

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.

CONFIDENTIAL OFFERING MEMORANDUM

Continuous Offering

April 5, 2019



NINEPOINT-MONROE U.S. PRIVATE DEBT FUND

Ninepoint-Monroe U.S. Private Debt Fund (the "**Fund**") is a Canadian trust that has been established to invest primarily in Monroe (NP) U.S. Private Debt Fund LP, a Cayman Islands exempted limited partnership (the "**Master Fund**"). The Fund is offering trust units ("**Units**") on a private placement basis in certain provinces of Canada. Units are being offered on a continuous basis to eligible investors that invest a minimum of \$25,000. Investors must be "accredited investors" unless another prospectus exemption is available. Ninepoint Partners LP, the manager and trustee of the Fund (the "**Manager**") may, in its sole discretion, accept subscriptions for lesser amounts.

Units will be offered initially at a subscription price of \$10 per Unit and thereafter at a price equal to the net asset value ("**Net Asset Value**") per Unit 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. As there is no market for the Units, it may be difficult or even impossible for an investor to sell them other than by way of a redemption of their Units.

Units that have been held for at least 24 months may be redeemed effective as of the end of such 24 month period, or thereafter at the end of each subsequent calendar quarter, provided that in each case a written request for redemption must be submitted to the Manager at least 180 days prior to the redemption date. Redemption requests are subject to acceptance by the Manager in its sole discretion. However, the Manager intends to permit redemptions in circumstances where such redemptions are not prejudicial to the Fund.

An investment in the Fund is not intended as a complete investment program and involves significant risks. The Fund has been created solely for the purpose of investing as a limited partner in the Master Fund. Prospective investors should pay particular attention to the information under "Risk Factors" and "Conflicts of Interest" in this Offering Memorandum.

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

Sightline Wealth Management LP, an affiliate of the Manager, and the Manager may distribute the Units to investors in Canada. The Fund may be considered to be a “connected issuer” and “related issuer” of the Manager and Sightline Wealth Management LP under applicable securities legislation. Sightline Wealth Management LP, the Manager and their respective general partners are controlled, directly or indirectly, by the same group of individuals. See “Conflicts of Interest - The Manager”.

All references in this Offering Memorandum to “dollars” or “\$” are references to the currency of the United States of America unless otherwise specified.

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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 Declaration of Trust.

All references in this Offering Memorandum to “dollars” or “\$” are references to the currency of the United States of America unless otherwise specified.

The Fund: Ninepoint-Monroe U.S. Private Debt Fund (the “**Fund**”) is an investment entity established as a trust under the laws of the Province of Ontario and governed pursuant to a declaration of trust dated April 5, 2019 (the “**Declaration of Trust**”), as the same may be amended, restated or supplemented from time to time. See “The Fund”.

The Trustee: Pursuant to the Declaration of Trust, Ninepoint Partners LP (the “**Trustee**”) is the trustee of the Fund. See “Trustee”.

Investment Objective and Strategy of the Fund: The Fund’s investment objective is to invest primarily in Monroe (NP) U.S. Private Debt Fund LP (the “**Master Fund**”), a Cayman Islands exempted limited partnership, in order 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. As a result, the performance of the Fund will be dependent on the performance of the Master Fund. This type of structure is typically referred to as a “feeder” or “master-feeder” structure. See “Investment Objective and Strategy of the Fund”.

The Master Fund: The Master Fund is an exempted limited partnership formed in the Cayman Islands on March 18, 2019. The general partner of the Master Fund is Monroe (NP) U.S. Private Debt Fund GP Ltd. (the “**General Partner**”), an exempted company incorporated under the laws of the Cayman Islands. See “Investment Objective and Strategies of the Master Fund”.

Investment Objective and Strategies of the Master Fund: The investment objective of the Master Fund is to achieve 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.

The Master Fund 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; (vii) 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. The Master Fund 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.

The Master Fund 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 (which may be managed or advised by an affiliate of the Advisor (as defined below)) that are dedicated to investing in certain or all of the foregoing. The Master Fund intends to seek to purchase or take assignment of all or a portion of any loan or investment made by the Advisor and its affiliates, and may seek to sell or assign (or purchase or take assignment of) all or a portion of any loan or investment made by Other Monroe Clients (as defined below). See "Investment Objective and Strategy of the Master Fund".

The Manager:

Ninepoint Partners LP (the "**Manager**") is the manager of the Fund. The Manager is a limited partnership formed and organized under the laws of the Province of Ontario. The Manager is responsible for the management of the day-to-day business and administration of the Fund. See "Management of the Fund - The Manager".

Credit Facilities:

The Master Fund (including any SPV (as defined below)) may borrow by entering into credit facilities with one or more lenders for investment or other purposes, including providing liquidity for on-going operating expenses and funding redemptions; provided that the Master Fund will not incur additional borrowing if such additional borrowing would cause the outstanding leverage amount of the Master Fund following such additional borrowing to exceed two times (2x) the Net Asset Value of the Master Fund as of the date of debt incurrence. See "Investment Restrictions of the Master Fund - Borrowing".

Investment Restrictions of the Master Fund:

Unless authorized by the Manager in writing, the Master Fund will not make an investment if it would cause more than 20% of the Assumed Master Fund AUM to be invested in the securities or other obligations of any one issuer, provided that the Master Fund may invest up to 25% of the Assumed Master Fund AUM in the securities or other

obligations of any one issuer at any time prior to the one-year anniversary of the initial closing of the Fund.

“**Assumed Master Fund AUM**” means assumed debt plus equity.

The restrictions set forth above are measured at the time of purchase, when the Master Fund enters into a definitive commitment to consummate such investment (and not, for the avoidance of doubt, as of the actual consummation date of such investment (i.e., not as of the applicable “settlement” date)).

The Master Fund is not otherwise constrained by geography, currency or type of investment, although from time to time the General Partner is permitted to implement certain guidelines or restrictions.

The Advisor:

Monroe Capital Management Advisors, LLC (the “**Advisor**”) is the advisor to the Master Fund. The Advisor is a limited liability company formed and organized under the laws of Delaware for the purpose of providing discretionary portfolio management and investment advisory services. The Advisor is a registered investment adviser under the U.S. Investment Advisers Act of 1940.

The Advisor will procure, service, administer and monitor the portfolio of the Master Fund, in accordance with the investment restrictions and guidelines of the Master Fund. The Advisor or its affiliates will also be responsible for collections and payments relating to the loan portfolio. See “The Master Fund – The Advisor”.

Investor Suitability:

The Fund is suitable for investors seeking income, preservation of capital and growth potential over the long-term with lower volatility. Investors should not have a need for short-term liquidity or cash distributions and have a long-term investment horizon. Investors are encouraged to consult with their professional advisors to determine whether an investment in the Fund is suitable having regard to their own circumstances. See “Risk Factors”.

The Offering:

The Fund is offering Series F and Series FH units (the “**Units**”) on a continuous basis to investors resident in the provinces of British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Québec, New Brunswick, Nova Scotia, Newfoundland and Labrador, and Prince Edward Island (collectively, the “**Offering Jurisdictions**”). See “Description of Units”, “Redemption of Units” and “Fees and Expenses”.

Units may be purchased as at the close of business on a Valuation Date (as hereinafter defined) if a duly completed subscription form and the required payment reaches the Manager no later than 4:00 p.m. (Toronto time) on such Valuation Date, or, if such Valuation Date is not a Business Day (as hereinafter defined), the immediately preceding Business Day. The issue date for subscription orders received and accepted after 4:00 p.m. (Toronto time) will be the next Valuation Date. If on any Valuation Date the amount of subscriptions for Units is less

than \$150,000 in the aggregate, the Manager will hold such subscriptions in cash until such time as additional subscriptions are received and total \$150,000 in the aggregate. Accordingly, the issue date for such Units will be the next Valuation Date. No certificates evidencing ownership of Units will be issued to Unitholders. See "Details of the Offering".

Personal Investment Capital: **Certain directors, officers and employees of the Manager and/or its affiliates and associates may purchase and hold Units of the Fund and the securities of certain of the portfolio companies from time to time. See "Conflicts of Interest - The Manager".**

Valuation Date: The net asset value ("**Net Asset Value**") of the Fund and the Master Fund and the Net Asset Value per Unit of each class will be calculated on the last day of each calendar quarter and on such other day or days as the Manager and the General Partner may in their discretion designate with the consent of the Advisor (each, a "**Valuation Date**").

Price: Units will be offered initially at a subscription price of \$10 per Unit and thereafter at a price equal to the Net Asset Value per Unit for the applicable class of Units on each Valuation Date. See "Computation of Net Asset Value of the Fund".

Minimum Initial Subscription: The minimum initial subscription amount is \$25,000 for an investor that qualifies as an "accredited investor" as such term is defined under section 1.1 of National Instrument 45-106 *Prospectus Exemptions* and, in Ontario, section 73.3(1) of the *Securities Act* (Ontario). The Manager may in its sole discretion accept subscriptions for lesser amounts from "accredited investors". The \$150,000 "minimum amount investment" exemption is also available to eligible investors. 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 an investor unless the Manager is satisfied that the subscription is in compliance with the requirements of applicable securities legislation. Investors whose subscriptions have been accepted by the Manager will become Unitholders.

Description of Units: 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, each of which will represent an equal, undivided interest in the net assets of the Fund. 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. Each Unitholder will be entitled to one vote for each whole Unit held. See "Description of Units".

The Fund has authorized the issuance and sale of Series F and Series FH Units. The 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. Series FH Units are currency hedged Units designed for investors who want exposure to foreign investments but seek to minimize the impact of foreign currency movements relative to the Canadian dollar on their investment.

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. 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.

Unitholders should consult with their own tax advisors regarding any tax implications of reclassifying or switching between classes of Units.

Any investor who becomes a "designated beneficiary" or a "financial institution" within the meaning of the *Income Tax Act* (Canada) (the "Tax Act") shall disclose such status to the Fund at the time such status changes.

By executing a subscription form for Units in the form prescribed by the Manager, each investor is making certain representations, and the Manager, the Fund and any dealer are entitled to rely on such representations to establish the availability of exemptions from the prospectus requirement. In addition, the investor is also acknowledging in the subscription form that the investment portfolio and trading procedures of each of the Fund, the Master Fund, the Manager and the Advisor are proprietary in nature and agrees that all information relating to such investment portfolio and trading procedures will be kept confidential by such investor and will not be disclosed to third parties (other than the investor's professional advisors) without the prior written consent of the Manager or Advisor, as applicable.

Additional Subscriptions:

Investors may make additional investments of not less than \$5,000. Unitholders subscribing for additional Units should complete the subscription form prescribed from time to time by the Manager.

Management Fees Payable by the Fund:

The Fund will pay the Manager a management fee that is accrued quarterly on each Valuation Date and calculated and payable quarterly in arrears in respect of the Units at a rate equal to 1/4 of 0.10% (approximately 0.10% per annum) of the Net Asset Value of the Units, plus applicable federal and provincial taxes (including HST) (together, the "Management Fee").

By investing in the Master Fund, the Fund indirectly will be subject to the Advisory Fee and Performance Allocation (each as defined below), and expenses payable at the Master Fund level.

The Fund will not pay a management fee to the Manager that to a

reasonable person would duplicate a fee payable for the same service. See "Fees and Expenses - Management Fees Payable by the Fund".

Operating Expenses Payable by the Fund:

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

Each class of Units is responsible for the expenses specifically relating to that class and a proportionate share of expenses that are common to all classes of Units. The Manager will 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. See "Fees and Expenses - Operating Expenses Payable by the Fund".

Fees Payable by the Master Fund:

As the Fund will invest directly in the Master Fund, Unitholders will indirectly bear the fees and expenses of the Master Fund, such as the Advisory Fee and Performance Allocation, and other expenses payable at the Master Fund level. See "Advisory Fees Payable by the Master Fund to the Advisor", "Performance Allocations Made by the Master Fund to the General Partner and Manager."

Advisory Fees Payable by the Master Fund to the Advisor:

As compensation for providing management and administrative services to the Master Fund, the Advisor receives from the Master Fund an advisory fee that is calculated and payable quarterly in arrears in respect of the Master Fund limited partnership interests (the "**Master Fund Interests**") held by the Fund at a rate equal to $\frac{1}{4}$ of 1.55% (approximately 1.55% per annum) of the Master Fund AUM at the end of the quarter (the "**Advisory Fee**"). The "**Master Fund AUM**" will be the total assets of the Master Fund including assets financed using leverage at the end of the relevant quarter.

The Advisor pays a portion of the Advisory Fee to the Manager as compensation for the Manager's services to the Master Fund. See

“Fees and Expenses – Advisory Fees Payable to the Advisor”.

The Advisor or its affiliates will also retain (and not account to the Master Fund) (a) agency or syndication fees with respect to the Master Fund’s investments, (b) any fees paid to Monroe Credit Advisors LLC (together with its successors, “**Monroe Credit Advisors**”) for investment banking, debt placement or advisory services with respect to potential and existing portfolio investments of the Master Fund, and (c) any fees paid to certain service companies that are affiliates of the Advisor. See “Management of the Fund – The Advisor” and “Conflicts of Interest – The Advisor” below.

Performance Allocations Made by the Master Fund to the General Partner and the Manager:

The Master Fund will pay the following Performance Allocations to the General Partner (or its designee):

The General Partner (or its designee) is entitled to receive from the Master Fund a quarterly performance allocation (the “**Performance Allocation**”). If the difference by which the return in the Net Asset Value of the Master Fund (before calculation and accrual for the Performance Allocation) from the beginning of the quarter (or the actual contribution date as applicable) to the end of the quarter exceeds 7% annualized prorated (the “**Preferred Return**”) for the same period (or prorated for partial quarters), and such return is between 7% and 8.75% on an annualized prorated basis, such amount in excess of the Preferred Return shall be payable to the General Partner (or its designee) as a Performance Allocation, plus applicable taxes. If the difference by which the return in the Net Asset Value of the Master Fund (before calculation and accrual of the Performance Allocation) in the particular quarter exceeds the Preferred Return and is 8.75% or more on an annualized basis, then all of such amount between the Preferred Return and 8.75%, plus 20% of the return amount above 8.75% shall be payable to the General Partner as a Performance Allocation, plus applicable taxes.

If the performance of the Master Fund in any quarter is positive but less than the Preferred Return, then no Performance Allocation will be payable in that particular quarter, and the difference between such return of the Master Fund and the Preferred Return is not carried forward. However, if the performance of the Master Fund in any quarter is negative, such negative return will be added to the subsequent quarter’s Preferred Return when calculating the amount of the Performance Allocation. The Performance Allocation will be calculated and payable quarterly.

In addition to the portion of the Advisory Fee payable by the Advisor to the Manager, the Manager is entitled to receive a portion of the Performance Allocation from the General Partner (or its designee), but no additional fees or allocations are payable by the Master Fund to the Manager. See “Fees and Expenses – Performance Allocations to the General Partner and Manager.”

Redemption of Units:

Unitholders may request that Units be redeemed at the Net Asset Value per Unit as of the end of each calendar quarter (a “**Redemption Date**”) on or following the Twenty-Four Month Anniversary Date (as defined below), provided the written request for redemption (the “**Redemption Notice**”) is submitted to the Manager prior to 4:00 p.m. (Toronto time) on a day on which the Toronto Stock Exchange is open for trading (such day, a “**Business Day**”) which is at least 180 days prior to such quarter end. 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 180 days following receipt of the Redemption Notice. The “**Twenty-Four Month Anniversary Date**” with respect to a subscription will be the nearest calendar quarter end which is at least twenty-four calendar months minus a day from the date of such subscription; provided, however, that a different date may be agreed upon by the Unitholder and the Manager in writing at the time of the subscription.

If, for any Redemption Date, the Manager has received from one or more Unitholders acceptable Redemption Notices to redeem in aggregate 3% or more of the outstanding Units, the Manager may, in its discretion, choose to meet such redemptions on a pro rata basis effective as of such quarter-end and to meet such excess redemptions on a pro rata basis effective as of subsequent quarter-ends, subject to the application of the 3% limitation for each such subsequent quarter-end. See “Risk Factors – Redemption of Units” below.

Payment of the redemption amount (the “**Redemption Amount**”) will be paid to the redeeming Unitholder not later than the 45th day following the applicable quarter-end for which such redemption is effective. Each such redemption shall be made on a Valuation Date. The Redemption Amount payable to Unitholders will be adjusted by changes in the Net Asset Value of the Fund during the period between the date of the Redemption Notice and the Valuation Date and calculated on each Valuation Date in respect of the payment to be made on such date. Until such time as they are redeemed, the portion of any redemption requests that are not satisfied on a Redemption Date will remain invested in, and therefore still subject to the risks of, the Master Fund.

Notwithstanding and without limiting any of the provisions contained herein and in the Declaration of Trust, 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.

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.

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.

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

See "Redemption of Units".

Transfer or Resale:

Units are subject to restrictions on resale under applicable securities legislation. As there is no market for the Units, it may be difficult or even impossible for an investor to sell them other than by way of a redemption of their Units.

A redemption of the Units in accordance with the provisions set out in this Offering Memorandum is likely to be the only means of liquidating an investment in the Fund.

Distributions:

Unitholders of a class of Units will be entitled to receive a quarterly distribution equal to 100% of the Net Income (as such term is defined in the Declaration of Trust) of the Fund attributable to such class, as applicable, from the preceding quarter.

Quarterly distributions to Unitholders of a class of Units will be automatically reinvested in additional Units of the class at the Net Asset Value per Unit of such class of Units on the date of distribution. The Fund reserves the right to adjust the distribution amount for a class if deemed appropriate.

Additional distributions of income, if any, and distributions of realized capital gains if any, will be made annually during the last month of the Fund's fiscal year (currently December). The Fund will distribute in each fiscal year such portion of its annual Net Income and Net Realized Capital Gains (as such terms are defined in the Declaration of

Trust) as will result in the Fund paying no tax under the Tax Act. The Net Income and Net Realized Capital Gains of the Fund for the period since the immediately preceding date on which Net Income and Net Realized Capital Gains were calculated will be calculated as of the close of business on the last Valuation Date in each fiscal year and as of such other dates during the year as the Manager in its discretion may determine. Allocations and distributions of capital gains will generally be made by reference to the number of Units held as of the close of business on the last Valuation Date in each fiscal year (or such other distribution date as may be determined by the Manager); however, the Manager may make allocations in a manner to fairly reflect, as best as possible, subscriptions and redemptions made during the year.

Distributions to Unitholders are generally 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. 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 will be provided to Unitholders promptly after the close of the fiscal year in which the distribution was made.

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

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

The Master Fund intends to pay the Fund a quarterly distribution calculated and payable in arrears as of each Valuation Date of interest, fees and dividends ("**Current Income**"), net of amounts used or reserved to pay the Master Fund's expenses or other liabilities (including fees payable to the Advisor), as determined eligible for distributions by the General Partner in consultation with the Manager. These distributions are not guaranteed and may change at any time at the sole discretion of the General Partner.

See "Distributions".

Risk Factors and Conflicts of Interest:

The Fund is subject to various risk factors and conflicts of interest, including those applicable to the Master Fund.

Prospective investors should review closely the investment objective, strategies and restrictions to be utilized by the Fund and the Master Fund as outlined herein to familiarize themselves with the risks associated with an investment in the Fund. These risk factors and the Code of Ethics to be followed by the Manager to address conflicts of interest are described under "Risk Factors" and "Conflicts of Interest".

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

Canadian Federal Income Tax Considerations:

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

Not Eligible for Investment by Tax Deferred Plans:

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

Year-End:

December 31

Auditor to the Fund:

KPMG LLP
Toronto, Ontario

Auditor to the Master Fund:

RSM US LLP
Chicago, IL

Canadian Legal Counsel to the Fund and the Master Fund:

Stikeman Elliott LLP
Toronto, Ontario

United States Counsel to the Master Fund:

Ropes & Gray LLP
New York, New York

Cayman Counsel to the Master Fund:

Maples and Calder
Grand Cayman, Cayman Islands

Custodian to the Master Fund:

U.S. Bank National Association
Boston, Massachusetts

Record-keeper to the Fund: RBC Investor Services Trust
Toronto, Ontario

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

**Administrator of the Master
Fund:** U.S. Bancorp Fund Services, LLC
Milwaukee, Wisconsin

THE FUND

Ninepoint-Monroe U.S. Private Debt Fund (the “**Fund**”) is an investment entity established as a trust under the laws of the Province of Ontario pursuant to a declaration of trust applicable to the Fund dated as of April 5, 2019 (the “**Declaration of Trust**”), as the same may be amended, restated or supplemented from time to time.

Pursuant to the Declaration of Trust, Ninepoint Partners LP (the “**Trustee**”) is the trustee of the Fund. The principal office of the Trustee is located at Suite 2700, South Tower, Royal Bank Plaza, 200 Bay Street, Toronto, Ontario, M5J 2J1. See “Trustee”, “Custodian” and “Record-Keeper and Fund Reporting”.

CIBC Mellon Trust Company (the “**Custodian**”) is the Custodian of the Fund. RBC Investor Services Trust (the “**Record-keeper**”) is the record-keeper of the Fund.

Ninepoint Partners LP (the “**Manager**”) is the Manager of the Fund. The principal office of the Fund and of the Manager is located at Suite 2700, South Tower, Royal Bank Plaza, 200 Bay Street, Toronto, Ontario, M5J 2J1. The Manager is responsible for the management of the day-to-day business and administration of the Fund. A copy of the Declaration of Trust is available for review during regular business hours at the offices of the Manager. See “Management of the Fund – The Manager”.

