

# 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



January 31, 2023

## NINEPOINT ALTERNATIVE INCOME FUND

Class A, Class F, Class I, Class T and Class FT trust units (collectively, the “Units”) of Ninepoint Alternative Income Fund (formerly Sprott Alternative Income 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 an “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” under applicable securities legislation. Units are offered at the net asset value (“Net Asset Value”) per Unit for the applicable class (determined in accordance with the trust agreement governing the Fund dated as of September 30, 2022 (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 on a Redemption Date (as hereinafter defined), provided that a written request for redemption is submitted to the Manager at least 30 days prior to such Redemption Date.**

**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. 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 significant 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 investments.**

**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 and Class T Units. In addition, the Fund and the Portfolio Funds may execute a portion of their portfolio transactions through Sightline Wealth Management LP. The Fund and the Portfolio Funds may be considered to be "connected issuers" and "related issuers" of Sightline Wealth Management LP and the Manager under applicable securities legislation. Sightline Wealth Management LP, Sightline GP 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 and the Trust Agreement.*

**The Fund:** Ninepoint Alternative Income Fund (the “**Fund**”) is an open-ended unincorporated investment trust established under the laws of the Province of Ontario and governed pursuant to the amended and restated trust agreement dated as of September 30, 2022 (the “**Trust Agreement**”), as the same may be amended, restated or supplemented from time to time. See “The Fund”.

**The Manager:** Ninepoint Partners LP (in such capacity, 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 day-to-day business and administration of the Fund, including management of the Fund’s investment portfolio. The Manager is also the investment fund manager and portfolio manager of each of the Portfolio Funds (as defined below) other than as listed below in “The Portfolio Funds”. See “Management of the Fund – The Manager”.

**The Trustee:** Pursuant to the Trust Agreement, CIBC Mellon Trust Company (in such capacity, 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 seek to provide investors with exposure to alternative strategies that generate superior income and long term capital growth. The Fund’s investment strategy will be to mirror the performance of the credit-based products (the “**Portfolio**”) held by select other underlying investment vehicles (each individually, a “**Portfolio Fund**” and collectively, the “**Portfolio Funds**”), including underlying mutual funds, investment companies, pooled funds and closed-end funds managed by the Manager and/or its affiliates and associates and/or third party managers. Portfolio Funds will be selected with consideration for each Portfolio Fund’s investment objectives and strategies, past performance and volatility, among other factors. As at the date of this Offering Memorandum, Portfolio Funds in which the Fund is or has invested are Ninepoint-TEC Private Credit Fund II, Ninepoint Credit Income Opportunities Fund, Riverview Alternative Lending Fund (Cayman) L.P., Ninepoint Canadian Senior Debt Fund, Ninepoint-Monroe U.S. Private Debt Fund, Ninepoint Convertible Securities Fund and AIP Convertible Private Debt Fund LP. The Fund may also invest in other underlying investment vehicles, including Ninepoint High Interest Savings Fund and Ninepoint Alternative Credit Opportunities Fund. The Fund will invest directly in securities of each of the Portfolio Funds in unequal amounts subject to the Manager’s sole discretion. The Manager, or an investment committee of the Manager, will determine the allocation of Fund assets to each Portfolio Fund from time to time in its sole discretion. Some or all of the Fund’s assets may from time to time be invested in cash or other investments as the Manager may deem appropriate in the circumstances. See “Investment Objective and Strategy of the Fund” and “Investment Restrictions of the Fund”.

The Manager has received exemptive relief from securities regulatory authorities from certain requirements under applicable securities legislation to permit the Fund to invest in securities of related persons or companies (each individually, a “**Related Issuer**” and collectively, the “**Related Issuers**”). Each purchase of securities of a Related Issuer will occur in the secondary market and not under primary distributions or treasury offerings of such Related Issuers. Furthermore, the independent review committee of the Fund must approve the purchase or sale of securities of such Related Issuers by the Fund in accordance with section 5.2 of National Instrument 81-107 *Independent Review Committee for Investment Funds*. Not later than the 90<sup>th</sup> day after the end of each financial year of the Fund,

the Manager will file with the applicable securities regulatory authority the particulars of any such investments on behalf of the 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.

See “Investment Objective and Strategy of the Fund – Loan Facilities”.

**The Portfolio Funds:**

As at the date of this Offering Memorandum, Portfolio Funds in which the Fund is or has invested are Ninepoint-TEC Private Credit Fund II, Ninepoint Credit Income Opportunities Fund, Riverview Alternative Lending Fund (Cayman) L.P., Ninepoint Canadian Senior Debt Fund, Ninepoint-Monroe U.S. Private Debt Fund, Ninepoint Convertible Securities Fund and AIP Convertible Private Debt Fund LP, each of which, other than AIP Convertible Private Debt Fund LP and Riverview Alternative Lending Fund (Cayman) L.P. is managed by the Manager. The Fund may also invest in other underlying investment vehicles, including Ninepoint High Interest Savings Fund and Ninepoint Alternative Credit Opportunities Fund.

Unitholders may receive from the Manager, on request and free of charge, a copy of the offering document, annual audited financial statements and interim financial reports relating to each Portfolio Fund in which the Fund invests.

*Investment Objective and Strategy of Ninepoint-TEC Private Credit Fund II*

To achieve its investment objective the Ninepoint-TEC Private Credit Fund II intends to allocate capital to invest in a portfolio comprised principally of asset-based loans of companies based primarily in Canada and, to a lesser degree, the United States that are undergoing change or special situations. These companies are often overlooked or underappreciated by the general financial community due to perceived risk, complexity or timing.

*Investment Objective and Strategy of Ninepoint Credit Income Opportunities Fund*

The investment objective of the Ninepoint Credit Income Opportunities Fund is to provide investors with income and capital appreciation. This Portfolio Fund seeks to achieve its investment objectives by primarily investing in a diversity of Canadian, U.S. and international fixed income securities for short-term and long-term gain. The securities comprising the portfolio will be selected by the investment manager based on its assessment of the markets and potential investment opportunities. This Portfolio Fund may employ the use of derivative instruments and currency hedging from time to time to hedge against losses from movements in fixed income and equity markets or to realize additional gains. In addition, government bonds may be sold short to reduce interest rate risk.

*Investment Objective and Strategy of Riverview Alternative Lending Fund (Cayman) L.P.*

The Riverview Alternative Lending Fund (Cayman) L.P.’s investment objective is to seek to provide total return with an emphasis on current income. This Portfolio Fund seeks to achieve its investment objective by investing, through its investment in its master fund AIP Alternative Lending Fund A (“ALF A”), in alternative lending securities that generate interest or other income streams that this Portfolio Fund’s investment adviser believes offer access to credit risk premium. Alternative lending securities are loans originated through non-traditional, or alternative, lending platforms or securities that provide this Portfolio Fund, through its investment in ALF A, with exposure to such instruments. The “credit risk premium” is the difference in return between obligations viewed as low risk, such as high-quality, short-term government debt securities or bonds of a similar duration and risk profile, and securities issued by private entities or other entities which are subject to credit risk. The credit risk

premium is positive when interest payments or other income streams received in connection with a pool of alternative lending securities, minus the principal losses experienced by the pool, exceed the rate of return for risk-free obligations. By indirectly investing in alternative lending securities, this Portfolio Fund is accepting the risk that some borrowers will not repay their loans in exchange for the expected returns associated with the receipt of interest payments and repayment of principal by those that do. There is no assurance that the credit risk premium will be positive for this Portfolio Fund's investments at any time or on average and over time. However, this Portfolio Fund seeks to benefit over the long-term from the difference between the amount of interest and principal received and losses experienced.

*Investment Objective and Strategy of Ninepoint Canadian Senior Debt Fund*

The investment objective of the Ninepoint Canadian Senior Debt Fund is to achieve superior risk-adjusted returns, preserve capital and minimize volatility. To achieve its investment objective this Portfolio 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 shares of Ninepoint Canadian Senior Debt Master Fund LP (the "**Master Fund**"), a Cayman Islands exempted limited partnership. As a result, the performance of this Portfolio 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 Master Fund will primarily invest, directly or indirectly, in a portfolio of first priority or first lien senior secured loans to Canadian companies. 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.

*Investment Objective and Strategy of Ninepoint-Monroe U.S. Private Debt Fund*

The investment objective of Ninepoint-Monroe U.S. Private Debt Fund is to provide investors with attractive risk-adjusted returns with the downside protection associated with investing primarily in secured private credit opportunities in a manner that is intended to be decoupled from public markets' volatility. To achieve its investment objective, this Portfolio Fund intends to invest primarily in Monroe (NP) U.S. Private Debt Fund LP ("**Monroe LP**"), a Cayman Islands exempted limited partnership.

Monroe LP expects to invest in: (i) senior and junior secured and unsecured loans, convertible debt, notes, bonds and control, minority or structured equity and/or equity like securities (including but not limited to preferred partnership equity, warrants, common and preferred equity); (ii) unitranche secured loans and securities; (iii) asset-based loans and securities; (iv) structured debt; (v) syndicated loans and bonds; (vi) securitized debt and subordinated notes of collateralized loan and debt obligation facilities, asset-backed securities and other securitized products and warehouse loan facilities; (vii) opportunities to acquire securities from other third-parties as a result of liquidity constraints resulting from investor redemptions, market dislocations and other circumstances; (viii) capital investments in the secondary markets; (ix) various types of specialty finance, including litigation finance, small business finance, leases and others; (x) commercial and residential mortgage real estate, real estate bridge lending finance and real estate structured finance; (xi) opportunities to invest in or own credit-like or yield orientated assets and (xii) fund finance, secondary opportunities in pooled investment funds managed by third-party investment advisers, and private equity or private debt fund-level financing backed by the residual value of third-party private equity or private debt fund portfolio companies. Monroe LP will seek to take advantage of the supply and

demand gaps in multiple segments of the private credit and capital markets throughout various economic cycles with the objective of providing investor partners with attractive risk-adjusted returns.

Monroe LP may also pursue out-of-favour sectors where it can acquire investments at a significant discount to the fundamental value of an issuer's underlying assets, such as situations where an issuer has liquidity issues, limited refinancing choices, is under time pressure, or has a complicated or faulty capital structure; companies undergoing, or considered likely to undergo, reorganizations; and other pooled investment funds that are dedicated to investing in certain or all of the foregoing.

*Investment Objective and Strategy of Ninepoint High Interest Savings Fund*

The investment objective of Ninepoint High Interest Savings Fund is to maximize yield on cash balances, while providing easy access to investments with daily liquidity.

To achieve its investment objective, this Portfolio Fund invests all of its assets in high interest savings accounts at Schedule 1 Canadian Banks offering pre-negotiated interest rates.

*Investment Objective and Strategy of Ninepoint Convertible Securities Fund*

The investment objective of Ninepoint Convertible Securities Fund is to seek to provide unitholders with income and long-term capital appreciation by investing primarily in a portfolio of convertible securities.

To achieve this Portfolio Fund's investment objective, the Portfolio Fund will seek to participate in the potential growth of the common stocks underlying convertible securities, while seeking to earn income that is generally higher than the income those common stocks would provide.

This Portfolio Fund expects to invest at least 80% of its net assets under normal conditions in convertible securities. This Portfolio Fund invests primarily in U.S. securities, however this Portfolio Fund may invest up to 15% of its total assets in Eurodollar convertible securities and up to an additional 20% of its total assets in other foreign securities. This Portfolio Fund also may invest directly in equity securities.

All securities will be publicly traded, though some convertible securities will not be listed on an exchange and may be issued pursuant to Rule 144A promulgated under the United States' Securities Act of 1933, as amended. Most of the convertible securities in which this Portfolio Fund will invest will not be rated as investment grade securities and may be referred to as "junk bonds". Active management and capital preservation are integral components of the process.

*Investment Objective and Strategy of AIP Convertible Private Debt Fund LP*

The investment objective of AIP Convertible Private Debt Fund LP is to generate superior returns through the investment in alternative strategies that the manager of this Portfolio Fund believes have the potential to provide substantial upside. The manager adheres to socially responsible investing on the best efforts basis and has a broad mandate of identifying attractive investment opportunities that include, but not be limited to, seed capital, small capitalization investments, private placement investments and debt instruments. This Portfolio Fund may invest in securities that are generally more volatile in nature with limited to no liquidity.

*Investment Objective and Strategy of Ninepoint Alternative Credit Opportunities Fund*

The investment objective of the Ninepoint Alternative Credit Opportunities Fund is to provide investors with income and capital appreciation. This Portfolio



Fund will seek to achieve its investment objectives by primarily investing in a diverse mix of Canadian, U.S. and international fixed income securities for short-term and long-term gain.

This Portfolio Fund will use derivatives, which may introduce leverage into this Portfolio Fund. This Portfolio Fund may also borrow cash and sell securities short. This Portfolio Fund's maximum aggregate exposure to short selling, cash borrowing and derivatives used for leverage must not exceed 300% of this Portfolio Fund's net asset value, calculated on a daily basis.

The Manager has the discretion to add or subtract Portfolio Funds from the universe of Portfolio Funds in which the Fund may invest. There is no guarantee that the Fund will be invested in all of the Portfolio Funds listed above and the Fund may not be invested in one or more of the listed Portfolio Funds at any given time.

