction of business at any meeting of Unitholders shall be at least two Unitholders holding not less than 5% of the outstanding Units on such date present in person or represented by proxy and entitled to vote thereat. If a quorum is not present at a meeting within 30 minutes after the time fixed

for the meeting, the meeting shall be adjourned to a date fixed by the chairman of the meeting not later than 14 days thereafter at which adjourned meeting the Unitholders present in person or represented by proxy shall constitute a quorum. The chairman at a meeting of Unitholders may, with the consent of the meeting and subject to such conditions as the meeting may decide, adjourn the meeting from time to time and from place to place.

At any meeting of Unitholders every person shall be entitled to vote who, as at the end of the business day immediately preceding the date of the meeting, is entered in the register of Unitholders, unless in the notice of meeting and accompanying materials sent to Unitholders in respect of the meeting a record date is established for persons entitled to vote thereat.

At any meeting of Unitholders a proxy duly and sufficiently appointed by a Unitholder shall be entitled to exercise, subject to any restrictions expressed in the instrument appointing him, the same voting rights that the Unitholder appointing him would be entitled to exercise if present at the meeting. A proxy need not be a Unitholder. An instrument appointing a proxy shall be in writing and shall be acted on only if, prior to the time of voting, it is deposited with the chairman of the meeting or as may be directed in the notice calling the meeting.

At any meeting of Unitholders every question shall, unless otherwise required by the Trust Agreement or applicable laws, be determined by the majority of the votes duly cast on the question. Subject to the provisions of the Trust Agreement or applicable laws, any question at a meeting of Unitholders shall be decided by a show of hands unless a poll thereon is required or demanded. Upon a show of hands every person who is present and entitled to vote shall have one vote. If demanded by any Unitholder at a meeting of Unitholders or required by applicable laws, any question at such meeting shall be decided by a poll. Upon a poll each person present shall be entitled, in respect of the Units which he is entitled to vote at the meeting upon the question, to one vote for each whole Unit held and the result of the poll so taken shall be the decision of the Unitholders upon the said question.

Any resolution consented to in writing by Unitholders holding 66  $\frac{2}{3}$ % of the Units then outstanding is as valid as if it had been passed at a meeting of Unitholders.

If any approval or consent of Unitholders for any change proposed or action to be taken pursuant to the Trust Agreement affects one class or certain (but not all) classes of Units of the Fund, a meeting of Unitholders of such class or classes of the Fund shall be convened by the Trustee upon the written request of the Manager or of the Unitholders holding not less than 50% of the outstanding Units of each such class, and the provisions of the Trust Agreement will apply *mutatis mutandis* to such meetings. If the Manager determines that Unitholders of one class of the Fund would be affected by any matter to be voted upon at a meeting in a manner materially different from Unitholders of the Fund as a whole, then such class will vote separately with respect to such matter.

#### **AMENDMENTS TO THE TRUST AGREEMENT**

Any provision of the Trust Agreement as it applies to the Fund, or as it applies to a particular class or classes of Units of the Fund, may be amended, deleted, expanded or varied by the Manager, with the approval of the Trustee, upon notice to Unitholders. No amendment may be made by the Manager which materially adversely affects the pecuniary value of the interest of any Unitholder of the Fund as a whole and/or of a Class of Units of the Fund, unless the Manager either:

- (a) obtains the approval of not less than a majority of the votes cast at a meeting of Unitholders of the Fund or that Class, as the case may be, duly called for the purpose of considering the proposed change; or
- (b) obtains the written consent of not less than 66 ⅔% of the Unitholders of the Fund or that Class, as the case may be, in accordance with the Trust Agreement.

Notice of any amendment to the Trust Agreement made without the approval of the Unitholders shall be given in writing to Unitholders and any such amendment shall take effect on a date to be specified therein, which date shall be not less than 60 days after notice of the amendment is given to Unitholders, except that the Manager and the Trustee may agree that any amendment shall become effective at an earlier time if that seems desirable and the amendment is not detrimental to the interest of any Unitholder. See “Unitholder Meetings”.

The Trust Agreement may be amended without the approval of, or prior notice to, Unitholders where the amendment is to (i) remedy inconsistencies between the Trust Agreement and this Offering Memorandum or other disclosure documents or any law, regulation or policy of securities regulators applicable to or affecting the Units, the Fund, the Trustee or its agents; (ii) make any change or correction which is a typographical correction or required to cure or correct any ambiguity, or defective or inconsistent provision, clerical omission, mistake or manifest error; (iii) change the status of the Fund to a “unit trust” and/or a “mutual fund trust” for the purposes of the Tax Act or to respond to amendments or proposed amendments to the Tax Act or the interpretation thereof; or (iv) to provide added protection or benefit to Unitholders or the Fund, in each case provided that such amendment does not adversely affect the pecuniary value of the interest of any Unitholder.

#### **TERMINATION OF THE FUND**

The Fund does not have a fixed termination date. The Manager may, in its discretion, terminate the Fund by giving notice to the Trustee and Unitholders and fixing the date of termination not earlier than 60 days following the mailing or other delivery of notice. No Units may be redeemed at the option of a Unitholder from the date that the notice of termination is delivered.

The Fund may be terminated and dissolved in the event of any of the following: (i) there are no outstanding Units; (ii) the Trustee or the Manager resigns and no successor is appointed within the time limits prescribed in the Trust Agreement; (iii) the Manager is, in the opinion of the Trustee, in material default of its obligations under the Trust Agreement and such default continues for 120 days from the date that the Manager receives notice of such material default from the Trustee; (iv) the Manager has been declared bankrupt or insolvent or has entered into liquidation or winding-up, whether compulsory or voluntary (and not merely a voluntary liquidation for the purposes of amalgamation or reconstruction); (v) the Manager makes a general assignment for the benefit of its creditors or otherwise acknowledges its insolvency; or (vi) the assets of the Manager have become subject to seizure or confiscation by any public or governmental authority.

Prior to the Termination of the Fund, the Manager will satisfy or make appropriate provision for all liabilities of the Fund.

The Manager may at any time terminate and dissolve the Fund by giving to the Trustee and each Unitholder written notice of its intention to terminate at least 90 days before the date on which the Fund is to be terminated.

In the event of the winding-up of the Fund, the rights of Unitholders to require redemption of any or all of their Units shall be suspended, the Manager shall make appropriate arrangements for converting the investments of the Fund into cash and the Trustee shall proceed to wind-up the affairs of the Fund in such manner as seems to it to be appropriate. The assets of the Fund remaining after paying or providing for all obligations and liabilities of the Fund shall be distributed among the Unitholders registered as at the close of business on the termination date in accordance with the Trust Agreement. Distributions of Net Income and Net Realized Capital Gains shall, to the extent not inconsistent with the orderly realization of the assets of the Fund, continue to be made in accordance with the Trust Agreement until the Fund has been wound up.

Notwithstanding the foregoing, if authorized by the holders of more than 50% of the outstanding Units, the assets of the Fund may be, in the event of the winding-up of the Fund, distributed to the Unitholders on the termination of the Fund *in specie* in whole or in part, and the Trustee shall have complete discretion to determine the assets to be distributed to any Unitholder and their values for distribution purposes.

### CANADIAN FEDERAL INCOME TAX CONSIDERATIONS

The following is a general summary of the principal Canadian federal income tax considerations with respect to the Fund and to Unitholders who are individuals (other than a trust) and who, for the purposes of the Tax Act, are resident in Canada, deal at arm's length, and are not affiliated, with the Fund and hold their Units as capital property. Units will generally be considered capital property to a Unitholder unless the Unitholder holds the Units in the course of carrying on a business of trading or dealing in securities or has acquired the Units in a transaction or transactions considered to be an adventure in the nature of trade. A Unit is not a "Canadian security" for the purposes of the election under subsection 39(4) of the Tax Act. Accordingly, Unitholders would not be able to make the election under subsection 39(4) of the Tax Act to have their Units treated as capital property.

This summary is based on the current provisions of the Tax Act and the Income Tax Regulations, all specific proposals to amend the Tax Act and the Income Tax Regulations publicly announced by the Minister of Finance (Canada) prior to the date hereof (the "**Tax Proposals**") and the Manager's understanding of the current administrative and assessing policies of the Canada Revenue Agency ("**CRA**"). There can be no assurance that the Tax Proposals will be implemented in their current form or at all, nor can there be any assurance that CRA will not change its administrative or assessing practices. This summary further assumes that the Fund will comply with the Trust Agreement. Except for the Tax Proposals, this summary does not otherwise take into account or anticipate any change in the law, whether by legislative, governmental or judicial decision or action, which may adversely affect any income tax consequences described herein, and does not take into account provincial, territorial or foreign tax considerations, which may differ significantly from those described herein.

This summary is not applicable to a Unitholder that is a "financial institution" (as defined in the Tax Act for purposes of the "mark-to-market" rules), that is a "specified financial institution" (as defined in the Tax Act), to whom the functional currency reporting rules contained in section 261 of the Tax Act apply, an interest in which is a "tax shelter investment" (as defined in the Tax Act) or that has entered into or enters into, with respect to the Units, a "synthetic disposition arrangement" or a "derivative forward agreement" as those terms are defined in the Tax Act. Any such Unitholder should consult its own tax advisor with regard to its income tax consequences.

This summary assumes that the Fund will not be a “SIFT trust” (as defined in subsection 122.1 of the Tax Act) at any relevant time based on the assumption that the Units will at no time be listed or traded on a stock exchange or other “public market” (as defined in the Tax Act).

**This summary is not exhaustive of all possible Canadian federal tax considerations applicable to an investment in Units and is not intended to constitute legal or tax advice. The income and other tax consequences will vary depending on a taxpayer’s particular circumstances. Accordingly, prospective purchasers should consult their own tax advisors about their individual circumstances.**

### **Status of the Fund**

The Fund will not be a mutual fund trust for purposes of the Tax Act. Accordingly, the Fund (i) will not be eligible for capital gains refunds under the Tax Act when Units are redeemed, (ii) will be deemed to dispose of all of its assets on the twenty-first anniversary of its creation, (iii) may be liable for alternative minimum tax (“AMT”), (iv) may be subject to the “mark-to-market” rules in the Tax Act and (v) may be subject to tax under Part XII.2 of the Tax Act.

The Fund will be liable for AMT for a taxation year if the Fund’s tax payable, as determined under Division E of the Tax Act, is less than the Fund’s individual minimum amount (as determined under the Tax Act) payable for the year. Generally, the individual’s minimum amount payable is based upon an individual’s “adjusted taxable income” (as defined in the Tax Act) for a taxation year, which is calculated by adding back certain deductions into income that are otherwise deductible under the Tax Act. Provided the Fund does not rely on these deductions to reduce its income in a taxation year, the Fund should not be liable for AMT in that taxation year if it distributes all of its net realized taxable capital gains to Unitholders in that taxation year. The Fund may be liable for AMT in a taxation year where it uses capital loss carryovers from other taxation years to offset capital gains in that taxation year.

The Fund will be subject to the mark-to-market rules if at any time in a taxation year, more than 50% of the fair market value of all interests in the Fund are held by one or more “financial institutions” (as defined in the Tax Act). The Trust Agreement restricts the percentage of Units that can be owned by financial institutions and requires the Manager to monitor the ownership of Units to ensure this threshold is not met.

The Fund will be liable for tax under Part XII.2 in a taxation year on its “designated income” (as defined in the Tax Act) if it has a “designated beneficiary” (as defined in the Tax Act) in that year. A “designated beneficiary” generally includes a non-resident person and a person exempt from tax under Part I of the Tax Act that has acquired an interest in the Fund, directly or indirectly, from a beneficiary of the Fund. “Designated income” is generally taxable capital gains from dispositions of “taxable Canadian property” (as defined in the Tax Act) and income from real properties in Canada, timber resource property (as defined in the Tax Act), Canadian resource properties (as defined in the Tax Act) and businesses carried on in Canada. The Trust Agreement prohibits a non-resident of Canada from acquiring Units and prohibits a transfer of Units to a person exempt from tax under Part I of the Tax Act. Accordingly, based on the restrictions in the Trust Agreement, the Fund should not be liable for tax under Part XII.2 of the Tax Act.

### **Currency Conversion**

In general, for purposes of the Tax Act, all amounts relating to the acquisition, holding or disposition of securities must be converted into Canadian dollars based on the applicable exchange rate quoted by the Bank of Canada for the relevant day or such other rate of exchange that is acceptable to the CRA. Gains

and losses may be realized by the Fund by virtue of changes in the value of a foreign currency relative to the Canadian dollar.

### **Taxation of the Fund**

In each year, income of the Fund, including the taxable portion of capital gains, if any, that is not paid or made payable to Unitholders in that year will be taxed in the Fund under Part I of the Tax Act. Provided the Fund distributes all of its net taxable income and net taxable capital gains to the Unitholders on an annual basis, it will not be liable for any income tax under Part I of the Tax Act (subject to the discussion above regarding AMT). The Trust Agreement requires that sufficient amounts be paid or made payable each year so that the Fund will not be liable for any income tax under Part I of the Tax Act. Income of the Fund which is derived from foreign sources may be subject to foreign taxes which may, within certain limits, be either deducted from taxable income in the Fund or allocated to Unitholders to potentially offset taxes payable on foreign source income.

The Fund is entitled to deduct in computing income reasonable administrative and other operating expenses (other than expenses on account of capital) incurred by it for the purposes of earning its income.