The capital of the Fund is divided into an unlimited number of Units issuable in one or more classes and/or series of Units. The Fund currently offers Series F and Series FH Units. Additional classes and/or series of Units may be offered in the future. See “Description of Units”.

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

INVESTMENT OBJECTIVE AND STRATEGY OF THE FUND

Investment Objective

The Fund’s investment objective is to invest primarily in Monroe (NP) U.S. Private Debt Fund LP (the “**Master Fund**”), a Cayman Islands exempted limited partnership, in order 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 the volatility of the public markets.

Investment Strategy

To achieve its investment objective the Fund intends to invest primarily in the Master Fund. As a result, the performance of the Fund will be dependent on the performance of the Master Fund. This type of structure is typically referred to as a “feeder” or “master-feeder” structure.

The Master Fund (or any special purpose vehicles formed directly or indirectly by the Master Fund (each, an “**SPV**”)) may enter into credit facilities with one or more lenders for the purposes of providing liquidity for on-going operating expenses and funding redemptions.

THE MASTER FUND

The Master Fund

The Master Fund is an exempted limited partnership formed and registered in the Cayman Islands on March 18, 2019. The Master Fund's registered office is located at Maples Corporate Services Limited, PO Box 309, Ugland House, Grand Cayman, KY1-1104, Cayman Islands. The general partner of the Master Fund is Monroe (NP) U.S. Private Debt Fund GP Ltd. (the "**General Partner**"), an exempted company incorporated under the laws of the Cayman Islands.

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

The Fund is expected to acquire limited partnership interests in the Master Fund ("**Master Fund Interests**"). The Master Fund has an operational currency of U.S. dollars for subscription, withdrawal and performance reporting purposes.

Monies may be withdrawn from the Master Fund at the same time and on substantially the same terms on which they may be withdrawn from the Fund in order to facilitate the Fund meeting withdrawal requests. The General Partner has engaged the Master Fund administrator to, among other things, administer the Master Fund subscriptions and withdrawals.

The return to the Fund will be dependent on the return of the Master Fund Interests it holds. As an investor in the Master Fund, the Fund will bear its proportionate share of the expenses of the Master Fund.

The Master Fund General Partner

The General Partner is responsible for the overall management of the Master Fund. The General Partner has delegated certain duties to certain service providers, subject to overall supervision and direction by the General Partner. The General Partner has delegated the overall management of the Portfolio of the Master Fund to the Advisor pursuant to the Advisor Agreement (each as defined below).

INVESTMENT OBJECTIVE AND STRATEGY OF THE MASTER FUND

Investment Objective

The investment objective of the Master Fund is to achieve 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.

Investment Strategy

The Master Fund 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; (vii) 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. The Master Fund 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.

The Master Fund 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 (which may be managed or advised by an affiliate of the Advisor) that are dedicated to investing in certain or all of the foregoing. The Master Fund intends to pursue its investment strategy by seeking to purchase or take assignment of all or a portion of any loan or investment made by the Advisor and its affiliates, and may seek to purchase or take assignment of all or a portion of any loan or investment made by Other Monroe Clients (as defined below). The Master Fund is permitted to pursue its investment strategy directly or through one or more SPVs.

INVESTMENT GUIDELINES OF THE MASTER FUND

The Master Fund intends to utilize senior secured, junior secured and unitranche secured (i.e., a customized combination of senior secured and junior secured debt in the same facility) private loan financing structures for its borrowers. The Master Fund aims to protect invested capital and generate an optimal risk-adjusted return for investors. Consistent with its prior history, Monroe (as defined below) believes that this return proposition is supported by the following aspects of the Master Fund's strategy -- strong current income; uncorrelated nature of senior and junior secured direct loans; and the significant total absolute return inherent in well-structured senior and junior secured direct loan transactions. The Master Fund will target senior and junior secured direct lending investments in a wide range of industries. The Master Fund will also seek diversity in terms of investment size, company type, geography and asset type.

The Master Fund will also target an array of private credit and lending investments in a range of industries including, but not limited to:

- Real Estate;
- Specialty Finance;
- Telecom and Wireless;
- Technology;
- Media and Entertainment;
- Infrastructure;
- Energy & Power;

- Healthcare; and
- Retail & Consumer Products.

The Investment Committee (as defined below) and the senior investment team of the Advisor have a unique history of crafting solutions in partnership with issuers. This custom financing approach allows for creative solutions in situations where there is:

- Collateral complexity;
- Structural complexity;
- Need for confidentiality;
- Need for speed of execution; and
- Inability to access traditional capital markets.

The principal elements of the Master Fund's strategy are unique transaction sourcing and strategic relationships, investment structure, and an active investor and operating approach. The Master Fund may also pursue out-of-favor sectors where it can acquire investments at a significant discount to the fundamental value of their 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 (which may be managed or advised by Monroe or an affiliate thereof) that are dedicated to investing in certain or all of the foregoing. For investments in any pooled investment fund managed or advised by Monroe, the Master Fund's proportionate share of any such management fee, incentive fee and/or other "carried interest" will be waived at the level of such other pooled investment fund, being rebated to the Master Fund or applied as an offset to the management fees and/or carried interest otherwise charged to investors by the Master Fund.

INVESTMENT RESTRICTIONS OF THE MASTER FUND

General

Unless authorized by the Manager in writing, the Master Fund will not make an investment if it would cause more than 20% of the Assumed Master Fund AUM to be invested in the securities or other obligations of any one issuer, provided that the Master Fund may invest up to 25% of the Assumed Master Fund AUM in the securities or other obligations of any one issuer at any time prior to the one-year anniversary of the initial closing of the Fund.

"Assumed Master Fund AUM" means assumed debt plus equity.

The restrictions set forth above are measured at the time of purchase, when the Master Fund enters into a definitive commitment to consummate such investment (and not, for the avoidance of doubt, as of the actual consummation date of such investment (i.e., not as of the applicable "settlement" date)).

The Master Fund is not otherwise constrained by geography, currency or type of investment.

The General Partner is permitted from time to time establish guidelines or restrictions with respect to the investments of the Master Fund including, without limitation, restrictions as to the proportion of the assets of the Master Fund which may be invested in the securities of issuers operating in any industry

sector or in any type or class of investment. These restrictions may be changed from time to time by the General Partner to adapt to changing circumstances.

Borrowing

The Master Fund (including each SPV) may enter into lines of credit, credit agreements and other financing arrangements (including, without limitation, the establishment of one or more credit facilities) (each a “**Credit Facility**”), and may incur indebtedness and/or guarantee the indebtedness of an SPV formed by the Master Fund, the Advisor and/or their affiliates, or in which the Master Fund holds a direct or indirect interest, for the purpose of (i) covering Master Fund expenses or other expenses payable by the Master Fund (or SPVs), including the payment of fees to the Advisor, (ii) financing investments (either singly or on a portfolio basis), (iii) funding withdrawals and (iv) any other purpose determined advisable by the Advisor, provided that the Master Fund will not incur additional borrowing if such additional borrowing would cause the outstanding leverage amount of the Master Fund following such additional borrowing to exceed two times (2x) the Net Asset Value of the Master Fund as of the date of debt incurrence. Any such borrowings may be secured by the assets of the Master Fund or SPVs.

Investment Through Intermediary Vehicles

Investments may be made by the Master Fund through intermediary vehicles, including, without limitation, SPVs or joint ventures, general or limited partnerships, and limited liability companies. The Master Fund may fully control any such intermediary vehicles, but may also hold investments through joint ventures or other intermediaries where third parties or affiliates of the Master Fund retain control over management, sale, and financing of the venture’s assets.

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

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

MANAGEMENT OF THE FUND

The Manager

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

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

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

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

Directors and Officers of the Manager and of Ninepoint GP

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

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

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

John Wilson

Mr. Wilson established the Manager in April 2017. Mr. Wilson has over 26 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. 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. 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. 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 a Partner and Chief Compliance Officer of the Manager. 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 27 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 a Director of Finance and Controller with the Manager and has over 12 years of experience in Finance, Planning, Budgeting and Accounting. Prior to joining the Manager, Ms. Kabani was a Senior Manager in Finance at Sprott Asset Management LP for approximately 2 years. Prior to joining Sprott Asset Management, Ms. Kabani was with IBM where she managed various operations and processes, including financial planning, forecasting, accounting, capital budgeting, cost management, governance and controls. Ms. Kabani received a Honors Bachelor of Commerce (High distinction) from McMaster University and is a CPA, CMA (Ontario).

Powers and Duties of the Manager

Pursuant to the Declaration of Trust, 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 Declaration of Trust, 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) preparing, certifying, executing and filing with the appropriate authorities, all such documents as may be necessary or desirable in connection with the issue, sale and distribution of Units, including subscription forms or agreements, any offering memorandum or like offering document of the Fund including, if applicable, reports of exempt distributions as prescribed by Applicable Laws, and any other applicable disclosure documents;
- (n) keeping proper records relating to the performance of its duties as Manager;
- (o) delegating any or all of the powers and duties of the Manager contained in the Declaration of Trust to one or more agents, representatives, officers, employees, independent contractors or other persons without liability to the Manager except as specifically provided in the Declaration of Trust; 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 Declaration of Trust.

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

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 Declaration of Trust. 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 Declaration of Trust, 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 Declaration of Trust and the Trustee shall continue to act as trustee of the Fund until such property of the Fund has been so distributed. See "Termination of the Fund".

Fees and Expenses of the Fund

In addition to the management fees payable by the Fund to the Manager, the Fund is responsible for the payment of all routine and customary fees and expenses incurred relating to the administration and operation of the Fund. See "Fees and Expenses - Operating Expenses Payable by the Fund". In addition, the Fund indirectly bears the management and other applicable fees and performance allocation payable to the Advisor by the Master Fund as well as its proportionate share of the expenses of the Master Fund.

Standard of Care and Indemnification of the Manager

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

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 entities, 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 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 Declaration of Trust, 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 Declaration of Trust, 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 Advisor

General

The Master Fund will be managed by Monroe Capital Management Advisors, LLC (the "**Advisor**"), an affiliate of Monroe Capital LLC (together with its affiliates, "**Monroe**"). Monroe was established in 2004 and is a private credit asset management firm with approximately \$7.0 billion in committed and invested assets under management as of January 1, 2019. The Master Fund will seek to achieve solid risk-adjusted returns and high current income by utilizing the Monroe asset management and origination platform. Monroe has approximately 100 employees, inclusive of an investment team of approximately 55 professionals with an average of more than 17 years of credit, private equity, and investment experience; a national transaction sourcing network of eight offices located through the U.S.; and a proven investment discipline and strategy over multiple economic cycles. In addition, Monroe has approximately 45 professionals focused on finance, accounting, compliance, loan operations, and marketing and investor relations.

Pursuant to an Advisor Agreement dated as of April 5, 2019 (the "**Advisor Agreement**"), the General Partner, on behalf of the Master Fund, appointed the Advisor to act as the Advisor to the Master Fund to manage the Master Fund. The Advisor will originate and underwrite transactions that are compliant with the investment restrictions and guidelines of the Master Fund. The Advisor and its affiliates will also be responsible for collections and payments relating to the loan portfolio and maintaining appropriate accounting records. By subscribing to the Master Fund, the Fund has consented to certain risk factors

which respect to the Advisor's management of the Master Fund and conflicts of interest with respect to the Advisor and its affiliates. See "Conflicts of Interest - The Advisor."

Advisor Agreement

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

Subject to the terms of the Partnership Agreement and the Advisor Agreement, the Advisor intends to exercise the powers granted and discharge its duties pursuant to the Advisor Agreement honestly, in good faith and in the best interests of the Master Fund, consistent with its duties to other investment funds, investment partnerships, managed accounts or other similar investment vehicles or contractual arrangements other than the Master Fund established, sponsored, managed or advised, directly or indirectly, by the Advisor or its affiliates (collectively, the "**Other Monroe Clients**"). However, the Advisor does not in any way guarantee the performance of the assets of the Master Fund and will not be liable for or responsible for any loss in respect of the assets of the Master Fund, except where such loss arises out of acts and omissions of the Advisor done or suffered through the Advisor's own actual fraud, gross negligence or wilful misconduct.

The Advisor will not be liable to the Master Fund (or therefore indirectly to the Fund or any unitholder of the Fund) for any loss suffered by the Fund or any unitholder of the Fund as a result of its interest in the Master Fund, as the case may be, which arises out of any action or inaction of the Advisor if such course of conduct did not constitute, with respect to the Master Fund, actual fraud, gross negligence, or wilful misconduct.

The Manager, on behalf of the Fund, acknowledges and agrees that the Advisor will not be responsible for any loss of opportunity whereby the value of any of the assets of the Fund could have been increased nor shall it be responsible for any decline in value of any of the assets of the Fund unless such decline is the result of the Advisor's actual fraud, gross negligence or wilful misconduct.

The Advisor Agreement will have an initial three-year term and will renew automatically for one-year periods thereafter, provided that (i) the ability of the Advisor to make new investments on behalf of the Master Fund may be terminated by the Manager upon 90 days' written notice prior to any renewal and (ii) the Advisor Agreement may be terminated by the Manager at any time for Cause (as defined below) upon 30 days' written notice. Following any such termination under clause (i), the Advisor will retain the right to manage the assets held by the Master Fund as of such termination date (and receive Advisory Fees and Performance Allocations thereto) until the disposition or maturity of such assets and will retain rights with respect to such assets including the ability to (a) reserve and pay amounts for payment of the expenses, liabilities and obligations of the Master Fund related to such assets, including, without limitation, indemnification obligations and the Management Fee, (b) complete investments by the Master Fund in transactions that were identified or committed to prior to such termination, (c) repay amounts owing under any credit facility, guarantee, letter of credit or similar credit support or other obligation of the Master Fund (including, without limitation, margin calls, put/call payments and similar obligations relating to derivative transactions entered into by the Master Fund or its subsidiaries), in each case, whether entered into before or after such termination, (d) fund the exercise of any options, warrants or similar instruments owned by the Master Fund, (e) effect follow-on or additional investments in or related to the issuers of existing investments (or their affiliates), including by entering into a credit facility, or providing a guarantee, letter of credit or similar credit support or other obligation, and (f)

incur additional indebtedness under existing or new credit facilities, including in furtherance of its powers and rights under the Advisor Agreement and the foregoing. In the event of any wind-up of the Master Fund, including following the termination of the Advisor Agreement, the Advisor may determine to cause the orderly liquidation and wind-up of the Master Fund's assets in accordance with the terms of the Advisor Agreement, which includes the ability of the Advisor to require the sale of all or part of the assets of the Master Fund to Other Monroe Clients at fair market value. The Advisor and General Partner may also require the sale of all or part of the assets of the Master Fund to Other Monroe Clients at fair market value (i) in connection with the required redemption of a limited partner in the Master Fund, or (ii) in connection with any other liquidity needs of the Master Fund, including ordinary course redemptions.

As used in clause (ii) above, "**Cause**" means that the Advisor has (a) been convicted as determined in a final, non-appealable judgment by a court of competent jurisdiction of, or entered a plea of no contest with respect to, a felony involving a material violation of United States federal securities laws or the misappropriation of funds; (b) has lost any registration, license or other authorization required by it to perform its investment advisory duties under the Advisor Agreement; or (c) committed acts or omissions that constitute fraud, gross negligence or willful misconduct in carrying out the duties of the Advisor relating to the Master Fund, as the case may be, as determined in a final, non-appealable judgment by a court of competent jurisdiction (provided, that (i) in the case of gross negligence, such acts or omissions have a material adverse effect on the Master Fund and (ii) if the employment of the person involved in the event constituting Cause is terminated within 90 days after the date on which the Advisor had actual knowledge of the occurrence of such event, such event shall not constitute Cause). It is understood that a loss in connection with any investment will not, by itself, constitute fraud, gross negligence or willful misconduct.

Termination of the Advisor Agreement in accordance with the terms hereof shall not result in any penalty or other fee.

The Advisor may directly or indirectly transfer its obligations under the Advisor Agreement to any affiliate; provided that in the event any such transaction constitutes an "assignment" under the Investment Advisers Act of 1940 (the "**Advisers Act**") that requires consent, the Manager shall be entitled to approve such transaction on behalf of the Fund.

Fees and Expenses

The Advisor is entitled to receive a quarterly advisory fee from the Master Fund. The General Partner is entitled to receive a quarterly performance allocation from the Master Fund. See "Fees and Expenses - Fees Payable by the Master Fund".

Directors and Officers of the Advisor

All investment decisions for the Master Fund will require the unanimous consent of the members of an investment committee of the Advisor with respect to the Master Fund (the "**Investment Committee**") comprised of Michael Egan, Theodore Koenig, Aaron Peck and Zia Uddin and may be supplemented with respect to certain investments or at other times with other senior investment professionals of Monroe. The Investment Committee is comprised of the senior managers of Monroe, who have collectively participated in over \$15 billion of private loan investments throughout their careers. Messrs. Koenig, Egan and Aronson (together, "**Co-Founders**") founded Monroe in 2004 in Chicago, IL and average over 30 years of private middle market credit experience. Prior to that, Messrs. Koenig and Egan worked together since 1999 at Hilco Capital LP, an opportunistic, hard-money lender providing various types of junior and distressed private loan transactions. Mr. Aronson joined Messrs. Koenig and Egan at Hilco Capital in 2002.

Since its founding in 2004, Monroe has grown its committed and invested assets under management to \$7.0 billion as of January 1, 2019 and have extended its geographic reach by adding offices in Atlanta, Boston, Los Angeles, New York City and San Francisco. The senior management of Monroe has significant expertise in directly originating investments and possesses complementary skill sets in transaction sourcing, underwriting, structuring and negotiations, work-out and distressed investing. The senior management will leverage this expertise and harness the entire Monroe platform in order to effectively execute transactions primarily throughout the United States and Canada for the Master Fund.

The name, state of residence and position(s) with the Advisor of the senior officers of the Advisor are as follows:

Name and State of Residence	Position with the Advisor
Theodore L . Koenig Illinois, USA	President and Chief Executive Officer, managing member and a partner and a member of the Investment Committee
Michael J. Egan Illinois, USA	Executive Vice President, Chief Operating Officer and Chief Credit Officer and a principal and a member of the Investment Committee
Thomas C. Aronson Illinois, USA	Managing Director, Head of Originations
Jeremy T. VanDerMeid Illinois, USA	Managing Director, Portfolio Manager - CLO & Loan Trading
Aaron D. Peck Illinois, USA	Managing Director, Portfolio Manager - BDC & Opportunistic Private Credit and a member of the Investment Committee
Zia Uddin Illinois, USA	Managing Director, Portfolio Manager - Private Credit and a member of the Investment Committee
Alexander Franky Illinois, USA	Managing Director, Head of Direct Underwriting
R. Sean Duff Illinois, USA	Managing Director, Marketing & Investor Relations
James M. Cassidy Illinois, USA	Managing Director, Fund Compliance and Finance
Carey Davidson Illinois, USA	Managing Director, Head of Capital Markets
Peter Gruszka Illinois, USA	General Counsel and Managing Director
Karina Stahl Illinois, USA	Managing Director, Finance & Operations
Brad Bernstein Illinois, USA	Managing Director, Head of the Equity Group

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

Thomas Aronson, Managing Director and Head of Originations. Mr. Aronson is a Managing Director and Head of Originations of Monroe Capital. He is responsible for leading all transaction sourcing efforts and structuring investments. He is a Co-Founder of the firm and a member of Monroe’s Investment Committee. Mr. Aronson has over 30 years of commercial lending and private debt experience. Prior to

Monroe, he served at Hilco Capital sourcing, structuring and underwriting debt transactions since 2002. Prior to Hilco Capital, Mr. Aronson was a Senior Vice President and Group Head in the Business Banking Group of Cole Taylor Bank, where he was responsible for asset-based lending, correspondent banking, public funds and a commercial lending division. He also served for seven years as a commercial lender with American National Bank (now JP Morgan Chase Bank) and as Chief Financial Officer of Barton Chemical Corporation, a privately held consumer products company. Mr. Aronson earned his M.B.A. in Management Accounting from DePaul University and a B.S. in Finance and Marketing from Indiana University. He is a member of the Commercial Finance Association, the Turnaround Management Association, and the Association for Corporate Growth.

Carey Davidson, Managing Director and Head of Capital Markets. Ms. Davidson is a Managing Director and Head of Capital Markets of Monroe Capital. She is responsible for buy side club originations, relationship management, and marketing as well as sell side syndications. She joined the firm in 2015 and is a member of Monroe's Investment Committee. Ms. Davidson has over 20 years of experience in middle market investing. Prior to Monroe, Ms. Davidson was a senior deal professional at The Carlyle Group's middle market private debt platform, Carlyle GMS Finance, where she focused on originating, structuring, negotiating, executing and managing middle market loans. Prior to Carlyle, Ms. Davidson was a founding professional and Senior Vice President at Churchill Financial and an Assistant Vice President at GE Antares Capital. Ms. Davidson was recognized by Mergers & Acquisitions as one of 2017 and 2018's Most Influential Women in Mid-Market M&A. Ms. Davidson earned her M.B.A. from The University of Chicago Booth School of Business and her B.A. in Communications with a Certificate in Business from The University of Wisconsin - Madison.

