

CONFIDENTIAL OFFERING MEMORANDUM

This offering memorandum constitutes an offering of these securities only in those jurisdictions where they may be lawfully offered for sale and therein only by persons permitted to sell such securities and to those persons to whom they may be lawfully offered for sale. No securities commission or similar regulatory authority in Canada has reviewed this offering memorandum or has in any way passed upon the merits of the securities offered hereunder and any representation to the contrary is an offence. No prospectus has been filed with any such authority in connection with the securities offered hereunder. This offering memorandum is confidential and is provided to specific prospective investors for the purpose of assisting them and their professional advisers in evaluating the securities offered hereby and is not to be construed as a prospectus or advertisement or a public offering of these securities.

Continuous Offering

January 1, 2007

NORTHERN RIVERS CONSERVATIVE GROWTH FUND LP
NORTHERN RIVERS GLOBAL ENERGY FUND LP
NORTHERN RIVERS INNOVATION FUND LP
Limited Partnership Units

Northern Rivers Conservative Growth Fund LP (“**Conservative Growth Fund**”), Northern Rivers Global Energy Fund LP (“**Global Energy Fund**”) and Northern Rivers Innovation Fund LP (“**Innovation Fund**”), and collectively with Conservative Growth Fund and Global Energy Fund, the “**Funds**”) are Ontario limited partnerships formed on November 10, 2005, November 10, 2005 and May 2, 2001, respectively. The investment objective of each of the Funds is to achieve growth of capital through superior securities selection. Northern Rivers General Partner Ltd. (the “**General Partner**”) is the general partner of each of the Funds. **The Funds are related and connected issuers of Northern Rivers Capital Management Inc. (the “Manager”), the manager of the Funds and an affiliate of the General Partner.** See “Conflicts of Interest”. Purchasers of units of the Fund(s) will become limited partners (“**Limited Partners**”) of the Fund(s) and will be bound by the terms of limited partnership agreement(s) governing the Fund(s) (the “**Partnership Agreement(s)**”).

SUBSCRIPTION PRICE: NET ASSET VALUE PER UNIT

An unlimited number of limited partnership units in the Funds (the “**Units**”) are being offered hereby. Units are being distributed only pursuant to available prospectus and registration exemptions to residents of each of the Provinces of Canada. Units are being offered by each of the Funds on a continuous basis to an unlimited number of subscribers who are prepared to invest a minimum subscription amount of \$150,000 paid in cash at the time of the subscription or are otherwise qualified investors. Subscriptions for lesser amounts, subject to a minimum of \$25,000 in the case of Conservative Growth Fund and Global Energy Fund and \$100,000 in the case of Innovation Fund (or such lesser amounts as the General Partner permits), from “Accredited Investors” within the meaning of applicable securities legislation will also be accepted. The price per Unit is based upon the applicable net asset value of the Units at the time of subscription. Subscriptions for Units may be accepted on the last business day of each month and on such other dates as the General Partner may prescribe (each a “**Valuation Date**”). Units will be deemed to be issued on the next business day. Units may be redeemed on each Valuation Date, commencing on the second anniversary of the purchase of such Units by the Limited Partner.

A subscription for Units should be considered only by persons financially able to maintain their investment and who can bear the risk of loss associated with an investment in the Fund(s).

There is no market through which the Units may be sold and none is expected to develop. As there is no market for the Units, it may be difficult or even impossible for the purchaser to sell them. The Units are also subject to resale restrictions under the Partnership Agreements and applicable securities legislation. Redemptions may be suspended by the General Partner in such circumstances as it deems appropriate. There are certain additional risk factors associated with investing in the Units. Subscribers should consult with their own professional advisers to assess the income tax, legal and other aspects of an investment in Units. See “Risk Factors”, “Resale Restrictions” and “Redemptions”.

The securities offered hereby are offered exclusively by the Funds by way of a private placement. No person is authorized to give away any information or to make any representation not contained in this offering memorandum and any information or representation, other than that contained in this offering memorandum, must not be relied upon. This offering memorandum is a confidential document furnished solely for the use of prospective purchasers who, by acceptance hereof, agree that they shall not transmit, reproduce or make available this document or any information contained in it.

Persons who receive this offering memorandum must inform themselves of, and observe, all applicable restrictions with respect to the acquisition or disposition of Units under applicable securities legislation. Subscribers are urged to consult with an independent legal adviser prior to signing the subscription form for the Units and to carefully review the Partnership Agreement(s).