Losses incurred by the Fund in a taxation year cannot be allocated to Unitholders, but may be deducted by the Fund in future years in accordance with the Tax Act. As discussed under the sub-heading “Status of the Fund”, the Fund may be liable for AMT in a taxation year where it uses a capital loss carryover to offset capital gains realized in that year.

### **Taxation of Unitholders**

Unitholders will be required to include in their income for tax purposes for a particular year the amount of net income and net taxable capital gains, if any, paid or payable to them. Certain provisions of the Tax Act permit the Fund to make designations that have the effect of flowing through to the Unitholders the income and taxable capital gains realized by the Fund. To the extent that appropriate designations are made by the Fund, taxable dividends on shares of taxable Canadian corporations and net taxable capital gains paid or payable to Unitholders will be taxable as if such income had been received by them directly. Income of the Fund derived from foreign sources may be subject to foreign withholding taxes which, to the extent permitted by the Tax Act and designated to Unitholders, may be claimed as a deduction or credit by Unitholders. To the extent that amounts are designated as taxable dividends from taxable Canadian corporations, the normal gross-up and dividend tax credit rules will apply including, for taxable dividends which are designated as “eligible dividends”, the enhanced gross-up and dividend tax credit. To the extent that distributions to Unitholders exceed the Net Income and Net Realized Capital Gains of the Fund for the year, such excess distributions will be a return of capital and will not be taxable in the hands of the Unitholder but will reduce the ACB to the Unitholder of such Unitholder’s Units, except to the extent such amount is the non-taxable portion of a capital gain of the Fund the taxable portion of which was designated to the Unitholder. To the extent that the adjusted cost base (“ACB”) of a Unit would be less than zero, the negative amount will be deemed to be a capital gain realized by the Unitholder from the disposition of the Unit and the Unitholder’s ACB of the Units will be increased by the amount of such deemed capital gain. If any transactions of the Fund are reported by it on capital account but are subsequently determined by the Minister of National Revenue (Canada) to be on income account, there may be an increase in the Net Income of the Fund for tax purposes and the taxable component of amounts distributed to Unitholders, with the result that resident Unitholders could be reassessed by the Minister of National Revenue (Canada) to increase their taxable income by the amount of such increase.

Upon the actual or deemed disposition of a Unit, including the redemption of a Unit by the Fund, a capital gain (or a capital loss) will generally be realized to the extent that the proceeds of disposition of the Unit

exceed (or are exceeded by) the aggregate of the ACB of the Unit to the Unitholder and any costs of disposition. Under the Tax Act, one-half of capital gains are included in an individual's income and one-half of capital losses are generally deductible only against taxable capital gains. Any unused allowable capital losses may be carried back up to three years and forward indefinitely and deducted against net taxable capital gains realized in any such other year to the extent and under the circumstances described in the Tax Act.

Any front-end sales charges payable by Unitholders to registered dealers on the acquisition of newly acquired Units are not deductible by Unitholders but are added to the ACB of the Units purchased. The cost of Units must be averaged with the ACB of all other Units held by the Unitholder at such time as capital property.

The reclassification of Units as Units of another class of the Fund should not be considered to be a disposition for tax purposes and, accordingly, the Unitholder should not realize a gain or a loss as a result of a reclassification. The Unitholder's ACB of the Units received for the Units of another class will equal the ACB of the former Units.

Unitholders will be advised each year of the amount of net income, net taxable capital gains and return of capital paid or payable to them, the amount of net income considered to have been received as a taxable dividend and the amount of any foreign taxes considered to have been paid by them. Individuals may be liable for AMT in respect of dividends received from taxable Canadian corporations and realized net taxable capital gains.

A Unitholder's share of distributions paid by the Fund will be based on the number of Units held by the Unitholder on the record date of the distribution regardless of how long the Unitholder has owned his, her or its Units. Where a Unitholder buys Units, the Net Asset Value of the Units, and therefore the price paid for the Unit, may reflect income and gains that have accrued in the Fund which have not yet been realized or distributed. When such income and gains are distributed by the Fund, the Unitholder will be required to include the Unitholder's share of the distribution in the Unitholder's income even though some of the distribution the Unitholder received may reflect the purchase price paid by the Unitholder for the Units. This effect could be particularly significant if the Unitholder purchases Units just before a record date for distribution by the Fund.

#### **Not Eligible for Investment by Registered Plans**

The Fund Units are not "qualified investments", as defined in the Tax Act for a trust governed by a RRSP, a RRIF, a RDSP, a DPSP, a RESP, or a TFSA.

#### **RISK FACTORS**

**An investment in Units involves certain risks, including risks associated with the investment objective and strategy of the Fund. The following risk factors do not purport to be a complete explanation of all risks involved in purchasing Units. Prospective investors should read this entire Offering Memorandum and consult with their legal and other professional advisors before determining whether to invest in Units.**



## **Risks Associated with an Investment in the Fund**

### *Overall Risk; Not a Complete Investment Program*

AN INVESTMENT IN THE FUND IS NOT GUARANTEED AND IS NOT INTENDED AS A COMPLETE INVESTMENT PROGRAM. A SUBSCRIPTION FOR UNITS SHOULD BE CONSIDERED ONLY BY PERSONS FINANCIALLY ABLE TO MAINTAIN THEIR INVESTMENT AND WHO CAN BEAR THE RISK OF LOSS ASSOCIATED WITH AN INVESTMENT IN THE FUND. INVESTORS SHOULD REVIEW CLOSELY THE INVESTMENT OBJECTIVE, STRATEGY AND RESTRICTIONS TO BE UTILIZED BY THE FUND AS OUTLINED HEREIN TO FAMILIARIZE THEMSELVES WITH THE RISKS ASSOCIATED WITH AN INVESTMENT IN THE FUND.

### *General Investment Risk*

The Net Asset Value of the Fund will vary directly with the market value and return of the investment portfolio of the Fund.

### *Class Risk*

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

### *Changes in Investment Strategy*

The Manager may alter the Fund's investment objective, strategies and restrictions without prior approval by Unitholders to adapt to changing circumstances.

### *Limited Ability to Liquidate Investment*

There is no formal market for the Units and one is not expected to develop. This offering of Units is not qualified by way of prospectus and, consequently, the resale of Units is subject to restrictions under applicable securities legislation. In addition, Unit transfers are subject to approval by the Manager. Accordingly, it is possible that Unitholders may not be able to resell their Units other than by way of a redemption of their Units on a Valuation Date, which redemption will be subject to the limitations described under "Redemption of Units". As noted below, Unitholders may not be able to liquidate their investments in a timely manner.

### *Capital Depletion Risk*

Distributions may include a return of capital. A return of capital means a portion of the cash flow given back to a Unitholder is generally money that was invested in a Fund as opposed to the returns generated by such investment. Such distributions should not be confused with "yield" or "income". Returns of capital that are not reinvested will reduce the total net asset value of the particular class of Units. Additionally, returns of capital will reduce the total assets of the Fund available for investment, which may reduce the ability of the Fund to generate future income. No conclusions should be drawn about the Fund's performance from the amount of such distributions.

### *Redemptions*

The Units are only appropriate for investors willing to hold Units for a substantial period of time. Redemptions are permitted only on a Redemption Date and subject to at least 120 days notice, subject to the Manager's discretion to accept a redemption request submitted 30 days prior to a Redemption Date provided a concurrent subscription is received from a Unitholder's discretionary account manager or investment adviser by the Manager which, at minimum, offsets the Net Asset Value of the Fund that would be redeemed in connection with the redemption request. Acceptance of offsetting subscription and the concurrent redemption are at the absolute discretion of the Manager.

There are circumstances in which the Fund may suspend redemptions or intends to limit redemptions and payments of redemption amounts outstanding, which would lead to a substantial delay in payment of redemptions. The redemption rights of Unitholders are restricted by the Redemption Cap described in "Redemption of Units" above. The operation of the Redemption Cap would result in a substantial delay in receipt of payments by Unitholders. See "Redemption of Units". On February 28, 2022, the Manager suspended redemptions of Units of the Fund in accordance with the Fund's declaration of trust. The suspension was terminated on June 30, 2022. There can be no assurance that the Manager may not suspend redemptions again in the future in accordance with the Declaration of Trust.

Substantial redemptions of Units could require the Master Fund to liquidate positions more rapidly than otherwise desirable to raise the necessary cash to fund redemptions and achieve a market position appropriately reflecting a smaller asset base. Assets sold by the Master Fund to meet redemptions may not necessarily be those it would have chosen to sell in the ordinary course, and such dispositions may prevent the Master Fund from executing its investment strategy or lead to a higher concentration of illiquid or other investments than would otherwise have occurred. Given the Master Fund's illiquid investments, it may not be possible for the Master Fund to liquidate such investments in order to meet redemptions, or to do so at favorable values or on favorable terms or at the Master Fund's current valuations. Such factors could adversely affect the value of the Units redeemed and of the Units that remain outstanding or ability of investors subsequently requesting redemptions to redeem. See "Risks Associated with the Fund's Underlying Investments – Market Liquidity" and "Risks Associated with the Fund's Underlying Investments – Liquidity of Underlying Investments".

### *Redemption Cap Subject to Manager Discretion*

The Manager may elect to redeem less than 5% of the Net Asset Value of the Master Fund in any calendar quarter with the approval of the IRC if, in the Manager's reasonable judgment it deems such action to be in the best interest of the Master Fund, the Fund or the Unitholders. As a result, less than 5% of the Net Asset Value of the Master Fund may be available each quarter for redemptions, such as when such redemptions would place an undue burden on our liquidity, adversely affect the Master Fund's operations or risk having an adverse impact on the Master Fund that would outweigh the benefit to Unitholders of maintaining the Redemption Cap.

### *Fluctuations in Net Asset Value and Valuation of the Master Fund's Investments*

While the Master Fund is independently audited by its auditors on an annual basis in order to ensure as fair and accurate a pricing as possible, valuation of the Master Fund's securities and other investments may involve uncertainties and judgmental determinations and, if such valuations should prove to be incorrect, the Net Asset Value of the Master Fund could be adversely affected. Independent pricing information may not at times be available regarding certain of the Master Fund's securities and other investments. Valuation determinations will be made in good faith in accordance with the Master Fund's constating documents.

The Master Fund may from time to time have some of its assets in investments which by their very nature may be extremely difficult to value accurately. To the extent that the value assigned by the Master Fund to any such investment differs from the actual value, the Net Asset Value per Unit may be indirectly understated or overstated, as the case may be. In light of the foregoing, there is a risk that a Unitholder who redeems all or part of its Units while the Master Fund holds such investments will be paid an amount less than such Unitholder would otherwise be paid if the actual value of such investments is higher than the value designated by the Master Fund. Similarly, there is a risk that such Unitholder might, in effect, be overpaid if the actual value of such investments is lower than the value designated by the Manager in respect of a redemption. In addition, there is risk that an investment in the Fund by a new Unitholder (or an additional investment by an existing Unitholder) could dilute the value of such investments for the other Unitholders if the actual value of such investments is higher than the value designated by the Manager. Further, there is risk that a new Unitholder (or an existing Unitholder that makes an additional investment) could pay more than it might otherwise if the actual value of such investments is lower than the value designated by the Manager.

#### *Financial Condition, Liquidity and Capital Resources*

The Fund expects to generate cash primarily from (i) the net proceeds of sales of Units, (ii) cash flows from its investment in the Master Fund and the performance of the Master Fund investments and (iii) any financing arrangements at the Master Fund. The primary uses of cash will be for (i) investments in portfolio assets and other investments, (ii) the cost of operations, (iii) cost of any borrowings or other financing arrangements and (iv) cash distributions to Unitholders.

#### *Risks Related to the Novel Coronavirus Disease (COVID-19)*

The novel coronavirus (COVID-19) outbreak was characterized as a pandemic by the World Health Organization on March 11, 2020. The outbreak has spread throughout the world, causing companies and various governments to impose restrictions, such as quarantines, closures, cancellations and travel restrictions. The effects of COVID-19 and the measures taken by companies and governments to combat the coronavirus have negatively affected asset values and increased volatility in the financial markets, including the market price and volatility of the assets of the Master Fund. At this point, the extent to which the coronavirus may impact, or may continue to impact, the market price of the Master Fund's assets and, in turn, the market price of the Units, is uncertain and cannot be predicted.

The COVID-19 outbreak may lead to disruptions of the Fund's and the Master Fund's normal business activity and a sustained outbreak may have a negative impact on the Fund and the Master Fund and their financial performance. Each of the Fund and the Master Fund has business continuity policies in place and is developing additional strategies to address potential disruptions in its operations. However, no assurance can be made that such strategies will successfully mitigate the adverse impacts related to the COVID-19 outbreak. A prolonged outbreak of COVID-19 could adversely impact the health of the Fund's and the Master Fund's respective employees, borrowers, counterparties and other stakeholders.

The full extent of the duration and impact that COVID-19, including any regulatory responses to the outbreak, will have on the Canadian, United States and global economies and the Fund's and Master Fund's business is highly uncertain and difficult to predict at this time.