Michael Egan, Executive Vice President, Chief Credit Officer and Chief Operating Officer. Mr. Egan is the Executive Vice President and Chief Credit Officer of Monroe Capital. Mr. Egan is a member of the Operations and Risk Committee of Monroe Capital. He is responsible for credit policies and procedures, portfolio, and asset management operations. He is a Co-Founder of the firm and a member of Monroe's Investment Committee. Mr. Egan has over 30 years of experience in commercial finance, credit administration, banking and distressed investing. Prior to Monroe, he served as Executive Vice President and Chief Credit Officer of Hilco Capital from 1999 to 2004. Prior to Hilco Capital, Mr. Egan was with The CIT Group/Business Credit, Inc., for a ten-year period beginning in 1989, where he was Senior Vice President and Regional Manager for the Midwest U.S. Region responsible for all credit, new business and operational functions for the Midwest Region of the United States. Prior to the CIT Group, Mr. Egan was a commercial lending officer with The National Community Bank of New Jersey (subsequently known as The Bank of New York) and a credit analyst with Key Corp, where he completed a formal management and credit training program. Mr. Egan earned his B.S. in Business Management from The Ithaca College School of Business. He served as the President of the Chicago/Midwest Chapter of The Turnaround Management Association (2016 - 2017) and served on the Board of Trustees for the TMA Global. He is a member of the Commercial Finance Association.

Alex Franky, Managing Director. Mr. Franky is a Managing Director and Head of Underwriting of Monroe Capital. He is responsible for investment structuring and investment execution. He joined the firm in 2004 and is a member of Monroe's Investment Committee. Mr. Franky has over 25 years of commercial lending and private debt experience. Prior to joining Monroe in 2004, he served Hilco Capital LP in a similar capacity since 2002. Prior to that, he was an Assistant Vice-President with GMAC Business Credit in which he was instrumental in structuring and underwriting financing transactions. Prior to GMAC, Mr. Franky was an Assistant Vice-President with FINOVA Capital Corp., where he assembled, negotiated, and closed corporate asset-based and structured finance transactions. Mr. Franky began his professional career at LaSalle Bank in its asset-based lending group where he was a field examiner, managed portfolios, assisted in developing and structuring new business on middle market companies. Mr. Franky earned his M.B.A. in Finance and International Business from Loyola University and his B.S. in Accounting from University of Illinois at Chicago.

Theodore Koenig, President and CEO. Mr. Koenig is the President, CEO and Co-Founder of Monroe Capital. He is responsible for executive management, strategic initiatives, and company direction and policy, and is a member of Monroe's Investment Committee. He also serves as the Chairman, President and CEO of Monroe Capital Corporation, a publicly traded business development company (BDC). Mr. Koenig has over 30 years of experience in structuring, negotiating and closing transactions on behalf of asset-based lenders, commercial finance companies, financial institutions and private equity investors. Prior to founding Monroe in 2004, Mr. Koenig was President and CEO of Hilco Capital LP, a junior secured/mezzanine debt fund established in 2000. Mr. Koenig spent the previous 13 years at the Chicago-based law firm of Holleb & Coff as partner and co-chair of the firm's Corporate Law, Mergers & Acquisitions and Business Finance groups. Mr. Koenig earned his J.D. with Honors from Chicago-Kent College of Law and his B.S. in Accounting with High Honors from Indiana University Kelley School of Business. He also successfully passed the Certified Public Accounting Exam. Mr. Koenig is a Director of the Commercial Finance Association, and a member of the Turnaround Management Association and the Association for Corporate Growth.

Mr. Koenig's leadership in the M&A and private equity industries has led to wide recognition, including receiving the "Leadership Achievement Award" in 2016 by The Global M&A, being inducted into the Academy of Alumni Fellows of the Kelley School of Business at Indiana University in 2014, being honored with the "Stanley C. Golder Award" in 2013 by the Illinois Venture Capital Association, and being named the "Middle Market Thought Leader of the Year" in 2012 by The Alliance of Mergers & Acquisitions Advisors (AM&AA) and Grant Thornton LLP.

Aaron Peck, Managing Director. Mr. Peck is a Managing Director and Portfolio Manager of Monroe Capital. He is the Portfolio Manager for the Opportunistic Credit strategies and co-head of the Specialty Finance vertical; and is the Chief Financial Officer and Chief Investment Officer of Monroe Capital Corporation's publicly held business development company (NASDAQ:MRCC), and is responsible for portfolio management. He joined the firm in 2012 and is a member of Monroe's Investment Committee. Mr. Peck has over 25 years of experience in credit, lending, high yield, distressed credit and public company operations and investor relations. Prior to Monroe, Mr. Peck was Chief Investment Officer at Deerfield Capital Management and was responsible for the investment teams at Deerfield including syndicated and middle market loan teams which managed over \$5 billion in assets. Mr. Peck was also chief portfolio manager for Deerfield's publicly-traded specialty finance mortgage REIT and in that capacity, was the key point of contact for all institutional and retail investors, investment banking research analysts, lenders and investment bankers. Prior to Deerfield, he worked in leveraged credit at several investment firms including AEG Investors, Black Diamond Capital, Salomon Smith Barney, and ESL Investments. Mr. Peck earned his M.B.A. with Honors from The University of Chicago Graduate School of Business and his B.S. in Commerce from The University of Virginia, McIntire School of Commerce.

Zia Uddin, Managing Director. Mr. Uddin is a Managing Director and the Portfolio Manager of Monroe Capital's Private Credit investment vehicles. He works extensively with sponsors (fundless and private equity) and sits on various Board of Directors for Monroe's investments. He joined the firm in 2007 and is a member of Monroe's Investment Committee. Mr. Uddin has over 22 years of management consulting, corporate finance, turnaround and investing experience. Prior to Monroe, Mr. Uddin was a Partner and Principal with two middle market private equity funds. Prior to that, he was a Senior Manager at Arthur Andersen LLP where he provided management consulting services to a wide range of clients. Mr. Uddin has also had numerous operating roles at middle market companies including COO, CFO and CRO. Mr. Uddin earned his M.B.A. from The University of Chicago Graduate School of Business and his B.S. from University of Illinois. He is a CFA charter holder and is a non-practicing CPA.

Jeremy VanDerMeid, Managing Director. Mr. VanDerMeid is a Managing Director and Portfolio Manager of Monroe Capital. He is responsible for managing the CLO portfolios and executing buy side

transactions. He joined the firm in 2007 and is a member of Monroe's Investment Committee. Mr. VanDerMeid has over 20 years of credit, lending and corporate finance experience. Prior to joining Monroe, Vice President for Morgan Stanley Investment Management in the Van Kampen Asset Management Group, where he managed a portfolio of bank loans and also led the firm's initiative to increase its presence with middle market lenders and private equity firms. Prior to Morgan Stanley, Mr. VanDerMeid worked for Dymas Capital and Heller Financial where he originated, underwrote, and managed various middle-market debt transactions. Mr. VanDerMeid earned his M.B.A. from Northwestern University's Kellogg School of Business and his B.B.A. from the University of Michigan's Ross School of Business. Mr. VanDerMeid is a member of the Commercial Finance Association and the Turnaround Management Association.

Other Senior Management:

James M. Cassady, Managing Director. Mr. Cassady is a Managing Director, Fund Compliance and Finance of Monroe Capital. Mr. Cassady is a member of the Operations and Risk Committee of Monroe Capital. He leads compliance and finance for Monroe's funds under management and is responsible for compliance, operations, risk management, treasury, allocations, lender finance activities, and technology initiatives. He has 25 years of experience in compliance, lender finance, operations, commercial finance, underwriting, portfolio management, workouts, and loan fund management. Mr. Cassady rejoined Monroe in 2013 after being with Monroe from 2007-2010. In the interim, he was a Senior Vice President with Deloitte Corporate Finance, where he was responsible for raising debt capital for middle market companies. Prior to Monroe, he was a Director with Orchard First Source Capital (f/k/a First Source Financial) where he led a team of underwriters, managed a large portfolio of loans, and syndicated middle market club transactions. Mr. Cassady earned his M.B.A. from DePaul University's Kellstadt Graduate School of Business and his B.S. in Accountancy from the University of Illinois.

R. Sean Duff, Managing Director. Mr. Duff is a Managing Director, Marketing & Investor Relations of Monroe Capital. He is responsible for all aspects of marketing and investor relations. He has over 20 years of experience in the alternative investment business including capital raising, investing in alternative investments, institutional investors coverage, and investment talent sourcing. Prior to Monroe, Mr. Duff was a Director at Deutsche Bank within their Global Prime Finance group responsible for covering institutional investors and consultants in the U.S. and Canada. He also served as Director of Marketing at Onex Credit Partners, has spent time investing at hedge funds at Trout Trading Management and SAC Capital, and at investment banking firms Morgan Stanley and Merrill Lynch. Mr. Duff earned his B.B.A. with a concentration in Finance from The College of William and Mary.

Peter Gruszka, General Counsel and Managing Director. Mr. Gruszka is the General Counsel and Managing Director of Monroe Capital. He is responsible for all firm-related legal matters. Mr. Gruszka has over 18 years of experience in structured finance, leveraged loans, distressed investments and private fund matters. Prior to Monroe, Mr. Gruszka was a Director of Structured Products at Chicago Fundamental Investment Partners, LLC, where he was responsible for structuring CLO transactions, analysis on distressed and special situations investments and general private investment fund legal matters. Prior to Chicago Fundamental, he was an Attorney in the finance practice at Mayer Brown LLP, where he represented issuers, underwriters, banks, sponsors and private investment funds in a wide variety of finance transactions. Mr. Gruszka earned his J.D. from Washington University in St. Louis and his B.A. from Duke University.

Karina Stahl, Managing Director. Ms. Stahl is a Managing Director, Finance and Operations of Monroe Capital. Ms. Stahl is a member of the Operations and Risk Committee of Monroe Capital. She is responsible for overseeing the firm's financial reporting, accounting, tax, audit, direct loan operations, treasury management, and regulatory financial compliance. Ms. Stahl also assists with new fund product development and investor reporting. She has over 15 years of accounting and operations experience.

Prior to Monroe, Ms. Stahl was the Chief Accounting Officer at CIFC Asset Management (f/k/a Deerfield Capital Management). During her eight years with CIFC/Deerfield she also held positions as the Director of Financial Reporting and Investment Products Accounting and Manager of Hedge Fund Accounting. Prior to CIFC/Deerfield, she was an Auditor with Deloitte & Touche LLP. Ms. Stahl earned her B.S. in Accountancy from DePaul University. She is a registered Certified Public Accountant.

Brad Bernstein. Mr. Bernstein is a Managing Director and Head of the Equity Group of Monroe Capital. He is responsible for managing all of the firm's private equity activities. Mr. Bernstein has over 30 years of experience in private equity investing, M&A, high yield securities and corporate finance. Prior to Monroe, Mr. Bernstein was Managing Partner at SE Capital LLC, a private equity firm based in Chicago focused on investing in management-assisted buyouts in the lower middle market. Prior to founding SE Capital, he was a Managing Director and Practice Leader in the Investment Banking Group at JP Morgan & Co. Prior to that, Mr. Bernstein spent 15 years in various banking, capital markets, and corporate finance positions with Banc of America Securities, LLC, First Chicago Capital Markets, Inc. and NationsBank Corporation. Mr. Bernstein has served on the Board of Directors of numerous companies. Mr. Bernstein earned his M.B.A. from Northwestern University, Kellogg School of Management and his B.A. in Finance from the University of South Florida, Muma College of Business.

Standard of Care and Indemnification of the General Partner and the Advisor

The General Partner, the Advisor, and their respective partners, members, shareholders, officers, directors, agents or employees (the "**Master Fund Indemnified Parties**" and each a "**Master Fund Indemnified Party**") shall at all times be indemnified and saved harmless by the Fund from and against any expenses, losses, damages, liabilities, demands, charges, costs and claims of any kind or nature whatsoever suffered or sustained by them, by reason of any acts, omissions or alleged acts or omissions arising out of or in connection with the Fund, the Master Fund or the letter agreement dated April 5, 2019 by and among, *inter alios*, the Fund, the Manager, the Advisor and the General Partner, including, but not limited to, any legal fees, judgements, award, settlement, reasonable attorneys' fees and other costs or expenses incurred in connection with the defense of any actual or threatened action, proceeding or claim, except that the Fund shall not be liable for such liabilities to the extent that a court of competent jurisdiction has finally determined in a non-appealable decision that such liabilities are attributable to such Master Fund Indemnified Party's fraud, gross negligence or willful misconduct.

DESCRIPTION OF UNITS OF 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, each of which will represent an equal, undivided interest in the net assets of 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. 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. Each Unitholder will be entitled to one vote for each whole Unit held.

The Fund has authorized the issuance and sale of Series F and Series FH units. The 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.

Series FH Units are designed for investors who want exposure to foreign investments but seek to minimize the impact of foreign currency movements relative to the Canadian dollar on their investment.

While Series FH Units have the same features as (unhedged) Series F Units of the Fund, Series FH Units “hedge” against fluctuations in the relative value of the U.S. dollar against the Canadian dollar. Series FH Units are designed to have higher returns than (unhedged) Series F Units when the U.S. dollar is weakening relative to the Canadian dollar. Conversely, Series FH Units are designed to have lower returns than (unhedged) Series F Units when the U.S. dollar is rising relative to the Canadian dollar. Forward currency contracts are used to offset Series FH exposure to the U.S. dollar. The amount of forward currency contracts is based on the aggregate exposure of the Series FH Units to the U.S. dollar. While this approach is designed to minimize the impact of currency fluctuations on Series FH returns, it may not necessarily eliminate the exposure to the U.S. dollar completely. Also, the return of the forward currency contracts may not perfectly offset the actual fluctuations between the U.S. dollar and the Canadian dollar. All expenses related to such currency hedging will be allocated to Series FH 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 preemptive 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. 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.

Unitholders should consult with their own tax advisors regarding any tax implications of reclassifying or switching between classes of Units.

FEES AND EXPENSES

Fees Payable by the Fund

Management Fees Payable by the Fund

The Fund will pay the Manager a management fee that is accrued quarterly on the last day of each calendar quarter (a “**Valuation Date**”) and calculated and payable quarterly in arrears in respect of the Units at a rate equal to 1/4 of 0.10% (approximately 0.10% per annum) of the Net Asset Value of the Fund, plus applicable federal and provincial taxes (including HST) (together, the “**Management Fee**”).

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

By investing in the Master Fund, the Fund indirectly will be subject to the Advisory Fee and Performance Allocation of the Master 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; custodial, prime broker and safekeeping fees and expenses; registrar and transfer agency fees and expenses; audit, legal and record-keeping fees and expenses; communication expenses; printing and mailing expenses; all costs and expenses associated with the qualification for sale and distribution of the Units in the Offering Jurisdictions including securities filing fees (if any); investor servicing costs; costs of providing information to Unitholders (including proxy solicitation material, financial and other reports) and convening and conducting meetings of Unitholders; taxes, assessments or other governmental charges of all kinds levied against the Fund; interest expenses; and all brokerage commissions and other fees associated with the purchase and sale of portfolio securities and other assets of the Fund; and all expenses associated with the servicing, collection and liquidation of investments held directly by the Fund. In addition, the Fund will be responsible for the payment of all expenses associated with ongoing investor relations and education relating to the Fund.

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

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 Payable by the Master Fund

By investing in the Master Fund, the Fund indirectly will be subject to the Advisory Fee and Performance Allocation, administrative fees and other expenses payable at the Master Fund level described below.

Operating Expenses Payable by the Master Fund

The Master Fund shall bear (and shall reimburse the General Partner, Advisor or their affiliates) for all of its fees, expenses, and costs including without limitation, fees, expenses and costs related to: organization, formation and marketing of the Master Fund or the General Partner (or the Fund) or qualification for sale and distribution of the Master Fund Interests or the Units, including filing or registration fees (including those applicable to the Advisor as a result of services to the Master Fund), any travel, accommodation, or meals, registrar and transfer agency services, the evaluation, discovery, research, investigation, development, acquisition, monitoring or disposition of potential or actual investments (whether or not consummated) (including travel, communications, meals, lodging), related to market data (including database, news or third-party research or information services and any computer hardware and connectivity hardware), of any experts, finders, senior advisors, originators, or consultants, implementing or maintaining third-party or proprietary software tools, programs or other technology for the benefit of the Master Fund, investor servicing, education or communication and providing information to the Trustee, the Fund or Unitholders (including proxy solicitation material, financial and other reports), audit, preparation of financial and tax returns or reports, pricing or valuation services, administrator or other service providers to the Master Fund (including, without limitation, any fees paid to service companies that are affiliates of the Advisor), the trustee, any third-party general partners or directors of the General Partner or SPVs (or persons serving in similar capacities), debt issuance costs and legal fees in negotiating credit facilities, interest, fees and expenses arising out of all permitted borrowings made by the Master Fund, clearing and settlement charges, bank services fees, the costs of any litigation or threatened litigation, insurance premiums, costs or expenses, indemnification expenses, or extraordinary expense or liability relating to the affairs of the Master Fund, any tax audit, investigation, settlement or review of the Master Fund, costs and expenses (including Advisor travel, meals and lodging-related expenses) of hosting annual or special meetings for the Fund, fees, costs and expenses incurred in connection with compliance with, side letters and/or other similar written agreements, any and all fees, costs and expenses paid by the Master Fund with respect to potential co-investments that are not consummated, including any portion of such expenses that is not borne by co-investors, fees, costs and expenses incurred in connection with organizing, maintaining and operating entities controlled by the Advisor or an affiliate that facilitate the Master Fund's investments (including rent, salaries and ancillary costs of such entities, and fees, costs and expenses of service providers of such entities), entity level taxes, if any, costs and expenses of in-house professionals and related administrative personnel (including personnel of the Advisor and its affiliates responsible for tax matters, portfolio reconciliation, accounting, credit facility compliance, portfolio compliance and reporting or otherwise for implementing, maintaining and supervising the procedures relating to the books and records of the Master Fund, inclusive of their allocated overhead), fees, costs and expenses incurred to comply with any law or regulation related to the activities of the Master Fund, including of the Advisor or any of its affiliates in connection with ongoing compliance, filing and reporting obligations under Advisers Act or other U.S. or non-U.S. laws, and all other expenses related to the operations or business of the Master Fund.

The General Partner shall be permitted to cause Master Fund expenses to be deducted from amounts that would otherwise be distributable by the Master Fund or an SPV.

The General Partner and its affiliates 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.

Advisory Fees Payable to the Advisor and the Manager

As compensation for providing management and administrative services to the Master Fund, the Advisor receives an advisory fee that is accrued quarterly and calculated and payable quarterly in arrears in

respect of the Master Fund Units at a rate equal to $\frac{1}{4}$ of 1.55% (approximately 1.55% per annum) of the Master Fund AUM (the “**Advisory Fee**”). The “**Master Fund AUM**” will be the total assets of the Master Fund including assets financed using leverage as of the relevant quarter end.

The Advisor pays a portion of the Advisory Fee to the Manager as compensation for the Manager’s services to the Master Fund.

The Advisor or its affiliates will also retain (and not account to the Master Fund for) (a) agency or syndication fees with respect to the Master Fund’s investments, (b) any fees paid to Monroe Credit Advisors LLC (together with its successors, “**Monroe Credit Advisors**”) for investment banking, debt placement or advisory services with respect to potential and existing portfolio investments of the Master Fund, and (c) any fees paid to certain service companies that are affiliates of the Advisor. See “Conflicts of Interest – The Advisor.”

Performance Allocations to the General Partner and the Manager

The Master Fund will make a Performance Allocation to the General Partner as follows:

The General Partner (or its designee) is entitled to receive from the Master Fund a quarterly performance allocation payable quarterly (the “**Performance Allocation**”). If the difference by which the return in the Net Asset Value of the Master Fund (before calculation and accrual for the Performance Allocation) from the beginning of the quarter (or the inception date as applicable) to the end of the quarter (the “**Net Profit**”) exceeds 7% annualized (the “**Preferred Return**”) for the same period (or prorated for partial quarters), and such return is between 7% and 8.75% on an annualized basis, such amount in excess of the Preferred Return shall be payable to the General Partner (or its designee) as a Performance Allocation, plus applicable taxes. If the difference by which the return in the Net Asset Value of the Master Fund (before calculation and accrual of the Performance Allocation) in the particular quarter exceeds the Preferred Return and is 8.75% or more on an annualized basis, then all of such amount between the Preferred Return and 8.75%, plus 20% of the return amount above 8.75% shall be payable to the General Partner (or its designee) as a Performance Allocation, plus applicable taxes.

If the Net Profit of the Master Fund in any quarter is positive but less than the Preferred Return, then no Performance Allocation will be payable in that particular quarter, and the difference between such return of the Master Fund and the Preferred Return is not carried forward. However, if the Net Profit of the Master Fund in any quarter is negative, such negative return will be added to the subsequent quarter’s Preferred Return when calculating the amount of the Performance Allocation. The Performance Allocation will be calculated and payable quarterly.

In addition to the portion of the Advisory Fee payable by the Advisor to the Manager, the Manager is entitled to receive a portion of the Performance Allocation from the General Partner (or its designee), but no additional fees are payable by the Master Fund to the Manager.

DETAILS OF THE OFFERING

Subscription Process

The Fund is offering Series F and Series FH units (the “**Units**”) on a continuous basis to investors resident in the provinces of British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Quebec, New Brunswick, Nova Scotia, Newfoundland and Labrador, and Prince Edward Island (collectively, the “**Offering Jurisdictions**”).

Units are being offered to investors resident in the Offering Jurisdictions pursuant to exemptions from the prospectus requirement under (i) section 2.3 of National Instrument 45-106 *Prospectus Exemptions* (“**NI 45-106**”) or section 73.3 of the Securities Act (Ontario), as the case may be (in each case, the accredited investor exemption), and (ii) section 2.10 of NI 45-106 (minimum amount investment exemption).