See "The Portfolio Funds".

**Investment Guidelines and Restrictions:**

As the Fund will be investing in Portfolio Funds, the Fund will indirectly be subject to the investment guidelines and restrictions of each Portfolio Fund in which it invests.

The Fund is also subject to a number of general investment restrictions. See "Investment Restrictions of the Fund".

**The Offering by the Fund:**

A continuous offering of Class A units, Class F units, Class I units, Class T units and Class FT 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 classes of Units are the different eligibility criteria, fee structures and administrative expenses associated with each class. However, classes of Units may not necessarily track or reflect such differences given certain differences with respect to the securities and fee structure of a Portfolio Fund. See "Description of Units of the Fund" and "Fees and Expenses".

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. No certificates evidencing ownership of Units will be issued to unitholders of the Fund (individually, a "Unitholder" and collectively, the "Unitholders"). See "Details of the Offering by 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. The Fund may issue fractional Units so that subscription funds may be fully invested. Each whole Unit of a particular class or series has equal rights to each other Unit of the same class or series 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 units of one or more of the Portfolio Funds, and the securities of certain of the portfolio companies held by such funds 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) 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 section 2.3 under 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 section 2.10 (minimum amount investment exemption) under NI 45-106 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 by the Fund”.

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 General Partner, subscriptions may be accepted for lesser amounts from persons who are “accredited investors” as defined under applicable securities legislation. See “Details of the Offering by the Fund”. 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 of the Fund:**

**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.

**Class T Units** will be issued to qualified purchasers. Class T Units are designed to provide cash flow to investors by making targeted monthly distributions of cash of approximately 5% per annum. The target monthly distribution is

calculated at the beginning of each taxation year as approximately 5% of the Net Asset Value per Class T Unit as at December 31 of the prior year. Throughout the year, such monthly distributions to Unitholders will be a combination of returns of capital, net income and/or net realized capital gains.

**Class FT Units** will have the same features as the Series F Units other than the distribution policy. The distribution policy of Class FT Units is the same as that of Class T Units.

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 is or becomes a non-resident of Canada or a “financial institution” for the purposes of the *Income Tax Act* (Canada) (the “**Tax Act**”) or a partnership that is not a “Canadian partnership” (as defined in the Tax Act) (a “**non-Canadian partnership**”) shall disclose such status to the Fund at the time of subscription (or when 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 NI 45-106. 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. See “Additional Subscriptions”.

**Management Fees  
Payable to the Manager:**

The Manager will receive, as compensation for providing services to the Fund, 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 of the Fund. Each class of Units is responsible for the Management Fee attributable to that class. See “Fees and Expenses – Management Fees

Payable to the Manager” and “Fees and Expenses – Total Management Fees Payable by the Fund”.

**Class A Units:**

The Fund will pay the Manager a monthly Management Fee equal to 1/12 of 2.0% of the Net Asset Value of the Class A Units (determined in accordance with the Trust Agreement), 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 based on the Net Asset Value of the Class A Units as at the last business day of each month.

**Class F Units:**

The Fund will pay the Manager a monthly Management Fee equal to 1/12 of 1.0% of the 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 based on the Net Asset Value of the Class F Units as at the last business day of each month.

**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 accrued on each Valuation Date and payable on the last business day of each month based on the Net Asset Value of the Class I Units as at the last business day of each month.

**Class T Units:**

The Management Fee payable for Class T Units shall be the same as that payable on Class A Units of the Fund.

**Class FT Units:**

The Management Fee payable for Class FT Units shall be the same as that payable on Class F Units of the Fund.

The Fund will not pay a management fee to the Manager that to a reasonable person would duplicate a fee payable to the Manager by a Portfolio Fund for the same service. In addition, the Fund will not pay any sales commissions or redemption fees for its purchase or redemption of units of a Portfolio Fund.

**Management Fee Payable by a Portfolio Fund:**

As the Fund will invest in assets of a Portfolio Fund, Unitholders will indirectly bear the fees and expenses of such Portfolio Fund, including management and performance fees, if any, that are charged to the securities of such Portfolio Fund held by the Fund. The Fund will not pay a Management Fee to the Manager that to a reasonable person would duplicate a fee payable to the Manager by a Portfolio Fund for the same service.

**Total Management Fees Payable by the Fund:**

As the Fund invests in a portfolio of other investment vehicles with varied management fee rates, the resulting weighted management fee borne by the Fund is a combination of direct and indirect management fees. Direct management fees arise when the Fund invests in a non-management fee bearing class of another investment vehicle, and the value of such assets are included in the Fund’s own management fee calculation. Indirect management fees arise when the Fund invests in a management fee bearing class of another investment vehicle, and the value of such assets are excluded from the Fund’s own management fee calculation. See “Fees and Expenses – Total Management Fees Payable by the Fund”.

**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; Management Fees (if any); custodian, 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. 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”.

**Operating Expenses  
of the Portfolio Funds:**

Since the Fund invests directly in units of the Portfolio Funds, the Fund will indirectly bear the fees and expenses incurred by such Portfolio Funds.

**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 or Class T 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% of the Net Asset Value of the Class A or Class T 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 “Dealer Compensation – Service Commission”.

**Distributions:**

The Manager intends to make a monthly distribution on the Class A Units, the Class F Units and the Class I Units, to holders of such Units, out of the net income of the Fund. The amount 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. Purchasers should not confuse these distributions with the Fund’s rate of return or yield. The distributions on the Class A Units, the Class F Units and the Class I Units are not guaranteed.

Subject to applicable securities legislation, monthly distributions will be automatically reinvested in additional Units of Class A, Class F or Class I at the Net Asset Value of such Class of Units on the date of distribution, unless a Unitholder elects, by written notice to the Manager, to receive such distributions in cash. If a Unitholder does not elect to receive cash, all distributions will be automatically reinvested in additional Units of the same Class at the Net Asset Value per Unit on the last Valuation Date of the fiscal year of the Fund.

For Class T Units and Class FT Units, Unitholders will receive a target monthly distribution of approximately 5% per annum. The target monthly distribution is calculated at the beginning of each taxation year as approximately 5% of the Net Asset Value per Class T Unit and Class FT Unit as at December 31 of the prior year. The monthly distribution is expected to be approximately \$0.0416667 and \$0.0416667 per Unit for Class T Units and Class FT Units,

respectively. The amount of the distribution per Class T Unit and Class FT Unit in the previous month is available on our website at [www.ninepoint.com](http://www.ninepoint.com). Throughout the year, such monthly distributions to Unitholders will be a combination of returns of capital, net income and/or net realized capital gains and the composition of the monthly distributions as among net income, returns of capital and/or net realized capital gains may vary from month to month. Distributions on Class T and Class FT Units will be made in cash.

The Fund will also distribute on the last Valuation Date in each year its net realized capital gains in such amount (and in addition to any distributions) as will result in the Fund paying no tax under the Tax Act. The net income and net realized capital gains of the Fund will be calculated as of such Valuation Dates during the year as the Manager in its discretion may decide. Allocations and distributions of income/gains will generally be made by reference to the number of Units held as of the close of business on the last Valuation Date prior to such allocation or distribution (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.

See “Distribution Policy”.

#### **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 Valuation Date 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) at least 30 calendar days prior to the Redemption Date. See “Redemption of Units”.

The Manager may, in its absolute discretion, accept a redemption request that meets the required 30 day notice period and that is submitted with a concurrent subscription from the Unitholder’s discretionary account manager or investment advisor, 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. Where the Manager permits the offsetting subscription and the concurrent redemption, the applicable redemption will not count towards the Redemption Cap (as hereinafter defined) and the proceeds from the offsetting subscription may be applied to the concurrent redemption request.

Payment of the redemption amount (the “**Redemption Amount**”) will be paid to the redeeming Unitholder as soon as practicable and in any event within 30 days following the applicable quarter-end for which such redemption is effective (or 60 days if such quarter-end is the Fund’s fiscal year end). 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. 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 subject to the risks of, the Fund.

On direction from the Manager, the Administrator 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.

Where the sum of cash distributions and redemption requests for any calendar quarter exceeds 5% of the Net Asset Value as at the prior quarter's end (the "**Redemption Cap**"), cash distributions will be paid out first and all redemption requests will be satisfied *pro rata* in proportion to the aggregate dollar value of the redemption requests received by the Fund as of the applicable Redemption Date, to the aggregate maximum dollar value (or equivalent value in Units) of the Fund permitted to be redeemed on the Redemption Date under the Redemption Cap and any portion of redemption requests unable to be satisfied in cash, the Unitholders, by default, shall cancel, unless such redeeming Unitholders otherwise elect to receive Redemption Notes (as hereinafter defined) in satisfaction of the portion of their redemption request in excess of the Redemption Cap. Unitholders may submit any cancelled redemption requests for the subsequent Redemption Date subject to the Redemption Cap. Such cancelled and resubmitted redemption requests will not have priority over new redemption requests submitted for the subsequent Redemption Date.

Net Asset Value of the 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 make the aggregate cash distributions and cash redemptions in the amount less than 5% of the Net Asset Value of the 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. Redemption Notes (as defined herein) are available if requested for the amount of any redemption request in excess of the Redemption Cap that would otherwise be cancelled.

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 (to the extent not already reflected in the Net Asset Value of the Fund).

In the sole discretion of the Manager, payment of all or any part of any Redemption Amount may be made by the transfer of a *pro rata* portion of any portfolio securities then held by the Fund. In the event the Manager determines to pay all or any part of the Redemption Amount by the transfer of portfolio securities then held by the Fund, it shall provide the Trustee, the Administrator of the Fund and the Unitholder with prompt notice thereof and the redeeming Unitholder shall have, and shall be advised that they have, the right to withdraw their Redemption Notice, or a portion thereof

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 Fund (or any successor thereto) or the Portfolio Funds are traded; (ii) for any period during which in the opinion of the Manager conditions exist which render the sale of assets of the Fund not reasonably practicable or the sale of such assets would be seriously prejudicial to investors or the Fund or at prices materially below their current valuation by the Fund, or which impair the ability of the Fund to determine the value of the assets of the 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 Fund or would seriously impair the Fund's ability to operate.

**Redemption Notes:**

Once the quarterly Redemption Cap is reached, redemption requests exceeding the Redemption Cap will be cancelled unless redeeming Unitholders request to receive from the Fund, redemption notes of the Fund ("**Redemption Notes**") in

satisfaction of the portion of the redemption request in excess of the Redemption Cap that would otherwise be cancelled. Redemption Notes will be issued at 10% discount to the Net Asset Value of the Units on the Redemption Date, will have a maturity of 5 years or less, will be non-interest bearing and will be callable on demand by the Fund. Redemption Notes will be unsecured and subordinated debt securities of the Fund. There will be no market for Redemption Notes. Redemption Notes will not be qualified investments for Tax Deferred Plans (as defined herein) for the purpose of the Tax Act. See “Redemption of Units – Redemption Notes”.

**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.

**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 and the Portfolio Funds as outlined herein and the respective offering documents of such funds 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. Investors should consider this Offering Memorandum in its entirety before making an investment decision, including the risk factors set out herein. 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”.

**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”.

**Eligibility for Investment:**

Provided the Fund qualifies at all relevant times as a “mutual fund trust” for the purposes of the Tax Act and the regulations thereunder (the “**Income Tax Regulations**”), Units will be “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**”), a tax-free savings account (“**TFSA**”) (RRSPs, RRIFs, RDSPs, DPSPs, RESPs and TFSAs are collectively referred to as “**Tax Deferred Plans**”). A fee of up to \$125 may be charged for each transfer or deregistration of Units held directly with the Manager in a Tax Deferred Plan. See “Canadian Federal Income Tax Considerations – Eligibility for Investment”.

Prospective investors that intend to hold Units in Tax Deferred Plans that are subject to minimum withdrawal requirements under the Tax Act, such as a LIF, LRIF or LIRA, should consult their own financial and tax advisors.

**Year-End:**

December 31

**Auditors to the Fund:**

Ernst & Young LLP  
Toronto, Ontario



**Tax Advisors to the Fund:** KPMG Law LLP  
Toronto, Ontario

**Legal Counsel to the Fund  
other than with respect to  
Tax Matters:** Stikeman Elliott LLP  
Toronto, Ontario

**Custodian to the Fund:** CIBC Mellon Trust Company  
Toronto, Ontario

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

## THE FUND

Ninepoint Alternative Income Fund (the “**Fund**”) is an open-ended unincorporated investment trust. The Fund was established under the laws of the Province of Ontario and is governed pursuant to an amended and restated trust agreement applicable to the Fund dated as of September 30, 2022 (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 Trustee is a trust company continued under the federal laws of Canada. The Trustee also acts as the custodian and CIBC Mellon Global Securities Services Company acts as the administrator and record-keeper of the Fund. The principal office of CIBC Mellon Trust Company and CIBC Mellon Global Securities Services Company is located at 1 York Street, Suite 900, Toronto, Ontario M5J 0B6. See “Trustee”, “Custodian” and “Administrator, Record-keeper and Fund Reporting”.

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. 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 of Units. The Fund currently offers the following classes of Units: Class A Units, Class F Units, Class I Units, Class T Units and Class FT Units. Additional classes of Units may be offered in the future. See “Description of Units of the Fund”.