#### *Risks Related to the Russian Invasion of Ukraine*

On February 21, 2022, Russian President Vladimir Putin ordered the Russian military to invade two

regions in eastern Ukraine (the Donetsk People's Republic and the Luhansk People's Republic). The following day, the United States, United Kingdom and European Union announced sanctions against Russia. On February 24, 2022, President Putin commenced a full-scale invasion of Russia's pre-positioned forces into Ukraine, including Russia's forces pre-positioned in Belarus. In response, the United States, United Kingdom, and European Union imposed further sanctions designed to target the Russian financial system, and thereafter a number of countries banned Russian planes from their respective airspaces. Further sanctions may be forthcoming, and the United States and allied countries announced they are committed to taking steps to prevent certain Russian banks from accessing international payment systems. Russia's invasion of Ukraine, the resulting displacement of persons both within Ukraine and to neighboring countries and the increase in international sanctions could each have a negative impact on the economy and business activity globally, and therefore could adversely affect the performance of the Master Fund's investments. Furthermore, given the evolving nature of the conflict between the two nations and its ongoing escalation (examples include Russia's decision to place its nuclear forces on high alert and the possibility of significant cyberwarfare by Russia against military and civilian targets globally), it is difficult to predict the conflict's ultimate impact on global economic, business and market conditions, and, as a result, the situation may present material uncertainty and risk with respect to the Fund and the Master Fund and the performance of their investments or operations, and the ability of the Fund and the Master Fund to achieve their investment objectives.

#### *Unitholders not Entitled to Participate in Management*

Unitholders are not entitled to participate in the management or control of the Fund or its operations. Unitholders do not have any input into the Fund's trading activities. The success or failure of the Fund will ultimately depend on the indirect investment of the assets of the Fund by the Manager and Loan Consultant with whom the Unitholders will not have any direct dealings.

#### *Reliance on the Manager*

The Fund will be relying on the ability of the Manager to actively manage the assets of the Fund. There can be no assurance that satisfactory replacements for the Manager will be available, if the Manager ceases to act as such. Termination of the Manager will not terminate the Fund, but will expose investors to the risks involved in whatever new investment management arrangements will be negotiated with a replacement manager for the Fund.

#### *Dependence of the Manager on Key Personnel*

The Manager will depend, to a great extent, on the services of a limited number of individuals in the administration of the Fund's activities. The loss of one or more of such individuals for any reason could impair the ability of the Manager to perform its investment management activities on behalf of the Fund and the Master Fund.

The New Manager is proposed to be managed and operated by certain individuals involved with the Manager in the administration of the Fund's activities, who will be employed by the New Manager effective as of the closing of the Sale Transaction. While it is intended that the New Manager will maintain the employment of such individuals for the continued operation and maintenance of the Fund, the loss of one or more of such individuals could impair the ability of the New Manager to perform its investment management activities on behalf of the Fund and the Master Fund.

#### *Reliance on the Loan Consultant*

The Fund and Master Fund relies on the ability of the Loan Consultant to actively administer the loans comprising the Portfolio. The Loan Consultant will make decisions upon which the success of the Fund will depend significantly. No assurance can be given that the approaches utilized by the Loan Consultant will prove successful. There can be no assurance that satisfactory replacements for the Loan Consultant will be available, if needed. Termination of the Loan Agency Agreement will not terminate the Fund nor the Master Fund, but will expose investors to the risks involved in whatever new investment management arrangements the Manager is able to negotiate for and on behalf of the Fund. In addition, the liquidation of securities positions held by the Fund as a result of the termination of the Loan Agency Agreement may cause substantial losses to the Fund.

#### *Dependence of Loan Consultant on Key Personnel*

The Loan Consultant depends, to a great extent, on the services of a limited number of individuals in the administration of the Fund's activities. The loss of such services for any reason could impair the ability of the Loan Consultant to perform its activities on behalf of the Fund.

#### *The Loan Consultant and Manager Receive Management Fees and Performance Fees on the Net Asset Value of the Fund, which includes Payment-in-Kind payments that may never be recovered.*

The Manager is entitled to the Management Fee paid monthly and the Performance Fee, if any, paid quarterly. The Loan Consultant is entitled to a portion of the Management Fee and the Performance Fee, if any, paid to the Manager. This Performance Fee is based on the difference by which the return in the Net Asset Value per Unit of the particular class of Units (before calculation and accrual for the Performance Fee) from the beginning of the quarter (or inception date of the class of Units) to the end of the quarter exceeds the Hurdle Rate for the same period (or prorated for partial quarters), plus applicable HST. The Net Asset Value of the Fund may include accruals for payment-in-kind payments received from the borrowers and therefore the Loan Consultant and Manager receive fees on payments that may never actually be received from a borrower.

#### *Performance Fee*

The Performance Fee, paid to the Manager and of which the Loan Consultant receives a portion, may create an incentive for the Loan Consultant to cause the Master Fund to make investments that are riskier or more speculative than would be the case in the absence of such fee. In addition, because the Performance Fee is calculated on a basis that includes unrealized appreciation of the Master Fund's assets, it may be greater than if the Performance Fee were based solely on realized gains. The computations required to be made for purposes of computing the Performance Fee shall be made with respect to the Fund's investment as a whole, and therefore may not reflect the different times and values at which investors in the Fund may have contributed capital to the Fund or withdrawn capital from the Fund and the Net Asset Value of the Master Fund at such times.

#### *Taxation of the Fund*

The Fund will not be a mutual fund trust or a unit trust for purposes of the Tax Act. Accordingly, the Fund (i) will not be eligible for capital gains refunds under the Tax Act when Units are redeemed, (ii) will be deemed to dispose of all of its assets on the twenty-first anniversary of its creation, (iii) may be liable for alternative minimum tax, (iv) may be subject to the "mark-to-market" rules in the Tax Act and (v) may be subject to tax under Part XII.2 of the Tax Act. This may reduce the amount of income of the Fund available for distribution to Unitholders or the after-tax returns of Unitholders in a taxation year. See "Canadian Federal Income Tax Considerations – Status of the Fund".

### *No Ownership Interest in the Portfolio*

An investment in Units does not constitute an investment by Unitholders in the securities included in the Portfolio. Unitholders will not own any securities held by the Fund or held in the Portfolio.

### *Distributions*

The Fund is not required to distribute its profits. If the Fund has taxable income for Canadian federal income tax purposes for a fiscal year, such income will be distributed to Unitholders in accordance with the provisions of the Trust Agreement as described under “Distributions” and will be required to be included in computing the Unitholder’s income for tax purposes, irrespective of the fact that cash may not have been distributed to such Unitholders. Since Units may be acquired or redeemed on a monthly basis and distributions of income and losses of the Fund to Unitholders are anticipated to be made on an annual basis, such distributions to a particular Unitholder may not correspond to the economic gains and losses which such Unitholder may experience.

### *Potential Indemnification Obligations*

Under certain circumstances, the Fund might be subject to significant indemnification obligations in favour of the Trustee, the Manager or certain parties related to them. The Fund will not carry any insurance to cover such potential obligations and, to the Manager’s knowledge, none of the foregoing parties will be insured for losses for which the Fund has agreed to indemnify them. Any indemnification paid by the Fund would reduce the Net Asset Value of the Fund and, by extension, the Net Asset Value per Unit.

### *Liability of Unitholders*

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

### *Lack of Independent Experts Representing Unitholders*

Stikeman Elliott LLP acts as legal counsel to the Manager and the Fund as to matters of Canadian law. The Fund does not have counsel separate and independent from counsel to the Manager. Stikeman Elliott LLP does not represent investors in the Fund, and no independent counsel has been retained to act on behalf of Unitholders. Stikeman Elliott LLP is not responsible for any acts or omissions of the Manager or the Fund (including their compliance with any guidelines, policies, restrictions or applicable law, or the selection, suitability or advisability of their investment activities) or any administrator, accountant, custodian/prime broker or other service provider to the Manager or the Fund. This Offering Memorandum is based on information furnished by the Manager. Stikeman Elliott LLP has not independently verified that information.

### *No Involvement of Unaffiliated Selling Agent*

No outside selling agent unaffiliated with the Manager has made any review or investigation of the terms of this offering, the structure of the Fund or the background of the Manager.

### *Not a Public Mutual Fund*

The Fund is not subject to the restrictions placed on public mutual funds to ensure diversification and liquidity of the Fund's investment portfolio.

### *Charges to the Fund*

The Fund is obligated to pay Management Fees, brokerage commissions and Trustee, custodian, prime broker, record-keeper, legal, accounting, filing and other expenses regardless of whether the Fund realizes profits. See "Fees and Expenses – Operating Expenses Payable by the Fund".

## **Risks Associated with the Master Fund and Investments by the Master Fund**

### *Overall Investment Risk*

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

### *Changes in Investment Strategy*

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

### *General Economic and Market Conditions*

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

### *Risks of Executing Investment Strategies*

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

### *Foreign Currency Risk*

The principal currency of the Fund is the Canadian dollar for accounting and reporting purposes. Some or all of the Fund's cash assets may be held in currencies other than the Canadian dollar, and gains and losses in securities transactions may be in currencies other than the Canadian dollar. Accordingly, a portion of the income received by the Fund will be denominated in non-Canadian currencies. The Fund nevertheless will compute and pay distributions, if any, in Canadian dollars on the Canadian dollar-denominated series of Units. Thus changes in currency exchange rates may affect the value of the Fund's portfolio and the unrealized appreciation or depreciation of investments. Further, the Fund may incur costs in connection with conversions between various currencies.

### *Market Liquidity*

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

### *Discretion of the Manager; Concentration of Investments*

The Manager will seek to engage in the investment activities described in this Offering Memorandum. Nonetheless, the Manager may alter the Master Fund's Portfolio. It can do so in its sole discretion and without the approval of any holder of Units. Although, as a matter of general policy, the Manager will try to spread the Master Fund's capital among a number of investments, it may depart from that policy from time to time and may hold a few relatively large securities positions in relation to the Master Fund's capital than a typical mutual fund and its holdings may be highly concentrated specialized industries, limited number of market sectors or in a limited number of issuers. A loss on a large security position following such concentration could materially reduce the Master Fund's capital.

### *Use of Leverage by the Master Fund*

The Master Fund expects to make use of leverage by incurring debt to finance a portion of the Master Fund's investments in portfolio companies and for other permitted purposes. The use of leverage will result in interest expense and other costs to the Master Fund that may not be covered by earnings of the Master Fund or appreciation of its investments. While leverage presents opportunities for increasing the Master Fund's total return, it has the effect of potentially increasing losses as well. Accordingly, any event that adversely affects the value of an investment by the Master Fund would be magnified to the extent the Master Fund is leveraged. The cumulative effect of the use of leverage by the Master Fund in a market that moves adversely to the Master Fund's investments could result in a substantial loss to the Master Fund, which would be greater than if the Master Fund was not leveraged. Leverage will increase the exposure of the Master Fund to adverse economic factors such as significantly rising interest rates, severe economic downturns or a deterioration in the condition of the Master Fund's investments or their corresponding markets. To the extent that the Master Fund utilizes leverage, one or more investments or other assets of the Master Fund may be pledged to secure the indebtedness of the Master Fund. If the Master Fund becomes subject to a liability, parties seeking to have the liability satisfied may have



recourse to the Master Fund's assets generally and may not be limited to any particular investment or asset, such as the loan or property giving rise to the liability. To the extent the General Partner chooses to use SPVs for individual transactions to reduce recourse risk, the bona fides of such entities may be subject to later challenge based on a number of theories, including veil piercing, substantive consolidation and other grounds. The Master Fund may provide guarantees in support of credit facilities used to acquire investments, operating expenses relating to investments and/or in connection with derivative transactions, and there can be no assurance that such guarantees will not have adverse consequences for the Master Fund. While the use of leverage is subject to certain limitations, they are measured on an incurrence basis such that if the assets of the Master Fund were to be reduced, due to dispositions, maturity or changes in valuation, such limits could be exceeded and the Master Fund would not be required to come into compliance with such restrictions.

#### *Charges to the Master Fund*

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

#### *Non-Disclosure of Positions*

In an effort to protect the confidentiality of its positions, the Master Fund generally will not disclose all of its positions to investors in the Fund on an ongoing basis, although the Manager and the Loan Consultant may permit such disclosure on a select basis.

#### *Business Risks*

The Master Fund's investment portfolio will consist primarily of private loan securities issued by privately held middle market companies, and operating results in a specified period will be difficult to predict. Such investments involve a high degree of business and financial risk which can result in substantial losses.

#### *Middle Market Companies*

The Master Fund expects to invest in the private loans of middle market companies. While the Loan Consultant believes that such investments can provide significant potential for appreciation, investments in such companies involve higher risks in some respects than do investments in larger companies. As an example, due to thin trading in some of such investments, an investment in these companies may be more illiquid than investments in companies with larger capitalizations.

#### *Collateral*

Debt instruments may be detrimentally affected to the extent that there is insufficient collateral. There can be no assurance that the value assigned by the Master Fund to collateral underlying a debt instrument held by the Master Fund will be realized upon liquidation, nor can there be any assurance that collateral will retain its value. In addition, certain debt instruments may be supported, in whole or in part, by personal guarantees made by the borrower or a relative, or guarantees made by a corporation or other entity affiliated with the borrower. The amount realizable with respect to a debt instrument may be detrimentally affected if a guarantor fails to meet its obligations under the guarantee. Moreover, the value of collateral supporting such debt instruments may fluctuate. Finally, there may be a monetary, as well as a time, cost involved in collecting on defaulted debt instruments and, if applicable, taking possession of and subsequently liquidating various types of collateral.