The minimum initial subscription amount is \$25,000 for an investor that qualifies as an “accredited investor” as such term is defined under section 1.1 of NI 45-106 and, in Ontario, section 73.3(1) of the *Securities Act* (Ontario). The Manager may in its sole discretion accept subscriptions for lesser amounts from “accredited investors”. The minimum initial subscription amount for persons relying on the “minimum amount investment” exemption is \$150,000; provided that such investor is (i) not an individual and, (ii) not created or used solely to rely on the “minimum amount investment” exemption.

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

Subscription 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 an investor unless the Manager is satisfied that the subscription is in compliance with the requirements of applicable securities legislation. Investors whose subscriptions have been accepted by the Manager will become Unitholders.

At no time may a “designated beneficiary” (as defined in the Tax Act) (a “**Designated Beneficiary**”) or partnerships that are not “Canadian partnerships” (as defined in the Tax Act) (“**non-Canadian partnerships**”) be the beneficial owners of Units. The Manager may require declarations from Unitholders as to their status as a Designated Beneficiary or where a partnership is the beneficial owner of Units, the jurisdictions in which the partners are resident. If the Manager becomes aware, as a result of requiring such declarations as to beneficial ownership, that the beneficial owners of any of the Units then outstanding are, or may be, Designated Beneficiaries and/or non-Canadian partnerships or that such a situation is imminent, the Manager shall make a public announcement thereof and the Manager shall not accept a subscription for Units from, and shall direct the Trustee not to issue Units to and the Record-keeper not to register a transfer of Units to, a Person unless the Person provides a declaration, in form and content satisfactory to the Manager, that the Person is not a Designated Beneficiary or a non-Canadian partnership. If, notwithstanding the foregoing, the Manager determines that any Units are held by Designated Beneficiaries and/or non-Canadian partnerships, the Manager may send or cause to be sent a notice to Designated Beneficiary and non-Canadian partnership holders of Units requiring them to sell their Units within a specified period of not less than 60 days. If the Unitholders receiving such notice have not sold the Units or provided the Manager with satisfactory evidence that they are not Designated Beneficiaries or non-Canadian partnerships within such period, the Manager may, on behalf of such Unitholders, direct the Trustee to sell such Units and, in the interim and in accordance with Applicable Laws, may direct the Trustee to suspend the voting rights and the distribution rights attached to such Units. Upon such sale, the affected holders shall cease to be holders of Units and their rights shall be limited to receiving the net proceeds of sale of such Units.

At no time may “financial institutions” within the meaning of Section 142.2 of the Tax Act (a “**Financial Institution**”) be the beneficial owners of outstanding Units having a fair market value equal to more than 50% of the fair market value of all outstanding Units. The Manager may require declarations from Unitholders as to their status as a Financial Institution. If the Manager becomes aware, as a result of requiring such declarations as to beneficial ownership, that the beneficial owners of 49% of the Units then outstanding are, or may be, Financial Institutions or that such a situation is imminent, the Manager shall make a public announcement thereof and the Manager shall not accept a subscription for Units from, and

shall direct the Trustee not to issue Units to and the Record-keeper not to register a transfer of Units to, a Person unless the Person provides a declaration, in form and content satisfactory to the Manager, that the Person is not a Financial Institution. If, notwithstanding the foregoing, the Manager determines that outstanding Units having a fair market value equal to more than 50% of fair market value of all the outstanding Units are held by Financial Institutions, the Manager may send or cause to be sent a notice to Financial Institutions holders of Units, chosen in inverse order to the order of acquisition or registration of Units or in such other manner as the Manager may consider equitable and practicable, requiring them to sell their Units or a portion thereof within a specified period of not less than 60 days. If the Unitholders receiving such notice have not sold the specified number of Units or provided the Manager with satisfactory evidence that they are not Financial Institutions within such period, the Manager may, on behalf of such Unitholders, direct the Trustee to sell such Units and, in the interim and in accordance with Applicable Laws, may direct the Trustee to suspend the voting rights and the distribution rights attached to such Units. Upon such sale, the affected holders shall cease to be holders of Units and their rights shall be limited to receiving the net proceeds of sale of such Units.

Units may be purchased as at the close of business on the last day of each calendar quarter and on such other day or days as the Manager may in its discretion designate with the consent of the Advisor (each, 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, or, if such Valuation Date is not a Business Day (as hereinafter defined), the immediately preceding Business Day. The issue date for subscription orders received and accepted after 4:00 p.m. (Toronto time) will be the next Valuation Date. If on any Valuation Date the amount of subscriptions for Units is less than \$150,000 in the aggregate, the Manager will hold such subscriptions in cash until such time as additional subscriptions are received and total \$150,000 in the aggregate. Accordingly, the issue date for such Units will be the next Valuation Date. No certificates evidencing ownership of Units will be issued to Unitholders.

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 investor, and will forthwith return to the investor the amount (or a portion thereof) tendered by the investor 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 investor 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 requirement described under NI 45-106. In addition, the investor is also acknowledging in the subscription form that the investment portfolio and trading procedures of each of the Fund, the Master Fund, the Manager and the Advisor are proprietary in nature and agrees that all information relating to such investment portfolio and trading procedures will be kept confidential by such investor and will not be disclosed to third parties (excluding the investor’s professional advisors) without the prior written consent of the Manager or the Advisor, as applicable.

Not Eligible for Investment by Registered Plans

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

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 Strategy of the Fund”, “Investment Objective and Strategies of the Master Fund” and “Investment Restrictions of the Master Fund”.

REDEMPTION OF UNITS

Unitholders may request that Units be redeemed at the Net Asset Value per Unit as of the end of each calendar quarter (a “**Redemption Date**”) on or following the Twenty-Four Month Anniversary Date (as defined below), provided the written request for redemption (the “**Redemption Notice**”) is submitted to the Manager prior to 4:00 p.m. (Toronto time) on a day on which the Toronto Stock Exchange is open for trading (such day, a “**Business Day**”) which is at least 180 days prior to such quarter end. The “**Twenty-Four Month Anniversary Date**” with respect to a subscription will be the nearest calendar quarter end which is at least twenty-four calendar months minus a day from the date of such subscription; provided, however, that a different date may be agreed upon by the Unitholder and the Manager in writing at the time of the subscription.

A Redemption Notice shall be irrevocable (except as otherwise provided in the Declaration of Trust) 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 180 days following receipt of the Redemption Notice.

Payment of the redemption amount (the “**Redemption Amount**”) will be paid to the redeeming Unitholder not later than the 45th day following the Redemption Date for which such redemption is effective. Each such redemption shall be made on a Valuation Date. The Redemption Amount payable to Unitholders will be adjusted by changes in the Net Asset Value of the Fund during the period between the date of the Redemption Notice and the Valuation Date and calculated on each Valuation Date in respect of the payment to be made on such date. Until such time as they are redeemed, the portion of any redemption requests that are not satisfied on a Redemption Date will remain invested in, and therefore still subject to the risks of, the Master Fund.

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.

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 Declaration of Trust, 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 Redemption Date, the Manager has received from one or more Unitholders acceptable Redemption Notices to redeem in aggregate 3% or more of the outstanding Units, the Manager may, in its discretion, choose to meet such redemptions on a pro rata basis effective as of such quarter-end and to meet such excess redemptions on a pro rata basis effective as of subsequent quarter-ends, subject to the application of the 3% limitation for each such subsequent quarter-end.

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 Valuation Date following the 30th day after the date of the notice. A Unitholder may prevent such redemption by subscribing for and purchasing within the 30-day notice period a sufficient number of additional Units to increase the Net Asset Value of the total number of Units owned to an amount equal to or greater than such threshold amount. As at the date hereof, the Manager has not fixed a minimum threshold amount. The Manager may, in its sole discretion, waive this redemption requirement.

Each Unitholder who has delivered a Redemption Notice or whose Units are required to be redeemed, shall be paid a Redemption Amount equal to the Net Asset Value per Unit for the applicable class on the applicable Valuation 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 Valuation Date.

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

A suspension may apply to all Redemption Notices received prior to the suspension, but as for which payment has not been made, as well as to all Redemption Notices received while the suspension is in effect. In such circumstances, all Unitholders shall have, and shall be advised that they have, the right to withdraw their Redemption Notice or receive payment based on the Net Asset Value of the particular class of Units determined on the first Valuation Date following the date on which the suspension is terminated. 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.

RESALE RESTRICTIONS

As the Units offered by this Offering Memorandum are being distributed pursuant to exemptions from the prospectus requirement under NI 45-106, the resale of these Units by investors is subject to restrictions. Investors 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 an investor to sell their Units other than by way of a redemption of their Units on a Valuation Date.

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

COMPUTATION OF NET ASSET VALUE OF THE FUND

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

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

- (a) The assets of the Fund shall be deemed to include the following property:
 - (i) all cash on hand or on deposit, including any interest accrued thereon adjusted for accruals deriving from trades executed but not yet settled;
 - (ii) all bills, notes and accounts receivable, including loans comprising the Portfolio;
 - (iii) all bonds, debentures, shares, subscription rights and other securities owned by or contracted for the Fund including, without limitation, any units;
 - (iv) all shares, rights and cash dividends and cash distributions to be received by the Fund and not yet received by it when the Net Asset Value of the Fund is being determined so long as, in the case of cash dividends and cash distributions to be

received by the Fund and not yet received by it when the Net Asset Value of the Fund is being determined, the shares are trading ex- dividend;

- (v) all interest accrued on any interest-bearing securities owned by the Fund other than interest, the payment of which is in default; and
 - (vi) prepaid expenses.
- (b) The fair market value of the assets and the amount of the liabilities of the Fund (the net result of which is the "Net Asset Value" of the respective fund) will be calculated by the Administrator in such manner as it shall determine from time to time, subject to the following guidelines:
- (i) the value of any cash on hand or on deposit, bills, demand notes, loans receivable (including loans and investments), accounts receivable, prepaid expenses, cash dividends received (or to be received and declared to securityholders of record on a date before the date as of which the Net Asset Value of the Fund is being determined), and interest accrued and not yet received, shall be deemed to be the full amount thereof unless the Manager shall have determined that any such deposit, bill, demand note, account receivable, prepaid expense, cash dividend received or interest is not worth the full amount thereof, in which event the value thereof shall be deemed to be such value as the Manager shall determine to be the reasonable value thereof;
 - (ii) the value of any bonds, debentures, and other debt obligations shall be valued by taking the average of the bid and ask prices on a Valuation Date at such times as the Manager, in its discretion, deems appropriate. Short-term investments including notes and money market instruments shall be valued at cost plus accrued interest;
 - (iii) the value of any security which is listed or dealt in upon a stock exchange shall be determined by (1) in the case of a security which was traded on the day as of which the Net Asset Value of the Fund is being determined, the closing sale price; (2) in the case of a security which was not traded on the day as of which the Net Asset Value of the Fund is being determined, a price which is the average of the closing recorded bid and ask prices; or (3) if no bid or ask quotation is available, the price last determined for such security for the purpose of calculating the Net Asset Value of the Fund. The value of inter-listed securities shall be computed in accordance with directions laid down from time to time by the Manager; provided, however, that if, in the opinion of the Manager, stock exchange or over-the-counter quotations do not properly reflect the prices which would be received by the Fund upon the disposal of securities necessary to effect any redemptions of Units, the Manager may place such value upon such securities as appears to the Manager to most closely reflect the fair value of such securities;
 - (iv) the value of any security, the resale of which is restricted or limited, shall be the quoted market value less a percentage discount for illiquidity amortized over the length of the hold period;

- (v) the value of any loan will be the unpaid principal amount thereof plus accrued unpaid interest on a Valuation Date, net of any impairment loss recorded on such Valuation Date;
 - (vi) a long position in an option or a debt-like security shall be valued at the current market value of the position;
 - (vii) the value of any security or other property for which no price quotations are available or, in the opinion of the Manager, to which the above valuation principles cannot or should not be applied, shall be the fair value thereof determined from time to time in such manner as the Manager shall from time to time provide; and
 - (viii) the value of all assets and liabilities of the Fund valued in terms of a currency other than the currency used to calculate the Net Asset Value of the Fund shall be converted to the currency used to calculate the Net Asset Value of the Fund by applying the rate of exchange obtained from the best available sources to the Manager including, but not limited to, the Trustee or any of its affiliates
- (c) The liabilities of the Fund shall be calculated on an accrued basis and shall be deemed to include the following:
- (i) all bills, notes and accounts payable;
 - (ii) all fees (including management fees and performance fees, if any) and administrative and operating expenses payable and/or accrued by the Fund;
 - (iii) all contractual obligations for the payment of money or property, including distributions of Net Income and Net Realized Capital Gains, if any, declared, accrued or credited to the Unitholders but not yet paid on the day before the day as of which the Net Asset Value of the Fund is being determined;
 - (iv) all allowances authorized or approved by the Manager or the Trustee for taxes or contingencies; and
 - (v) all other liabilities of the Fund of whatever kind and nature, except liabilities represented by outstanding Units.
- (d) Portfolio transactions (investment purchases and sales) will be reflected in the first computation of the Net Asset Value of the Fund made after the date on which the transaction becomes binding.
- (e) The Net Asset Value of the Fund and Net Asset Value per Unit on the first day following a Valuation Date shall be deemed to be equal to the Net Asset Value of the Fund (or per Unit, as the case may be) on such Valuation Date after payment of all fees, including administrative fees, management fees and performance fees, if any, and after processing of all subscriptions and redemptions of Units in respect of such Valuation Date.
- (f) The Net Asset Value of the Fund and the Net Asset Value per Unit established by the Manager in accordance with the provisions of this section shall be conclusive and binding on all Unitholders.

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

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

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

- (a) the Class Net Asset Value last calculated for that class of Units; plus
- (b) the increase in the assets attributable to that class as a result of the issue of Units of that class or the redesignation of Units into that class since the last calculation; minus
- (c) the decrease in the assets attributable to that class as a result of the redemption of Units of that class or the redesignation of Units out of that class since the last calculation; plus or minus
- (d) the proportionate share of the Net Change in 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 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 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 will be 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 Declaration of Trust). The Net Asset Value per Unit of any one class of Units need not be equal to the Net Asset Value per Unit of any other class.

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

See the Declaration of Trust 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.

The primary asset of the Fund is expected to be its interest in the Master Fund. The Fund will rely upon valuation information provided by the Master Fund in establishing the valuation of its interest in the Master Fund. Investments made by the Master Fund are valued by the Advisor pursuant to its valuation policies and procedures as amended from time to time. See “Risks Associated with an Investment in the Fund – Fluctuations in Net Asset Value and Valuation of the Master Fund’s Investments” for a discussion of risks relating to the Advisor’s fair valuation procedures.

The Master Fund will also bear organizational and offering expenses, which may be amortized over a five year period. Although the amortization of such expenses over a five year period is a divergence from U.S. generally accepted accounting principles (“GAAP”), the Master Fund believes that doing so is more equitable than requiring the initial Unitholders to bear all of the Master Fund’s organizational expenses as would otherwise be required under GAAP. Such departure from GAAP may result in a qualified opinion being rendered on the Master Fund’s financial statements, or if the Master Fund deems it necessary to issue financial statements strictly in accordance with GAAP, the Net Asset Values may still be calculated by amortizing organizational and offering costs and will therefore differ from the financial statements determined in accordance with GAAP.

DISTRIBUTIONS

Unitholders of a class of Units will be entitled to receive a quarterly distribution equal to 100% of the Net Income (as such term is defined in the Declaration of Trust) of the Fund attributable to such class, as applicable, from the preceding quarter.

Quarterly distributions to Unitholders of a class of 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. The Fund reserves the right to adjust the distribution amount for a class of Units if deemed appropriate.

Additional distributions of income, if any, and distributions of realized capital gains, if any, will be made annually during the last month of the Fund’s fiscal year (currently December). The Fund will distribute in each fiscal year such portion of its annual Net Income and Net Realized Capital Gains (as such term is defined in the Declaration of Trust) as will result in the Fund paying no tax under the Tax Act. The amount of any distributions may fluctuate and there can be no assurance that any distributions will be made in any year or of any particular amount.

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

Distributions to Unitholders are generally 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. 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 will be provided to Unitholders promptly after the close of the fiscal year in which the distribution was made.

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

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

The Master Fund intends to pay the Fund a quarterly distribution calculated and payable in arrears as of the last Valuation Date of each quarter of interest, fees and dividends ("**Current Income**"), net of amounts used or reserved to pay the Master Fund's expenses or other liabilities (including fees payable to the Advisor), as determined eligible for distributions by the General Partner in consultation with the Manager. These distributions are not guaranteed and may change at any time at the sole discretion of the General Partner.

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 Declaration of Trust or applicable laws, be determined by the majority of the votes duly cast on the question. Subject to the provisions of the Declaration of Trust 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.

AMENDMENTS TO THE DECLARATION OF TRUST

Any provision of the Declaration of Trust may be amended, deleted, expanded or varied by the Manager, with the approval of the Trustee, upon notice to Unitholders if the amendment, in the opinion of counsel for either the Trustee or the Manager, does not constitute a material change and does not relate to any of the matters requiring Unitholder approval pursuant to the Declaration of Trust. No amendment will be made which adversely affects the pecuniary value of the interest of any Unitholder or restricts any protection provided to the Trustee or increases the responsibilities of the Trustee under the Declaration of Trust.

Any provision of the Declaration of Trust may be amended, deleted, expanded or varied with the consent of the Unitholders, for any of the following purposes:

- (a) the basis of the calculation of a fee or expense that is charged to the Fund is changed in a way that could result in an increase in charges to the Fund;
- (b) the Manager is changed, unless the new manager is an affiliate of the current Manager or the new manager occurs primarily as a result of a manager reorganization;
- (c) the Fund undertakes a reorganization with, or transfers its assets to, another investment fund or entity, if (i) the Fund ceases to continue after the reorganization or transfer of assets and (ii) the transaction results in the Unitholders becoming unitholders in the other investment fund; or
- (d) the Fund undertakes reorganization with, or acquires assets from, another investment fund or entity, if (i) the Fund continues after the reorganization or acquisition of assets, (ii) the transaction results in the unitholders of the other investment fund or entity becoming Unitholders in the Fund, and (iii) the transaction would be a material change to the Fund.

The consent of the Trustee is also required to any amendment if the amendment restricts any protection provided to the Trustee or impacts the responsibilities of the Trustee under the Declaration of Trust.

Notice of any amendment to the Declaration of Trust 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”.

TERMINATION OF THE FUND

The Fund does not have a fixed termination date. 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 termination of the Fund during the period after giving the notice of termination, 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 Declaration of Trust. 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 Declaration of Trust until the Fund has been wound up.

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 Declaration of Trust; (iii) the Manager is, in the opinion of the Trustee, in material default of its obligations under the Declaration of Trust and such default continues for 120 days from the date that the Manager receives notice of such material default from the Trustee; (iv) the Manager has been declared bankrupt or insolvent or has entered into liquidation or winding-up, whether compulsory or voluntary (and not merely a voluntary liquidation for the purposes of amalgamation or reconstruction); (v) the Manager makes a general assignment for the benefit of its creditors or otherwise acknowledges its insolvency; or (vi) the assets of the Manager have become subject to seizure or confiscation by any public or governmental authority.

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

CANADIAN FEDERAL INCOME TAX CONSIDERATIONS

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

under subsection 39(4) of the Tax Act. Accordingly, Unitholders would not be able to make the election under subsection 39(4) of the Tax Act to have their Units treated as capital property.

This summary is based on the current provisions of the Tax Act and the regulations thereunder (the “**Income Tax Regulations**”), all specific proposals to amend the Tax Act and the Income Tax Regulations publicly announced by the Minister of Finance (Canada) prior to the date hereof (the “**Tax Proposals**”) and the Manager’s understanding of the current written administrative and assessing policies of the Canada Revenue Agency (“**CRA**”). There can be no assurance that the Tax Proposals will be implemented in their current form or at all, nor can there be any assurance that CRA will not change its administrative or assessing practices. This summary further assumes that the Fund will comply with the Declaration of Trust and certificates issued to counsel regarding certain factual matters. 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 affect adversely any income tax consequences described herein, and does not take into account provincial, territorial or foreign tax considerations, which may differ significantly from those described herein.

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

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

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

Status of the Fund

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

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

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

The Fund will be liable for tax under Part XII.2 in a taxation year on its “designated income” (as defined in the Tax Act) if it has a “designated beneficiary” (as defined in the Tax Act) in that year. A “designated beneficiary” generally includes a non-resident person and a person exempt from tax under Part I of the Tax Act that has acquired an interest in the Fund, directly or indirectly, from a beneficiary of the Fund. “Designated income” is generally taxable capital gains from dispositions of “taxable Canadian property” (as defined in the Tax Act) and income from real properties in Canada, timber resource property (as defined in the Tax Act), Canadian resource properties (as defined in the Tax Act) and businesses carried on in Canada. Based on the assumption that there is no “designated income” in the Fund, the Fund should not be liable for tax under Part XII.2 of the Tax Act.