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

### **Recent Developments**

#### *Trust Agreement Amendments*

On September 1, 2022, the Unitholders of the Fund approved amendments to the Trust Agreement to, among other things, revise the redemption features of the Units by adopting the Redemption Cap, moving to quarterly redemptions and changing the aggregate limits on cash redemptions (including providing for the potential issuance of redemption notes in satisfaction of the portion of the redemption request in excess of the Redemption Cap). In addition, the Trust Agreement was amended to clarify certain administrative provisions including the circumstances under which Unitholder approval is required to amend the Trust Agreement.

#### *Suspension of Redemptions*

On February 28, 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 the Fund and the Portfolio Funds managed by the Manager. Effective September 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 Manager and Ninepoint Canadian Senior Debt Master Fund LP (the master fund of one of the Portfolio Funds in which the Fund invests) have been named, among others, 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 another fund managed by the Manager, 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.

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

### **Investment Objective**

The investment objective of the Fund is to seek to provide investors with exposure to alternative strategies that generate superior income and long term capital growth.

### **Investment Strategy**

The Fund’s investment strategy will be to mirror the performance of the credit-based products (the “**Portfolio**”) held by select other underlying investment vehicles (each individually, a “**Portfolio Fund**” and collectively, the “**Portfolio Funds**”), including underlying mutual funds, investment companies, pooled funds and closed-end funds managed by the Manager and/or its affiliates and associates and/or third party managers. Portfolio Funds will be selected with consideration for each Portfolio Fund’s investment objectives and strategies, past performance and volatility, among other factors. As at the date of this Offering Memorandum, the Portfolio Funds in which the Fund is or has invested are Ninepoint-TEC Private Credit Fund II, Ninepoint Credit Income Opportunities Fund, Riverview Alternative Lending Fund (Cayman) L.P., Ninepoint Canadian Senior Debt Fund, Ninepoint-Monroe U.S. Private Debt Fund, Ninepoint Convertible Securities Fund and AIP Convertible Private Debt Fund LP. The Fund may also invest in other underlying investment vehicles, including Ninepoint High Interest Savings Fund and Ninepoint Alternative Credit Opportunities Fund. The Fund will invest directly in securities of each of the Portfolio Funds in unequal amounts subject to the Manager’s sole discretion. The Manager, or an investment committee of the Manager, will determine the allocation of Fund assets to each Portfolio Fund from time to time in its sole discretion. The financial instruments available for purchase and sale are not limited and shall be within the sole discretion of the Manager. Some or all of the Fund’s assets may from time to time be invested in cash or other investments as the Manager may deem appropriate in the circumstances. The business of the Fund shall include all things necessary or advisable to give effect to the Fund’s investment objective.

### **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. There is relatively little immediate liquidity for the Fund to meet unexpected redemption requests, except for income-generating securities, if any, and cash or cash equivalents held by the Fund. The loan facilities could be used to fund redemptions and would be repaid as cash flow within the Fund permits or as new Units are issued.

The Manager expects the terms, conditions, interest rate, fees and expenses of the loan facilities will be typical for loans of this nature. In connection with any such loan advances, the Fund may grant security over the assets of the Fund to secure repayment of such loan advances.

## INVESTMENT RESTRICTIONS OF THE FUND

The Manager may from time to time establish restrictions with respect to the investments of the Fund including, without limitation, restrictions as to the proportion of the assets of the Fund which may be invested in 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 Fund other than those outlined above and under the heading “Investment Objective and Strategy of the Fund”. Additional restrictions may also be imposed in order to ensure the Fund qualifies at all relevant times as a “mutual fund trust” for the purposes of the Tax Act.

The Manager may, to the fullest extent now or hereafter permitted by applicable securities legislation regarding soft dollar transactions, cause the Fund to enter into soft dollar arrangements and to effect transactions pursuant to such soft dollar arrangements.

The Manager may open accounts for the Fund with brokerage firms, banks or others and may invest assets of the 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 Fund to complete trades, obtain guarantees, pledge securities and engage in all other activities necessary or incidental to conducting, maintaining and operating such accounts.

The foregoing investment objective, strategy and restrictions of the 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, strategies and restrictions of the Fund unless such changes are required to comply with applicable laws in which case prompt notice will be given.

The foregoing disclosure of investment objective, strategy and restrictions may constitute “forward-looking information” for the purpose of applicable securities legislation as it contains statements of the intended course of conduct and future operations of the Fund. These statements are based on assumptions made by the Manager of the success of its investment strategy in certain market conditions, relying on the experience of the Manager’s officers and employees and their knowledge of historical economic and market trends. Investors are cautioned that the assumptions made by the Manager and the success of its investment strategies are subject to a number of factors. Economic and market conditions may change, which may materially impact the success of the Manager’s intended strategies as well as its actual course of conduct. Investors are strongly advised to read the section of this Offering Memorandum under the heading “Risk Factors” for a discussion of factors that may impact the operations and success of the Fund.

## 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 the filing and recording of a 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 portfolio 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](mailto:invest@ninepoint.com).

The Manager is also the manager of each of the Portfolio Funds, other than as listed below in "The Portfolio Funds". The following information applies to those Portfolio Funds which the Manager manages.

### **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>
John Wilson Toronto, Ontario,	Senior Portfolio Manager and Managing Partner	Co-Chief Executive Officer and Director
James R. Fox Toronto, Ontario,	Managing Partner	Co-Chief Executive Officer and Director
Kirstin H. McTaggart Mississauga, Ontario,	Chief Compliance Officer and Chief Administrative Officer	Corporate Secretary and Director
Shirin Kabani Toronto, Ontario,	Chief Financial Officer	Chief Financial Officer

Set out below are the principal occupations over the past five years and 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 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 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 the 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 Inc. Prior to joining Sprott, 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) using its best efforts to ensure that the Fund qualifies at all times as a “unit trust” pursuant to subsection 108(2) of the Tax Act and a “mutual fund trust” pursuant to subsection 132(6) of the Tax Act;
- (o) 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

- (p) 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 an investment adviser 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 of such determinations. As at the date hereof, the Manager does not intend to appoint any other investment manager for the Fund.

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**

The Manager will receive, as compensation for providing services to the Fund, a monthly Management Fee from the Fund attributable to Class A Units, Class F Units, Class T Units, Class FT Units and, in certain circumstances, Class I Units. Each class of Units is responsible for the Management Fee attributable to that class. Management Fees in respect of each class of Units will be calculated and payable monthly in arrears as of each Valuation Date. See “Fees and Expenses – Management Fees Payable to the Manager”. The Fund will not pay a Management Fee to the Manager that to a reasonable person would duplicate a fee payable to the Manager by a Portfolio Fund for the same service. See “Fees and Expenses – Total Management Fees 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 the Management Fee payable to the Manager by the Fund. See “Fees and Expenses – Management Fees Payable to the Manager”, “Fees and Expenses –



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

### **Fees and Expenses of a Portfolio Fund**

Since the Fund invests directly in units of the Portfolio Funds, the Fund will indirectly bear the fees and expenses incurred by such Portfolio Funds.

### **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 person 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 PORTFOLIO FUNDS

As at the date of this Offering Memorandum, the Portfolio Funds in which the Fund is or has invested are Ninepoint-TEC Private Credit Fund II, Ninepoint Credit Income Opportunities Fund, Riverview Alternative Lending Fund (Cayman) L.P., Ninepoint Canadian Senior Debt Fund, Ninepoint-Monroe U.S. Private Debt Fund, Ninepoint Convertible Securities Fund and AIP Convertible Private Debt Fund LP, each of which, other than AIP Convertible Private Debt Fund LP and Riverview Alternative Lending Fund (Cayman) L.P., is managed by the Manager. The Fund may also invest in other underlying investment vehicles, including Ninepoint High Interest Savings Fund and Ninepoint Alternative Credit Opportunities Fund.

Unitholders may receive from the Manager, on request and free of charge, a copy of the offering document, annual audited financial statements and interim financial reports relating to each Portfolio Fund in which the Fund invests.

### *Investment Objective and Strategy of Ninepoint-TEC Private Credit Fund II*

To achieve its investment objective the Ninepoint-TEC Private Credit Fund II intends to allocate capital to invest in a portfolio comprised principally of asset-based loans of companies based primarily in Canada and, to a lesser degree, the United States that are undergoing change or special situations. These companies are often overlooked or underappreciated by the general financial community due to perceived risk, complexity or timing.

### *Investment Objective and Strategy of Ninepoint Credit Income Opportunities Fund*

The investment objective of the Ninepoint Credit Income Opportunities Fund is to provide investors with income and capital appreciation. This Portfolio Fund seeks to achieve its investment objectives by primarily investing in a diversity of Canadian, U.S. and international fixed income securities for short-term and long-term gain. The securities comprising the portfolio will be selected by the investment manager based on its assessment of the markets and potential investment opportunities. This Portfolio Fund may employ the use of derivative instruments and currency hedging from time to time to hedge against losses from movements in fixed income and equity markets or to realize additional gains. In addition, government bonds may be sold short to reduce interest rate risk.

### *Investment Objective and Strategy of Riverview Alternative Lending Fund (Cayman) L.P.*

The Riverview Alternative Lending Fund (Cayman) L.P.'s investment objective is to seek to provide total return with an emphasis on current income. This Portfolio Fund seeks to achieve its investment objective by investing, through its investment in its master fund AIP Alternative Lending Fund A ("ALF A"), in alternative lending securities that generate interest or other income streams that this Portfolio Fund's investment adviser believes offer access to credit risk premium. Alternative lending securities are loans originated through non-traditional, or alternative, lending platforms or securities that provide this Portfolio Fund, through its investment in ALF A, with exposure to such instruments. The "credit risk premium" is the difference in return between obligations viewed as low risk, such as high-quality, short-term government debt securities or bonds of a similar duration and risk profile, and securities issued by private entities or other entities which are subject to credit risk. The credit risk premium is positive when interest payments or other income streams received in connection with a pool of alternative lending securities, minus the principal losses experienced by the pool, exceed the rate of return for risk-free obligations. By indirectly investing in alternative lending securities, this Portfolio Fund is accepting the risk that some borrowers will not repay their loans in exchange for the expected returns associated with the receipt of interest payments and repayment of principal by those that do. There is no assurance that the credit risk

premium will be positive for this Portfolio Fund's investments at any time or on average and over time. However, this Portfolio Fund seeks to benefit over the long-term from the difference between the amount of interest and principal received and losses experienced.

*Investment Objective and Strategy of Ninepoint Canadian Senior Debt Fund*

The investment objective of the Ninepoint Canadian Senior Debt Fund is to achieve superior risk-adjusted returns, preserve capital and minimize volatility. To achieve its investment objective this Portfolio 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 shares of Ninepoint Canadian Senior Debt Master Fund LP (the "**Master Fund**"), a Cayman Islands exempted limited partnership. As a result, the performance of this Portfolio 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 Master Fund will primarily invest, directly or indirectly, in a portfolio of first priority or first lien senior secured loans to Canadian companies. 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.

*Investment Objective and Strategy of Ninepoint-Monroe U.S. Private Debt Fund*

The investment objective of Ninepoint-Monroe U.S. Private Debt Fund is to provide investors with attractive risk-adjusted returns with the downside protection associated with investing primarily in secured private credit opportunities in a manner that is intended to be decoupled from public markets' volatility. To achieve its investment objective, this Portfolio Fund intends to invest primarily in Monroe (NP) U.S. Private Debt Fund LP ("**Monroe LP**"), a Cayman Islands exempted limited partnership.

Monroe LP expects to invest in: (i) senior and junior secured and unsecured loans, convertible debt, notes, bonds and control, minority or structured equity and/or equity like securities (including but not limited to preferred partnership equity, warrants, common and preferred equity); (ii) unitranche secured loans and securities; (iii) asset-based loans and securities; (iv) structured debt; (v) syndicated loans and bonds; (vi) securitized debt and subordinated notes of collateralized loan and debt obligation facilities, asset-backed securities and other securitized products and warehouse loan facilities; (vii) opportunities to acquire securities from other third-parties as a result of liquidity constraints resulting from investor redemptions, market dislocations and other circumstances; (viii) capital investments in the secondary markets; (ix) various types of specialty finance, including litigation finance, small business finance, leases and others; (x) commercial and residential mortgage real estate, real estate bridge lending finance and real estate structured finance; (xi) opportunities to invest in or own credit-like or yield orientated assets and (xii) fund finance, secondary opportunities in pooled investment funds managed by third-party investment advisers, and private equity or private debt fund-level financing backed by the residual value of third-party private equity or private debt fund portfolio companies. Monroe LP will seek to take advantage of the supply and demand gaps in multiple segments of the private credit and capital markets throughout various economic cycles with the objective of providing investor partners with attractive risk-adjusted returns.

Monroe LP may also pursue out-of-favour sectors where it can acquire investments at a significant discount to the fundamental value of an issuer's underlying assets, such as situations where an issuer has liquidity issues, limited refinancing choices, is under time pressure, or has a complicated or faulty capital structure; companies undergoing, or considered likely to undergo, reorganizations; and other pooled investment funds that are dedicated to investing in certain or all of the foregoing.

*Investment Objective and Strategy of Ninepoint High Interest Savings Fund*

The investment objective of Ninepoint High Interest Savings Fund is to maximize yield on cash balances, while providing easy access to investments with daily liquidity.