### *Inability to Meet Redemption Requests Due to Illiquidity of Collateral*

If there is a default by a borrower under any of the Master Fund's loans, the Master Fund will, under most normal circumstances, have contractual remedies pursuant to the loan agreements, including possibly the sale of collateral. However, even if the Master Fund is able to pursue the sale of a collateral in the event of a borrower default, the Master Fund may not be able to meet redemption requests in a timely manner due to the illiquidity of the underlying collateral.

### *Risk of Taxation*

The Master Fund is a Cayman exempted limited partnership. The Feeder Fund is a Cayman exempted company, the voting shares of which are held by the Manager. Although it is not expected to be the case, it is possible that the Master Fund or the Feeder Fund could be subject to tax in a jurisdiction other than the Cayman Islands, including Canada, which could reduce the Fund's Net Asset Value. Neither the Master Fund nor the Feeder Fund is subject to tax in the Cayman Islands.

### *Availability of Investment Strategies*

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

### *Credit Risk and Default in Repayment Obligations by Borrowers*

Credit risk is the risk that a borrower will not honour its commitments and a loss to the Master Fund may result. There can be no guarantee that the Master Fund will be successful in making the right selections and thus fully mitigate the impact of credit risk on the Master Fund. In the event of a default by a borrower, there can be no assurance that the Fund will be able to secure repayment of the principal amount or interest accruing under the loan. If the Fund cannot realize on outstanding loans due to a default by its borrowers, its financial condition and operating results will be adversely impacted. A debt security or obligation may be subject to redemption at the option of the issuer. If a debt security or obligation held by the Master Fund is called for early redemption, the Master Fund will be required to permit the issuer to redeem such security or obligation, which could have an adverse effect on the Master Fund's ability to achieve its investment objective.

### *Liquidity of Underlying Investments*

The Master Fund intends to invest in or purchase loan, a substantial portion of which will be illiquid and have no, or only a limited trading market. There are no restrictions on the investment of the Master Fund's assets in illiquid securities. The Master Fund's investment in illiquid loans may restrict its ability to dispose of investments in a timely fashion and for a fair price and may result in the inability to pursue other more favourable investment opportunities. In addition, the Master Fund may invest in privately placed loans that may or may not be freely transferable under the laws of the applicable jurisdiction or due to contractual restrictions on resale, and even if such privately placed loans are transferable, the prices realized from their sale could be less than those originally paid by the Master Fund or less than what may be considered the fair value of such obligations.

### *Borrower Fraud and Breach of Covenants*

The Master Fund will seek to obtain structural, covenant and other contractual protections with respect to the terms of its investments as determined appropriate under the circumstances. There can be no

assurance that such attempts to provide downside protection with respect to its investments will achieve their desired effect, and potential investors should regard an investment in the Master Fund as being speculative and having a high degree of risk. Of paramount concern in investments in senior secured loans, notes or bonds is the possibility of material misrepresentation or omission on the part of the borrower or other credit support providers or breach of covenant by such parties. Such inaccuracy or incompleteness or breach of covenants may adversely affect the valuation of the collateral underlying such investments or may adversely affect the ability of the Master Fund to perfect or effectuate a lien on the collateral securing the loan or otherwise realize on the investment. The Master Fund will rely upon the accuracy and completeness of representations made by borrowers and their agents to the extent reasonable, but cannot guarantee such accuracy or completeness.

#### *Senior Loans Risk*

The Master Fund intends to invest in senior secured loans. Senior secured loans are usually rated below investment grade or may also be unrated. As a result, the risks associated with senior secured loans may be considered by credit rating agencies to be similar to the risks of below investment grade fixed income instruments. Such companies are more likely than investment grade issuers to default on their payments of interest and principal owed to the Master Fund, and such defaults could have a material adverse effect on the Master Fund's performance.

#### *Impaired Loans*

The Fund may from time to time have one or more impaired loans in the Portfolio. Loans are impaired where full recovery is considered in doubt based on a current evaluation of the security held and for which the fair value of the loan has been adjusted accordingly.

#### *Inability to Realize on or Dispose of Security Granted by Borrowers on a Defaulted Loan*

The security in respect of loans within the Portfolio may be in a variety of forms including, but not limited to, direct charges on an asset, mortgages, general security agreements, assignments of interests in property, pledges of shares and corporate guarantees. If enforcement of the security is required there may be significant expenses of sale, including legal and other expenses incurred. There can also be no assurance that the net proceeds obtained from the enforcement of any security will be sufficient to recover the outstanding principal and accrued interest due under the relevant loan. In such circumstances, if there is a shortfall, then the financial condition and operating results will be adversely impacted.

**In light of the foregoing there can be no assurance that the Fund's investment objective will be achieved or that the Net Asset Value per Unit at redemption will be equal to or more than a purchaser's original cost.**

### **CONFLICTS OF INTEREST**

Conflicts of interest may arise between the Manager (including its representatives) and its clients, including the Fund. Canadian securities laws require the Manager to take reasonable steps to identify and address material conflicts of interest in a client's best interest.

This Offering Memorandum only describes the material conflicts of interest that arise or may arise in the Manager's capacity as manager and portfolio manager of the Fund. For material conflicts of interest associated with the Manager's activities as portfolio manager of managed account clients or exempt market dealer, investors should consult the Manager's conflict of interest statement.

The Manager has established an independent review committee (IRC) for all of the investment funds that it manages. The Manager obtains approvals and positive recommendations from the IRC for certain conflict of interest matters for the Fund. The conflict of interest matters to be referred to the IRC for the Fund are set out in various exemptive relief decisions that the Manager has obtained (collectively, the “**Exemptive Relief**”). The IRC is comprised of a minimum of three independent members and is required to conduct regular assessments and provide reports to the Manager in respect of its functions. The fees and expenses of the IRC are borne and shared by all of the investment funds in the Manager’s family of funds, including expenses associated with insuring and indemnifying each IRC member. For more details on the conflicts of interest referred by us to the IRC, you can view a copy of the most recent report of the IRC at <https://www.ninepoint.com/legal/irc-report/>.

### **Related Parties and Related and Connected Issuers**

Sightline Wealth Management LP (“**Sightline**”) is a registered dealer participating in the offering of the Units to its clients for which it will receive a service commission with respect to Class A Units. The Fund is considered to be a “connected issuer” and “related issuer” of Sightline and the Manager under applicable securities legislation. Sightline, Sightline GP Inc. (the general partner of Sightline), the Manager and Ninepoint GP are controlled, directly or indirectly, by the same group of individuals. See “Interest of Management and Others in Material Transactions”.

The Manager may take investment actions for the Fund involving securities of related or connected issuers, including mutual funds, hedge funds and specialty products for which it acts as investment fund manager or portfolio adviser and which are listed on its website. To manage the conflicts inherent in taking investment actions for the Fund in related or connected issuers, the Manager will only cause your account to be invested in securities of related or connected issuers, if the Manager considers such securities to be suitable for the Fund and considers that investing in such securities is in the Fund’s best interest. The Manager also ensures that its representatives are not compensated in a way that incents them to recommend or cause the Fund to be invested in such securities.

The Fund may execute a portion of its portfolio transactions through Sightline. The Manager monitors to ensure that Sightline offers competitive rates and only executes trades for the Fund through Sightline when the executions obtained would be on terms and conditions no less favourable to the Fund than would otherwise be obtainable if the orders were placed through independent brokers or dealers and at commission rates equal or comparable to rates that would have been charged by independent brokers or dealers.

The Manager may, from time to time, pay fees to third parties that (i) assist the Master Fund with obtaining borrowing facilities and/or (ii) find entities that purchase assets of the Master Fund. The Manager, and/or its principals and/or affiliates of the Manager or its principals, may collectively hold small minority equity positions (i.e. less than 5% in the aggregate) in the third parties that are paid these fees by the Manager. The existence of these equity positions may create a conflict of interest.

### **Fair and Equitable Allocation**

The Manager manages similar accounts for multiple clients and funds and may be trading in the same security on their behalf at the same time. The potential for a conflict exists if one client or fund is given preferential pricing or execution terms over another client or fund. The Manager endeavours to allocate investment opportunities in a fair and equitable manner across accounts and funds. In summary, this process involves allocating purchases and sales of securities pro rata based on account value among accounts invested in similar strategies, subject to cash flow requirements such as subscriptions to and redemptions from the accounts.

## **Cross Trades**

Cross trades between two funds or between a managed account and a fund may give rise to conflicts of interest, as the Manager is responsible for determining the terms of the trade, and in particular the price, for both accounts and the terms of the trade may benefit one account to the detriment of the other account. In addition, there are significant regulatory restrictions surrounding cross trades.

To manage this conflict in respect of a fund, the Manager will, prior to the purchase of securities among, or sale of securities among, accounts and funds:

- ensure the purchase or sale is consistent with the investment objectives of the applicable fund;
- ensure that trades of debt securities are executed at the current market price; and
- consistent with the exemptive relief obtained, ensure that trades of exchange-traded securities are executed at the last sale price, so that the cross trade is done at a price closest to market price at the time the decision is made to make the cross trade.

## **Performance-Based Fees**

The Manager may charge performance fees on certain funds and/or accounts. Performance-based fees may create potential conflicts of interest because the Manager is incentivized to favour these funds or accounts in the allocation of investment opportunities, over accounts that do not pay a performance fee. The Manager has policies and procedures in place to ensure that over time, no accounts or funds are favoured over others. The Manager also monitors the trading activity to confirm each position is consistent with the investment objectives and strategies of the applicable fund or account.

## **Expense Allocation**

The charging and allocation of expenses among the funds managed by the Manager (including the Fund) and its other clients creates a potential conflict of interest because the Manager could inappropriately charge expenses to benefit itself over its clients. The charging and allocation of expenses among certain clients and not others also creates a potential conflict of interest because the Manager could inappropriately favour certain clients over others. The Manager charges the expenses as described in this Offering Memorandum and has a policy to ensure it allocates expenses attributable to more than one fund or account across all clients in a fair and consistent manner.

## **Soft Dollar Arrangements**

Soft dollar arrangements occur when brokers have agreed to provide other services (relating to research and trade execution) at no cost to the Manager in exchange for brokerage business from the Manager's managed accounts and funds. Although the brokers involved in soft dollar arrangements do not necessarily charge the lowest brokerage commissions, the Manager will nonetheless enter into such arrangements when it is of the view that such brokers provide best execution and/or the value of the research and other services exceeds any incremental commission costs.

## **Valuation**

The Manager earns fees in respect of the Fund based on assets under management. There is a potential conflict in valuing the assets held in the Fund's portfolio because a higher value results in a higher fee paid to the Manager. Overstating the value of Fund assets can also incentivize an investor to purchase or remain invested in the Fund by creating the impression of more favourable performance. The Manager addresses this potential conflict through compliance with its valuation policy, which includes a valuation

framework for determining the fair value of assets. A valuation committee reviews and approves the fair valuation policy. Where necessary, the Manager may also retain an independent service provider to value securities on its behalf, subject to the oversight of the Manager.

### **Error Correction**

The Manager makes reasonable efforts to keep trade errors to a minimum and ensure fairness to clients with respect to protection from errors made within their account. A trade error is an inadvertent error in the placement, execution or settlement of a transaction. A trade error is not an intentional or reckless act of misconduct. When an error occurs, the Fund will keep any resulting gain or the Manager will reimburse the Fund for any material loss. Where more than one transaction is involved in an error, the gain will be determined net of any associated loss. Although errors or issues are an inevitable by-product of the operational process of investing, the Manager strives to establish controls and processes that are designed to reduce the possibility of their occurrence.

### **Personal Trading**

Employees with knowledge of the Manager's trading decisions could use that information for their personal trading. To address this potential conflict, the Manager has an employee personal trading policy that requires employees to put the interests of clients ahead of their own personal interests. All personal trades by employees (other than exempt securities) are subject to an approval process. All account statements of employees and their family members who reside under the same household are reviewed monthly to ensure pre-approvals were obtained and to ensure compliance with the employee personal trading policy.

### **Roles with Multiple Entities and Outside Activities**

Officers or directors of the Manager may also be officers or directors of Sightline. Conflicts may arise as a result of the time commitment required by each role. To address this conflict, both the Manager and Sightline have adopted policies and procedures that minimize the potential for conflicts of interest resulting from these relationships. All individuals are required to observe such policies in carrying out their duties. Each individual will have sufficient time in their work week to fully and properly discharge their responsibilities at the Manager and Sightline.

At times, representatives of the Manager may participate in outside activities such as serving on a board of directors, participating in community events or pursuing personal outside business interests, which could cause the representative to put such interest ahead of the interests of clients, including the Fund. The Manager has policies in place which require individuals to disclose situations where a conflict of interest may arise prior to engaging in any outside activity. Representatives of the Manager may only engage in such outside activities if approved pursuant to our policies.

### **Gifts and Entertainment**

The receipt of gifts and/or entertainment from third parties that are excessive or frequent may be a potential conflict. Employees of the Manager and members of their immediate families are not permitted to accept excessive entertainment nor gifts beyond a nominal value from third parties, including individuals, clients, brokers, trustees, banks, financial institutions or company representatives doing or seeking to do business with the Manager. All employees are required to attest and disclose to our compliance team if they have accepted any gifts.

## INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

Ninepoint GP is a directly wholly-owned subsidiary of Ninepoint Financial Group Inc., the parent company of the Manager. John Wilson and James Fox are the principal shareholders of Ninepoint Financial Group Inc. Certain senior officers and directors of Ninepoint Financial Group Inc. are also senior officers, directors and/or partners of the Manager and Ninepoint GP. See “Conflicts of Interest”.