Taxation of the Fund

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

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

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

Taxation of Unitholders

Unitholders will be required to include in their income for tax purposes for a particular year the amount of net income and net taxable capital gains, if any, paid or payable to them. Certain provisions of the Tax Act permit the Fund to make designations that have the effect of flowing through to the Unitholders the income and taxable capital gains realized by the Fund. To the extent that appropriate designations are made by the Fund, taxable dividends on shares of taxable Canadian corporations and net taxable capital gains paid or payable to Unitholders will be taxable as if such income had been received by them directly. Income of the Fund derived from foreign sources may be subject to foreign withholding taxes which, to the extent permitted by the Tax Act, may be claimed as a deduction or credit by Unitholders. To the extent that amounts are designated as taxable dividends from taxable Canadian corporations, the normal gross-up and dividend tax credit rules will apply including, for taxable dividends which are designated as “eligible dividends”, the enhanced gross-up and dividend tax credit. To the extent that distributions to Unitholders exceed the Net Income and Net Realized Capital Gains of the Fund for the year, such excess distributions will be a return of capital and will not be taxable in the hands of the Unitholder but will reduce the ACB to the Unitholder of such Unitholder’s Units, except to the extent such amount is the non-

taxable portion of a capital gain of the Fund the taxable portion of which was designated to the Unitholder. To the extent that the ACB of a Unit would be less than zero, the negative amount will be deemed to be a capital gain realized by the Unitholder from the disposition of the Unit and the Unitholder's ACB of the Units will be increased by the amount of such deemed capital gain. If any transactions of the Fund are reported by it on capital account but are subsequently determined by the Minister of National Revenue (Canada) to be on income account, there may be an increase in the Net Income of the Fund for tax purposes and the taxable component of amounts distributed to Unitholders, with the result that resident Unitholders could be reassessed by the Minister of National Revenue (Canada) to increase their taxable income by the amount of such increase.

Upon the actual or deemed disposition of a Unit, including the redemption of a Unit by the Fund, a capital gain (or a capital loss) will generally be realized to the extent that the proceeds of disposition of the Unit exceed (or are exceeded by) the aggregate of the ACB of the Unit to the Unitholder and any costs of disposition. Under the Tax Act, one-half of capital gains are included in an individual's income and one-half of capital losses are generally deductible only against taxable capital gains. For this purpose, the Unitholder's proceeds of disposition will not include net income or net taxable capital gains realized by the Fund and paid to the Unitholder on redemption. Any unused allowable capital losses may be carried back up to three years and forward indefinitely and deducted against net taxable capital gains realized in any such other year to the extent and under the circumstances described in the Tax Act.

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

Unitholders should consult with their own tax advisors regarding any tax implications of reclassifying or switching between classes of Units.

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

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

Not Eligible for Investment by Registered Plans

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

U.S. FEDERAL INCOME TAX CONSIDERATIONS

The following summary is based on U.S. federal income tax laws, regulations, rulings and decisions in effect or available on the date of this Offering Memorandum. All of the foregoing are subject to change,

which change may apply retroactively and could affect the continued validity of this summary. This summary is included herein for general information only. Prospective purchasers of the Units should consult their own tax advisers regarding the U.S. federal income tax consequences of the purchase, ownership and disposition of the interests in the Fund and the possible application of state, local, foreign, or other tax laws.

The following is a summary of certain of the U.S. federal income tax consequences of an investment in the Units by purchasers that acquire their Units in the initial offering. This summary applies only to holders (as defined below) that acquire and then hold the Units as capital assets within the meaning of Section 1221 of the Code. In addition, this summary does not describe any tax consequences arising under the laws of any state, locality, or taxing jurisdiction other than the U.S. federal government. This discussion only addresses Non-U.S. Holders (as defined below), and does not purport to address all aspects of U.S. federal income taxation (such as any alternative minimum tax consequences) that may be relevant to Unitholders in light of their personal investment circumstances nor, except for limited discussions of particular topics, to holders subject to special treatment under the U.S. federal income tax laws, including: financial institutions; life insurance companies; securities dealers or traders electing mark-to-market treatment; governmental entities; partnerships or any entities treated as partnerships for U.S. federal income tax purposes; tax-exempt organisations; individual retirement accounts, persons that hold the Units as a position in a “straddle” or as part of a synthetic security or “hedge”, “conversion transaction” or other integrated investment; investors in pass-through entities that hold Units; U.S. expatriates; persons that own 10 per cent or more of the Units; and persons that own interests in the debt or other financial products issued by the Fund or any of its affiliates.

For purposes of this discussion, a “holder” is a beneficial owner of a Unit. As used herein, a “**Non-U.S. Holder**” means a holder that is or is treated for U.S. federal income tax purposes as:

- a non-resident alien individual;
- a foreign corporation;
- an estate that is not subject to U.S. federal income tax on a net income basis, or
- a trust if (1) no U.S. court can exercise primary supervision over the trust’s administration or no U.S. person and no group of such persons is authorized to control all substantial decisions of the trust, and (2) the trust has no election to be treated as a U.S. person in effect.

No rulings from the IRS or opinions of counsel have been or will be sought with respect to the matters discussed below. There can be no assurance that the IRS will not take a different position concerning the tax consequences of the purchase, ownership or disposition of the Units or that any such position would not be sustained by a court of competent jurisdiction.

If a partnership (or an entity treated as a partnership for U.S. federal income tax purposes) holds Units, the treatment of a beneficial owner of such entity generally will depend upon the status of the beneficial owner and the activities of the entity and such beneficial owner. Any such entity and the beneficial owners thereof should consult with their tax advisers about the U.S. federal income tax consequences of holding and disposing of such Units.

U.S. Federal Tax Treatment of the Master Fund and the Fund

The Fund intends to be treated as a corporation for U.S. federal income tax purposes. The balance of this discussion assumes that it be so treated and that it will invest substantially all capital contributions it receives in the Master Fund. The Master Fund intends to be treated as a partnership for U.S. federal

income tax purposes. However, the Master Fund will not receive a ruling from the IRS or an opinion of tax counsel regarding its classification as a partnership for U.S. federal income tax purposes, and there can be no assurance that the IRS will not treat the Master Fund as a corporation. The balance of this discussion assumes that the Master Fund will be characterized for U.S. tax purposes as a partnership. If the Master Fund were to be treated as a corporation for U.S. federal income tax purposes, the considerations discussed herein that are applicable to the Fund would also be applicable to the Master Fund.

The U.S. federal income tax consequences to an investor in the Fund that receives distributions, if any, from the Fund or that disposes of Units generally depend on the investor's particular circumstances, including whether the investor conducts a U.S. trade or business or is otherwise taxable as a U.S. person.

Each of the Master Fund and the Fund intend to operate so as not to be considered to be engaged in a trade or business in the United States (a "**U.S. trade or business**"). If the Master Fund is treated as engaged in a U.S. trade or business for a taxable year, then the Fund will be treated as engaged in a U.S. trade or business for such taxable year. If either the Master Fund or the Fund (or any affiliated investment vehicles established directly or indirectly by the Master Fund or the Fund) were considered to be engaged in a U.S. trade or business, the results may be materially adverse to Non-U.S. Holders.

There is a risk that the Master Fund and thus the Fund will be treated as engaged in a U.S. trade or business. In general, a non-U.S. investor that restricts its activities in the United States to trading in stocks and securities for its own account, whether such trading is by the investor itself, its employees, a resident broker, a commission agent, or through a partnership, is not deemed to be engaged in a U.S. trade or business. This exemption does not apply to a dealer in stocks and securities; it also does not apply to certain business activities in which the Master Fund may be engaged, such as lending or other financing activities, to the extent such activities are not considered trading in stocks or securities. Neither the Code nor the applicable Treasury Regulations establish clear rules with respect to when certain investment activities, including certain activities (such as lending, financing or workout activities) in which the Master Fund may engage, will cause a non-U.S. investor to be treated as engaged in a U.S. trade or business. As a result, there is a substantial risk that the Fund may be considered to be engaged in a U.S. trade or business solely by virtue of its interest in the Master Fund.

The Master Fund intends to take steps to reduce the risk that it is treated as engaged in a U.S. trade or business, including by holding investments in operating partnerships that are treated as engaged in a U.S. trade or business through one or more U.S. subsidiaries that are treated as taxable corporations for U.S. federal income tax purposes (each, a "U.S. Corp"). Each U.S. Corp will be subject to U.S. federal income tax (currently at a rate of 21%), as well as any applicable state and local taxes, on its net income. A Non-U.S. Holder's share of any non-liquidating distribution made by a U.S. Corp will be treated as a dividend to the extent of the U.S. Corp's earnings and profits and will be subject to U.S. withholding tax at the rate of 30% (or lower treaty rate). Furthermore, notwithstanding any such steps, the Fund, solely by virtue of its interest in the Master Fund, may nevertheless be treated as engaged in a U.S. trade or business. If the Master Fund were considered to be engaged in a U.S. trade or business for a taxable year, the income and gain allocated by the Master Fund to the Fund that is effectively connected with such trade or business would be subject to U.S. federal income taxation at graduated rates (and would also be subject to an additional 30% (or lower treaty rate) "branch profits" tax on such income and gain). It is possible that the Master Fund's income and gain from non-U.S. investments also will be treated as effectively connected income taxable as described herein. The Fund also would be obligated to file a U.S. federal income tax return for each taxable year in which the Master Fund was treated as engaged in a U.S. trade or business, and the Fund's distributive share of income effectively connected with such trade or business would be subject to tax (which may be collected through withholding).

If the Fund is not engaged in a trade or business in the United States, or if the following items are not treated as effectively connected income, it generally will not be subject to U.S. federal income tax on its distributive share of:

(a) interest, including original issue discount but not including certain contingent interest, if either (x)(i) the Fund does not actually or constructively own 10% or more of the total combined voting power of all classes of stock, in the case of a corporation, or 10% or more of the total interests in capital or profits, in the case of a partnership, of the issuer of the debt obligation, (ii) the Fund is not a controlled foreign corporation related to the issuer of the debt obligation through stock ownership, and (iii) the Fund complies with certain certification requirements, or (y) the interest is not derived from U.S. sources;

(b) dividends, unless such dividends are derived from U.S. sources or constitute gains from the disposition of a USRPI; or

(c) capital gains, unless such gains constitute gains from the disposition of a USRPI.

The Fund generally will be subject to a 30% tax (which may be collected through withholding) in respect of U.S. source dividends and U.S. source interest that is not described in (a) above, subject to adjustment by a tax treaty.

FATCA

Notwithstanding the foregoing, very generally and with few exceptions, pursuant to Sections 1471 through 1474 of the Code, as modified by applicable Treasury Regulations, guidance from the IRS, relevant intergovernmental agreements and subject to further guidance (collectively, "**FATCA**"), payments of or attributable to certain U.S.-source interest (including original issue discount and portfolio interest), dividends, certain payments with respect to derivative instruments that are determined to be "dividend equivalent" payments, compensation, and certain other amounts, (collectively, "**Withholdable Payments**") to the Fund will be subject to a 30% withholding tax unless such entity enters into a valid agreement with the U.S. Secretary of the Treasury (if applicable) or meets the requirements of a relevant intergovernmental agreement (or otherwise qualifies for an exemption from the foregoing) that obligates such entity to obtain and verify certain information from investors and comply with certain reporting requirements with respect to certain direct or indirect U.S. investors, as well as meet certain other requirements.

Each Unitholder will be required to provide certain information to the Fund (and the Fund will be required to provide certain information to the Master Fund) to demonstrate that it qualifies for an exemption from FATCA, has a valid agreement in effect with the U.S. Secretary of the Treasury to comply with certain information, diligence and/or reporting requirements that are mandated by FATCA, or otherwise complies with the rules as provided in FATCA. If a Unitholder or the Fund fails to satisfy these requirements, it may be subject to a 30% withholding tax with respect to its distributive share of Withholdable Payments. Any Unitholder that does not supply the information requested by the Fund to enable it to comply with FATCA also may be required to withdraw from the Fund. The Fund and the Master Fund may disclose any such information described above to the IRS or other parties as necessary to comply with FATCA. Withholding pursuant to FATCA may reduce returns to Unitholders.

The requirements of and exceptions from FATCA are complex and remain subject to material changes resulting from additional guidance from the Service. All prospective investors are urged to consult with their own tax advisors about the requirements imposed on investors by FATCA and the effect that such requirements may have on investors.

Taxation of Unitholders

Other than as described above regarding FATCA, a Non-U.S. Holder in the Fund generally will not be subject to U.S. federal income tax on distributions paid with respect to, or gains realized on the sale or other disposition of, its Units, unless (i) such distribution or gain is effectively connected income (and is attributable to a permanent establishment maintained in the United States by such investor, if an applicable income tax treaty so requires as a condition for such investor to be subject to U.S. taxation on a net-income basis in respect of income from or gain from the sale of such Units), in which case the Unitholder generally will be subject to tax in respect of such income or gains at graduated rates, or (ii) in the case of gain realized by an individual Unitholder, the Unitholder is present in the United States for 183 days or more during the taxable year of the sale and certain other conditions are met. Effectively connected income realized by a corporate Non-U.S. Holder may, under certain circumstances, also be subject to an additional 30% (or lower treaty rate) “branch profits” tax. In general, other than as described above regarding FATCA, U.S. federal information reporting and backup withholding will not apply to distributions in respect of Units, although Non-U.S. Holders may be required to establish their exemption from U.S. federal information reporting and backup withholding by certifying their status on the applicable IRS Form W-8. Non-U.S. Holders are urged to consult their own tax advisors regarding an investment in the Fund.

Partnership Audits

Under recent legislation (the “**Budget Act**”), partnerships (including the Master Fund) appoints one person (the “**Partnership Representative**”) to act on its behalf in connection with IRS audits and related proceedings. The Partnership Representative’s actions, including the Partnership Representative’s agreement to adjustments of the Master Fund’s income in settlement of an IRS audit of the Master Fund, will bind all limited partners in the Master Fund (including the Fund). All limited partners in the Master Fund will be deemed to have agreed to appoint the General Partner (or an affiliate thereof) as the Partnership Representative (or, if not eligible to be the Partnership Representative, as agent-in-fact of the Partnership Representative). The interests of the Partnership Representative may not coincide with the interests of the Fund. In addition, under these rules, U.S. federal income taxes (and any related interest and penalties) attributable to an adjustment to the Master Fund’s income following an IRS audit or judicial proceeding will, absent an election by the Master Fund to the contrary, have to be paid by the Master Fund itself, in the year during which the audit or other proceeding is resolved. This could cause the economic burden of U.S. federal income tax liability arising on audit of the Master Fund to be borne by Unitholders based on their indirect interests in the Master Fund in the year during which the audit or other proceeding is resolved, even though such tax liability is attributable to an earlier taxable year in which the interests in the Master Fund or identity of some or all of the Unitholders was different. Similar considerations apply with respect to a potential audit of the Fund.

The new rules also can cause the Master Fund’s U.S. federal income tax liability arising on audit to be computed in less advantageous ways than the tax liability of the Fund would be computed (for example, by applying the highest marginal federal income tax rates and potentially ignoring the status of certain limited partners). The Budget Act directs the IRS to provide procedures that may allow the Master Fund, in calculating taxes imposed on the Master Fund with respect to audit adjustments, to take into account certain applicable lower tax rates and the status of certain limited partners, potentially including the Fund. In addition, if elected by the Partnership Representative, an alternative procedure may allow the Master Fund to avoid such entity-level U.S. federal income tax liability in some cases if certain conditions are satisfied. This alternative procedure may require the Fund to either file amended returns and pay any tax that would be due for the prior tax year under audit, or adjust the tax liability reported on its income tax return for the year in which the audit is resolved (in which case such adjustment may be subject to a higher interest charge than if the adjustment is paid by the Master Fund). However, there can be no assurances that any conditions to such adjustments or alternative procedures can be satisfied or that such alternative procedure will be elected in any instance. Any U.S. federal income taxes (and any related interest and penalties) paid by the Master Fund in respect of IRS audit adjustments at the Master Fund

level could have a material adverse effect on payments on the interests in the Master Fund. In the event that any such tax is imposed on the Master Fund, the General Partner may, in its sole discretion, allocate the burden of (or any diminution in distributable proceeds resulting from) any such taxes, penalties, or interest to those Unitholders to whom such amounts are specifically attributable (whether as a result of their status, actions, inactions or otherwise), as determined in the sole discretion of the General Partner.

The new partnership audit rules are complex and additional guidance will be required before they are implemented. Prospective investors should discuss with their own tax advisers the possible implications of the new rules with respect to an investment in the Fund.

THE DISCUSSION ABOVE IS A GENERAL SUMMARY. IT DOES NOT COVER ALL TAX MATTERS THAT MAY BE OF IMPORTANCE TO A PARTICULAR INVESTOR. EACH PROSPECTIVE INVESTOR IS STRONGLY URGED TO CONSULT ITS OWN TAX ADVISER ABOUT THE TAX CONSEQUENCES OF AN INVESTMENT IN THE UNITS UNDER THE INVESTOR'S OWN CIRCUMSTANCES.

RISK FACTORS

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

Risks Associated with an Investment in the Fund

Overall Risk; Not a Complete Investment Program

AN INVESTMENT IN THE FUND IS NOT GUARANTEED AND IS NOT INTENDED AS A COMPLETE INVESTMENT PROGRAM. INVESTMENT IN THE FUND REQUIRES THE FINANCIAL ABILITY AND WILLINGNESS TO ACCEPT THE HIGH RISKS AND LACK OF LIQUIDITY INHERENT IN AN INVESTMENT IN THE FUND. INVESTORS IN THE FUND MUST BE PREPARED TO BEAR SUCH RISKS FOR AN EXTENDED PERIOD OF TIME. NO ASSURANCE CAN BE GIVEN THAT THE FUND'S INVESTMENT OBJECTIVES WILL BE ACHIEVED OR THAT INVESTORS WILL RECEIVE A RETURN OF THEIR CAPITAL. INVESTORS SHOULD HAVE THE FINANCIAL ABILITY AND WILLINGNESS TO ACCEPT THE RISK CHARACTERISTICS OF THE FUND'S INVESTMENT IN THE MASTER FUND. INVESTORS SHOULD REVIEW CLOSELY THE INVESTMENT OBJECTIVE, STRATEGY AND RESTRICTIONS TO BE UTILIZED BY THE FUND AND THE MASTER FUND AS OUTLINED HEREIN TO FAMILIARIZE THEMSELVES WITH THE RISKS ASSOCIATED WITH AN INVESTMENT IN THE FUND.

General Investment Risk

The Net Asset Value of the Fund will vary directly with the market value and return of the investment portfolio of the Fund and the Master Fund. Furthermore, the Fund's value of its interest in the Master Fund is dependent in part upon the valuation of the Master Fund by the Advisor. See "*Fluctuations in Net Asset Value and Valuation of the Master Fund's Investments*" for more information.

Limited Operating History

Although all persons involved in the management and administration of the Fund, including the service providers to the Fund, have significant experience in their respective fields of specialization, the Fund has a limited operating or performance history upon which prospective investors can evaluate the Fund's

likely performance. Notwithstanding the foregoing, prospective investors may wish to consider the Fund's operating and performance history.

Changes in Investment Strategy

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

Limited Ability to Liquidate Investment

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

Redemptions of Units

The Units are only appropriate for investors willing to hold Units for a substantial period of time. Redemptions are permitted only on a Valuation Date following an initial lock-up period from the time of subscription until the Twenty-Four Month Anniversary Date and subject to at least 180 days notice.

There are circumstances in which the Fund may suspend redemptions or intends to limit redemptions and payments of redemption amounts outstanding, which would lead to a substantial delay in payment of redemptions. The redemption rights of Unitholders are restricted by the 3% limitation per quarter described in "Redemption of Units" above. The operation of the 3% limitation would result in a substantial delay in receipt of payments by Unitholders. See "Redemption of Units".

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

Capital Depletion Risk

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

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

While the Master Fund is independently audited by its auditors on an annual basis in order to ensure as fair and accurate a pricing as possible, valuation of the Master Fund's securities and other investments may involve uncertainties and judgmental determinations and, if such valuations should prove to be incorrect, the Net Asset Value of the Master Fund could be adversely affected. Generally, there will be no readily available market for a substantial number of the Master Fund's investments, and hence the Master Fund's investments will be difficult to value and independent pricing information may not at times be available regarding certain of the Master Fund's securities and other investments. Valuation determinations will be made in good faith in accordance with the Master Fund's constituting documents.

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

Foreign Currency Risk Exposure of Series FH Units

Series FH Units are designed for investors who want exposure to foreign investments but seek to minimize the impact of foreign currency movements relative to the Canadian dollar on their investment. While Series FH Units have the same features as (unhedged) Series F Units of the Fund, Series FH Units "hedge" against fluctuations in the relative value of the U.S. dollar against the Canadian dollar. Series FH Units are designed to have higher returns than (unhedged) Series F Units when the U.S. dollar is weakening relative to the Canadian dollar. Conversely, Series FH Units are designed to have lower returns than (unhedged) Series F Units when the U.S. dollar is rising relative to the Canadian dollar. Forward currency contracts are used to offset Series FH exposure to the U.S. dollar. The amount of forward currency contracts is based on the aggregate exposure of the Series FH Units to the U.S. dollar. While this approach is designed to minimize the impact of currency fluctuations on Series FH returns, it may not necessarily eliminate the exposure to the U.S. dollar completely. Also, the return of the forward currency contracts may not perfectly offset the actual fluctuations between the U.S. dollar and the Canadian dollar. Series FH Unitholders will bear all expenses relating to such currency hedging.

Unitholders not Entitled to Participate in Management

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

Reliance on the Manager

The Fund will be relying on the ability of the Manager to actively manage the assets of the Fund. There can be no assurance that satisfactory replacements for the Manager will be available, if the Manager ceases to act as such. Termination of the Manager will not terminate the Fund, but will expose investors to the risks involved in whatever new investment management arrangements will be negotiated with a replacement manager for the Fund. The Manager has the authority to make determinations, take actions and provide consents on behalf of the Fund with respect to the Master Fund, including consenting to conflicts and consenting to matters requiring client consent under the Advisers Act with respect to the Master Fund.