To achieve its investment objective, this Portfolio Fund invests all of its assets in high interest savings accounts at Schedule 1 Canadian Banks offering pre-negotiated interest rates.

*Investment Objective and Strategy of Ninepoint Convertible Securities Fund*

The investment objective of Ninepoint Convertible Securities Fund is to seek to provide unitholders with income and long-term capital appreciation by investing primarily in a portfolio of convertible securities.

To achieve this Portfolio Fund's investment objective, the investment manager will look for opportunities for this Portfolio Fund to participate in the potential growth of the common stocks underlying convertible securities, while seeking to earn income that is generally higher than the income those common stocks would provide.

This Portfolio Fund expects to invest at least 80% of its net assets under normal conditions in convertible securities. This Portfolio Fund invests primarily in U.S. securities, however this Portfolio Fund may invest up to 15% of its total assets in Eurodollar convertible securities and up to an additional 20% of its total assets in other foreign securities. This Portfolio Fund also may invest directly in equity securities.

All securities will be publicly traded, though some convertible securities will not be listed on an exchange and may be issued pursuant to Rule 144A promulgated under the United States' Securities Act of 1933, as amended. Most of the convertible securities in which this Portfolio Fund will invest will not be rated as investment grade securities and may be referred to as "junk bonds". Active management and capital preservation are integral components of the process.

*Investment Objective and Strategy of AIP Convertible Private Debt Fund LP*

The investment objective of AIP Convertible Private Debt Fund LP is to generate superior returns through the investment in alternative strategies that the manager of this Portfolio Fund believes have the potential to provide substantial upside. The manager adheres to socially responsible investing on the best efforts basis and has a broad mandate of identifying attractive investment opportunities that include, but not be limited to, seed capital, small capitalization investments, private placement investments and debt instruments. This Portfolio Fund may invest in securities that are generally more volatile in nature with limited to no liquidity.

*Investment Objective and Strategy of Ninepoint Alternative Credit Opportunities Fund*

The investment objective of the Ninepoint Alternative Credit Opportunities Fund is to provide investors with income and capital appreciation. This Portfolio Fund will seek to achieve its investment objectives by primarily investing in a diverse mix of Canadian, U.S. and international fixed income securities for short-term and long-term gain.

This Portfolio Fund will use derivatives, which may introduce leverage into this Portfolio Fund. This Portfolio Fund may also borrow cash and sell securities short. This Portfolio Fund's maximum aggregate exposure to short selling, cash borrowing and derivatives used for leverage must not exceed 300% of this Portfolio Fund's net asset value, calculated on a daily basis.

The Manager has the discretion to add or subtract Portfolio Funds from the universe of Portfolio Funds in which the Fund may invest. There is no guarantee that the Fund will be invested in all of the Portfolio Funds listed above and the Fund may not be invested in one or more of the listed Portfolio Funds at any given time.

**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. The Fund may issue fractional Units so that subscription funds may be fully invested. Each whole Unit of a particular

class or series has equal rights to each other Unit of the same class or series with respect to all matters, including voting, receipt of distributions from the Fund, liquidation and other events in connection with the Fund.

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. The Units of the Fund that are offered under this Offering Memorandum are Class A Units, Class F Units, Class I Units, Class T Units and Class FT Units. There need not be any correlation between the number of Class A Units, Class F Units, Class I Units, Class T Units and Class FT 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. However, classes of Units may not necessarily track or reflect such differences given certain differences with respect to the securities and fee structure of a Portfolio Fund.

**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.

**Class T Units** will be issued to qualified purchasers. Class T Units are designed to provide cash flow to investors by making targeted monthly distributions of cash of approximately 5% per annum. The target monthly distribution is calculated at the beginning of each taxation year as approximately 5% of the net asset value per Class T Unit as at December 31 of the prior year. We reserve the right to adjust the distribution amount if deemed appropriate. There can be no assurance that the class will make any distributions in any particular month or months. A return of capital means the cash flow given back to Unitholders holding Class T Units is generally money that such Unitholders originally invested in the Fund, as opposed to the returns generated by the investment. Throughout the year, such monthly distributions to Unitholders will be a combination of returns of capital, net income and/or net realized capital gains and the composition of the monthly distributions as among net income, returns of capital and/or net realized capital gains may vary from month to month. See "Distribution Policy".

**Class FT Units** will have the same features as the Series F Units other than the distribution policy. The distribution policy of Class FT Units is the same as that of Class T Units. If a Unitholder ceases to be eligible to hold Class FT Units, the Manager may, in its sole discretion, reclassify such Unitholder's Class FT Units for Class T 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 FT 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, this may not be the case in all circumstances and Unitholders should consult with their own tax advisors regarding any tax implications of reclassifying or switching between classes of Units. A fee of up to \$125 may be charged for each transfer or deregistration of Units held directly with the Manager in a Tax Deferred Plan. See "Canadian Federal Income Tax Considerations – Eligibility for Investment".

## **FEES AND EXPENSES**

## **Management Fees Payable to the Manager**

The Manager will receive, as compensation for providing services to the Fund, a Management Fee from the Fund attributable to Class A Units, Class F Units, Class T and Class FT 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 will pay the Manager a monthly Management Fee equal to 1/12 of 2.0% of the Net Asset Value of the Class A 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 based on the Net Asset Value of the Class A Units as at the last business day of each month.

### *Class F Units*

The Fund will pay the Manager a monthly Management Fee equal to 1/12 of 1.0% of the 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 based on the Net Asset Value of the Class F Units as at the last business day of each month.

### *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 accrued on each Valuation Date and payable on the last business day of each month based on the Net Asset Value of the Class I Units as at the last business day of each month.

### *Class T Units*

The Fund will pay the Manager a monthly Management Fee equal to 1/12 of 2.0% of the Net Asset Value of the Class T 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 based on the Net Asset Value of the Class T Units as at the last business day of each month.

### *Class FT Units*

The Fund will pay the Manager a monthly Management Fee equal to 1/12 of 1.0% of the Net Asset Value of the Class FT 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 based on the Net Asset Value of the Class FT Units as at the last business day of each month.

The Fund will not pay a management fee to the Manager that to a reasonable person would duplicate a fee payable to the Manager by a Portfolio Fund for the same service. In addition, the Fund will not pay any sales commissions or redemption fees for its purchase or redemption of units of a Portfolio Fund.

### **Management Fee and Performance Fee Payable by a Portfolio Fund**

As the Fund will invest in assets of a Portfolio Fund, Unitholders will indirectly bear the fees and expenses of such Portfolio Fund, including management and performance fees, if any, that are charged to the securities of such Portfolio Fund held by the Fund. The Fund will not pay a Management Fee to the Manager that to a reasonable person would duplicate a fee payable to the Manager by a Portfolio Fund for the same service.

To the extent the Fund invests in any other Portfolio Fund, the Manager will provide to Unitholders the management fee payable and any incentive fee payable by such Portfolio Fund.

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

As the Fund invests in a portfolio of other investment vehicles with varied management fee rates, the resulting weighted management fee borne by the Fund is a combination of direct and indirect management fees. Direct management fees arise when the Fund invests in a non-management fee bearing class of another investment vehicle, and the value of such assets are included in the Fund's own management fee calculation. Indirect management fees arise when the Fund invests in a management fee bearing class of another investment vehicle, and the value of such assets are excluded from the Fund's own management fee calculation.

### **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; Management Fees (if any); custodian, 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. 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.

### **Fees and Expenses of the Portfolio Funds**

Since the Fund invests directly in units of the Portfolio Funds, the Fund will indirectly bear the fees and expenses incurred by such Portfolio Funds.



## 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 and Class T 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% of the Net Asset Value of the Class A Units and Class T 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.

## DETAILS OF THE OFFERING BY THE FUND

### 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. 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 persons who are “accredited investors” as defined under applicable securities legislation. 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 section 2.3 under 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 section 2.10 (minimum amount investment exemption) under NI 45-106 and, where applicable, the registration requirements under 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” (as defined under applicable securities legislation), 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.

Any investor who is or becomes a non-resident of Canada for the purposes of the Tax Act or a partnership that is not a “Canadian partnership” (as defined in the Tax Act) (a “**non-Canadian partnership**”) must disclose such status to the Fund at the time of subscription (or when 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. Where the Manager determines that the Fund is at risk of being deemed not to be a “mutual fund trust” under the Tax Act by virtue of a majority of Units being beneficially held by one or more persons who are non-residents of Canada and/or non-Canadian partnerships for the purposes of the Tax Act or by virtue that such non-residents of Canada and/or non-Canadian partnerships own more than 50% of the fair market value of all issued and outstanding Units, the Manager may forthwith redeem a sufficient number of such Units so that the Fund will prevent the loss of its mutual fund trust status. The Manager will select the Units held by non-residents of Canada and non-Canadian partnerships to be redeemed in inverse order of acquisition of such Units (excluding Units held as a result of reinvestment of distributions). The Manager will mail a notice of redemption to all Unitholders whose Units are to be so redeemed. To determine the residency of the Unitholders, the Manager may require declarations from Unitholders as to the jurisdictions in which beneficial owners of Units are resident or where a partnership is the beneficial owner of Units, the jurisdictions in which the partners are resident. See “Redemption of Units”.

Units are offered at a price equal to the Net Asset Value per Unit for the applicable class on each Valuation Date. 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. No certificates evidencing ownership of Units will be issued to Unitholders. See “Computation of Net Asset Value of the Fund”.

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.

### **Registered Plans**

Provided the Fund qualifies at all relevant times as a “mutual fund trust” for the purposes of the Tax Act, Units will be “qualified investments” under the Tax Act for Tax Deferred Plans. See “Canadian Federal Income Tax Considerations – Eligibility for Investment”. A fee of up to \$125 may be charged for each transfer or deregistration of Units held directly with the Manager in a Tax Deferred Plan.

Notwithstanding that Units will be qualified investments for an RRSP, RRIF or a TFSA the annuitant of an RRSP, RRIF or the holder of a TFSA, as the case may be, will be subject to penalty taxes in respect of the Units if such properties are a “prohibited investment” (as defined in the Tax Act) for the RRSP, RRIF or the TFSA, as applicable. The Units will not be a “prohibited investment” provided that the annuitant or holder, as the case may be: (i) deals at arm’s length with the Fund, and (ii) does not have a “significant interest” in the Fund (within the meaning of the Tax Act). Generally, an annuitant or holder, as the case may be, will not have a significant interest in the Fund unless the annuitant or holder, as the case may be, owns interests as a beneficiary under the Fund that have a fair market value of 10% or more of the fair market value of the interests of all beneficiaries under the Fund, either alone or together with persons and partnerships with whom the annuitant or holder, as the case may be, does not deal at arm’s length. In addition, the Units will generally not be a “prohibited investment” if the Units are “excluded property” as defined in the Tax Act for RRSPs, RRIFs or TFSAs. See “Canadian Federal Income Tax Considerations – Eligibility for Investment”.

### **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. See “Purchasers’ Rights of Action for Damages or Rescission”.

### **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 as described earlier in this Offering Memorandum. See “Investment Objective and Strategies of the Fund” and “Investment Restrictions of the Fund”.

### **REDEMPTION OF UNITS**

An investment in Units is intended to be a long-term investment. However, Units may be redeemed (subject to an early redemption fee, if applicable) 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 Valuation Date of each calendar quarter), provided the request for redemption (a “**Redemption Notice**”), and all necessary

documents relating thereto, is submitted to the Manager by 4:00 p.m. (Toronto time) on a business day which is at least 30 calendar days prior to the Redemption Date, subject to the limits on redemptions described herein.

The Manager may, in its absolute discretion, accept a redemption request that meets the required 30 day notice period and that is submitted with a concurrent subscription from the Unitholder's discretionary account manager or investment advisor, 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. Where the Manager permits the offsetting subscription and the concurrent redemption, the applicable redemption will not count towards the Redemption Cap and the proceeds from the offsetting subscription may be applied to the concurrent redemption request.

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 30 days following receipt of the Redemption Notice.

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. 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 in respect of such redemption. 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 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, in its sole discretion, may require the redemption of all or any part of the Units held by a Unitholder at any time.

If for any calendar quarter the sum of cash distributions and redemption requests in aggregate exceeds 5% of the Net Asset Value of the Fund for the previous quarter (the "**Redemption Cap**"), cash distributions will be paid out first and redemptions in excess of the Redemption Cap will be reduced pro rata based on dollar value specified on the Redemption Notice (or the equivalent value in Units) and the maximum dollar value (or equivalent value in Units) permitted to be redeemed on the Redemption Date under the Redemption Cap. If any portion of redemption requests is unable to be satisfied in cash, the Unitholders, by default, shall cancel such portion of the redemption requests, unless such redeeming Unitholders otherwise elect to receive Redemption Notes in satisfaction of the portion of their redemption request in excess of the Redemption Cap. 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 and will be subject to Redemption Cap.

Net Asset Value of the 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 Fund for cash proceeds 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 interests of the Fund and the Unitholders. Such election shall constitute the Redemption Cap for the applicable calendar quarter. Redemption Notes may be requested by a Unitholder for the amount of any redemption request in excess of the Redemption Cap that would otherwise be cancelled.