Certain directors, officers and employees of the Manager and the Loan Consultant and their respective affiliates and associates may purchase and hold Units from time to time.

The Manager may receive compensation and/or reimbursement of expenses from the Fund as described under “Fees and Expenses – Management Fees Payable by the Fund” and “Performance Fees Payable by the Fund”. Sightline, a registered investment dealer that is an affiliate of the Manager, may participate in the offering of the Class A Units as described under “Dealer Compensation”. See “Conflicts of Interest”.

## TRUSTEE

Pursuant to the Trust Agreement, CIBC Mellon Trust Company is the Trustee of the Fund. The Trustee is a trust company continued under the federal laws of Canada. The principal office of the Trustee is located at 1 York Street, Suite 900, Toronto, Ontario M5J 0B6.

As compensation for its services as trustee, the Trustee shall receive an annual fee (as well as recovery of its out-of-pocket expenses), the amount of which shall be settled in writing by the Trustee and the Manager. The Trustee also acts as the custodian, and the record-keeper of the Fund. See “Custodian”.

## CUSTODIAN

Pursuant to the Trust Agreement, CIBC Mellon Trust Company (in such capacity, the “**Custodian**”) was appointed as the custodian of the portfolio securities and other assets of the Fund. As compensation for the custodial services rendered to the Fund, the Custodian will receive such fees from the Fund as the Manager may approve from time to time. The Custodian will be responsible for the safekeeping of all of the investments and other assets of the Fund delivered to it and will act as the custodian of such assets, other than those assets transferred to the Custodian or another entity, as the case may be, as collateral or margin. The Custodian may also provide the Fund with financing lines and short-selling facilities. The Manager, with the consent of the Trustee, will have the authority to change the custodial and the prime brokerage arrangement described above including, but not limited to, the appointment of a replacement custodian or prime broker and/or additional custodians and prime brokers.

The Manager shall not be responsible for any losses or damages to the Fund arising out of any action or inaction by the Custodian or any sub-custodian holding the portfolio securities and other assets of the Fund.

## ADMINISTRATOR

CIBC Mellon Global Securities Services Company has been appointed by the Manager on behalf of the Fund pursuant to an administration agreement dated May 6, 2019 (the “**Administration Agreement**”), to provide administrative services to the Fund. The administrator of the Feeder Fund and Master Fund is First Caribbean International Bank and Trust Company (Cayman) Limited. CIBC Mellon Global Securities Services Company and First Caribbean International Bank and Trust Company (Cayman) Limited, as the context requires, shall each be referred to an “**Administrator**”.

Although the duties of the Administrator to the Fund, the Feeder Fund and the Master Fund, respectively,

are generally the same, the duties are distinct and specific to the particular fund. No fund shall be liable for the liabilities of any other fund to the Administrator.

The Administrator will calculate the Net Asset Value of the Master Fund, the Feeder Fund and the Fund, will calculate subscription and redemption prices of the Units, the Feeder Fund Shares and the Master Fund limited partnership interests, maintain the accounting books and records of the Master Fund, the Feeder Fund and the Fund, maintain the registers of limited partners of the Master Fund, shareholders of the Feeder Fund and Unitholders of the Fund, and process subscriptions, redemption requests and transfer requests. The Administrator may at its own expense appoint an agent or delegate to perform any of the aforementioned services subject to certain limitations.

The Administrator will receive fees from each of the funds in accordance with the Administration Agreements. The Administration Agreements also contain limitations and exclusions of liability of the Administrator and indemnities in favour of the Administrator.

Each Administration Agreement will continue in force until terminated by any party thereto in accordance with its terms.

The Administrator will not provide any investment advisory or management services to the Fund, the Feeder Fund or the Master Fund and therefore will not be in any way responsible for the performance of the Fund, the Feeder Fund or the Master Fund. The Administrator does not undertake to monitor the compliance of the Fund, the Feeder Fund or the Master Fund with any investment strategy or objectives, investment restrictions, valuation procedures or other guidelines set forth in this Offering Memorandum, nor does the Administrator monitor compliance with applicable laws and therefore will not be liable for any breach thereof.

### **AUDITORS**

The auditors of the Fund are Ernst & Young LLP with its principal offices located at EY Tower, 100 Adelaide St. W., P.O. Box 1, Toronto, Ontario M5H 0B3. The auditors of the Fund may be changed in accordance with the provisions of the Trust Agreement.

### **UNITHOLDER REPORTING**

The Manager shall forward to Unitholders a copy of the audited annual financial statements of the Fund within 90 days of each fiscal year-end as well as unaudited interim financial statements of the Fund within 60 days of the end of the first six month period in each fiscal year. Within 60 days of the end of each fiscal quarter, the Manager will make available to Unitholders an unaudited schedule of Net Asset Value per Unit for each class of Units and may provide a short written commentary outlining highlights of the Fund's activities.

The Fund has received exemptive relief from securities regulatory authorities from the requirement in paragraph 3.5(1)1 of National Instrument 81-106 *Investment Fund Continuous Disclosure* to include in its statement of investment portfolio the name of any issuer of securities sold short by the Fund. The statement of investment portfolio will disclose short positions by industry, the average cost and market value of each industry category, and the percentage of net assets represented by short positions for each industry category. If the Fund holds any short position in an issuer's securities that exceeds 5% of the Fund's net assets, the name of such issuer will be disclosed in the statement of investment portfolio.

Confirmations will also be sent to Unitholders following each purchase or redemption of Units by them. On or before March 31 of each year, or in the case of a leap year on or before March 30 in such year, if



applicable, Unitholders will also receive all information pertaining to the Fund, including all distributions, required to report their income under the Tax Act or similar legislation of any province or territory of Canada with respect to the immediately preceding year.

### **MATERIAL CONTRACTS**

The material contracts of the Fund are:

- (a) the Trust Agreement referred to under “The Fund”; and
- (b) the Loan Agency Agreement referred to under “The Loan Consultant”.

### **PROCEEDS OF CRIME (MONEY LAUNDERING) LEGISLATION**

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

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

### **PRIVACY POLICY**

In connection with the offering and sale of Units, personal information (such as address, telephone number, social insurance number, birth date, asset and/or income information, employment history and credit history, if applicable) about Unitholders is collected and maintained. Such personal information is collected to enable the Manager to provide Unitholders with services in connection with their investment in the Fund, to meet legal and regulatory requirements and for any other purpose to which Unitholders may consent in the future. Attached hereto as Schedule “A” is the Fund’s Privacy Policy. By completing a subscription form for Units, subscribers consent to the collection, use and disclosure of his or her personal information in accordance with such policy.

### **PURCHASERS’ RIGHTS OF ACTION FOR DAMAGES OR RESCISSION**

Securities laws in certain jurisdictions of Canada provide purchasers, in addition to any other rights they may have at law, with rights of action for damages or rescission if an offering memorandum, such as this Offering Memorandum, or any amendment to it and, in certain cases, advertising and sales literature used in connection therewith, contains a misrepresentation. However, these rights must be exercised by the purchaser within the time limits prescribed by the applicable securities laws. Each purchaser should refer to the provisions of the applicable securities laws for a complete text of these rights and/or consult with a legal advisor.

The following is a summary of the statutory rights of action for damages or rescission available to purchasers resident in certain provinces and territories. These summaries are subject to the express provisions of the applicable securities laws of such jurisdictions and the regulations, rules and policy statements thereunder, and reference is made thereto for the complete texts of such provisions. The rights of action described below are in addition to, and without derogation from, any other right or remedy that a purchaser may have under applicable laws.

## Statutory Rights of Action

### Purchasers Resident in Alberta in Reliance on the Minimum Amount Investment Exemption

Alberta Securities Commission Rule 45-511 *Local Prospectus Exemptions and Related Requirements* provides that the following statutory rights of action apply to information contained in an offering memorandum, such as this Offering Memorandum, that is provided to a purchaser of securities in respect of a distribution made in reliance only on the “minimum amount investment” exemption in section 2.10 of NI 45-106.

The rights of action for damages or rescission described herein is conferred by section 204 of the *Securities Act* (Alberta) (the “ASA”) and the time limits specified by section 211 of the ASA in which an action to enforce a right under section 204 must be commenced. If this Offering Memorandum, or any amendment to it, provided in connection with a distribution made in reliance on the “minimum amount investment” exemption contains a misrepresentation, a purchaser resident in Alberta who purchases under such exemption a security offered by this Offering Memorandum: (a) is deemed to have relied on the misrepresentation if it was a misrepresentation at the time of purchase and, in addition to any other rights the purchaser may have at law, (b) has a right of action for damages against (i) the Fund, and (ii) each person who signed this Offering Memorandum (each a “**Signatory**” and collectively, the “**Signatories**”). If a purchaser elects to exercise a right of rescission against the Fund, the purchaser will have no right of action for damages against the Fund or the Signatories.

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

No action may be commenced to enforce either right of action unless the right is exercised:

- (a) in the case of an action for rescission, on notice given to the Fund not later than 180 days from the date of the transaction that gave rise to the cause of action; or
- (b) in the case of an action for damages, on notice given to the Fund not later than the earlier of (i) 180 days from the date the purchaser first had knowledge of the facts giving rise to the cause of action; or (ii) three years from the date of the transaction that gave rise to the cause of action,

and also provided that:

- (a) the Fund or a Signatory will not be held liable under this paragraph if the Signatory or the Fund proves the defendant purchased the Units with knowledge of the misrepresentation;
- (b) in an action for damages, the Fund or the Signatory will not be liable for all or any portion of those damages that they prove do not represent the depreciation in value of the Units as a result of the misrepresentation; and
- (c) in no case will the amount recoverable under this paragraph exceed the price at which the Units were sold to the purchaser.

### **Purchasers Resident in Manitoba**

In the event that this Offering Memorandum, or any amendment hereto, 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 the purchaser may have at law: (a) a right of action for damages against (i) the Fund, (ii) every director of the Fund at the date of the Offering Memorandum (each a “**Director**” and collectively, the “**Directors**”), and (iii) every Signatory; and (b) a right of rescission against the Fund. If a purchaser elects to exercise a right of rescission against the Fund, the purchaser will have no right of action for damages against the Fund, the Directors or the Signatories.

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

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

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

Directors or Signatories will not be liable:

- (a) if they prove the Offering Memorandum was sent to the purchaser without their knowledge or consent and, after becoming aware that it was sent, promptly gave reasonable notice to the Fund that it was delivered without their knowledge and consent;
- (b) if they prove that, after becoming aware of a misrepresentation in the Offering Memorandum they withdrew their consent to the Offering Memorandum and gave reasonable notice to the Fund of their withdrawal and the reasons therefor;
- (c) if, with respect to any part of the Offering Memorandum purporting to be made on the authority of an expert or to be a copy of, or an extract from, a report, opinion or statement of an expert (“**Expert Opinion**”), if they prove they did not have any reasonable grounds to believe and did not believe that there was a misrepresentation or that the relevant part of the 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 the 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.

A person or company is not liable in an action for a misrepresentation in forward-looking information if the person or company proves that this Offering Memorandum contained, proximate to that information, reasonable cautionary language identifying the forward-looking information as such, and identifying

material factors that could cause actual results to differ materially from a conclusion, forecast or projection in the forward-looking information, and a statement of the material factors or assumptions that were applied in drawing the conclusion or making the forecast or projection, and the person or company 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 Fund, the Directors and the 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. The amount recoverable under the right of action shall not exceed the price at which the Units were offered under this Offering Memorandum.

A purchaser of Units to whom the Offering Memorandum was required to be sent in compliance with the regulations respecting an offering memorandum but was not sent within the time prescribed for sending the Offering Memorandum by those regulations, has a right of action for rescission or damages against the Fund or any dealer who did not comply with the requirement.

A purchaser 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 Fund not later than midnight on the second day, excluding Saturdays and holidays, after the purchaser signs the agreement to purchase the Units.

Unless otherwise provided under applicable securities laws, no action shall be commenced to enforce a right of action unless the right is exercised:

- (a) in the case of rescission, not later than 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; and (ii) two years from the day of the transaction that gave rise to the cause of action.

### **Purchasers Resident in New Brunswick**

New Brunswick Securities Commission Rule 45-802 provides that the statutory rights of action for rescission or damages referred to in section 150 (“**Section 150**”) of the *Securities Act* (New Brunswick) (the “**NBSA**”) apply to information relating to an offering memorandum, such as this Offering Memorandum, that is provided to a purchaser of securities in connection with a distribution made in reliance on the “accredited investor” prospectus exemption in section 2.3 of NI 45-106. Section 150 provides purchasers who purchase securities offered for sale in reliance on an exemption from the prospectus requirements of the NBSA with a statutory right of action against the issuer of securities for rescission or damages in the event that an offering memorandum provided to the purchaser contains a “misrepresentation”. In New Brunswick, “misrepresentation” means an untrue statement of a material fact or an omission to state a material fact that is required to be stated or that is necessary to make a statement not misleading in the light of the circumstances in which it was made.

Where this Offering Memorandum is delivered to a prospective purchaser of Units in connection with a trade made in reliance on section 2.3 of NI 45-106, and this Offering Memorandum contains a misrepresentation, a purchaser who purchases Units will be deemed to have relied on the misrepresentation and will have, subject to certain limitations and defences, a statutory right of action

against the Fund for damages or, while still the owner of Units, for rescission, in which case, if the purchaser elects to exercise the right of rescission, the purchaser will have no right of action for damages, provided that the right of action for rescission will be exercisable by the purchaser only if the purchaser commences an action against the defendant, not more than 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: (i) one year after the plaintiff first had knowledge of the facts giving rise to the cause of action, or (ii) six years after the date of the transaction that gave rise to the cause of action.