Dependence of the Manager on Key Personnel

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

Reliance on the Advisor

The Master Fund and, indirectly, the Fund rely on the ability of the Advisor to actively administer the investments comprising the Portfolio. The Advisor will make decisions upon which the success of the Fund will depend significantly. No assurance can be given that the approaches utilized by the Advisor will prove successful. There can be no assurance that satisfactory replacements for the Advisor will be available, if needed. Termination of the Advisor Agreement will not terminate the Fund nor the Master Fund, but in the event that the Advisor Agreement is terminated, the Master Fund will seek to windup in an orderly liquidation. The liquidation of any securities positions held by the Master Fund as a result of the termination of the Advisor Agreement may cause substantial losses to the Master Fund and, indirectly, the Fund.

Dependence of Advisor on Key Personnel

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

Taxation of the Fund

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

No Ownership Interest in the Master Fund or Portfolio; Delays in Subscription

An investment in Units does not constitute an investment by Unitholders in the Master Fund or securities included in the Portfolio. Unitholders will not own any securities held by the Fund or held in the Portfolio. The Fund's interest in the Master Fund is managed by the Manager, and as a result is subject to the terms of the Master Fund and agreements thereto. Unitholders have no direct right of action against the Master Fund, the Advisor or their affiliates. As the Fund will accept subscriptions and then invest in

the Master Fund following calculation of the Master Fund's net asset value, there are expected to be delays in deploying capital into the Master Fund, and by the Master Fund into its investments, which may impact Unitholder's returns.

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 Declaration of Trust 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 quarterly basis and distributions of income and losses of the Fund to Unitholders are anticipated to be made on a quarterly basis, such distributions to a particular Unitholder may not correspond to the economic gains and losses which such Unitholder may experience.

Potential Indemnification Obligations

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

Liability of Unitholders

The Declaration of Trust 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 Declaration of Trust, for obligations of the Fund to the extent that claims are not satisfied out of the assets of the Fund. It is intended that the operations of the Fund will be conducted in such manner so as to minimize such risk. In the event that a Unitholder should be required to satisfy any obligation of the Fund, such Unitholder will be entitled to reimbursement from any available assets of the Fund.

Lack of Independent Experts Representing Unitholders

The Fund and the Manager have consulted with a single legal counsel regarding the formation and terms of the Fund and the offering of the Units. Unitholders have not, however, been independently represented. Therefore, to the extent that the Fund, Unitholders or this offering could benefit by further independent review, such benefit will not be available. Each prospective investor should consult his or her own legal, tax and financial advisors regarding the desirability of purchasing the Units and the suitability of investing in the 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 this offering, the structure of the Fund or the background of the Manager.

Not a Public Mutual Fund

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

Charges to the Fund

The Fund is obligated to pay management fees to the Manager, brokerage commissions and Trustee, custodian, prime broker, record-keeper, legal, accounting, filing and other expenses regardless of whether the Fund realizes profits. In addition, the Fund indirectly bears the management and other applicable fees and performance allocation payable to the Advisor by the Master Fund as well as its proportionate share of the expenses of the Master Fund. See "Fees and Expenses - Operating Expenses Payable by the Fund".

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

Overall Investment Risk

All investments in securities risk the loss of capital. There may be increased risk due to the nature of the securities to be purchased and traded by the Master Fund and the investment techniques and strategies used to try to increase profits. Neither the Advisor nor the Manager can give an assurance that the Master Fund will not incur losses. Many unforeseeable events, including actions by various government agencies and domestic and international political events, may cause sharp market fluctuations.

Changes in Investment Strategy

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

General Economic and Market Conditions

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

Risks of Executing Investment Strategies

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

Market Liquidity

The Master Fund may be adversely affected by a decrease in market liquidity for instruments in which it invests, which may impair its ability to adjust its position. The size of the Master Fund's positions may magnify the effect of a decrease in market liquidity for those instruments. Changes in overall market leverage, de leveraging as a consequence of a decision by a dealer to reduce the level of leverage

available, or the liquidation by other market participants of the same or similar positions, may also adversely affect the Master Fund's Portfolio. Most if not all of the underlying investments of the Master Fund are not actively traded and there may be uncertainties involved in valuing those investments. Potential investors are warned that under those circumstances, the Net Asset Value of the Master Fund may be adversely affected.

Discretion of the Manager; Concentration of Investments

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

Charges to the Master Fund

The Master Fund is obligated to pay its expenses, including management fees, administration fees, brokerage commissions and legal, accounting, filing and other expenses regardless of whether the Master Fund realizes profits. The General Partner, the Advisor and their affiliates may from time to time incur expenses on behalf of the Master Fund and Other Monroe Clients. Although the General Partner, the Advisor and their respective affiliates will attempt to allocate such expenses on a basis that they consider equitable, there can be no assurance that such expenses will in all cases be allocated appropriately.

Performance Allocation

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

Non-Disclosure of Positions

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

Risk of Taxation

The Master Fund is a Cayman Islands exempted limited partnership. Although it is not expected to be the case, it is possible that the Master Fund could be subject to tax in a jurisdiction other than the Cayman Islands, which could reduce the Fund's Net Asset Value. The Master Fund is not subject to tax in the Cayman Islands.

Each of the Fund and the Master Fund intends to operate so as not to be considered to be engaged in a trade or business in the United States (a "U.S. trade or business"). If either the Fund or the Master Fund

were considered to be engaged in a U.S. trade or business such as because the loan origination or other active businesses of Monroe affiliates were attributed to the Master Fund or the Fund, the results may be materially adverse to prospective investors. In particular, the Fund would likely be subject to a material amount of U.S. federal corporate income tax (and possibly state and local taxes as well) as well as a branch profits tax. Such taxes would materially reduce the amount available for distribution on the interests in the Fund. The Master Fund, the General Partner and the Advisor will follow a set of guidelines and take other precautions to seek to avoid causing the Master Fund or the Fund from being treated as engaged in a U.S. trade or business. Acquiring loans from Monroe affiliates that have been originated by such Monroe affiliates may increase the risk of U.S. tax and filing obligations.

Availability of Investment Strategies

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

Business Risks

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

Middle Market Companies

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

Nature of Investments

Although the Master Fund's investments are expected to be primarily secured, some investments may be unsecured and subordinated to substantial amounts of senior indebtedness. In the event that any portfolio company cannot generate adequate cash flow to meet debt service, the Master Fund may suffer a partial or total loss of capital invested in the portfolio company, which could adversely affect the returns of the Master Fund. Furthermore, the companies and securities in which the Master Fund will invest generally will not be rated by a credit rating agency, or be lower rated. Non-rated debt instruments and securities are subject to greater risk of loss of principal and interest. They are also generally considered to be subject to greater risk than debt instruments and securities with higher ratings in the case of deterioration of general economic conditions. The return of principal of the Master Fund's loans will depend in large part on the creditworthiness and financial strength of the issuers of such loans. If there is a default by a borrower under any of the Master Fund's loans, the Master Fund will, under most normal circumstances, have contractual remedies pursuant to the loan agreements, including possibly the sale of collateral. However, exercising such contractual rights may involve delays or costs and any available collateral may prove to be unsaleable or saleable only at a price less than the loan amount, which could result in a loss to the Master Fund.

Non-Performing Loans

Non-performing loans may require substantial workout negotiations or restructuring that may entail, among other things, a substantial reduction in the interest rate, a substantial write-down of the principal amount of the loan and/or the deferral of payments. In addition, such negotiations or restructuring may be quite extensive and protracted over time, and therefore may result in substantial uncertainty with respect to the ultimate recovery. In connection with any such defaults, workouts or restructuring, although the Master Fund may exercise voting rights with respect to an individual loan, the Master Fund may not be able to exercise votes in respect of a sufficient percentage of voting rights with respect to such loan to determine the outcome of such vote.

Collateral

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

Inability to Meet Redemption Requests Due to Illiquidity of Collateral

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

Illiquidity

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

Credit Risk

Debt obligations are subject to the risk of an issuer's inability to meet principal and interest payments on the obligations (credit risk). There can be no guarantee that the Master Fund will be successful in making the right selections and thus fully mitigate the impact of credit risk on the Master Fund. A debt security or obligation may be subject to redemption at the option of the issuer. If a debt security or obligation held by the Master Fund is called for early redemption, the Master Fund will be required to permit the issuer to redeem such security or obligation, which could have an adverse effect on the Master Fund's ability to achieve its investment objective.

Securitized Products

The Master Fund may from time to time, as part of its investment activities, invest, directly and indirectly (including through promissory notes issued by an affiliate of the Advisor), in securitized products such as collateralized loan obligations (“CLOs”, discussed in greater detail below) or products related to such obligations (including warehousing vehicles or facilities), or make loans to origination entities that are investing in CLO securities. Securitized products may present risks similar to those of the other types of investments in which the Master Fund may invest and, in fact, such risks may be of greater significance in the case of securitized products. Moreover, investing in securitized products may entail a variety of unique risks. Among other risks, securitized products may be subject to prepayment risk. In addition, the performance of a securitized product will be affected by a variety of factors, including its priority in the capital structure of the issuer thereof, the availability of any credit enhancement, the level and timing of payments and recoveries on and the characteristics of the underlying receivables, loans or other assets that are being securitized, remoteness of those assets from the originator or transferor, the adequacy of and ability to realize upon any related collateral and the capability of the servicer of the securitized assets.

Investment in Collateralized Loan Obligations

The Master Fund may invest, directly or indirectly, in CLOs and CLO warehouse facilities. A CLO is typically a bankruptcy-remote securitization entity that owns senior secured, second lien or unsecured corporate loans. Typically, the Master Fund is expected to invest, directly or indirectly, in the unrated or most subordinated tranches of CLOs that own middle market or broadly syndicated loans, while other investors may purchase more senior tranches of the CLO entity’s capital structure, thereby exposing themselves to different risks of principal and interest repayment. CLOs make payments to investors as payments are received with respect to their underlying asset pools. If proceeds of the underlying asset pools are not large enough to provide payments on all investors, securities held by the more junior investors in the CLOs (like the Master Fund) will likely suffer a principal loss. In an event of default, typically the most senior tranche of debt may direct the CLO manager to liquidate the CLO. In the event of a liquidation, the unrated or most subordinated tranches of a CLO will not receive any payment until all principal and interest on the senior debt is paid in full. As the holder of the most subordinated tranche, the Master Fund may be unable to exercise additional remedies under the CLO entity documentation. In addition, the value of the underlying collateral in the asset pools may decrease in value. CLO securities are illiquid instruments, and the Master Fund may not be able to sell such securities at favorable prices, if at all.

Affiliated Collateralized Loan Obligations

The Master Fund may purchase securities (both in the new issue and secondary market) in CLOs managed by the Advisor or its affiliates (each, an “**Affiliated CLO**”). An Affiliated CLO may pay fees and/or other performance-based compensation to Monroe; provided, that the Master Fund’s proportionate share of any such compensation (based on the proportion of the Master Fund’s investment in such Affiliated CLO to the total capital invested in such Affiliated CLO) is either waived, rebated to the Master Fund or offset on a dollar-for-dollar basis against “carried interest” or management fees paid by the Master Fund to the General Partner and/or the Advisor, as applicable.

Investments in Pooled Investment Funds

The Master Fund may invest in one or more other pooled investment funds managed or advised by the Advisor or an affiliate thereof. In such circumstances, management fees, incentive fees and/or other performance-based allocations or fees that would otherwise be charged by the Master Fund may be charged at the level of such pooled investment fund with an offset to the management fees and/or carried interest that would otherwise be charged by the Master Fund. In addition, such management fees, incentive fees and/or other performance-based allocations or fees may be calculated on a different basis and/or at different times than if they were charged at the level of the Master Fund. The Master

Fund will ensure, however, that the Master Fund's investment in such pooled investment vehicle will not cause the Master Fund to bear management fees, incentive fees and/or other performance-based allocations or fees in an aggregate amount greater than the amount they would bear if all management fees, incentive fees and/or other performance-based allocations or fees were calculated and charged at the level of the Master Fund. The Master Fund may also incur other fees and expenses in respect of an investment in such pooled investment funds which could result in greater expense than if the Master Fund invested directly in the investments of such pooled investment fund and the Master Fund returns will be net of all such fees and expenses.

Real Estate Investments

The Master Fund may invest in a variety of real estate and related transactions, either as a direct Master Fund investment or through investment in other entities, including affiliates of the Master Fund. Such real estate investments may entail first mortgage financing for opportunistic or value-added commercial real estate transactions. The value of real estate is subject to market conditions, and adverse changes in the local real estate market may lower the value that may be derived from a liquidation. Other risks incident to the ownership and operation of commercial and residential real estate include (i) dependence on cash flow, (ii) changes in supply of, or demand for, competing properties in an area (as a result of over-building), (iii) changes in the financial conditions of tenants, buyers and sellers of properties, (iv) changes in the availability of debt financing, (v) energy and supply shortages, (vi) laws assigning liability to the owners of real estate properties for environmental hazards existing on such properties, (vii) changes in tax, real estate, environmental and zoning laws and regulations, (viii) various uninsured or uninsurable risks, (ix) natural disasters and (x) challenges inherent in developing and managing real properties.

Principal Transactions; Loan Origination; Availability of Loans

The Advisor or its affiliates or Other Monroe Clients intend to originate loans which the Master Fund will seek to acquire at fair market value. In making loans, such originators will compete with a broad spectrum of lenders, some of which may have greater financial resources than they do, and some of which may be willing to lend money on better terms (from a borrower's standpoint) than such persons. Increased competition for, or a diminution in the available supply of, qualifying loans may result in lower yields on such loans, which could reduce availability of loans or returns to the Master Fund. The level of analytical sophistication, both financial and legal, necessary for successful financing to companies, particularly companies experiencing significant business and financial difficulties is unusually high. There is no assurance that the Advisor or its affiliates will correctly evaluate the fair market value of such investments, the value of the assets collateralizing these loans or the prospects for successful repayment or a successful reorganization or similar action.

Lender Liability and Equitable Subordination

In recent years, a number of judicial decisions in the United States 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 duty (whether implied or contractual) of good faith and fair dealing owed to a borrower or has assumed a degree of control over the borrower resulting in a creation of a fiduciary duty owed to the borrower or its other creditors or shareholders. Because of the nature of certain of the Master Fund's investments, the Master Fund could be subject to allegations of lender liability and further because of the nature of certain of the Master Fund's investments, the Master Fund may be subject to claims from creditors of an obligor that debt obligations held by the Master Fund should be equitably subordinated.

Interest Rate Risk

Although the Master Fund expects to invest primarily in floating-rate interest loans, in the event that the Fund invests in fixed-rate loans, it would be subject to interest rate risk. Generally, the value of fixed income instruments will change inversely with changes in interest rates. As interest rates rise, the market value of fixed income instruments tends to decrease. Conversely, as interest rates fall, the market value of fixed income instruments tends to increase. This risk will typically be greater for long-term securities than for short-term securities. The Master Fund is permitted but not required to attempt to minimize the exposure of its portfolio to interest rate changes through the use of interest rate swaps, interest rate futures, interest rate options and/or other hedging strategies.

Borrower Fraud; Breach of Covenant

The Master Fund will seek to obtain structural, covenant and other contractual protections with respect to the terms of its investments as determined appropriate under the circumstances. There can be no assurance that such attempts to provide downside protection with respect to its investments will achieve their desired effect, and potential investors should regard an investment in the Master Fund as being speculative and having a high degree of risk. Of paramount concern in investments in senior secured loans, notes or bonds is the possibility of material misrepresentation or omission on the part of the borrower or other credit support providers or breach of covenant by such parties. Such inaccuracy or incompleteness or breach of covenants may adversely affect the valuation of the collateral underlying such investments or may adversely affect the ability of the Master Fund to perfect or effectuate a lien on the collateral securing the loan or otherwise realize on the investment. The Master Fund will rely upon the accuracy and completeness of representations made by borrowers and their agents to the extent reasonable, but cannot guarantee such accuracy or completeness.

Insolvency Considerations with Respect to Issuers of Loans; Lender Liability; Equitable Subordination

One or more of the issuers of loans acquired by the Master Fund may become involved in bankruptcy or similar proceedings. There are a number of significant risks inherent in the bankruptcy process. Many events in a bankruptcy are the product of contested matters and adversary proceedings and are beyond the control of the creditors. The effect of a bankruptcy filing on a company may adversely and permanently affect the company. If the proceeding is converted to a liquidation, the liquidation value of the company may not equal the liquidation value that was believed to exist at the time of the investment. A creditor's return on investment can be adversely impacted by delays and administrative costs in connection with a bankruptcy proceeding are frequently high and will be paid out of the debtor's estate prior to any return to creditors. In addition, if payments on a loan are avoidable, whether as fraudulent conveyances or preferences, such payments can be recaptured from the Master Fund.

Senior Loans Risk

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

Junior Debt Securities

Although certain junior debt securities are typically senior to common stock or other equity securities, the equity and debt securities in which the Master Fund will invest may be subordinated to substantial amounts of senior debt, all or a significant portion of which may be secured. Such subordinated investments may be characterized by greater credit risks than those associated with the senior obligations

of the same issuer. These subordinated securities may not be protected by all of the financial covenants, such as limitations upon additional indebtedness, typically protecting such senior debt. Holders of junior debt generally are not entitled to receive full payments in bankruptcy or liquidation until senior creditors are paid in full. Holders of equity are not entitled to payments until all creditors are paid in full. In addition, the remedies available to holders of junior debt are normally limited by restrictions benefiting senior creditors. In the event any portfolio company cannot generate adequate cash flow to meet senior debt service, the Master Fund may suffer a partial or total loss of capital invested.

Bank Loans

The Master Fund may invest in loans and participations. These obligations are subject to unique risks, including: (i) the possible invalidation of an investment transaction as a fraudulent conveyance under relevant creditors' rights laws; (ii) so-called lender-liability claims by the issuer of the obligations; (iii) environmental liabilities that may arise with respect to collateral securing the obligations; and (iv) limitations on the ability of the Master Fund to directly enforce its rights with respect to participations. In analyzing each bank loan or participation, the Advisor compares the relative significance of the risks against the expected benefits of the investment. Successful claims by third parties arising from these and other risks will be borne by the Master Fund.

Non-Controlling Investments

In general, the Master Fund will hold non-controlling interests in its portfolio companies and, therefore, will have a limited ability to influence management of its portfolio companies to protect the Master Fund's position therein. Although the Master Fund will endeavor to negotiate negative covenants and other contractual restrictions for each portfolio company, it will primarily be the responsibility of management to operate each portfolio company on a day-to-day basis.

Below-Par Securities

The Master Fund has the ability to invest in securities that are valued at, or trading below, their par value. This includes securities, private claims and obligations of U.S. and non-U.S. entities that are experiencing significant financial or business difficulties. Below-par securities may result in significant returns to the Master Fund, but also involve a substantial degree of risk. Among the risks inherent in investments in entities experiencing significant financial or business difficulties is the fact that it may frequently be difficult to obtain information as to the true condition of such issuers. Such investments may also be adversely affected by state and federal laws relating to, among other things, fraudulent conveyances, voidable preferences, lender liability and the Bankruptcy Court's discretionary power to disallow, subordinate or disenfranchise particular claims.

Distressed Investments

The Master Fund may invest in debt obligations, securities and assets that are inefficiently priced as a result of business, financial, market or legal uncertainties. The level of analytical sophistication, both financial and legal, necessary for successful returns on such investments is unusually high. There can be no assurance that the Advisor will correctly evaluate the nature and magnitude of the various factors that could affect the value of the Master Fund's investments.

In particular, the Master Fund may purchase securities and other obligations of companies that are experiencing significant financial or business distress, including companies involved in bankruptcy or other reorganization and liquidation proceedings. Although such investments may result in significant returns to the Master Fund, they involve a substantial degree of risk and may not show any return for a considerable period of time, if at all. There is no assurance that the Master Fund will correctly evaluate

the value of the assets collateralizing the Master Fund's loans or the prospects for a successful reorganization or similar action. In any reorganization or liquidation proceeding relating to a company that is funded by the Master Fund, the Master Fund may lose all or part of the amounts advanced to the issuer or may be required to accept collateral with a value less than the amount of the loan advanced by the Master Fund to the issuer.

Litigation Finance Investments

The Master Fund may (i) invest in individual commercial legal claims, (ii) finance the costs of defending against individual commercial legal claims, (iii) lend against individual or portfolios of commercial cases managed by selected law firms where the underlying claims fit within the Master Fund's investment profile and/or (iv) enter into any other structures or contractual arrangements the value of which are derived from the performance or outcome of an underlying legal claim or series of legal claims. Various laws and professional regulations addressing litigation generally (including, without limitation, state laws and regulations with respect to legal ethics) are complex and subject to constant change and uncertainty. Certain jurisdictions expressly prohibit or restrict the ability to assign certain claims or to participate in a lawyer's contingent fee interest in a claim. Some jurisdictions may not permit the Master Fund to make investments in, or engage in other business and financial transactions relating to, certain legal claims. Further, the laws in such jurisdictions may be uncertain enough that the Master Fund may not have the ability or the desire to make such investments, thereby limiting the total size of the potential market for litigation finance investments. There is also a risk that the Master Fund will make an investment in a certain jurisdiction that carries with it a risk that such investment agreement may not be enforced given the uncertainty as to the applicable law and regulations. Any failure by the Master Fund to comply with any federal, state or local law, rule or regulation could expose the Master Fund to liability, including, without limitation, fines and other penalties, and could jeopardize the ultimate recovery of a positive award or judgment.