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 fixed a minimum threshold amount for Class II Unitholders to \$50 million. 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 as of 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 (to the extent not already reflected in the Net Asset Value of the Fund).

In the sole discretion of the Manager, payment of all or any part of any Redemption Amount may be made by the transfer of a *pro rata* portion of any portfolio securities then held by the Fund. In the event the Manager determines to pay all or any part of the Redemption Amount by the transfer of portfolio securities then held by the Fund, it shall provide the Trustee, the Administrator of the Fund and the Unitholder with prompt notice thereof and the redeeming Unitholder shall have, and shall be advised that they have, the right to withdraw their Redemption Notice, or a portion thereof.

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 Fund (or any successor thereto) or the Portfolio Funds are traded; (ii) for any period during which in the opinion of the Manager conditions exist which render the sale of assets of the Fund not reasonably practicable or the sale of such assets would be seriously prejudicial to investors or the Fund or at prices materially below their current valuation by the Fund, or which impair the ability of the Fund to determine the value of the assets of the 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 Fund or would seriously impair the 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.

### **Redemption Notes**

Once the quarterly Redemption Cap is reached, redeeming Unitholders may request to receive from the Fund redemption notes of the Fund ("**Redemption Notes**") in satisfaction of the portion of their redemption requests in excess of the Redemption Cap that would otherwise be cancelled. Redemption Notes will be unsecured subordinated promissory notes of the Fund, will have a maturity of 5 years or less, will be non-interest bearing and may be prepaid at any time at the option of the Fund prior to maturity, without notice, bonus or penalty. The only recourse of the Redemption Notes is to the assets of the Fund and no recourse will be available against the Manager or the Trustee in the event that the assets of the Fund are insufficient to satisfy the liability under the Redemption Notes. There will be no market for Redemption Notes. Redemption Notes will not be qualified investments for Tax Deferred Plans.

If the redeeming Unitholder requests to receive Redemption Notes in satisfaction of the portion of the redemption request in excess of the Redemption Cap, the Fund will issue, subject to receipt of all necessary regulatory approvals (which the Fund shall use reasonable commercial efforts to obtain forthwith), *in specie* Redemption Notes to such Unitholder. Upon such payment, together with any cash paid to the Unitholder, the Fund shall be discharged from all liability to such Unitholder and any party having a security interest in respect of the Units so redeemed. Each Redemption Note issued to a redeeming Unitholder shall be in the principal amount equal to the amount requested to be redeemed in excess of the Redemption Cap for which Redemption Notes are being issued in satisfaction of the original redemption request less 10% of such amount.

### **RESALE RESTRICTIONS**

As the Units offered by this Offering Memorandum are being distributed pursuant to exemptions from the prospectus requirements under applicable securities legislation, the resale of these 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, 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 calculated on a class-by-class basis and will be determined by dividing the Net Asset Value of the Fund on a Valuation Date attributable to a particular class of Units by the total number of that class 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) units of each of the Portfolio Funds;
  - (iii) all bills, notes and accounts receivable;
  - (iv) all bonds, debentures, shares, subscription rights and other securities owned by or contracted for the Fund;
  - (v) 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;
  - (vi) all interest accrued on any interest-bearing securities owned by the Fund other than interest, the payment of which is in default; and
  - (vii) prepaid expenses.
- (b) The market value of the assets of the Fund shall be determined as follows:
  - (i) notwithstanding the following, the value of any units of the Portfolio Funds shall be the Net Asset Value of such units, determined in accordance with the respective limited partnership agreement or trust agreement;
  - (ii) the value of any cash on hand or on deposit, bills, demand notes, 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;
- (iii) 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;
  - (iv) 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;
  - (v) 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;
  - (vi) 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; and
  - (viii) 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.
- (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 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 and management fees, 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. As of the date hereof, the Manager has retained CIBC Mellon Global Securities Services Company pursuant to the Administration Agreement to, among other things, provide valuation and financial reporting services to the Fund and to calculate the Net Asset Value of the Fund and the Class Net Asset Value for each class of Units on each Valuation Date. See “Administrator, Record-keeper and Fund Reporting”. 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.

## **DISTRIBUTIONS**

The Manager intends to make a monthly distribution on the Class A Units, the Class F Units, the Class I Units, the Class T Units and the Class FT Units, to holders of such Units, out of the net income of the Fund. The amount 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. Purchasers should not confuse these distributions with the Fund’s rate of return or yield. The distributions on the Class A Units, the Class F Units and the Class I Units are not guaranteed.

Subject to applicable securities legislation, annual distributions on Class A Units, Class F Units and Class I Units 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, unless a Unitholder elects, by written notice to the Manager, to receive such distributions in cash. If a Unitholder does not elect to receive cash, all distributions will be automatically reinvested in additional units of the same Class at the Net Asset Value per Unit on the last Valuation Date of the fiscal year of the Fund.

Class T Units and Class FT Units will distribute to Unitholders a target monthly distribution of approximately 5% per annum. The target monthly distribution is calculated at the beginning of each taxation year as approximately 5% of the Net Asset Value per Class T Unit and Class FT Unit as at December 31 of the prior year. The monthly distribution is expected to be approximately \$0.0416667 and \$0.0416667 per Unit for Class T Units and Class FT Units, respectively. The amount of the distribution per Class T Unit and Class FT Unit in the previous month is available on our website at [www.ninepoint.com](http://www.ninepoint.com). We reserve the right to adjust the distribution amount if deemed appropriate. Additional distributions of net income and net realized capital gains, if any are required, will be made annually in December. Throughout the year,

monthly distributions to Unitholders will be a combination of returns of capital, net income and/or net realized capital gains and the composition of the monthly distributions as among net income, returns of capital and/or net realized capital gains may vary from month to month. Distributions on Class T and Class FT Units will be made in cash.

The Fund will also distribute on the last Valuation Date in each year its net realized capital gains in such amount (and in addition to any distributions) as will result in the Fund paying no tax under the Tax Act. The net income and net realized capital gains of the Fund will be calculated as of such Valuation Dates during the year as the Manager in its discretion may decide. Allocations and distributions of income/gains will generally be made by reference to the number of Units held as of the close of business on the last Valuation Date prior to such allocation or distribution (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 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, to the extent the Fund is entitled to a deduction in respect of such designated net realized capital gains.

**Investors 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 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 180 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 under the Tax Act 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. Provided that the Fund qualifies as a "mutual fund trust" for purposes of the Tax Act, certain Unitholders who might not otherwise be considered to hold their Units as capital property may, in certain circumstances, be entitled to have their Units (and every other "Canadian security" owned by them in that taxation year or any subsequent taxation year) treated as capital property by making the irrevocable election permitted by subsection 39(4) of the Tax Act. Such Unitholders should consult their own tax advisors regarding the availability and the appropriateness of making this election.

This summary is based on the current provisions of the Tax Act and the regulations thereunder, all specific proposals to amend the Tax Act and regulations publicly announced by or on behalf of the Minister of Finance (Canada) prior to the date hereof (the "**Tax Proposals**") and 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. 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 either a Unitholder that is a "financial institution" (as defined in the Tax Act for purposes of the "mark-to-market" rules), a "specified financial institution" (as defined in the Tax Act), a Unitholder to whom the functional currency reporting rules contained in section 261 of the Tax Act applies, a Unitholder an interest in which is a "tax shelter investment" (as defined in the Tax Act), or a Unitholder who has entered into a "derivative forward agreement" (as defined in the Tax Act) with respect to the Units. Any such Unitholder should consult its own tax advisor with regard to its income tax consequences.

This summary is also based on the assumption that (i) none of the issuers of the securities held by the Fund will be a "tax shelter investment" within the meaning of section 143.2 of the Tax Act, (ii) the Fund will not be a "SIFT trust" as defined in subsection 122.1(1) of the Tax Act (this is based on the assumption that the Units will at no time be listed or traded on a stock exchange or other "public market") and (iii) the Fund is not subject to a "loss restriction event", 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 the Unitholder's particular circumstances, including the province(s) or territory(ies) in which the Unitholder resides or carries on business. Accordingly, Unitholders should consult their own professional advisors to obtain advice on the income tax consequences that apply to their individual circumstances.**

### **Qualification as a Mutual Fund Trust**

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

**If the Fund were not to qualify as a mutual fund trust at all times, the income tax considerations described below and under "Eligibility for Investment" would, in some respects, be materially and adversely different.**

### **Taxation of the Fund**

In each taxation year, income of the Fund, including the taxable portion of capital gains, if any, that is not paid or payable to Unitholders in that year will be taxed in the Fund under Part I of the Tax Act. An amount will be considered payable to a Unitholder in a taxation year if it is paid by the Fund or the Unitholder is entitled in that year to enforce payment of the amount. 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. The Trust Agreement requires that sufficient amounts be paid or 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.

Generally, the Fund will include gains and deduct losses in connection with investments made through derivative instruments on income account (except where such derivatives are used to hedge securities held on capital account), and the Fund will recognize such gains and losses for tax purposes at the time that they are realized. Gains and losses of the Fund in respect of the short sale of securities (other than the short sale of Canadian securities) are generally considered to be on income account; however, in certain instances, if the Fund has made an election under subsection 39(4) of the Tax Act and the short sale is of "Canadian securities" within the meaning of the Tax Act, the gain or loss will be a capital gain or loss. To the extent short positions are not used to hedge securities held on capital account, they will be treated on income account.

The Fund will be required to include in its income for each taxation year all interest that accrues or is deemed to accrue to it to the end of the year, or becomes receivable or is received by it before the end of the year, except to the extent that such interest was included in computing its income for a preceding taxation year. The Fund will also be required to include in its income for a taxation year all dividends and other distributions received in the year on shares of corporations.

Upon the actual or deemed disposition of an investment held by the Fund as capital property, the Fund will realize a capital gain (or capital loss) to the extent that the proceeds of disposition, net of amounts otherwise included in income, exceed (or are less than) the adjusted cost base of such Fund investment and any reasonable costs of disposition, provided such Fund investment is capital property to the Fund. The Manager has advised that the Fund will make an election under subsection 39(4) of the Tax Act so that all Fund investments that are Canadian securities (as defined in the Tax Act) will be deemed to be capital property.



A distribution by the Fund of investments upon a redemption of Units will be treated as a disposition by the Fund of such investments so distributed for proceeds of disposition equal to their fair market value. The Fund will realize a capital gain (or a capital loss) to the extent that the proceeds of disposition exceed (or are less than) the adjusted cost base of the distributed Fund investments and any reasonable costs of disposition. The Fund currently intends to treat as payable to and designate to a redeeming Unitholder any capital gain or income realized by the Fund as a result of the distribution of such property to the Unitholder.

In computing its income for tax purposes, the Fund may generally deduct reasonable administrative and other expenses incurred to earn income in accordance with the detailed rules in the Tax Act, including interest on any borrowings generally to the extent borrowed funds are used for the purpose of earning income from its investments. All of the Fund's deductible expenses, including expenses common to all classes of Units and Management Fees and other expenses specific to a particular class of Units, will be taken into account in determining the income or loss of the Fund as a whole and applicable taxes payable by the Fund as a whole.

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

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.

The Fund is required to compute all amounts, including interest, cost of property and proceeds of disposition, in Canadian dollars for purposes of the Tax Act. As a consequence, the amount of income, expenses and capital gains for capital losses for the Fund may be affected by changes in the value of a foreign currency relative to the Canadian dollar.

### **Taxation of Unitholders**

Unitholders (other than Tax Deferred Plans) 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, whether or not reinvested in additional Units. 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. 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 adjusted cost base 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 adjusted cost base of the Units will be increased by the amount of such deemed capital gain.

Upon the actual or deemed disposition of a Unit, including the redemption of a Unit by the Fund in consideration for cash, property of the Fund or Redemption Notes, 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 adjusted cost base 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.

If a Unitholder redeems Units, the Fund may distribute net income or net taxable capital gains realized by the Fund in the year to the holder as partial payment of the redemption price for the Units. Any net income or net taxable capital gains so distributed must be included in the calculation of the Unitholder's income in the manner described above. The Fund will generally not be entitled to deduct in computing its income (i) the portion of a capital gain of the Fund distributed to a Unitholder on a redemption of Units that is greater than the Unitholder's accrued gain, and (ii) any income distributed to a Unitholder on a redemption of Units if the Unitholder's proceeds of disposition are reduced by the distribution.

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 adjusted cost base 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 generally not be considered to be a disposition for tax purposes and, accordingly, the Unitholder will 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 alternative minimum tax in respect of dividends received from taxable Canadian corporations and realized net taxable capital gains.

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.

### **Eligibility for Investment**

Provided the Fund qualifies at all relevant times as a "mutual fund trust" under the Tax Act and the Income Tax Regulations, Units will be "qualified investments", as defined in the Tax Act, for Tax Deferred Plans.