The Fund shall not be liable where it is not receiving any proceeds from the distribution of the Units being distributed and the misrepresentation was not based on information provided by the Fund unless the misrepresentation (i) was based on information that was previously publicly disclosed by the Fund, (ii) was a misrepresentation at the time of its previous public disclosure, and (iii) was not subsequently publicly corrected or superseded by the Fund before the completion of the distribution of the Units being distributed.

In addition, if advertising or sales literature is relied upon by a purchaser in connection with a purchase of Units and such advertising or sales literature contains a misrepresentation, the purchaser shall also have a right of action for damages or rescission against every promoter or director of the Fund at the time the advertising or sales literature was disseminated.

In addition, where an individual makes a verbal statement to a prospective purchaser that contains a misrepresentation relating to the Units and the verbal statement is made either before or contemporaneously with the purchase of the Units, the purchaser shall be deemed to have relied upon the misrepresentation if it was a misrepresentation at the time of purchase, and has a right of action for damages against the individual who made the verbal statement. No such individual will be liable if:

- (a) that individual can establish that he or she cannot reasonably be expected to have known that his or her statement contained a misrepresentation; or
- (b) prior to the purchase of Units by the purchaser, that individual notified the purchaser that the individual's statement contained a misrepresentation.

Neither the Fund nor any other person referred to above will be liable, whether for misrepresentations in this Offering Memorandum, any advertising or sales literature or in a verbal statement:

- (a) if the Fund or such other person proves that the purchaser purchased the Units with knowledge of the misrepresentation; or
- (b) in an action for damages, for all or any portion of the damages that the Fund or such other person proves do not represent the depreciation in value of the Units as a result of the misrepresentation relied on.

No person, other than the Fund, is liable for misrepresentations in any advertising or sales literature if the person proves:

- (a) that the advertising or sales literature was disseminated without the person's knowledge or consent and that, on becoming aware of its dissemination, the person gave reasonable general notice that it was so disseminated,
- (b) that, after the dissemination of the advertising or sales literature and before the purchase

of the Units by the purchaser, on becoming aware of any misrepresentation in the advertising or sales literature the person withdrew the person's consent to it and gave reasonable general notice of the withdrawal and the reason for the withdrawal, or

- (c) that, with respect to a false statement purporting to be a statement made by an official person or contained in what purports to be a copy of, or an extract from, a public official document, it was a correct and fair representation of the statement or copy of, or extract from, the document, and the person had reasonable grounds to believe and did believe that the statement was true.

No person, other than the Fund, is liable with respect to any part of the advertising or sales literature not purporting to be made on the authority of an expert and not purporting to be a copy of or, an extract from, a report, opinion or statement of an expert unless the person:

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

Any person who, at the time the advertising or sales literature was disseminated, sells Units on behalf of the Fund with respect to which the advertising or sales literature was disseminated is not liable if that person can establish that the person cannot reasonably be expected to have had knowledge that the advertising or sales literature was disseminated or contained a misrepresentation.

In no case will the amount recoverable for the misrepresentation exceed the price at which the Units were offered.

This summary is subject to the express provisions of the NBSA and the regulations and rules made under it, and prospective purchasers should refer to the complete text of those provisions.

### **Purchasers Resident in Newfoundland and Labrador**

The right of action for damages or rescission described herein is conferred by section 130.1 of the *Securities Act* (Newfoundland and Labrador) (the "NL Act"). The NL Act provides, in the relevant part, that where an offering memorandum, such as this Offering Memorandum, contains a misrepresentation, as defined in the NL Act, a purchaser who purchases securities offered by the offering memorandum during the period of distribution has, without regard to whether the purchaser relied upon the misrepresentation, (a) a statutory right of action for damages against (i) the Fund, (ii) every director of the Fund at the date of the offering memorandum, and (iii) every person or the Fund who signed the offering memorandum; and (b) for rescission against the Fund.

The NL Act provides a number of limitations and defences in respect of such rights. Where a misrepresentation is contained in an offering memorandum, a person or company shall not be liable for damages or rescission:

- (a) where the person or company proves that the purchaser purchased the Units with knowledge of the misrepresentation;
- (b) where the person or company proves 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 Fund that it was sent without the knowledge and consent of the person or company;

- (c) if the person or the Fund proves 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 Fund of the withdrawal and the reason for it;
- (d) if, with respect to any part of the offering memorandum purporting to be made on the authority of an expert or 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:
  - (i) there had been a misrepresentation; or
  - (ii) the relevant part of the offering memorandum:
    - (A) did not fairly represent the report, opinion or statement of the expert; or
    - (B) was not a fair copy of, or an extract from, the report, opinion or statement of the expert;
- (e) 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:
  - (i) did not conduct an investigation sufficient to provide reasonable grounds for a belief that there had been no misrepresentation; or
  - (ii) believed there had been a misrepresentation;
- (f) in the case of an action for damages, the defendant is not liable for all or any part of the damages that the defendant proves do not represent the depreciation in value of the Units as a result of the misrepresentation; and
- (g) in no case will the amount recoverable in any action exceed the price at which the Units were offered under the offering memorandum.

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

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

This summary is subject to the express provisions of the NL Act and the regulations and rules made under it, and prospective purchasers should refer to the complete text of those provisions.

### **Purchasers Resident in Nova Scotia**

The right of action for rescission or damages described herein is conferred by section 138 of the *Securities Act* (Nova Scotia) (the “NSSA”). Section 138 provides, in the relevant part, that in the event that an offering memorandum, such as this Offering Memorandum, together with any amendments hereto, or any advertising or sales literature (as defined in the NSSA) contains an untrue statement of material fact or omits to state a material fact that is required to be stated or that is necessary in order to make any statements contained herein or therein not misleading in light of the circumstances in which it was made (in Nova Scotia, a “misrepresentation”), a purchaser of securities is deemed to have relied upon such misrepresentation if it was a misrepresentation at the time of purchase and has, subject to certain limitations and defences, a statutory right of action for damages against the seller of such securities, the directors of the seller at the date of the offering memorandum and the persons who have signed the offering memorandum or, alternatively, while still the owner of such securities, may elect instead to exercise a statutory right of rescission against the seller, in which case the purchaser will have no right of action for damages against the seller, the directors of the seller at the date of the offering memorandum or the persons who have signed the offering memorandum, provided that, among other limitations:

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

In addition, no person or company (other than the issuer if it is the seller) will be liable if such person or company proves that:

- (a) the offering memorandum or the amendment to the offering memorandum was sent or delivered to the purchaser without the person’s or company’s knowledge or consent and that, on becoming aware of its delivery, the person or company gave reasonable general notice that it was delivered without the person’s or company’s knowledge or consent;
- (b) after delivery of the offering memorandum or the amendment to the offering memorandum and before the purchase of the securities by the purchaser, on becoming aware of any misrepresentation in the offering memorandum, or amendment to the offering memorandum, the person or company withdrew the person’s or company’s consent to the offering memorandum, or amendment to the offering memorandum, and gave reasonable general notice of the withdrawal and the reason for it; or



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

Furthermore, no person or company (other than the issuer if it is the seller) will be liable under section 138 of the NSSA with respect to any part of the offering memorandum or amendment to the offering memorandum not purporting

- (a) to be made on the authority of an expert; or
- (b) to be a copy of, or an extract from, a report, opinion or statement of an expert, unless the person or company;
  - (i) failed to conduct a reasonable investigation to provide reasonable grounds for a belief that there had been no misrepresentation; or
  - (ii) believed that there had been a misrepresentation.

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

The liability of all persons or companies referred to above is joint and several with respect to the same cause of action. A defendant who is found liable to pay a sum in damages may recover a contribution, in whole or in part, from a person or company 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.

This summary is subject to the express provisions of the NSSA and the regulations and rules made under it, and prospective purchasers should refer to the complete text of those provisions.

### **Purchasers Resident in Ontario**

Securities laws of Ontario provide that, subject to the following paragraph, a purchaser resident in Ontario shall have, in addition to any other rights the purchaser may have at law, a right of action for damages or rescission against the Fund and a selling security holder on whose behalf the distribution is made if an offering memorandum, such as this Offering Memorandum, contains a “misrepresentation” (for the purposes of this section, as defined in the *Securities Act* (Ontario)) (the “**OSA**”), without regard to whether the purchaser relied on the misrepresentation. Purchasers should refer to the applicable provisions of the Ontario securities laws for particulars of these rights or consult with a lawyer.

OSC Rule 45-501 *Ontario Prospectus and Registration Exemptions* provides that, when an offering memorandum is delivered to a prospective purchaser in connection with a distribution made in reliance on the “accredited investor” prospectus exemption in section 2.3 of National Instrument 45-106 *Prospectus and Registration Exemptions* (“NI 45-106”), the rights of action referred to in section 130.1 of the OSA (“Section 130.1”) will apply in respect of the offering memorandum unless the prospective purchaser is:

- (a) a Canadian financial institution, meaning either:
  - (i) an association governed by the Cooperative Credit Associations Act (Canada) or a central cooperative credit society for which an order has been made under section 473(1) of that Act; or
  - (ii) a bank, loan corporation, trust company, trust corporation, insurance company, treasury branch, credit union, caisse populaire, financial services corporation, or league that, in each case, is authorized by an enactment of Canada or a jurisdiction of Canada to carry on business in Canada or a jurisdiction of Canada;
- (b) a Schedule III bank, meaning an authorized foreign bank named in Schedule III of the *Bank Act* (Canada);
- (c) the Business Development Bank of Canada incorporated under the *Business Development Bank of Canada Act* (Canada); or
- (d) a subsidiary of any person referred to in paragraphs (a), (b) and (c), if the person 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.

Subject to the foregoing, Section 130.1 of the OSA provides a purchaser who purchases Units offered by this Offering Memorandum during the period of distribution with a statutory right of action for damages or rescission against the Fund and a selling security holder on whose behalf the distribution is made in the event that the Offering Memorandum or any amendment to it contains a “misrepresentation”, without regard to whether the purchaser relied on the misrepresentation. A “misrepresentation” is defined in the OSA as an untrue statement of material fact or an omission to state a material fact that is required to be stated or that is necessary to make a statement not misleading in light of the circumstances in which it is made. A “material fact”, when used in relation to securities issued or proposed to be issued, is defined in the OSA as a fact that would be reasonably expected to have a significant effect on the market price or value of the securities. In the event that this Offering Memorandum, together with any amendment to it, is delivered to a purchaser of Units and this Offering Memorandum contains a misrepresentation which was a misrepresentation at the time of purchase of the Units, the purchaser will have statutory right of action for damages against the Fund and a selling security holder on whose behalf the distribution is made or, while still the owner of the Units, for rescission against the Fund and a selling security holder on whose behalf the distribution is made, in which case, if the purchaser elects to exercise the right of rescission, the purchaser will have no right of action for damages against the Fund and a selling security holder on whose behalf the distribution is made, provided that:

- (a) no action shall be commenced 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 (i) 180 days after the purchaser

- first had knowledge of the facts giving rise to the cause of action, or (ii) three years after the date of the transaction that gave rise to the cause of action;
- (b) no person or company will be liable if he, she or it proves that the purchaser purchased the Units with knowledge of the misrepresentation;
  - (c) in an action for damages, the defendant will not be liable for all or any portion of the damages that the defendant proves do not represent the depreciation in value of the Units as a result of the misrepresentation relied upon;
  - (d) no person or company will be liable for a misrepresentation in “forward-looking information” (as defined in the OSA) if he, she or it proves that:
    - (i) the Offering Memorandum contains, proximate to the forward-looking information, reasonable cautionary language identifying the forward-looking information as such, and identifying material factors that could cause actual results to differ materially from a conclusion, forecast or projection set out in the forward-looking information, and a statement of material factors or assumptions that were applied in drawing a conclusion or making a forecast or projection set out in the forward-looking information; and
    - (ii) it had a reasonable basis for drawing the conclusions or making the forecasts and projections set out in the forward-looking information;
  - (e) in no case will the amount recoverable exceed the price at which the Units were offered to the purchaser; and
  - (f) the right of action for damages or rescission is in addition to, and does not derogate from, any other right or remedy the purchaser may have at law.