Futures and Forward Contract Risks

The Master Fund may hold positions in futures contracts from time to time. A principal risk in holding positions in futures contracts is the traditional volatility and rapid fluctuation in market prices. The profitability of such positions will depend primarily on fluctuations in market prices. Price movements for futures are influenced by, among other things, governmental trade, fiscal, monetary and exchange control programs and policies, weather and climate conditions, changing supply and demand relationships, national and international political and economic events, changes in interest rates, and the changing philosophies and emotions of market participants. In addition, governments from time to time intervene, directly and by regulation, in certain futures markets, often with the intent to influence prices directly. The effects of governmental intervention may be particularly significant at certain times in the financial instrument and currency markets, and such intervention (as well as other factors) may cause these markets to move rapidly.

Use of Leverage by the Master Fund

The Master Fund expects to make use of leverage by incurring debt to finance a portion of the Master Fund's investments in portfolio companies. The use of leverage will result in interest expense and other costs to the Master Fund that may not be covered by earnings of the Master Fund or appreciation of its investments. While leverage presents opportunities for increasing the Master Fund's total return, it has the effect of potentially increasing losses as well. Accordingly, any event that adversely affects the value of an investment by the Master Fund would be magnified to the extent the Master Fund is leveraged. The cumulative effect of the use of leverage by the Master Fund in a market that moves adversely to the Master Fund's investments could result in a substantial loss to the Master Fund, which would be greater than if the Master Fund was not leveraged. Leverage will increase the exposure of the Master Fund to

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

Use of Leverage by Portfolio Companies

It is anticipated that a substantial portion of the Master Fund's assets will be lent to, or invested in, companies that have leverage. Factors such as rising interest rates, downturns in the economy or deterioration in the condition of a portfolio company or its industry could put at risk a company's ability to meet its debt service obligations (including investments by the Master Fund). The portfolio companies in which the Master Fund will invest may be highly leveraged, thereby increasing the degree of credit risk inherent in each investment.

Risks of Associated with Certain Dispositions

In connection with the disposition of an investment in a portfolio company, the Master Fund may be required to make representations about the business and financial affairs of the portfolio company typical of those made in connection with the sale of a business. It also may be required to indemnify the purchasers of such investment to the extent that any such representations turn out to be inaccurate. These arrangements may result in contingent liabilities to the Master Fund.

Lack of Sufficient Investment Opportunities

It is possible that the Master Fund will never be fully invested if enough sufficiently attractive investments are not identified. In addition, the Master Fund will be competing with a significant number of other private investment funds, as well as institutional and strategic (industry) investors, for investments in portfolio companies. The business of identifying and structuring debt investments is highly competitive and involves a high degree of uncertainty.

Projected Operating Results

Projected operating results for a company in which the Master Fund invests (or in which the Master Fund is considering an investment) will be very important in making an investment decision. Projections are only estimates of future results that are based upon assumptions made at the time the projections are developed. There can be no assurance that the results set forth in the projections will be attained.

Need for Follow-On Investments

Following its initial investment in a given portfolio company, the Master Fund may decide to provide additional funds to such portfolio company or may have the opportunity to increase its investment in a successful portfolio company. There is no assurance that the Master Fund will make follow-on investments or that the Master Fund will have sufficient funds to make all or any of such investments. Any decision by the Master Fund not to make follow-on investments or its inability to make such investments may have a substantial negative impact on a portfolio company in need of such an investment or may result in a lost opportunity for the Master Fund to increase its participation in a successful operation.

Investments in Equity Securities Generally

The Master Fund may invest in preferred or common stocks or may receive preferred or common stock as part of compensation for making a loan. Issuers of these securities may be small- or medium-sized market capitalization companies. Investments in equity securities of small- or medium-sized market capitalization companies will have more limited marketability than the securities of larger companies. In particular, securities of smaller companies may have greater price volatility. All of the Master Fund's investments in stocks will be subject to normal market risks. While diversification among issuers may mitigate these risks, the Master Fund is not required to diversify its investments in equity securities and investors must expect fluctuations in value of equity securities held by the Master Fund based on market conditions. Because equity securities rank lower in the capital structure of an issuer, such investments may subject investors to additional risks not applicable to debt securities. In addition, holders of equity securities may be wiped out or substantially reduced in value in a bankruptcy proceeding or corporate restructuring.

Non-U.S. Investments

The Master Fund expects to primarily invest in U.S. companies, but in certain limited circumstances may invest in portfolio companies that are organized and/or have their principal business activities outside of the United States. Such investments may be subject to certain additional risks due to, among other things, potentially unsettled points of applicable governing law, the risks associated with fluctuating currency exchange rates, capital repatriation regulations and the application of complex tax rules to cross border investments.

Currency Exchange Risk

Investments of the Master Fund may be denominated in, or linked to, currencies other than the U.S. Dollar, and hence the value of such investments will depend in part on the relative strength of the U.S. Dollar. The Master Fund may be affected favorably or unfavorably by exchange control regulations or changes in the exchange rate between such currencies and the U.S. Dollar. A change in the value of a non-U.S. currency relative to the U.S. Dollar will result in a corresponding change in the dollar value of the Master Fund's assets denominated in that non-U.S. currency as well as the dollar value of non-U.S. currency held by the Master Fund. Changes in currency exchange rates may also affect the value of dividends and interest earned and gains and losses realized on the sale of securities held by the Master Fund.

Long-Term Investments

Certain of the Master Fund's investments will be long-term in nature and it is uncertain when profits on the Master Fund's investments will be realized, if ever. Although the Master Fund may earn interest or dividends currently on some of its investments, it is not generally expected that invested capital will be returned for years after making an initial investment. The Master Fund may make investments that may not mature or be advantageously disposed of to meet withdrawal requests. The Master Fund may have

to sell, distribute or otherwise dispose of investments at a disadvantageous time as a result of withdrawal requests.

Counterparty Risk

Certain instruments in which the Master Fund may invest may, in certain circumstances, bear credit risk with regard to other parties involved, as well as risk of settlement default. Moreover, transactions directly between two counterparties (e.g., off exchange) may not be afforded certain protections, such as settlement, segregation and minimum capital requirements applicable to intermediaries, and therefore expose the parties to the risk of counterparty default.

Director Liability

In certain circumstances the Master Fund may receive the right to appoint a representative to the boards of directors of the companies in which it invests. Serving on the board of directors of a portfolio company exposes the Master Fund's representatives, and ultimately the Master Fund, to potential liability. Although portfolio companies often have insurance to protect directors and officers from such liability, such insurance may not be obtained by all portfolio companies and, even if obtained, may be insufficient.

The Advisor and Manager Receive Advisory Fees on the Total AUM of the Master Fund and the Manager and General Partner Receive Performance Allocations on the Net Asset Value of the Master Fund

The Advisor and the Manager are entitled to the Advisory Fee paid quarterly and the Manager and General Partner are entitled to the Performance Allocation, if any, paid quarterly. The Advisory Fee is based on the end of quarter total assets of the Master Fund, including assets financed using leverage. The Performance Allocation is made in the event the performance of the Master Fund from the beginning of the quarter (or inception date as applicable) to the end of the quarter exceeds the Preferred Return for the same period (or prorated for partial quarters), and is paid on the difference by which the return in the Net Asset Value of the Master Fund (before calculation and accrual for the Performance Allocation) at the end of the quarter exceeds the Net Asset Value of the Master Fund at the beginning of the quarter (or prorated for partial quarters). The Master Fund AUM and the Net Asset Value of the Master Fund may include accruals for payment-in-kind payments received from the borrowers and therefore the Manager, Advisor and General Partner receive fees on payments that may never actually be received from a borrower.

Other Possible Risks

The Master Fund may invest in other or additional instruments. There is no assurance that the above list is complete or that there are not other risks that may exist now or may arise in the future. The Master Fund is subject to additional risks, which the Fund has consented to in connection with its subscription to the Master Fund.

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

CONFLICTS OF INTEREST

The Manager

The Manager has established one independent review committee ("**IRC**") for all of the investment funds or entities that it manages. The Manager must refer certain conflict of interest matters for the Fund for its review or approval, if necessary. The conflicts of interest matters to be referred to the IRC for the Fund

are set out in three exemptive relief orders granted to the Manager on July 27, 2010, August 27, 2010 and September 30, 2010 and are available at www.osc.gov.on.ca (collectively the “**Exemptive Relief**”). The Manager has established written policies and procedures for dealing with conflict of interest matters set out in the Exemptive Relief, maintaining records in respect of these matters and providing assistance to the IRC in carrying out its functions. 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 or entities in the Manager’s family of funds, including expenses associated with insuring and indemnifying each IRC member.

Various potential conflicts of interest exist between the Fund, the Manager and Ninepoint GP. These potential conflicts of interest may arise as a result of common ownership and certain common directors, partners, officers and personnel and, accordingly, will not be resolved through arm’s length negotiations but through the exercise of judgment consistent with fiduciary responsibilities to the Fund and its Unitholders generally.

The Manager manages, and may in the future manage, the trading for other limited partnerships, trusts, corporations, investment funds or managed accounts in addition to the Fund. In the event that the Manager elects to undertake such activities and other business activities in the future, the Manager and its principals may be subject to conflicting demands in respect of allocating management time, services and other functions. The Manager and its principals and affiliates will endeavour to treat each investment pool and managed account fairly and not to favour one pool or account over another and will conduct their activities in accordance with the Manager’s fair allocation policy.

In executing its duties on behalf of the Fund, the Manager will be subject to the provisions of the Declaration of Trust and the Manager’s Code of Ethics (a copy of which is available for review by Unitholders upon request at the offices of the Manager), which provide that the Manager will exercise its duties in good faith and with a view to the best interests of the Fund and its Unitholders.

Sightline Wealth Management LP, an affiliate of the Manager, and the Manager may distribute the Units to investors in Canada. The Fund may be considered to be a “connected issuer” and “related issuer” of the Manager and Sightline Wealth Management LP under applicable securities legislation. Sightline Wealth Management LP, the Manager and their respective general partners are controlled, directly or indirectly, by the same group of individuals. See “Interest of Management and Others in Material Transactions”.

The Advisor

Investors should be aware that there will be situations where the Advisor and its affiliates may encounter potential conflicts of interest in connection with the Master Fund’s activities. The Fund, through its subscription to the Master Fund, has consented to the terms and agreements of the Master Fund, including certain conflicts of interest. By acquiring an interest in the Fund, each investor will be deemed to have acknowledged the existence of such actual and potential conflicts of interest and to have waived any claim with respect to the existence of such actual and potential conflicts of interest.

Personnel of the Advisor will devote such time as will be reasonably necessary to conduct the business affairs of the Master Fund in an appropriate manner. However, Advisor personnel are not obligated to devote their full time and attention to the Master Fund and may work on other projects, including the Advisor’s other investments and other investment funds. The Advisor currently manages a number of investment funds, single investor vehicles and managed accounts. Accordingly, conflicts may arise in the allocation of management time, services and functions. The Master Fund may have no interest in such other investments and funds, and it is possible that the investments held by such funds may be in

competition with those of the Master Fund. The Advisor and its affiliates may, from time to time, engage in dealings with Other Monroe Clients, including, but not limited to, service companies.

The Advisor or its affiliates or their respective employees, officers, directors, principals or members are not prohibited from buying or selling securities or commodity interests for their own accounts. The records of any such trades will not be open to inspection. With respect to such personal accounts, such persons might take investment positions different from, or contrary to, those taken by the Master Fund.

The General Partner and its affiliates may be entitled to receive cash and non-cash director's fees, commitment fees, investment banking fees, financial consulting fees, breakup fees, termination fees, closing fees or other similar fees paid by portfolio companies to the General Partner or any of its partners, affiliates or employees. The Master Fund may appoint from time to time service companies affiliated with the Advisor to act as the servicers of portfolios of assets owned by the Master Fund and to provide certain other services to the Master Fund or collateral management, collateral administration and collateral monitoring services to portfolio companies. These services will be provided pursuant to servicing agreements between the Master Fund or a portfolio company and the service companies that generally will provide for the payment of servicing fees. Fees paid to the Monroe Credit Advisors, an affiliate of the Advisor, for investment banking, debt placement or advisory services with respect to potential and existing portfolio investments of the Master Fund or any fees paid to service companies that are affiliates of the Advisor shall not be paid to the benefit of the Master Fund and may be retained by the Advisor and its affiliates. While the Advisor intends that any such services be provided at competitive market rates, such compensation will not be determined through arm's length negotiation except as described below with respect to Monroe Credit Advisors, and the Advisor will not guarantee performance by its affiliates of any services provided to the Master Fund.

The General Partner may execute an investment transaction on behalf of the Master Fund where Monroe Credit Advisors is engaged by a potential borrower. In such a case, Monroe Credit Advisors will earn a market-based fee paid by the borrower (either directly or by netting out a portion of the closing fee paid by the borrower) that participates in such transaction upon successful completion of the transaction. In such circumstances, the Advisor believes that Monroe Credit Advisors occupies a role similar to other third-party debt placement firms and is being compensated in a manner consistent with industry standards.

The Master Fund may make investments indirectly in securitized products by investing in promissory notes issued by the Advisor or one of its affiliates to allow the Advisor or such affiliate to invest directly alongside the Master Fund in such securitized product. This allows certain securitized products to comply with European Union and U.S. risk retention rules, which require that the manager of certain securitized products to hold a portion of risk in such securitized products in order to align the interests of the manager of such securitized products with the interests of the investors in such securitized products. The terms of any such promissory notes issued to the Master Fund will be structured so that substantially all of the economic benefit that Monroe or its affiliate receive from its interest in the securitized product acquired with the proceeds of such promissory notes will pass through to the Master Fund. An investment by the Master Fund in a securitised product managed by an affiliate of the Advisor will facilitate the ability of the Advisor and its affiliates to raise debt and equity capital for such securitised products from third parties.

In addition, the Advisor and its affiliates may establish one or more joint venture companies with one or more third parties for the purpose of sourcing proprietary investment opportunities, and the Master Fund may enter into transactions with such joint venture companies. No conflict of interest will be deemed to exist so long as (a) the third-party joint venture partners are paid market-based origination fees and (b) none of the General Partner, the Advisor or any of their respective principals directly or

indirectly receives any compensation in connection with the transaction with the related joint venture company.

The Master Fund and any Other Monroe Clients may invest in (x) different tranches of a credit facility that share the same lien and have the same priority with respect to collateral securing such credit facility, (y) different tranches of securitized products on market terms and (z) the Master Fund and Other Monroe Clients may invest in equity, equity-like or equity-related securities on a non-*pro rata* basis so long as the aggregate ownership interest by the Master Fund and such Other Monroe Clients in such equity, equity-like or equity-related securities does not exceed either (i) 20% of the outstanding amount of such equity, equity-like or equity-related securities or (ii) 20% of the beneficial ownership of the issuer of such equity, equity-like or equity-related securities. Without the consent of the Manager, the Advisor will not cause or permit the Master Fund or any Other Monroe Client to invest in different tranches or series of loans or securities issued by the same borrower (other than as described above), unless such participation is pro rata by the Master Fund and such Other Monroe Client(s) across both tranches or series so that there is no conflict. Furthermore, when it is determined by the Advisor that it would be appropriate (whether pursuant to a previously agreed upon arrangement or otherwise) for a third party to participate in an investment opportunity in which the Master Fund and/or the Other Monroe Clients will participate, the Advisor will use its reasonable business judgment in seeking to allocate such investment opportunity on an equitable basis, taking into account any such considerations that it deems necessary or appropriate in light of the circumstances at such time.

It is possible as discussed above that the Master Fund may invest in portfolio investments or other issuers in which Other Monroe Clients may invest in different parts of the capital structure. The interests of the Master Fund may not be aligned in all circumstances with the interests of the Other Monroe Clients to the extent they hold more junior or senior debt or equity interests, as the case may be, which could create actual or potential conflicts of interest or the appearance of such conflicts. In that regard, actions may be taken by the Other Monroe Clients that are adverse to the Master Fund. The interests of the Master Fund and/or Other Monroe Clients investing in different parts of the capital structure of an issuer are particularly likely to conflict in the case of financial distress of the issuer (or increased financial stress after the Fund invests in the issuer). For example, if additional financing is necessary as a result of financial or other difficulties, it may not be in the best interests of the Master Fund, as a holder of senior secured debt issued by such issuer, to provide such additional financing. If Other Monroe Clients holding equity positions were to lose their respective investments as a result of such difficulties, the ability of the Advisor or its affiliates to recommend actions that are in the best interests of the Master Fund might be impaired. The reverse is true where another Other Monroe Client holds debt in an issuer where the Master Fund holds equity. In addition, it is possible that, in a bankruptcy proceeding, the Master Fund's interests may be subordinated or otherwise adversely affected by virtue of such Other Monroe Client's involvement and actions relating to their investment. There can be no assurance that the term of or the return on the Master Fund's investment will be equivalent to or better than the term of or the returns obtained by the Other Monroe Clients participating in the transaction. This may result in a loss or substantial dilution of the Master Fund's investment, while another Other Monroe Client recovers all or part of amounts due to it. The Advisor or its affiliates' ability to implement the Master Fund's strategies effectively may be limited to the extent that contractual obligations entered into in respect of the activities of the Other Monroe Clients impose restrictions on the Master Fund engaging in transactions that the Advisor may be interested in otherwise pursuing.

Where there are conflicts of interest in allocating a particular investment between the Master Fund and Other Monroe Clients, there can be no assurance that the Master Fund will make such investment, even if the investment satisfies the Master Fund's investment objectives. In addition, in circumstances in which the Master Fund may make an investment that Other Monroe Clients have already made, or concurrently will make or seek to make, liquidity and concentration considerations may limit the Master Fund's participation in such investment or its ability to dispose of the investment readily. Furthermore, in such

circumstances, the Master Fund on the one hand, and such Other Monroe Clients, on the other hand, may have conflicting interests and investment objectives, including with respect to the targeted returns from the investment and the timeframe for disposing of the investment, and therefore, the General Partner or its affiliate may take action with respect to an investment on behalf of one of such Other Monroe Clients and the Master Fund that differs from the action taken with respect to the investment on behalf of any other of such Other Monroe Clients and the Master Fund. If an Other Monroe Client participates in a particular investment, there can be no assurance that the returns on such investment by the Master Fund will be equivalent to, or better than, the returns obtained by such Other Monroe Client on such investment.

The Advisor may, from time to time, be presented with investment opportunities that fall within the investment objectives of the Master Fund and Other Monroe Clients. There may be situations in which the interests of the Master Fund conflict with the interests of one or more Other Monroe Clients. The classification of an investment opportunity as appropriate or inappropriate for the Master Fund will be made by the General Partner and its affiliates in good faith, at the time of purchase, which such determination may be subjective in nature. In cases where a limited amount of a security or other instrument or claim is available for purchase, the allocation of such security, instrument or claim among the Master Fund and Other Monroe Clients may necessarily reduce the amount thereof available for purchase by the Master Fund. Subject to the limitations set forth herein, when it is determined by the General Partner that it would be appropriate for the Master Fund and one or more Other Monroe Clients to participate in an investment opportunity, the Advisor will generally allocate such investment opportunity among the Master Fund and such Other Monroe Clients in proportion to the relative amounts of capital available for new investments, taking into account such other factors as it may, in its sole discretion determine appropriate, including relative exposure to market trends, targeted leverage levels, targeted asset mix, target investment return, diversification requirements, strategic objectives, specific liquidity requirements and the investment programs and portfolio positions of the Master Fund and the Other Monroe Clients for which participation is appropriate, as well as any tax, legal, regulatory or other considerations that it deems necessary or appropriate in light of the circumstances at such time.

In addition, it is understood and agreed that the Master Fund intends to seek to purchase or take assignment of all or a portion of any loan or investment made by the Advisor and its affiliates, and may seek to sell or assign (or purchase or take assignment of) all or a portion of any loan or investment made by Other Monroe Clients; provided, that the purchase price paid to (or by) the Master Fund in connection with any such purchase, sale or assignment is based on the fair market value of the loan or investment sold or assigned, as determined by the Advisor or its affiliates (or, in certain circumstances, an independent third party valuation agent). For avoidance of doubt, the Advisor is permitted to retain certain fees paid in connection with such transactions prior to the acquisition by the Master Fund. The Advisor and its affiliates, with the approval of an independent advisor appointed for the Master Fund (the “**Independent Advisor**”) and compliance with the investment guidelines, is permitted to cause the Master Fund, directly or indirectly through its subsidiaries, to purchase interests in any investment originated by the Advisor or its affiliates, including Other Monroe Clients. The Independent Advisor shall approve or reject the proposed transfer price with respect to any investment in a manner consistent with maintaining his or her independence from the Advisor and its affiliates, and is authorized to approve such transactions for the Master Fund (and the Fund and Unitholders) for all purposes, including under the Advisers Act. The Independent Advisor may only be removed or replaced with the consent of the Manager. The Independent Advisor has been appointed as independent advisor to Other Monroe Clients. The Independent Advisor shall not be an employee or affiliate of the Advisor and does not provide investment advisory services to the Master Fund or its investors.