Notwithstanding that Units will be qualified investments for Tax Deferred Plans, the annuitant of an RRSP or RRIF or the holder of a TFSA or RDSP, or the subscriber of an RESP, as the case may be, will be subject to penalty taxes in respect of the Units if such properties are a "prohibited investment" (as defined in the Tax Act) for the RRSP, RRIF, TFSA, RDSP or RESP as applicable. The Units will not be a "prohibited investment" provided that the annuitant, holder or subscriber, as the case may be: (i) deals at arm's length

with the Fund, and (ii) does not have a “significant interest” in the Fund (within the meaning of the Tax Act). Generally, an annuitant, holder or subscriber, as the case may be, will not have a significant interest in the Fund unless they own interests as a beneficiary under the Fund that have a fair market value of 10% or more of the fair market value of the interests of all beneficiaries under the Fund, either alone or together with persons and partnerships with whom they do not deal at arm’s length. In addition, the Units will generally not be a “prohibited investment” if the Units are “excluded property” as defined in the Tax Act for purposes of the prohibited investment rules. Investors who choose to purchase Units through a Tax Deferred Plan should consult their own tax advisors. RRSPs, RRIFs or TFSAs.

Prospective investors that intend to hold Units in Tax Deferred Plans that are subject to minimum withdrawal requirements under the Tax Act, such as a LIF, LRIF or LIRA, should consult their own financial and tax advisors.

Redemption Notes issued in satisfaction of the portion of the redemption request in excess of the Redemption Cap will not be qualified investments for Tax Deferred Plans. Accordingly, Unitholders holding Units in Deferred Plans should consult their own tax advisors before requesting to receive Redemption Notes.

## **RISK FACTORS**

**All investments risk the loss of capital and investors may not be able to recoup their investments. An investment in the Fund is illiquid, long-term, speculative and involves substantial risks, and no guarantee or representation is made that the Fund will be able to implement its investment strategy, achieve its investment objectives, be profitable, avoid substantial losses or that its investment strategy will be successful. An investment in Units involves certain risks, including risks associated with the investment objective and strategies of the Fund and of the Portfolio Funds. The Fund is also subject to the risks inherent in each of the Portfolio Funds as disclosed in their applicable prospectus or offering memorandum, if available. 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**

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, 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.

#### *Fund of Funds Risk*

The Fund’s ability to achieve its investment objective will depend largely, in part, on: (i) the performance of the Portfolio Funds, expenses and ability to meet their respective investment objectives; and (ii) properly rebalancing assets among the Portfolio Funds. The Fund is also subject to risks related to: (i) layering of fees of such funds; and (ii) conflicts of interest associated with the Manager or Sub-Advisor’s, as the case may be, ability to allocate assets without limit to other funds it advises and/or other funds advised by affiliates. There is no assurance that either the Fund or the Portfolio Funds will achieve their investment objectives.

### *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.

### *Capital Depletion Risk*

Class T Units and Class FT Units are designed to provide a cash flow to investors based on a target annual distribution rate. Where this cash flow exceeds the 5% net income and net realized capital gains attributable to that class, it could include a return of capital. A return of capital means the cash flow given back to you is generally money that you originally invested in a Fund, as opposed to the returns generated by the investment. This distribution to you 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 the Fund. As well, returns of capital that are not reinvested reduce the total assets of a Fund available for investment, which may reduce the ability of the Fund to generate future income. You should not draw any conclusions about a Fund's performance from the amount of this distribution.

### *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 Portfolio Funds and the performance of the Portfolio Funds' investments and (iii) any financing arrangements. The primary uses of cash will be for (i) investments in Portfolio Funds and other investments, (ii) the cost of operations, (iii) cost of any borrowings or other financing arrangements and (iv) cash distributions to Unitholders.

### *Inflation and Supply Chain Risk*

Due to global supply chain issues, a rise in energy prices, strong consumer demand as economies continue to reopen and other factors, inflation has accelerated in Canada, the U.S. and globally. The Manager believes that inflation is likely to continue in the near to medium-term, particularly in Canada and the U.S., with the possibility that monetary policy may tighten in response. Persistent inflationary pressures and supply chain issues could affect the portfolio companies' profit margins. In addition, the inflation-adjusted value of the principal on ABL investments could decrease.

### *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 Portfolio Funds. At this point, the extent to which the coronavirus may impact, or may continue to impact, the market price of the Portfolio Funds' 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 Portfolio Funds' normal business activity and a sustained outbreak may have a negative impact on the Fund and the Portfolio Funds and their financial performance. The Fund and each of the Portfolio Funds 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 Portfolio Funds' 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 Portfolio Funds' 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 Fund and Portfolio Funds' 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 Portfolio Funds and the performance of their investments or operations, and the ability of the Fund and the Portfolio Funds to achieve their investment objectives.

#### *Charges to the Fund*

In addition to any management fees paid to the Manager, the Fund is obligated to pay commissions and trustee, custodian, record-keeper, legal, accounting, filing and other expenses regardless of whether the Fund realizes any profits. See "Fees and Expenses – Operating Expenses Payable by the Fund".

#### *Changes in Investment Objective, Strategies and Restrictions*

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

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

Unitholders are not entitled to participate in the management or control of the Fund, the Portfolio Funds or their operations. Unitholders do not have any input into the Fund's or the Portfolio Funds' investment activities. The success or failure of the Fund will ultimately depend on the indirect investment of the assets of the Fund by the managers of Portfolio Funds with whom the Unitholders will not have any direct dealings.

### *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 management and 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.

### *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 the Fund is able to negotiate.

### *Resale Restrictions*

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. There is no formal market for the Units and one is not expected to develop. 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 Redemption Date, subject to the limitations described under "Redemption of Units".

Certain Unitholders may be subject to periodic minimum withdrawal requirements, such as those who hold Units in a LIF, LRIF or LIRA or certain other Tax Deferred Plans under the Tax Act. There is no guarantee, nor can the Fund provide any assurance that such Unitholders will be able to liquidate their investment in the Fund in accordance with any such minimum withdrawal requirements.

### *Limited Ability to Liquidate Investment*

Holders of Units may not be able to liquidate their investment in a timely manner and Units may not be readily accepted as collateral for a loan. There can be no assurance that the Fund will be able to dispose of its investments in order to honour requests to redeem Units.

### *Redemptions*

The Units are only appropriate for investors willing to hold Units for a substantial period of time and willing to bear the higher risks associated with illiquid private credit investing. Redemptions are permitted only on a quarterly Redemption Date and subject to at least 30 days notice. The Manager may, in its absolute discretion, accept a redemption request that meets the required 30 day notice period and that is submitted with a concurrent subscription from the Unitholder's discretionary account manager or investment advisor, 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 cash redemptions and cash payments of redemption amounts outstanding, which would lead to a substantial delay in payment of redemptions. The redemption rights of Unitholders to receive cash proceeds for their Units 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 cash payments by Unitholders unless a Unitholder requests to receive Redemption Notes. A Unitholder that does not wish to receive Redemption Notes for the portion of the redemption request in excess of the Redemption Cap otherwise has agreed to cancel such portion of

their redemption request. See “Redemption of Units”. There can be no assurance that the Manager may not suspend redemptions in the future in accordance with the Trust Agreement.

Substantial redemptions of Units could require the Fund to liquidate securities positions more rapidly than otherwise desirable to raise the necessary cash to fund redemptions and to achieve a market position appropriately reflecting a smaller asset base. Assets sold by the 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 Fund from executing its investment strategy or lead to a higher concentration of illiquid or other investments than would otherwise have occurred. Given the Fund’s illiquid investments, it may not be possible for the Fund to liquidate such investments in order to meet redemptions, or to do so at favorable values or on favorable terms or at the 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 an Investment in the Portfolio Funds – Liquidity of Portfolio Funds”.

If the Units are held by a Unitholder that is a Tax Deferred Plan, and the Tax Deferred Plan requests to receive Redemption Notes in satisfaction of the portion of the redemption request in excess of the Redemption Cap, such Redemption Notes will not be qualified investments for the Tax Deferred Plan, which could give rise to adverse consequences to a Tax Deferred Plan or the annuitant, holder or subscriber under a Tax Deferred Plan, including the redeeming Unitholder becoming subject to a penalty tax or having its tax exempt status revoked, depending on the circumstances. Accordingly, Unitholders holding Units in Deferred Plans should consult their own tax advisors before requesting to receive Redemption Notes.

Redemption Notes issued will be unsecured debt obligations of the Fund and may be subordinated to other financing obtained by the Fund. Circumstances may arise which could result in the Fund not having sufficient assets to satisfy a claim for repayment on Redemption Notes issued. Redemption Notes issued by the Fund may, in certain circumstances, have priority over Units in the event of the liquidation of assets of the Fund. There are various considerations with respect to creditor rights and bankruptcy law that need to be considered both at the time the Redemption Notes are issued and at the time of any liquidation of the assets of the Fund to determine priority.

#### *Redemption Cap Subject to Manager Discretion*

The Manager may elect to pay cash distributions and allow cash redemptions of less than 5% of the Net Asset Value of the 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 interests of the Fund or the Unitholders. As a result, less than 5% of the Net Asset Value of the Fund may be available each quarter for cash distributions and redemptions, such as when such redemptions would place an undue burden on the Fund’s liquidity, adversely affect the Fund’s operations or risk having an adverse impact on the Fund that would outweigh the benefit to Unitholders of maintaining the Redemption Cap. Where the Redemption Cap in such instance is less than 5% of the Net Asset Value of the Fund, a Unitholder may nonetheless request Redemption Notes for the amount of a redemption request that exceeds the Redemption Cap and would otherwise be cancelled.

#### *Redemptions in Kind*

Provided the Fund qualifies at all relevant times as a “mutual fund trust” for the purposes of the Tax Act, Units will be qualified investments under the Tax Act for Tax Deferred Plans. Tax Deferred Plans will generally not be liable for tax in respect of any distributions received from the Fund. In the event that on a redemption of Units, a Unitholder that is a Tax Deferred Plan receives a distribution in kind from the Fund, such property may not be a qualified investment for a Tax Deferred Plan. In addition, a Tax Deferred Plan

(other than a DPSP and an RESP) would be subject to tax on any income and capital gains from non-qualified investments. Investors are urged to consult with their tax advisors in respect of purchases of Units made through a Tax Deferred Plan.

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

Valuation of investments by the Manager may involve uncertainties and exercise of judgement and, if such valuations should prove to be incorrect, the Net Asset Value of the Fund could be adversely affected. Independent pricing information may not at times be available regarding certain of the Fund's investments. Valuation determinations will be made in good faith by the Manager. The Fund may have most of its assets in investments which, by their very nature, may be extremely difficult to value accurately. To the extent that the value designated by the Fund to any such investment differs from its actual value, the Net Asset Value of the Fund may be understated or overstated, as the case may be.

#### *No Ownership Interest in the Portfolio Funds*

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 Funds.

#### *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 on Class A Units, Class F Units and Class I Units are anticipated only 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. While monthly distributions of approximately 5% per annum are expected to be made to Unitholders holding Class T Units and Class FT Units, such distributions may not correspond to the economic gains and losses which such Unitholders may experience.

#### *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.

#### *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 for each class of Units.

*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 (other than with respect to tax matters) and KPMG Law LLP acts as tax advisor to the Manager and the Fund. The Fund does not have counsel separate and independent from counsel to the Manager. Neither Stikeman Elliott LLP nor KPMG Law LLP represents investors in the Fund, and no independent counsel has been retained to act on behalf of Unitholders. Neither Stikeman Elliott LLP nor KPMG Law LLP are 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. Neither Stikeman Elliott LLP nor KPMG Law LLP have 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.

*Changes in Legislation*

There can be no assurance that applicable laws, or other legislation, legal and statutory rights will not be changed in a manner which adversely affects the Fund and its Unitholders. There can be no assurance that income tax, securities and other laws or the interpretation and application of such laws by courts or government authorities will not be changed in a manner which adversely affects the distributions received by the Fund or by the Unitholders.

*Not a Public Mutual Fund*

The Fund is not subject to the securities regulatory restrictions placed on public mutual funds to ensure diversification and liquidity of the Fund's portfolio securities and other safeguards imposed on public mutual funds intended to protect investors.

*Tax Considerations*

The Fund may take positions with respect to certain tax issues that depend on legal conclusions not yet addressed by the courts. Should any such positions be successfully challenged by the CRA, IRS, or other tax authority, a Unitholder might be found to have a different tax liability for that year than that reported on its income tax return.

*Withholding Taxes*

Dividend and interest payments on investments made outside Canada may be subject to foreign withholding taxes, which could reduce net proceeds to the Fund.

*Mutual Fund Trust Status*

Should the Fund cease to qualify as a mutual fund trust under the Tax Act, the income tax considerations respecting the Fund would be materially different from those described in the summary under "Canadian

Federal Income Tax Considerations” and adverse income tax consequences may result, including: (a) Units may cease to be qualified investments for Tax Deferred Plans, (b) the Fund will be subject to alternative minimum tax under the Tax Act, (c) the Fund may be required to pay tax under Part XII.2 of the Tax Act, and (d) the Fund will cease to be eligible for the capital gains refund mechanism available to mutual fund trusts. The Fund may take certain measures in the future to the extent the Fund believes them necessary to ensure that it maintains its status as a mutual fund trust. These measures could be adverse to certain Unitholders.

#### *Information Sharing Requirements and Withholding Tax Risk*

Generally, the *Foreign Account Tax Compliance provisions of the U.S. Hiring Incentives to Restore Employment Act* of 2010 (or “**FATCA**”) imposes a 30% withholding tax on “withholdable payments” made to an investment entity, unless the investment entity enters into a FATCA agreement with the U.S. Internal Revenue Services (the “**IRS**”) (or is subject to an intergovernmental agreement as described below) to comply with certain information reporting and other requirements. Compliance with FATCA will in certain cases require an investment entity to obtain certain information from certain investors and (where applicable) their beneficial owners (including information regarding their identity, residency and citizenship) and to disclose such information, including account balances, and documentation to the IRS.