#### **Purchasers Resident in Prince Edward Island**

The right of action for rescission or damages described herein is conferred by section 112 of the *Securities Act* (Prince Edward Island) (the “**PEI Act**”). Section 112 provides, that in the event that an offering memorandum, such as this Offering Memorandum, contains a “misrepresentation”, a purchaser who purchased securities during the period of distribution, without regard to whether the purchaser relied upon such misrepresentation, has a statutory right of action for damages against the Fund, the selling security holder on whose behalf the distribution is made, every director of the Fund at the date of the offering memorandum, and every person who signed the offering memorandum. Alternatively, the purchaser while still the owner of Units may elect to exercise a statutory right of action for rescission against the Fund or the selling security holder on whose behalf the distribution is made. Under the PEI Act, “misrepresentation” means an untrue statement of material fact, or an omission to state a material fact that is required to be stated by the PEI Act, or an omission to state a material fact that needs to be stated so that a statement is not false or misleading in light of the circumstances in which it is made. Statutory rights of action for rescission or damages by a purchaser are subject to the following limitations:

- (a) no action shall be commenced to enforce the right of action for rescission by a purchaser resident in Prince Edward Island, later than 180 days after the date of the transaction that gave rise to the cause of action;
- (b) in the case of any action other than an action for rescission;

- (i) 180 days after the purchaser first had knowledge of the facts given rise to the cause of action; or
  - (ii) three years after the date of the transaction giving rise to the cause of action or whichever period expires first;
- (c) no person will be liable if the person proves that the purchaser purchased the Units with knowledge of the misrepresentation;
- (d) no person other than the Fund and selling security holder will be liable if the person proves that
- (i) the offering memorandum was sent to the purchaser without the person's knowledge or consent and that, on becoming aware of it being sent, the person had promptly given reasonable notice to the Fund that it had been sent without the knowledge and consent of the person;
  - (ii) the person, on becoming aware of the misrepresentation in the offering memorandum, had withdrawn the person's consent to the offering memorandum and had given reasonable notice to the Fund of the withdrawal and the reason for it; or
  - (iii) 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;
    - (A) there had been a misrepresentation; or
    - (B) the relevant part of the offering memorandum:
      - (I) did not fairly represent the report, statement or opinion of the expert, or
      - (II) was not a fair copy of, or an extract from, the report, statement, or opinion of the expert.

If the purchaser elects to exercise a right of action for rescission, the purchaser will have no right of action for damages.

In no case will the amount recoverable in any action exceed the price at which the Units were offered to the purchaser.

In an action for damages, the defendant will not be liable for any damages that the defendant proves do not represent the depreciation in value of the Units as a result of the misrepresentation.

This summary is subject to the express conditions of the PEI Act and the regulations and rules made under it, and prospective purchasers should refer to the complete text of those provisions.

### **Purchasers Resident in Saskatchewan**

Section 138 of *The Securities Act, 1988* (Saskatchewan), as amended (the “SSA”), provides that where an offering memorandum, such as this Offering Memorandum, or any amendment to it is sent or delivered to a purchaser and it contains a misrepresentation (for the purposes of this section, as defined in the SSA), a purchaser who purchases securities covered by the offering memorandum or any amendment to it has, without regard to whether the purchaser relied on the misrepresentation, a right of action for rescission against the Fund or a selling security holder on whose behalf the distribution is made or has a right of action for damages against:

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

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

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

In addition, no person or company, other than the Fund or selling security holder, will be liable in an action pursuant to section 138 of the SSA if the person or company proves that:

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

In addition, no person or company will be liable in an action pursuant to section 138 of the SSA if that person or company proves that in respect of a misrepresentation in forward looking information (as defined in the SSA), such person or company proves that with respect to the document containing the forward looking information, approximate to that information, there is contained 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 the person or company had a reasonable basis for drawing the conclusions or making the forecast and projections set out in the forward looking information.

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

Subsection 138.2(1) of the SSA also provides that where an individual makes a verbal statement to a prospective purchaser that contains a misrepresentation relating to the security purchased and the verbal statement is made either before or contemporaneously with the purchase of the security, the purchaser has, without regard to whether the purchaser relied on the misrepresentation, a right of action for damages against the individual who made the verbal statement.

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

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

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

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

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

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

#### **Purchasers Resident in Northwest Territories, Nunavut or the Yukon**

If this Offering Memorandum, or any amendments thereto, delivered to a purchaser of Units resident in the Northwest Territories, Nunavut or the Yukon contains a misrepresentation, a purchaser in such jurisdictions who purchases the Units during the period of distribution has, without regard to whether the purchaser relied on the misrepresentation, a statutory right of action for damages against (i) the Fund, (ii) the selling security holder on whose behalf the distribution was made, (iii) every director of the Fund at the date of the Offering Memorandum, and (iv) every person who signed the Offering Memorandum. Alternatively, the purchaser may elect to exercise a statutory right of action for rescission against the Fund or the selling security holder on whose behalf the distribution was made, in which case, the purchaser shall have no right of action for damages against the Fund, the selling security holder, the directors and persons who signed the Offering Memorandum. If a misrepresentation is contained in a record incorporated by reference in, or deemed to be incorporated into, an Offering Memorandum, or any amendments thereto, the misrepresentation is deemed to be contained in the Offering Memorandum, or any amendments thereto, as the case may be.

All or any one or more of the persons who are found to be liable, or who accept liability, for a misrepresentation will be jointly and severally liable; provided, however, that the Fund, and every director of the Fund at the date of the Offering Memorandum who is not a selling security holder, will not be liable if the Fund does not receive any proceeds from the distribution of the Units and the misrepresentation was not based on information provided by the Fund, unless the misrepresentation was

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

Any person, including the Fund and the selling security holder, will not be liable for a misrepresentation:

- (a) if the person proves that the purchaser purchased the Units with knowledge of the misrepresentation; or
- (b) in an action for damages, the person will not be liable for all or any part of those damages that the person proves do not represent the depreciation in value of the Units as a result of the misrepresentation; and
- (c) in no case will the amount recoverable in any action exceed the price at which the Units were sold to the purchaser.

A person, other than the Fund and the selling security holder, will not be liable in an action for damages for a misrepresentation:

- (a) if the person proves that the Offering Memorandum, or any amendments thereto, was sent to the purchaser without the person's knowledge or consent and that, on becoming aware of its being sent, the person promptly gave reasonable notice to the Fund that it was sent without the knowledge and consent of the person;
- (b) if the person proves that the person, on becoming aware of the misrepresentation in the Offering Memorandum, or any amendments thereto, withdrew the person's consent to the Offering Memorandum, or any amendments thereto, and gave reasonable notice to the Fund of the withdrawal and the reason for it; or
- (c) if, with respect to any part of the Offering Memorandum, or any amendments thereto, purporting to be made on the authority of an expert or purporting to be a copy of, or any 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, or any amendments thereto, (A) did not fairly represent the report, statement or opinion of the expert, or (B) was not a fair copy of, or an extract from, the report, statement or opinion of the expert.

In addition, a person, other than the Fund and the selling security holder, will not be liable in an action for damages for a misrepresentation with respect to any part of an Offering Memorandum, or any amendments thereto, 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.



Any person, including the Fund and the selling security holder, will not be liable for a misrepresentation in forward-looking information (as defined in the *Securities Act* (Northwest Territories), the *Securities Act* (Nunavut) or the *Securities Act* (Yukon)) if the person proves that:

- (a) the Offering Memorandum, any amendments thereto, or other document contained, proximate to the forward-looking information, (A) reasonable cautionary language identifying the forward-looking information as such, and (B) identifying material factors that could cause actual results to differ materially from a conclusion, forecast or projection in the forward-looking information,
- (b) a statement of the material factors or assumptions that were applied in drawing a conclusion or making a forecast or projection set out in the forward-looking information, and
- (c) the person had a reasonable basis for drawing the conclusions or making the forecasts or projections set out in the forward-looking information;

provided, however, that the foregoing does not relieve a person of liability with respect to forward-looking information in a financial statement required to be filed under the securities laws of the Northwest Territories, Nunavut or the Yukon.

No action shall be commenced to enforce a right of action more than,

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

### **Other Rescission Rights**

In certain provinces a purchaser of Units may, where the amount of the purchase does not exceed the sum of \$50,000, rescind the purchase by written notice given to the registered dealer from whom the purchase was made (i) within 48 hours after receipt of the confirmation for a lump sum purchase, or (ii) within 60 days after receipt of the confirmation for the initial payment under a contractual plan. Subject to the registered dealer's reimbursement of sales charges and fees to the purchaser as described below, the amount a purchaser is entitled to recover on exercise of this right to rescind shall not exceed the Net Asset Value of the Units purchased, at the time the right is exercised. The right to rescind a purchase made under a contractual plan may be exercised only with respect to payments scheduled to be made within the time specified above for rescinding a purchase made under a contractual plan. Every registered dealer from whom the purchase was made must reimburse the purchaser who has exercised this right of rescission for the amount of sales charges and fees relevant to the investment of the purchaser in the Fund in respect of the Units for which the written notice of the exercise of the right of rescission was given.

Purchasers must exercise these rights within the prescribed time limits under applicable securities legislation. Purchasers should refer to the applicable provisions of the securities legislation in their

province of residence to determine whether they have similar rescission rights or consult with their legal advisor for more details.

### **Contractual Rights of Action**

#### **Purchasers Resident in British Columbia or Québec or Purchasers Resident in Alberta in Reliance on the “Accredited Investor” Exemption**

If this Offering Memorandum, or any amendments thereto, contains a misrepresentation, a purchaser resident in British Columbia or Québec who purchased Units under this Offering Memorandum, or a purchaser resident in Alberta who purchased Units under this Offering Memorandum in reliance on the “accredited investor” exemption under NI 45-106, will not be entitled to the statutory rights of action described above. However, in consideration of purchasing Units under this Offering Memorandum and upon acceptance by the Manager of the purchaser’s subscription in respect thereof, purchasers in those jurisdictions are hereby granted a contractual right of action for damages or rescission that is the same as the statutory rights of action described above provided to purchasers resident in Ontario under the OSA.

**CERTIFICATE**

**To: Alberta residents purchasing Units of the Fund in reliance on the \$150,000 minimum amount exemption under NI 45-106.**

This Offering Memorandum does not contain a misrepresentation.

**DATED** as of the 1st day of May, 2023

**NINEPOINT CANADIAN SENIOR DEBT FUND,**  
by its Manager, Ninepoint Partners LP, and by  
its general partner, Ninepoint Partners GP Inc.

By: (signed) John Wilson  
John Wilson  
Chief Executive Officer

By: (signed) Shirin Kabani  
Shirin Kabani  
as Chief Financial Officer

**ON BEHALF OF THE BOARD OF DIRECTORS OF  
NINEPOINT PARTNERS GP INC.**

By: (signed) James R. Fox  
James R. Fox  
Director

By: (signed) Kirstin H. McTaggart  
Kirstin H. McTaggart  
Director

## SCHEDULE A

### NINEPOINT CANADIAN SENIOR DEBT FUND

#### PRIVACY POLICY

The privacy of our investors is very important to us. This Privacy Policy sets out the information practices for Ninepoint Partners LP group members, including what types of personal and business information is collected, how the information is used, and with whom the information is shared. We are committed to protecting your privacy and maintaining the confidentiality of your information.

This Privacy Policy may be updated from time to time without notice. This Privacy Policy was last modified February 2023.

Ninepoint Partners LP complies with the requirements of Part 1 and Schedule 1 of the Personal Information Protection and Electronic Documents Act (Canada) (“PIPEDA”) and all applicable provincial personal information laws. Below is an overview of the privacy principles set out in Schedule 1 of PIPEDA.

#### **Definitions you need to know**

**Dealer** means an individual or entity acting or representing you in connection with your investments as your investment advisor, broker, or dealer, or on behalf of your investment advisor, broker, or dealer. By applying for one of our products or services, you acknowledge and agree that your Dealer is your agent and not our agent. We are entitled to accept and act on any notice, authorization, or other communication that we believe in good faith to be given by you or your Dealer on your behalf. We are under no obligation to verify that your Dealer is properly authorized to act as your agent or is otherwise authorized to act on your behalf.

**Service** means any brokerage or financial product or service offered by us.

**You and your** means each person, whether an individual, corporation, your Dealer or trust, who has made and investment, or an application or provided instructions to us for or signed an application in respect of any Service offered by us, including any co-applicants, guarantors or personal or corporate representatives such as directors.

**SROs** refers to self-regulatory organizations, including the New Self-Regulatory Organization of Canada ( New SRO), the exchanges and other regulated marketplaces and the Canadian Investor Protection Fund.

#### **Who is accountable for the privacy policy at Ninepoint Partners LP?**

**We have strict policies and procedures governing how we deal with your Personal Information. Each and every one of our employees is responsible for respecting and protecting the Personal Information to which the employee has access to.**

**Kirstin McTaggart, our Chief Privacy Officer, oversees privacy governance including policy, dispute resolution, education, communications activities and reporting to our Board of Directors on privacy matters. Please see Contact Us for information on how to reach our Chief Privacy Officer.**

#### **What personal information do we collect?**

The term "personal information" refers to any information that specifically identifies you, including information such as your home address, telephone numbers, social insurance number ("SIN"), birth date, assets and/or income information, employment history and credit history. We will be collecting personal information from you that includes the following:

- Your full name, address, occupation and date of birth, which is required by law;
- Identification, such as a valid driver's license or passport;
- Your social insurance number for income tax reporting purposes, as required by law;
- Your financial information including annual income, assets and liabilities, and banking information;
- Your employment history and credit history;
- Information about third parties such as your spouse if you are applying for certain Services, where this information is required by law.

For legal entities such as businesses, partnerships, trusts, estates or investment clubs, we may collect the information referred to above from each authorized person, partner, trustee, executor and club member, as appropriate.

### **How do we collect your information?**

We collect your personal or business information directly from you or through your financial advisor and/or dealer in order to provide you with Services, to meet legal and regulatory requirements and for any other purposes to which you consent. Your information may be collected from a variety of sources, including:

- Subscription forms, applications, questionnaires or other forms that you submit to us or agreements and contracts that you enter into with us;
- Your transactions with us;
- Meetings and telephone conversations with you;
- E-mail communications with us; and
- Our websites.