Certain advisors and other service providers, or their affiliates (including accountants, administrators, lenders, bankers, brokers, attorneys, consultants and investment or commercial banking firms), to the Master Fund and the issuers of the Master Fund’s portfolio investments may also provide goods or

services to or have business, personal, political, financial or other relationships with the Advisor and its affiliates. Such advisors and service providers may be investors in Other Monroe Clients, sources of investment opportunities for the Advisor and its affiliates, the Master Fund or Other Monroe Clients or may otherwise be co-investors with or counterparties to transactions involving the foregoing. These relationships may influence the General Partner and Advisor in deciding whether to select or recommend any such advisor or service provider to perform services for the Master Fund or an issuer (the cost of which will generally be borne directly or indirectly by the Master Fund or issuers of the Master Fund's portfolio investments, as applicable). Notwithstanding the foregoing, the General Partner and Advisor will generally seek to engage advisors and service providers in connection with investment transactions for the Master Fund that require their use on the basis of the overall quality of advice and other services provided, the evaluation of which includes, among other considerations, such service provider's provision of certain investment-related services and research that the General Partner or Advisor believes to be of benefit to the Master Fund. In certain circumstances, advisors and other service providers or their affiliates may charge rates or establish other terms in respect of advice and services provided to the Advisor and its affiliates, Other Monroe Clients or their portfolio investment issuers that are different and more favorable than those established in respect of advice and services provided to the Master Fund and its portfolio investments.

The General Partner and Advisor may, from time to time, depending on the type of investment opportunity, but will be under no obligation to, offer co-investment opportunities with respect to the Master Fund's investments to one or more Limited Partners and/or other persons or entities. The General Partner will allocate available investment opportunities among the Master Fund and any such other parties as it may in its sole discretion determine (including, without limitation, Other Monroe Clients, affiliates of the General Partner or the Advisor (and/or their respective family members), and any person or entity who the General Partner believes will be of benefit to the Master Fund (or one or more investments of the Master Fund) or who may provide a strategic, sourcing or similar benefit to the Advisor, the Master Fund, any investment of the Master Fund, or one or more of their respective affiliates due to industry expertise or otherwise, including finders, senior advisors, originators and/or consultants of the Master Fund (and may also organize one or more entities to invest in the Master Fund or to co-invest alongside the Master Fund to facilitate personal investments by such persons or entities)). Such-co-investors may or may not pay carried interest, performance fees or sub-management fees to the General Partner and/or the Advisor and, unless any co-investors otherwise agree, the Master Fund may bear the entire amount of any break-up fee or broken deal expense or other fees, costs and expenses related to an investment that is not consummated. Co-investments may be committed before or after the time that the Master Fund makes its commitment; provided, that the amount paid represents fair value as determined in the sole discretion of the General Partner. In addition, certain co-investors co-investing with the Master Fund may invest on different (and more favorable) terms than those applicable to the Master Fund and may have interests or requirements that conflict with and adversely impact the Master Fund (for example, with respect to their liquidity requirements, available capital, the timing of acquisitions and dispositions or control rights). The Advisor will generally seek to ensure that the Master Fund, any co-investors and Other Monroe Clients participate in any investment (and any related transactions) on comparable economic terms to the extent the Advisor determines appropriate and subject to legal, tax and regulatory considerations. Investors should note, however, that participation by the Master Fund in certain investments on comparable economic terms with co-investors and Other Monroe Clients may not be appropriate in all circumstances and that the Master Fund may participate in such investments on different and potentially less favorable economic terms than such parties if the Advisor deems such participation as being otherwise in the Master Fund's best interests (e.g., by allowing the Master Fund to participate in an investment that it would otherwise not have been able to participate in due to, among other reasons, required minimum commitment amounts). This may have an adverse impact on the Master Fund. In order to facilitate an investment, the Master Fund may make (or commit to make) an investment with a view to selling a portion of such investment to co-investors or other persons prior to or within a brief period after making such investment. In such event, the Master Fund will bear the risk that

any or all of the excess portion of such investment may not be sold or may only be sold on unattractive terms and that, as a consequence, the Master Fund may bear the entire amount of any break-up fee or other fees, costs and expenses related to such investment, hold a larger portion than expected in such investment, or may realize lower than expected returns from such investment. The Master Fund will also bear the risk that any coinvestors acquiring an interest in an investment after the closing of such investment may acquire such interest on terms that may not reflect the then-current value of such investment. The Master Fund may also borrow to acquire the portion of an investment that it intends to sell to co-investors. If the prospective co-investors do not ultimately invest in such investment, the Master Fund will bear the interest and other expenses relating to any such borrowing or investment as well as any broken deal expenses. There is no guarantee for any Limited Partner or the Master Fund itself that it will be offered any co-investment opportunities. In addition, the terms of any co-investment will be as negotiated by the Advisor with the applicable co-investor and no such co-investor should assume that a particular advisory fee rate, carried interest rate or other term or provision will be offered as a result of, among other things, such co-investor's investment in the Master Fund or any Other Monroe Client.

The Master Fund may invest in portfolio companies that have relationships with affiliates of the General Partner or Advisor. Such affiliates may take actions that are detrimental to the interests of the Master Fund in such portfolio companies.

The existence of the Performance Allocation may create an incentive for the Advisor, as an affiliate of the General Partner, to make riskier or more speculative investments on behalf of the Master Fund than would be the case in the absence of this arrangement. Further, U.S. persons who are individuals are generally subject to U.S. federal income tax on long-term capital gain at rates that are substantially lower than the rates applicable to ordinary income or short-term capital gain. In general, gain from the disposition of an investment held for more than one year will be treated as long-term capital gain. Under the 2017 Tax Act, however, gain in respect of the General Partner's Performance Allocation will be treated as short-term capital gain unless the Master Fund's holding period in the relevant investment is more than three years. The 2017 Tax Act, however, does not modify the treatment of allocations of qualified dividend income in respect of the General Partner's Performance Allocation and therefore these allocations will continue to qualify for the preferential long-term capital gains tax rate. As a consequence, conflicts of interest may arise in connection with decisions regarding the timing of disposition of the Master Fund's investments and how the Master Fund's investments will be monetized.

The General Partner, the Advisor or their affiliates may come into possession of material non-public information. The possession of such information may limit the ability of the Master Fund to buy or sell a security or otherwise participate in an investment opportunity. Furthermore, confidential or non-public information obtained in providing services to the Master Fund may be used for the benefit of any of the Other Monroe Clients.

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 - The Manager".

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

The Manager will receive compensation and/or reimbursement of expenses from the Fund and the Master Fund as described under "Fees and Expenses - Management Fees Payable by the Fund," "Fees

and Expenses – Advisory Fees Payable to the Advisor and the Manager” and “Performance Allocations Payable to the General Partner and the Manager”. Sightline Wealth Management LP, a registered investment dealer that is an affiliate of the Manager, may participate in the offering of the Units. See “Conflicts of Interest – The Manager”.

TRUSTEE

Pursuant to the Declaration of Trust, Ninepoint Partners LP is the Trustee of the Fund. The principal office of the Trustee is located at Suite 2700, South Tower, Royal Bank Plaza, 200 Bay Street, Toronto, Ontario, M5J 2J1.

CUSTODIAN

CIBC Mellon Trust Company (in such capacity, the “**Custodian**”) is 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 Manager, with the consent of the Trustee, will have the authority to change the custodial 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 AND MASTER FUND ADMINISTRATOR

CIBC Mellon Trust Company has been appointed by the Manager on behalf of the Fund pursuant to an administration agreement dated April 5, 2019 (the “**Administration Agreement**”), to provide administrative services to the Fund. The administrator of the Master Fund is U.S. Bancorp Fund Services, LLC. CIBC Mellon Trust Company and U.S. Bancorp Fund Services, LLC, as the context requires, shall each be referred to an “**Administrator**”.

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

The Administrator will calculate the Net Asset Value of the Master Fund and the Fund, will calculate subscription and redemption prices of the Units, capital accounts of the Master Fund including related to subscriptions and redemptions, maintain the accounting books and records of the Master Fund and the Fund, maintain the registers of unitholders of the Master Fund and the Fund, and process subscriptions, redemption requests and transfer requests. The Administrator may at its own expense appoint an agent or delegate to perform any of the aforementioned services subject to certain limitations.

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

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

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

AUDITOR AND MASTER FUND AUDITOR

The auditors of the Fund are KPMG LLP with its principal offices located at 333 Bay Street, Suite 4600, Bay Adelaide Centre, Toronto, Ontario, M5H 2S5. The auditors of the Fund may only be changed with the approval of the Unitholders in accordance with the provisions of the Declaration of Trust. The auditor of the Master Fund is RSM US LLP with its principal offices located at One South Wacker Drive, Suite 800, Chicago, IL 60606.

UNITHOLDER REPORTING

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

Confirmations will also be sent to Unitholders following each purchase or redemption of Units by them. On or before March 31 of each year, or in the case of a leap year on or before March 30 in such year, if applicable, Unitholders will also receive all information pertaining to the Fund, including all distributions, required to report their income under the Tax Act or similar legislation of any province or territory of Canada with respect to the immediately preceding year.

MATERIAL CONTRACTS

The material contracts of the Fund are:

- (a) the Declaration of Trust referred to under "The Fund".

The material contracts of the Master Fund are:

- (a) the Partnership Agreement; and
- (b) the Advisor Agreement.

PROCEEDS OF CRIME (MONEY LAUNDERING) LEGISLATION

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

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

PRIVACY POLICY

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

STATUTORY RIGHTS OF ACTION

Securities legislation in certain of the Canadian provinces provides purchasers of securities pursuant to an offering memorandum (such as this Offering Memorandum) with a remedy for damages or rescission, or both, in addition to any other rights they may have at law, where the offering memorandum and any amendment to it contains a "Misrepresentation". Where used herein, "Misrepresentation" means an untrue statement of a material fact or an omission to state a material fact that is required to be stated or that is necessary to make any statement not misleading in light of the circumstances in which it was made. These remedies, or notice with respect to these remedies, must be exercised or delivered, as the case may be, by the purchaser within the time limits prescribed by applicable securities legislation.

Ontario

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

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

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

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

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

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

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

Saskatchewan

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

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

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

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

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

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

Not all defences are described herein. Please refer to the full text of the Saskatchewan Act for a complete listing.

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

Section 138.2 of the Saskatchewan Act also provides that 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 a right of action for damages against the individual who made the verbal statement without regard to whether the purchaser relied on the misrepresentation.

Section 141(1) of the Saskatchewan Act provides a purchaser with the right to void the purchase agreement and to recover all money and other consideration paid by the purchaser for the securities if the

securities are sold in contravention of the Saskatchewan Act, the regulations to the Saskatchewan Act or a decision of the Saskatchewan Financial Services Commission.

Section 141(2) of the Saskatchewan Act also provides a right of action for rescission or damages to a purchaser of securities to whom an offering memorandum or any amendment thereto was required by Section 80.1 of the Saskatchewan Act to be sent or delivered but was not sent or delivered prior to or at the same time as the purchaser enters into an agreement to purchase the securities.

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

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

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

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

New Brunswick

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

- (a) the purchaser has a right of action for damages against
 - (i) the issuer,
 - (ii) the selling security holder on whose behalf the distribution was made;
 - (iii) every person who was a director of the issuer at the date of the offering memorandum;
 - (iv) every person who signed the offering memorandum, or
- (b) if the purchaser purchased the securities from a person referred to in subparagraph (a)(i) or (ii) above, the purchaser may elect to exercise a right of rescission against the person referred to in that subparagraph, in which case the purchaser shall have no right of action for damages against the person.

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

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

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

Nova Scotia

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

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

In addition, a person or company, other than the issuer, will not be liable if that person or company proves that:

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

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

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

Manitoba, Newfoundland and Labrador, PEI, Yukon Territory, Nunavut and the Northwest Territories

In Manitoba, the *Securities Act* (Manitoba); in Newfoundland and Labrador, the *Securities Act* (Newfoundland and Labrador); in Prince Edward Island, the *Securities Act* (PEI); in Yukon, the *Securities Act* (Yukon); in Nunavut, the *Securities Act* (Nunavut); and in the Northwest Territories, the *Securities Act* (Northwest Territories) provide a statutory right of action for damages or rescission to purchasers resident in Manitoba, Newfoundland, PEI, Yukon, Nunavut and the Northwest Territories, respectively, in circumstances where this Offering Memorandum or an amendment hereto contains a misrepresentation, which rights are similar, but not identical, to the rights available to Ontario purchasers.

Alberta

Section 204 of the *Securities Act* (Alberta) provides that if an offering memorandum contains a Misrepresentation, a purchaser who purchases a security offered by the offering memorandum is deemed to have relied on the representation, if it was a Misrepresentation at the time of the purchase, and has a right of action (a) for damages against (i) the issuer or selling security holder on whose behalf the distribution is made, (ii) every director of the issuer at the date of the offering memorandum, and (iii)

every person or company who signed the offering memorandum, and (b) for rescission against the issuer or selling security holder on whose behalf the distribution is made, provided that:

- (a) if the purchaser elects to exercise its right of rescission, it shall cease to have a right of action for damages against the person or company referred to above;
- (b) no person or company referred to above will be liable if it proves that the purchaser had knowledge of the Misrepresentation;
- (c) no person or company (other than the issuer) referred to above will be liable if it proves that
 - (i) the offering memorandum was sent to the purchaser without the person's or company's knowledge or consent and, on becoming aware of it being sent, the person or company promptly gave reasonable notice to the Executive Director and the issuer that it was sent without the knowledge and consent of the person or company;
 - (ii) the person or company, after sending the offering memorandum and before the purchase of the securities, 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 Executive Director and the issuer of the withdrawal and the reason for it;
 - (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 fair copy of, or an extract from, a report, opinion or statement of an expert, the person or company did not have any 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, opinion or statement of the expert, or
 - (II) was not a fair copy of, or an extract from, the report, opinion or statement of the expert; or
 - (iv) 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, after conducting a reasonable investigation, the person or company had no reasonable grounds to believe, and did not believe, that there was a Misrepresentation;
- (d) in no case shall the amount recoverable exceed the price at which the securities were offered under the offering memorandum; and
- (e) the defendant will not be liable for all or any part of the damages that the defendant proves do not represent the depreciation in value of the security as a result of the Misrepresentation.

Section 211 of the *Securities Act* (Alberta) provides that no action may be commenced to enforce these rights more than:

- (a) in the case of an action for rescission, 180 days from the day 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 from the day that the plaintiff first had knowledge of the facts giving rise to the cause of action, or
 - (ii) 3 years from the day of the transaction that gave rise to the cause of action.

The foregoing summary is subject to the express provisions of the securities legislation referred to above and the rules, regulations and other instruments thereunder, and reference is made to the complete text of such provisions. Such provisions may contain limitations and statutory defences on which the Fund may rely.

The statutory rights of action discussed above are in addition to, and without derogation from, any other right or remedy which investors may have at law.

CERTIFICATE

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

This Offering Memorandum does not contain a misrepresentation.

DATED as of the 5th day of April, 2019

NINEPOINT-MONROE U.S. PRIVATE DEBT FUND

by its Manager, Ninepoint Partners LP, and by its general partner, Ninepoint Partners GP Inc.

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

By: (signed) Shirin Kabani
Name: Shirin Kabani
Title: Chief Financial Officer

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

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

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

SCHEDULE A

NINEPOINT-MONROE U.S. PRIVATE DEBT FUND

PRIVACY POLICY

The privacy of our investors is very important to us. Ninepoint-Monroe U.S. Private Debt Fund (the “Fund”) is committed to protecting your privacy and maintaining confidentiality of your personal information. This Privacy Policy may be updated from time to time without notice.

The Fund 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.

What is personal information?

The term “personal information” refers to any information that specifically identifies you, including information such as your home address, telephone numbers, social insurance number, birth date, assets and/or income information, employment history and credit history.

How do we collect your personal information?

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

- (a) subscription forms, applications, questionnaires or other forms that you submit to us or agreements and contracts that you enter into with us;
- (b) your transactions with us;
- (c) meetings and telephone conversations with you;
- (d) e-mail communications with us; and
- (e) the website of Ninepoint Partners LP (the “Manager”), the manager of the Fund (www.ninepoint.com).

How do we use your personal information?

We collect and maintain your personal information in order to give you the best possible service and to allow us to establish your identity, protect us from error and fraud, comply with applicable law and assess your eligibility to purchase securities of the Fund. In addition, we may use your personal information for:

- (a) executing your transactions;
- (b) verifying and correcting your personal information; and
- (c) providing you and/or your financial advisor and/or dealer with confirmations, tax receipts, proxy mailings, financial statements and other reports.

Who do we share your personal information with?

We may transfer your personal information, when necessary, to our third party service providers and to our agents in connection with the services we provide relating to your investment in the Fund, 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. The Fund will use contractual or other means to provide a comparable level of protection while the information is being handled by a third party service provider or agent. The following is a list of such third party service providers and agents:

- (a) your financial advisor/ dealer;
- (b) financial service providers such as investment dealers, custodians, prime brokers, banks and others used to finance or facilitate transactions by, or operations of, the Fund;
- (c) other service providers such as accounting, legal or tax preparation services; and
- (d) registrar and transfer agents, portfolio managers, brokerage firms and similar service providers.

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 information to self-regulatory organizations (“SROs”), which collect, use and disclose such personal information for regulatory purposes, including trading surveillance, audits, investigations, maintenance of regulatory databases and enforcement proceedings. SROs may, in turn, disclose such personal 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.

The Fund 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, the Fund may disclose your personal information to the acquiring organization, however, the Fund will require the acquiring organization to agree to protect the privacy of your personal information in a manner that is consistent with this Privacy Policy.

How do we obtain your consent to the collection, use and disclosure of your personal information?

By signing a subscription form or an application form and/or 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. The Fund 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 required to fulfill those purposes.

Can you withdraw your consent?

You may withdraw all or part of your consent for us to collect, use or disclose your personal information subject to legal restrictions and reasonable notice. The Fund will inform you of the implications of such withdrawal of consent for the continued provision of services to you.

How do we safeguard your 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 the Fund to provide services to you. Each employee of the Fund, the Manager and Ninepoint Partners GP Inc., the

general partner of the Manager, is responsible for ensuring the confidentiality of all personal information they may access. Annually, each such employee is required to sign a code of conduct, which contains policies on the protection of personal information.

Where is your personal information kept?

Your personal information is maintained on our networks or on the networks of our service providers accessible at Suite 2700, South Tower, Royal Bank Plaza, 200 Bay Street, Toronto, Ontario, M5J 2J1. Your information may also be stored on a secure off-site storage facility.

How can you access your personal information?

You may request access to your personal information by writing to the Fund at Suite 2700, South Tower, Royal Bank Plaza, 200 Bay Street, Toronto, Ontario, M5J 2J1. We will respond to your written request promptly. The Fund may be unable to provide you with full access to your personal information if we are prohibited by law or regulatory reasons or it has been destroyed. The Fund will provide you with an explanation if we are unable to fulfill your access request.

Who do you contact if you have any questions or concerns?

If you have any questions with respect to this Privacy Policy, please contact our Chief Privacy Officer by telephone at (416) 943-6707 or toll free at 1-866-299-9906, by e-mail to compliance@ninepoint.com or by mail to Ninepoint-Monroe U.S. Private Debt Fund, Suite 2700, South Tower, Royal Bank Plaza, 200 Bay Street, Toronto, Ontario, M5J 2J1 Attention: Chief Privacy Officer.

Summary of Privacy Principles set out in Schedule 1 of PIPEDA

1. *Accountability:* The Fund is responsible for personal information under its control and the Chief Privacy Officer is accountable for the Fund's compliance with the principles described in this Privacy Policy.
2. *Identifying Purpose:* The purposes for which personal information is collected will be identified by the Fund at or before the time the information is collected. The Fund will also document the purposes for which personal information is collected at or before the time the information is collected.
3. *Consent:* The knowledge and consent of the individual, express or implied, are required for the collection, use or disclosure of personal information by the Fund, except where inappropriate.
4. *Limiting Collection:* The Fund will limit the amount and type of personal information collected to that which is necessary for the purposes identified by the Fund. The personal information will be collected by fair and lawful means.
5. *Limiting Use, Disclosure and Retention:* The Fund will not use or disclose personal information for purposes other than those for which it was collected, except with the consent of the individual or as required or permitted by applicable law. Personal information will be retained only as long as necessary for the fulfillment of those purposes.
6. *Accuracy:* The Fund will keep personal information as accurate, complete and up-to-date as is necessary for the purposes for which it is to be used. The Fund will minimize the possibility that inappropriate information is used to make a decision about the individual.

7. *Safeguards:* The Fund will protect personal information with security safeguards appropriate to the sensitivity of the information.
8. *Openness:* The Fund will be open about its policies and procedures with respect to the management of personal information. The Fund will ensure that individuals are able to acquire information about the Fund's policies and procedures without unreasonable effort. The Fund will make this information available in a form that is generally understandable.
9. *Individual Access:* Upon a request in writing, the Fund will inform the individual of the existence, use and disclosure of his or her personal information and the individual will be given access to that information, except where the law requires or permits the Fund to deny access.
10. *Questions and Concerns:* An individual will be able to direct a challenge concerning compliance with the above principles to the Fund's Chief Privacy Officer.

Your personal information may be delivered to the Ontario Securities Commission and is thereby being collected indirectly by the Ontario Securities Commission under the authority granted to it under applicable securities legislation for the purposes of the administration and enforcement of the securities legislation of the Province of Ontario. The public official in Ontario who can answer questions about the Ontario Securities Commission's indirect collection of personal information is the Inquiries Officer at the Ontario Securities Commission, 20 Queen Street West, 22nd Floor, Toronto, Ontario, M5H 2S8, by telephone at (416) 593-8314 or by e-mail to inquiries@osc.gov.on.ca