Under the terms of the intergovernmental agreement between Canada and the U.S. (the “**Canada-U.S. IGA**”), and its implementing provisions under the Tax Act, the Fund will be treated as complying with FATCA and not subject to the 30% withholding tax if the Fund complies with the terms of the Canada-U.S. IGA. Under the terms of the Canada-U.S. IGA, the Fund will not have to enter into an individual FATCA agreement with the IRS but the Fund will be required to report information, including certain financial information, on accounts held by investors that fail to provide information to their financial advisor or dealer related to their citizenship and residency for tax purposes and/or investors that are identified as, or in the case of certain entities as having one or more controlling persons who are, U.S. persons owning, directly or indirectly, an interest in the Fund to the CRA. The CRA will in turn provide such information to the IRS under the existing provisions of the Canada-U.S. IGA. The Canada-U.S. IGA sets out specific accounts that are exempt from being reported, including certain tax deferred plans. By investing in the Fund, the investor is deemed to consent to the Fund disclosing such information to the CRA. If the Fund is unable to comply with any of its obligations under the Canada-U.S. IGA, the imposition of the 30% U.S. withholding tax may affect the value of the Fund’s assets and may result in reduced investment returns to Unitholders. It is possible that the administrative costs arising from compliance with FATCA and/or the Canada-U.S. IGA and future guidance may also cause an increase in the operating expenses of the Fund.

Withholdable payments include certain U.S. source income (such as interest, dividends and other passive income) and are subject to withholding tax on or after July 1, 2014. The IRS may, at a future date, impose a 30% withholding tax on “foreign passthru payments” but these regulations have yet to be determined.

The foregoing rules and requirements may be modified by future amendments of the Canada-U.S. IGA, and its implementation provisions under the Tax Act, future U.S. Treasury regulations, and other guidance.

#### **Risks Associated with an Investment in the Portfolio Funds**

The Fund’s investments will be primarily direct investment in units of the Portfolio Funds. The following risk factors, associated with an investment in each of the Portfolio Funds, will indirectly impact Unitholders in the Fund.

AN INVESTMENT IN THE PORTFOLIO FUNDS 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 A PORTFOLIO FUND. INVESTORS SHOULD REVIEW CLOSELY THE INVESTMENT OBJECTIVE, STRATEGIES AND RESTRICTIONS TO BE UTILIZED BY THE PORTFOLIO FUND AS OUTLINED HEREIN TO FAMILIARIZE THEMSELVES WITH THE RISKS ASSOCIATED WITH AN INVESTMENT IN THE PORTFOLIO FUND.

*Public Mutual Fund Regulatory Restrictions*

Other than the Ninepoint High Interest Savings Fund and Ninepoint Alternative Credit Opportunities Fund, none of the other Portfolio Funds are subject to the securities regulatory restrictions placed on public mutual funds to ensure diversification and liquidity of the Portfolio Fund's portfolio securities.

*Limited Operating History for the Portfolio Funds*

Although all persons involved in the management of the Portfolio Funds and the service providers to the Portfolio Funds have had long experience in their respective fields of specialization, it has to be considered that each of the Portfolio Funds has a limited operating and performance history upon which prospective investors can evaluate performance.

*Class Risk*

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

*Charges to the Portfolio Fund*

The Portfolio Fund is obligated to pay Management Fees, brokerage commissions and legal, accounting, filing and other expenses regardless of whether the Portfolio Fund realizes any profits.

*Changes in Investment Objective, Strategies and Restrictions*

The Portfolio Fund may alter its investment objective, strategies and restrictions without the prior approval of the Limited Partners or Unitholders, as the case may be, if the manager of such Portfolio Fund determines that such changes are in the best interests of the Portfolio Fund.

*Not Entitled to Participate in Management*

Unitholders of a Portfolio Fund are not entitled to participate in the management or control of the Portfolio Fund or its operations. Unitholders do not have any input into the Portfolio Fund's trading activities. The success or failure of the Portfolio Fund will ultimately depend on the investment of the assets of the Portfolio Fund by the Manager, with whom the unitholders will not have any direct dealings. Notwithstanding the foregoing, the Manager of the Fund is also the manager of the Portfolio Funds (except as noted in this Offering Memorandum) and, as such, will have direct, ongoing knowledge of the operations of the Portfolio Funds.

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

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

#### *Reliance on the Manager*

Each Portfolio Fund relies on the ability of its manager to actively manage the assets of the Portfolio Fund. The manager of each Portfolio Fund will make the actual trading decisions upon which the success of the Portfolio Fund will depend significantly. No assurance can be given that the trading approaches utilized by the manager of a Portfolio Fund will prove successful. There can be no assurance that satisfactory replacements for a manager will be available, if needed. Termination of the Management Agreement will not terminate the Portfolio Fund, but will expose investors to the risks involved in whatever new investment management arrangements are negotiated for and on behalf of the Portfolio Fund. In addition, the liquidation of securities positions held by the Portfolio Fund as a result of the termination of the Management Agreement may cause substantial losses to the Portfolio Fund.

#### *Dependence of Sub-Advisor on Key Personnel*

The Sub-Advisor depends, to a great extent, on the services of a limited number of individuals in the investment management of the assets of the Portfolio Fund. The loss of such services for any reason could impair the ability of the Sub-Advisor to perform its investment management activities on behalf of the Portfolio Fund.

#### *Reliance on Sub-Advisor*

The Portfolio Fund relies on the ability of the Sub-Advisor to actively manage the assets of the Portfolio Fund. The Sub-Advisor will make the actual investment decisions upon which the success of the Portfolio Fund will depend significantly. No assurance can be given that the investment strategy utilized by the Sub-Advisor will prove successful. There can be no assurance that satisfactory replacements for the Sub-Advisor will be available, if needed. Termination of the Sub-Advisory Agreement will not terminate the Portfolio 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 Portfolio Fund. In addition, the liquidation of assets held by the Portfolio Fund as a result of the termination of the Sub-Advisory Agreement may cause substantial losses to the Portfolio Fund.

#### *Resale Restrictions*

The offering of the units of a Portfolio Fund is not qualified by way of prospectus and, consequently, the resale of the units is subject to restrictions under applicable securities legislation. There is no formal market for such units and one is not expected to develop. Accordingly, it is possible that unitholders, including the Fund, may not be able to resell their units other than by way of redemption of their Units on an applicable Valuation Date, subject to the applicable limitations.

#### *Liquidity of Portfolio Funds*

Holders of units, including the Fund, may not be able to liquidate their investment in a timely manner and units may not be readily accepted as collateral for a loan. There can be no assurance that the Portfolio Fund will be able to dispose of its investments in order to honour requests to redeem units.

### *Possible Effect of Redemptions*

Substantial redemptions of units could require the Portfolio Fund to liquidate securities positions more rapidly than otherwise desirable to raise the necessary cash to fund redemptions and to achieve a market position appropriately reflecting a smaller asset base. Such factors could adversely affect the value of the units redeemed and of the units that remain outstanding.

### *Distributions and Allocations*

The Portfolio Fund is not required to distribute its profits. If the Portfolio Fund has income for Canadian federal income tax purposes for a fiscal year, such income will be allocated to the unitholders (including the Fund) in accordance with the provisions of the applicable governing document of the Portfolio Fund and will be required to be included in computing their income for tax purposes, irrespective of the fact that cash may not have been distributed to unitholders (including the Fund). Allocations for tax purposes to the Fund, may not correspond to the economic gains and losses which the Fund may experience.

### *Repayment of Certain Distributions*

Other than with respect to the possible loss of limited liability as outlined in the risk factor below, no unitholder will be obligated to pay any additional assessment on the units held or subscribed. However, if the available assets of the Portfolio Fund are insufficient to discharge obligations to creditors incurred by the Portfolio Fund, the Portfolio Fund may have a claim against a unitholder (including the Fund) for the repayment of any distributions or returns of contributions received by such unitholder (including upon redemption of units), to the extent that such obligations arose before the distributions or returns of contributions sought to be recovered by the Portfolio Fund.

### *Possible Loss of Limited Liability*

The Portfolio Fund may, by virtue of its offering of the units or otherwise, be carrying on business in Offering Jurisdictions other than the jurisdiction under which it was formed. A Portfolio Fund that is a limited partnership may be registered as an extra-jurisdictional limited partnership in those Offering Jurisdictions where the Portfolio Fund has been advised that it will be carrying on business by virtue of its offering of the units or otherwise and where there is provision for registration as an extra-jurisdictional limited partnership in those Offering Jurisdictions. However, there is a risk that Limited Partners (including the Fund) may not be afforded limited liability in such Offering Jurisdictions to the extent that principles of conflicts of law recognizing the limitation of liability of Limited Partners have not been authoritatively established with respect to limited partnerships formed under laws of one jurisdiction but carrying on business in another jurisdiction.

### *Potential Indemnification Obligations*

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

### *Valuation of the Portfolio Fund's Investments*

Valuation of the Portfolio Fund's portfolio 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 Portfolio Fund and the Net Asset Value per unit for each class of units could be adversely affected. Independent pricing information may not at times be available regarding certain of the Portfolio Fund's portfolio securities and other investments. Valuation determinations will be made in good faith in accordance with the governing document of the Portfolio Fund.

The Portfolio Fund may have some of its assets in investments which, by their very nature, may be extremely difficult to value accurately. To the extent that the value designated by the Portfolio Fund to any such investment differs from its actual value, the Net Asset Value per unit may be understated or overstated, as the case may be. In light of the foregoing, there is a risk that a unitholder who redeems all or part of his or her units while the Portfolio 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 Portfolio 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 Portfolio Fund. In addition, there is risk that an investment in the Portfolio 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 Portfolio Fund. Furthermore, there is a risk that a new unitholder (or an existing unitholder that makes an additional investment) could pay more to purchase units than he or she might otherwise be required to pay if the actual value of such investments is lower than the value designated by the Portfolio Fund. The Portfolio Fund does not intend to adjust the Net Asset Value per unit of any class of units retroactively.

### *Lack of Independent Experts Representing Unitholders*

Each of the Portfolio Fund, its general partner (as applicable) and its investment manager have consulted with a legal counsel regarding the formation and terms of the Portfolio Fund and the offering of its units. The unitholders have not, however, been independently represented. Therefore, to the extent that the Portfolio Fund, the unitholders or the offering of the units could benefit by further independent review, such benefit will not be available. Each prospective investor should consult with his or her own legal, tax and financial advisors regarding the desirability of purchasing units and the suitability of investing in the Portfolio Fund.

### *No Involvement of Unaffiliated Selling Agent*

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

### *Tax Liability*

Each unitholder is taxable in respect of the income of the Portfolio Fund allocated to him or her. Income will be allocated to unitholders according to the terms of the governing document and without regard to the acquisition price of such units. Unitholders may have an income tax liability in respect of profits not distributed.

The income or loss of the Portfolio Fund will be computed as if the Portfolio Fund were a separate person resident in Canada. CRA has stated that it will permit certain taxpayers to report their gains and losses from commodities-related transactions as capital gains and losses (rather than as ordinary income or losses from a business), but has also stated that it will not extend such treatment to a partnership whose prime activity

is trading in commodities or commodities futures where the facts support the proposition that the partnership is carrying on a business of trading such items. CRA's administrative practices with respect to trading activities (other than commodities) to be undertaken by the Portfolio Fund may be applied in a similar manner. In the event that the Portfolio Fund treats certain of its gains and losses from trading in equities and equity derivative securities as giving rise to capital gains and capital losses, it is possible that CRA may recharacterize such gains and losses as being on income account.

### **Risks Associated with the Portfolio Fund's Underlying Investments**

The Fund's investment will be primarily an investment in units of the Portfolio Funds. The following risk factors, associated with the Portfolio Fund's underlying investments, will indirectly impact Unitholders in the Fund.

#### *General Economic and Market Conditions*

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

#### *Assessment of the Market*

The Manager intends to invest in opportunities that provide what the Manager, at the time of investment, believes to be the best reward per unit of risk. The Manager also intends to optimize the reward per unit of risk of the Portfolio Fund's investment portfolio by varying the allocation of long and short positions depending on the Manager's view of the domestic and international economy, market trends and other considerations. The Portfolio Fund's portfolio will be positioned in accordance with the Manager's market view. There is no assurance that the Manager's assessment of the market will be correct and result in positive returns. Losses may occur as a result of any incorrect assessment.

#### *Concentration*

The Manager may take more concentrated investment positions than a typical mutual fund or concentrate investment holdings in specialized industries, market sectors or in a limited number of issuers. Investment in the Portfolio Fund involves greater risk and volatility since the performance of one particular industry, sector, market or issuer could significantly and adversely affect the overall performance of the entire Portfolio Fund.