We may monitor or record any telephone call we have with you. The content of the call may also be retained. We may inform you prior to proceeding with the call of this possibility. This is to establish a record of the information you provide, to ensure that your instructions are followed properly and to ensure customer service levels are maintained.

### **How do we use your information?**

We collect and use your personal or business information in order to give you the best possible service and for the purposes set out in your agreement(s) with us, such as:

- To establish your identity and verify the accuracy of your information;
- To confirm your corporate status;
- To understand your needs;
- To determine the suitability of our Services for you;
- To determine your eligibility for our Services;
- To set up, administer and offer Services that meet your needs, including fulfilling any reporting or audit requirements;
- To provide you with ongoing Service, including executing your transactions;

- To provide you and/or your financial advisor and/or dealer with confirmations, tax receipts, proxy mailings, financial statements and other reports;
- To meet our legal and regulatory requirements;
- To manage and assess our risks; and
- To protect us from error and to prevent or detect fraud or criminal activity.

We collect, use and disclose your SIN, social security number or other government-issued personal or business identification number for income tax reporting purposes, as required by law. In addition, we may ask you for your SIN to confirm your identity. This allows us to keep your personal information separate from that of other customers, particularly those with similar names, and helps maintain the integrity and accuracy of your personal information. You may refuse to consent to its use or disclosure for purposes other than as required by law.

### **How do we obtain your consent?**

We rely on your actions as indications of your consent to our collection, use and disclosure of your personal information. For example, by signing a subscription form or an application form, voluntarily providing your information to us directly or through your financial advisor or dealer and continuing to do business with us, you are consenting to the collection, use and disclosure of your personal information for the purposes identified in this Privacy Policy. Ninepoint Partners LP will not, as a condition of the supply of Services, require you to consent to the collection, use or disclosure of your personal information beyond that which is required to fulfill these purposes.

### **Who do we share your information with?**

We may share your personal or business information within the Ninepoint Partners LP for the purposes set out above. We do not provide directly all the services related to your relationship with us. As such, we may transfer your personal information, when necessary, to our third party service providers and to our agents in connection with the Services, however, please note that these third party service providers and agents will not share this information with others. Such information is only used for the purposes identified above. We may use third party service providers or agents such as:

- Your financial advisor or dealer;
- Other financial service providers such as investment dealers, custodians, prime brokers, banks and others used to finance or facilitate transactions or operations on your behalf;
- Registrar and transfer agents, portfolio managers, brokerage firms and similar service providers; and
- Other service providers such as accounting, legal or tax preparation services.

Our service providers and our agents process or handle your information on our behalf and assist us with various services such as printing, imaging, document storage and shredding, mail distribution and marketing. Some of these third parties may be located outside of Canada. As a result, your information may be accessible to regulatory authorities in accordance with the laws of these jurisdictions. When information is provided to our service providers and to our agents, we will require them to protect the information in a manner that is consistent with Ninepoint Partners LP privacy policies and practices.

We may also be required by law to disclose information to government regulatory authorities. For example, we may be required to report your income to taxation authorities. We may also be required to disclose your personal and business information to SROs. SROs collect, maintain, and disclose such information for regulatory purposes, including trading surveillance, audits, investigations, maintenance of

regulatory databases and enforcement proceedings. SROs may, in turn, disclose such information when reporting to securities regulators or when sharing information with other SROs and law enforcement agencies.

We do not sell, lease, barter or otherwise deal with your personal information with third parties. Ninepoint Partners LP may be involved in the sale, transfer or reorganization of some or all of its business at some time in the future. As part of that sale, transfer or reorganization, we may disclose your personal and business information to the acquiring organization, however, we will require the acquiring organization to agree to protect the privacy of your personal and business information in a manner that is consistent with this Privacy Policy.

### **How long do we keep your information?**

We only keep your personal information as long as it is necessary to do so. The length of time we keep your information depends on the nature of the information as well as legal and regulatory requirements.

### **How do you withdraw your consent?**

Subject to legal, regulatory and contractual requirements, you may refuse to consent to our collection, use or disclosure of your personal or business information, or you may withdraw your consent to our further collection, use or disclosure of your information at any time in the future by giving us reasonable notice. Depending on the circumstances, however, withdrawal of your consent may impact on our ability to provide you, or continue to provide you, with some Services or information that may be of value to you. We will inform you of the implications of your withdrawal of consent for the continued promises of service to you. We will act on your instructions as quickly as possible but there may be certain uses of your information that we may not be able to stop immediately.

You can tell us at any time to stop using information about you to promote our Services or the products and services of third parties we select, or to stop sharing your information with other members of the Ninepoint Partners LP. If you wish to withdraw consent as outlined in this Privacy Policy, you may do so at any time by contacting us by mail at Ninepoint Partners LP, Suite 2700, South Tower, Royal Bank Plaza, 200 Bay Street, Toronto, Ontario M5J 2J1 Attention: Corporate Secretary or by e-mail at [compliance@ninepoint.com](mailto:compliance@ninepoint.com).

### **How do we safeguard personal information?**

We carefully safeguard your personal information and, to that end, restrict access to personal information about you to those employees and other persons who need to know the information to enable us to provide Services to you. Our employees are responsible for ensuring the confidentiality of all personal information they may access. Annually, each of our employees are required to sign a code of conduct, which contains policies on the protection of personal information.

### **What are the risks?**

Although we take steps to safeguard the information under our control, “perfect security” does not exist. In particular, we cannot guarantee the security of the information communicated to us via email. It is possible that third parties may unlawfully intercept or access such information.

### **How do you update your information?**

As we make decisions based on the information we have, we encourage you to help us keep our information accurate and complete. Contact us at any time at in writing at Ninepoint Partners LP, Suite 2700, South Tower, Royal Bank Plaza, 200 Bay Street, Toronto, Ontario M5J 2J1 Attention: Corporate Secretary if you wish to update the information we have about you.

### **How can you access your information?**

You may request access to the personal information we hold about you at any time to review its content and accuracy and to have it amended as appropriate. To request access to such information please contact us in writing at Ninepoint Partners LP, Suite 2700, South Tower, Royal Bank Plaza, 200 Bay Street, Toronto, Ontario M5J 2J1 Attention: Chief Privacy Officer.

We will respond to your written access request promptly. We may be unable to provide you with access to all or some of the information we hold about you. We will provide you with an explanation in the event that we are unable to fulfill your access request.

### **Reporting privacy breaches**

In the event that a breach involving your personal information in our possession has occurred, Ninepoint will immediately take the measures necessary to reduce the risk of harm. A risk assessment is completed to identify the sensitivity of the breached information and the likelihood that the information could be misused for harmful purposes. If the results of the analysis deem the risk to be of serious harm, Ninepoint will notify the Commission and to its discretion, the affected clients, unless otherwise ordered to do so. A privacy incident will be logged and maintained in our records for recordkeeping purposes.

### **Who do you contact if you have any questions, concerns or complaints?**

If you have any questions about our privacy policies and practices and how they relate to you or if you wish to raise a complaint on how we handled your Personal Information, you can contact our Chief Privacy Officer who will then investigate the matter. You can contact our Chief Privacy Officer by telephone at 1-888-362-7172, by e-mail at [compliance@ninepoint.com](mailto:compliance@ninepoint.com) or by mail to Ninepoint Partners LP, Suite 2700, South Tower, Royal Bank Plaza, 200 Bay Street, Toronto, Ontario M5J 2J1 Attention: Chief Privacy Officer.

If you want to escalate, you can contact The Office of the Privacy Commissioner of Canada. Complaints to the Office of the Privacy Commissioner must be submitted in writing to 112 Kent Street, Place de Ville, Tower B, 3rd Floor, Ottawa, Ontario K1A 1H3 Attention: The Privacy Commissioner of Canada.

## **ONLINE AND MOBILE PRIVACY POLICY**

### **Scope of Ninepoint Partners LP Online and Mobile privacy policy**

**This Online and Mobile Privacy Policy supplements Ninepoint's Privacy Policy and specifically addresses the way in which we will collect, use, disclose and manage Personal Information in connection with our website and other electronic services. It should be read in conjunction with the Legal Terms of Use.**

### **Your Consent**



Each time you use our online and electronic services, you are indicating your acknowledgement and consent to the collection, use and disclosure of your Personal Information as set forth in this policy, which we may revise periodically without notice. We will let you know of any changes by posting the revised policy with a new effective date. If you do not accept the terms outlined in this policy, please do not use our online and electronic services

### **Collection of Personal Information**

We may collect personal information when you use our website, and other electronic services. For example, we may collect:

- Account/Contact Information, such as your name, email address, user ID, password and service preferences.
- Financial Information, such as that required in an online application for account opening.
- Location Information, such as the information about your device's approximate physical location for purposes such as validating your identity, the prevention, suppression or detection of crime. The ability to access location information is controlled by your device. Please refer to the documentation for your device regarding how to allow or block the collection of location information. If you choose not to provide location information, some services may not operate effectively.
- Device Information such as information about your operating system, browser, software applications, IP address, geolocation, security status and other device information in order to improve your experience, to protect against fraud and manage risk.
- Website Use Information, such as browsing behavior on Sightline WM's website and links, location you click, form data and downloads as well as other data gathered from the use of web tools (for example, Cookies, Web Beacons, Tagging) to better understand your interests and needs so that we can serve you better.
- Other Information, such as any feedback you may provide to us.

We do not knowingly solicit data from, or market to, children under the age of 13. If a parent or guardian becomes aware that his or her child has provided us with information without their consent, he or she should Contact Us. We will delete such information from our files.

### **Purposes for the use and disclosure of Personal Information**

We may use and disclose your information collected online to:

- Provide and manage the online products and services you have requested;
- Verify your identity and authenticate you;
- Protect against fraud, security threats and otherwise manage risks;
- Communicate with you regarding products and services that may be of interest;
- Evaluate and improve our websites and other electronic offerings;
- Tailor our services and otherwise enhance the customer experience, and;
- Satisfy legal or regulatory requirements.

### **Use of Web Tools**

We or our service providers may use various tracking tools, such as Cookies, Pixel Tags and Web Beacons, on our website and in our emails and advertisements. Pixel Tags, Web Beacons and similar technologies are tracking tools that may be used on our website and in our emails that

monitor user activity. They help us capture user activity for analysis to better understand use and effectiveness of the website and emails, enhance user experience and provide additional security controls.

### **Cookies**

When you log onto Ninepoint Partners LP, it installs temporary cookies on your computer while you are logged onto the website. By registering to use Ninepoint Partners LP, and/or by making any use of Ninepoint Partners LP and/or any of the pages or information made available on Ninepoint Partners LP you expressly acknowledge and agree that we use cookies, including for purposes such as:

- collecting and compiling information like the number of visitors to our websites, where the visitors to our websites came from and the pages they visit on our websites;
- delivering advertisements that are relevant to you and your interests and measuring the effectiveness of our advertising campaigns in order to provide you with personalized service; and
- collecting your internet protocol address or other similar device identifier on the date you visit our websites (without collecting your name or other similar identifying information) so as to allow the website to recognize your computer or other similar device.
- Ninepoint Partners LP is not aware of, nor responsible for, the cookie practices of any third-party websites.

### **Use of Third Parties**

We may use third party providers to help collect and compile information like the number of visitors to our websites, where visitors have come to our websites from and the pages they visit. Our third-party providers may also use cookies to deliver advertisements that are more relevant to you and your interests and to help measure the effectiveness of an advertising campaign. Third party providers will not have access to your name or other identifying information.

### **Internet-based Advertising**

Interest-based advertising allows us to deliver advertisements that are more relevant to you and your interests. It works by showing you advertisements that are based on your browsing patterns and the way you have interacted with this and other websites.

As you browse our website, some of the cookies placed on your computer will be advertising cookies, so we can understand what sort of pages you are interested in. We can then display advertising on your browser that is based on these perceived interests. These cookies do not contain personal or financial information about you, but may contain a unique identifier required by the retargeting process. If you access one of these ads, we may also track the response rate and the website activity associated with it.

We also work with third party advertising providers who collect and use information about your visits to this and other websites (but not your name, email address, postal address or phone number) to show you advertising that may be of interest to you. This includes the advertising displayed on our websites and the Ninepoint advertising you may be shown when you are on other third-party websites.

### **Refusing Cookies**

You can limit the collection of your information by disabling cookies on your browser. You may also be able to modify your browser settings to require your permission each time a website attempts to set a

cookie. However, our websites (and many other websites) rely on cookies to enable certain functionality. If you choose to disable cookies, some of the services available on our websites may not work properly.

### **Third Party Websites and Links**

Our website may contain links to third party websites. We are not responsible for the practices of those third-party websites. Where you access other websites from our website using the links provided, the operators of these websites may use cookies in accordance with their own policies, which may differ from ours. You should read their privacy and cookie policies carefully before you provide any personal information to them.

### **Other information**

We may amend this Privacy Policy from time to time to take into consideration changes in legislation or other issues that may arise. We will post the revised Privacy Policy on our public websites including at [www.ninepoint.com](http://www.ninepoint.com). We may also send it to you by mail.

We reserve the right to change or remove this Privacy Policy at our discretion. If we decide to change it, we will post those changes here. We encourage you to visit this area frequently to stay informed. If you access our website after we have posted changes to this policy, you are agreeing to accept the changes.

**SCHEDULE B**  
**NINEPOINT CANADIAN SENIOR DEBT FUND**  
**FORM OF OFFSETTING REDEMPTION NOTICE**

See attached.