#### *Foreign Investment Risk*

To the extent that the Portfolio Fund invests in securities of foreign issuers, it will be affected by world economic factors and, in many cases, by the value of the Canadian dollar as measured against foreign currencies. Certain additional risks include restriction on capital repatriation and the application of complex tax rules. Obtaining complete information about potential investments from foreign markets may also be of greater difficulty. Foreign issuers may not follow certain standards that are applicable in North America, such as accounting, auditing, financial reporting and other disclosure requirements. Political climates may differ, affecting stability and volatility in foreign markets. As a result, the Net Asset Value of the Portfolio Fund may fluctuate to a greater degree by investing in foreign equities than if the Portfolio Fund limited its investments to Canadian securities.

### *Liquidity of Underlying Investments*

Due to the nature of the Portfolio Funds' investment strategy and portfolio, certain investments may have to be held for a substantial period of time before they can be liquidated to the Portfolio Fund's greatest advantage or, in some cases, at all. The Portfolio Funds will generally hold investments that are illiquid and for which no ready market exists. Illiquid investments carry the risk that a buyer may not be found for such investments. Also, certain of the investments owned by the Portfolio Funds may be subject to legal or contractual restrictions which may impede the Portfolio Funds' ability to dispose of its investments which it might otherwise desire to do. To the extent that there is no liquid trading market for these investments, the Portfolio Funds may be unable to liquidate these investments or may be unable to do so at a profit.

### *Impaired Loans; No Insurance*

The Portfolio Fund may from time to time have one or more impaired loans in its portfolio. Loans are impaired where full recovery is considered in doubt based on a current evaluation of the security held and for which specific loss provisions have been established. Consequently, the performance of such impaired loans may affect the overall performance of the Portfolio Fund.

### *Joint Ventures and Co-Investments*

The Portfolio Fund may enter into joint venture or co-investment arrangements with other entities when making investments, which may include other vehicles or accounts organised or sponsored by the Manager, the Sub-Advisor, or their respective affiliates. These may involve incentive-based management agreements. The Manager may, from time to time, in its sole discretion, offer unitholders or third parties opportunities to co-invest with the Portfolio Fund in particular investments. Co-investment opportunities may result in additional benefits for those who so invest. As the Manager retains discretion as to how co-investment opportunities are allocated among unitholders, the benefits of an investment in which the Manager has made co-investment opportunities available will be received only by the unitholders selected by the Manager for such opportunities and not by any of the other unitholders.

### *Litigation*

Litigation can and does occur in the ordinary course of the management of an investment portfolio. The Portfolio Fund may be engaged in litigation both as plaintiff and as a defendant. In certain cases, borrowers may bring claims and/or counterclaims against the Portfolio Fund, the Manager, the Sub-Advisor, and/or their respective principals and affiliates. The expense of defending against claims made against the Portfolio Fund by third parties and paying any amounts pursuant to settlements or judgments would, to the extent that the Portfolio Fund has not been able to protect itself by indemnification or other rights against the portfolio companies, be borne by the Portfolio Fund and reduce the Net Asset Value of the Portfolio Fund.

In recent years, certain judicial decisions have upheld the right of borrowers to sue lending institutions on the basis of various evolving legal theories (collectively termed "**lender liability**"). Generally, lender liability is founded upon the premise that an institutional lender has violated a fiduciary duty (whether implied or contractual) of good faith and fair dealing owed to the borrower or has assumed a degree of control over the borrower resulting in creating a fiduciary duty owed to the borrower or its other creditors or shareholders. Due to the nature of the Portfolio Fund's investments, the Portfolio Fund could be subject to allegations of lender liability.



### *Fixed Income Securities*

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

### *Equity Securities*

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

### *Possible Correlation With Traditional Investments*

Although the Portfolio Fund's portfolio will not typically be comprised of a material amount of equity securities, there can be no assurance that the performance of the Portfolio Fund will not, in fact, be positively correlated to the performance of traditional stock and bond investments, especially if multiple markets move in tandem, thereby reducing the overall portfolio benefits of an investment in the Portfolio Fund.

### *Idle Cash*

While the Sub-Advisor will typically endeavour to keep the assets of the Portfolio Fund invested, there may be periods of time when the Portfolio Fund has a significant portion of its assets in cash or cash equivalents. The investment return on such "idle cash" may not meet the overall return objective the Sub-Advisor seeks for the Portfolio Fund.

### *Currency Risk*

Investment in securities denominated in a currency other than Canadian dollars will be affected by changes in the value of the Canadian dollar in relation to the value of the currency in which the security is denominated. Thus, the value of securities within the Portfolio Fund's portfolio may be worth more or less depending on their susceptibility to foreign exchange rates.

To the extent that the Portfolio Fund directly or indirectly holds assets in local currencies, the Portfolio Fund will be exposed to a degree of currency risk which may adversely affect performance. Changes in foreign currency exchange rates may affect the value of investments in the Portfolio Fund. In addition, the Portfolio Fund will incur costs in connection with conversions between various currencies. The Portfolio Fund may seek to hedge the foreign currency exposure, but such hedging strategies may not necessarily be available or effective and may not always be employed, since the Portfolio Fund may choose to enhance returns through direct currency exposure.

### *Suspension of Trading*

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

### *Leverage*

The Portfolio Fund may use financial leverage by borrowing funds against the assets of the Portfolio Fund. The use of leverage increases the risk to the Portfolio Fund and subjects the Portfolio Fund to higher current expenses. Also, if the Portfolio Fund's portfolio value drops to the loan value or less, unitholders (including the Fund) could sustain a total loss of their investment.

### *Limited Control Over Third Party Managers*

As an investor in AIP Convertible Private Debt Fund LP and Riverview Alternative Lending Fund (Cayman) L.P. (which are managed by a third party manager), the Fund will be required to rely on the third party manager's choice of, *inter alia*, brokers, custodians and counterparties, as well as the third party manager's operations, regulatory, legal, tax and accounting procedures, with respect to such Portfolio Fund. The Fund will have no control over the day-to-day operations of such third party managers.

**In light of the foregoing there can be no assurance that the Fund's or the Portfolio 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 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 and Class T 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 and certain employees provide services to both the Manager and Sightline. 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.

#### **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.

#### **Inter-fund 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 such trades.

The Manager has obtained relief from the Canadian securities regulatory authorities from the prohibition on purchasing a security from or selling a security to certain entities deemed to be related to a Fund or the Manager, acting as principal, so that the Fund is permitted to purchase debt securities from or sell debt securities to a pooled fund or a closed end fund managed and/or advised by the Manager (an “**Inter-fund Trade**”).

The Manager ensures all Inter-fund Trades, including those effected by the Sub-Advisor, are made in compliance with standing instructions from the Manager’s IRC and the exemptive relief.

The IRC’s standing instructions and the conditions to the relief require the Manager to act in accordance with the applicable policies and procedures and applicable law and make periodic reports to the IRC. The standing instructions and the conditions to the relief also require that investment decisions in respect of Inter-fund Trades (a) are free from any influence by an entity related to the Manager and without taking into account any consideration relevant to an entity related to Manager; (b) represent the business judgment

of Manager uninfluenced by considerations other than the best interests of the Fund; (c) comply with the applicable policies and procedures of the Manager; and (d) achieve a fair and reasonable result for the Fund.

### **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 senior officers and directors of the Manager and/or its affiliates and associates may purchase and hold Units and units of the Portfolio Funds from time to time.

The Manager may receive compensation and/or reimbursement of expenses from the Fund as described under "Management of the Fund – Fees and Expenses of the Fund", "Fees and Expenses – Management Fees Payable to the Manager" and "Fees and Expenses – Total Management Fees Payable by the Fund". Sightline, a registered investment dealer that is an affiliate of the Manager, may participate in the offering

of the Units to its clients for which it will receive a service commission with respect to Class A Units and Class T Units as described under “Dealer Compensation”. In addition, the Fund and the Portfolio Funds may execute a portion of their portfolio transactions through Sightline. From time to time the Manager may receive a portion of a sourcing or structuring fee from issuers in connection with securities acquired by the Portfolio Fund pursuant to certain financing transactions. See “Conflicts of Interest”.

### **Principal Holders**

As at the date of this Offering Memorandum, to the knowledge of the Manager, no person of record owns more than 10% of the outstanding Class A Units, Class F Units, Class I Units, Class T Units or Class FT Units.

### **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 will 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 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 arrangement described above including, but not limited to, the appointment of a replacement custodian and/or additional custodians.

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, RECORD-KEEPER AND FUND REPORTING**

Pursuant to the Administration Agreement, CIBC Mellon Global Securities Services Company is the administrator and record-keeper to the Fund to maintain a record of Unitholders. The principal office of CIBC Mellon Global Securities Services Company is located at 1 York Street, Suite 900, Toronto, Ontario M5J 0B6. Pursuant to the Administration Agreement, any fees required to be paid to the record-keeper for services rendered, other than in respect of a transfer of Units, will be the responsibility of the Fund.

The Administrator also provides, among other things, valuation and financial reporting services to the Fund and to calculate the Net Asset Value of the Fund and the Class Net Asset Value for each class of Units on each Valuation Date. See “Computation of Net Asset Value of the Fund”.

### **AUDITORS**

The auditors of the Fund are Ernst & Young LLP, Chartered Professional Accountants, 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 will 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 the Net Asset Value per Unit for each class of Units and a short written commentary outlining highlights of the Fund's activities.

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.

The Manager will also cause to be furnished to the Unitholders and the Trustee any notice it receives of: (i) any assignment of the Management Agreement for any Portfolio Fund by the Manager to an affiliate thereof; (ii) any change to the investment objective and strategies of the Portfolio Fund and the applicable Restrictions; (iii) the desire to change the fiscal year-end of the Portfolio Fund; (iv) any change in the location of the principal office of the Portfolio Fund; (v) any person designated as transfer agent of the Portfolio Fund; (vi) any proposed change to the method of calculation of the Management Fee which would result in an increase in such fees being payable by the Portfolio Fund; (vii) any meeting of the unitholders; (viii) the intention to dissolve the Portfolio Fund; and (ix) any material amendment to the governing documents of Portfolio Fund, together with a written explanation for the reasons for such amendment.

### **MATERIAL CONTRACTS**

The only material contract of the Fund is the Trust Agreement referred to under "The Fund".

### **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 each prospective investor and Unitholder.

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 a prospective investor or a Unitholder 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 will 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 Manger 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, (ii) every director of the Fund at the date of the Offering Memorandum (each a “**Director**” and collectively, the “**Directors**”), and (iii) 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, 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 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 IN RELIANCE ON THE EXEMPTION IN SECTION 2.10 (\$150,000 MINIMUM AMOUNT INVESTMENT) OF NATIONAL INSTRUMENT 45-106 PROSPECTUS EXEMPTIONS**

This Offering Memorandum does not contain a misrepresentation.

**DATED** as of the 31st day of January, 2023.

**NINEPOINT ALTERNATIVE INCOME 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 ALTERNATIVE INCOME 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 an 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 ALTERNATIVE INCOME FUND**  
**FORM OF OFFSETTING REDEMPTION NOTICE**

**See attached.**



# REDEMPTION REQUEST

**(FAX TO 416-628-2397 or email to dealerrelations@ninepoint.com)**

This letter serves as notice to Ninepoint Partners LP that the investor listed below wishes to redeem all or part of his/her investments from the following Fund on 30 days notice by submitting a concurrent subscription that offsets such redemption amount. *I understand that if this notice is accepted by Ninepoint Partners LP, the redemption will be authorized on the earliest quarter end valuation following this 30 day notice.*

Once the Redemption Request has been received and approved by Ninepoint Partners LP, it is the broker's responsibility to place the redemption and offsetting subscription in the approved month. This form serves as a notice to Ninepoint Partners LP only.

**REDEMPTION REQUESTS, ONCE SUBMITTED TO NINEPOINT PARTNERS LP ARE IRREVOCABLE.**

<b><u>NINEPOINT ALTERNATIVE INCOME FUND:</u></b>	<b>A (NPP630)</b>	<b>F (NPP631)</b>	<b>T (NPP633)</b>	<b>FT (NPP634)</b>
	<b>I (NPP632)</b>	<b>I1 (NPP635)</b>	<b>I4 (NPP1005)</b>	

**UNITS:** \_\_\_\_\_ **OR DOLLAR VALUE:** \_\_\_\_\_

**ACCOUNT NAME:** \_\_\_\_\_ **ACCOUNT NUMBER:** \_\_\_\_\_

**CLIENT SIGNATURE:** \_\_\_\_\_ **DATE:** \_\_\_\_\_

**INVESTMENT ADVISOR:** \_\_\_\_\_ **BROKER:** \_\_\_\_\_

**TEL:** \_\_\_\_\_ **FAX:** \_\_\_\_\_

**EMAIL:** \_\_\_\_\_

**SUBSCRIPTION AMOUNT:** \_\_\_\_\_ **SUBSCRIBER:** \_\_\_\_\_

**TO BE FILLED IN BY NINEPOINT PARTNERS LP**

**THIS TRADE IS AUTHORIZED FOR:** \_\_\_\_\_ **AUTHORIZED BY Ninepoint Partners LP:** \_\_\_\_\_

**PLEASE NOTE:**

- It is the broker's responsibility to place the redemption once the offsetting Redemption Request has been authorized and approved.
- Ninepoint Partners LP will send a fax/email confirmation to the broker upon receipt of this notice. It is the broker's responsibility to follow up with Ninepoint Partners LP if the confirmation has not been received.