TABLE OF CONTENTS

	Page
SUMMARY	1
THE FUNDS	7
BUSINESS OF THE FUNDS	7
THE GENERAL PARTNER	7
THE MANAGER.....	8
THE CUSTODIAN AND PRIME BROKER	9
INVESTMENT OBJECTIVES AND INVESTMENT STRATEGIES OF THE FUNDS	10
WHO SHOULD INVEST	12
THE OFFERING.....	12
RESALE RESTRICTIONS.....	14
REDEMPTIONS.....	14
SUMMARY OF PARTNERSHIP AGREEMENTS.....	17
COMPUTATION OF NET ASSET VALUE	21
CANADIAN INCOME TAX CONSIDERATIONS	27
RISK FACTORS.....	27
CONFLICTS OF INTEREST	33
PROCEEDS OF CRIME (MONEY LAUNDERING) LEGISLATION.....	34
PRIVACY POLICY	35
RIGHTS OF ACTION AND RESCISSION	35
CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS	38

SUMMARY

This summary is qualified by the more detailed information appearing elsewhere in this offering memorandum.

The Funds: Northern Rivers Conservative Growth Fund LP (“**Conservative Growth Fund**”), Northern Rivers Global Energy Fund LP (“**Global Energy Fund**”) and Northern Rivers Innovation Fund LP (“**Innovation Fund**”, and collectively with Conservative Growth Fund and Global Energy Fund, the “**Funds**” and individually a “**Fund**”) are Ontario limited partnerships formed on November 10, 2005, November 10, 2005 and May 2, 2001 respectively. An unlimited number of limited partnership units in the Fund(s) (the “**Units**”) are being offered hereby. Purchasers of units of the Fund(s) become limited partners of the Fund(s) (“**Limited Partners**”) and will be bound by the terms of limited partnership agreement(s) governing the Fund(s) (the “**Partnership Agreement(s)**”).

See “The Funds”.

Investment Objectives and Strategies:

The primary objective of the Funds is to achieve growth of capital through superior securities selection.

The investment strategy of the Funds is to maximize absolute returns on investments through securities selection and asset allocation, while using hedging activities and asset allocation in an attempt to manage risk.

See “Investment Objectives and Investment Strategies of the Funds”.

Business of the Funds:

Conservative Growth Fund engages in making investments including, but not limited to, investments in the energy and financial services sectors. Global Energy Fund engages in making investments including, but not limited to, investments in the energy sector. Innovation Fund engages in making investments including, but not limited to, investments in sectors such as technology, energy services and health care.

See “Business of the Funds”.

The General Partner:

Northern Rivers General Partner Ltd. (the “**General Partner**”) is the general partner of each of the Funds. The General Partner is a corporation incorporated under the federal laws of Canada, and is wholly owned by Likrilyn Capital Corporation (“**Likrilyn**”). The General Partner is responsible for the management and control of the business and affairs of the Funds on a day-to-day basis. The General Partner may act as general partner of other limited partnerships.

See “The General Partner”.

The Manager and Principal Distributor:

Northern Rivers Capital Management Inc. (the “**Manager**”) is the manager of the Funds’ investment portfolios and the principal distributor of the Units. The Manager is a corporation incorporated under the federal laws of Canada, which has Likrilyn as its principal shareholder.

The directors and officers of the Manager are as follows:

Hugh Cleland, CFA, is an Executive Vice-President of the Manager, principal portfolio manager of Innovation Fund and is portfolio manager of Northern Rivers Innovation RSP Fund, a fund which is also managed by the Manager. Mr. Cleland joined the Manager in May 2001. He has a Bachelor of Arts (Honours, 1992/97) from

Harvard University. After graduating from Harvard, Mr. Cleland worked in the Research Department at Midland Walwyn Capital (subsequently Merrill Lynch Canada) as Research Associate to the senior telecommunications services analyst. The detailed financial model building and data gathering techniques learned at Midland provided a solid foundation for company and industry analysis. From March of 1998 to March of 2001, Mr. Cleland worked at Interward Capital Corporation, first as an analyst, and later as Associate Portfolio Manager, specializing in technology equities. Mr. Cleland earned his CFA designation in 2001.

Alexander Ruus, CFA, is a Vice-President of the Manager and is the principal portfolio manager of Conservative Growth Fund and Global Energy Fund. Mr. Ruus joined the Manager in October, 2005. Mr. Ruus has a Bachelor of Science (Engineering, 1986) from the University of Calgary and a Masters of Business Administration (1992) from the Richard Ivey School of Business at the University of Western Ontario. From 1986 until 1991, Mr. Ruus worked as an Operations Supervisor, Production Engineer, Reservoir Engineer, and Acquisitions & Divestiture Associate at Chevron Canada Resources. From April 1993 to June 2001, Mr. Ruus worked at Perigee Inc. (subsequently Legg Mason Canada), initially as an Assistant Portfolio Manager and subsequently as a Lead Portfolio Manager. From June 2002 to September 2005, Mr. Ruus was a U.S. Equity Manager at Cumberland Asset Management. Mr. Ruus earned his Professional Engineering designation in 1988 and his CFA designation in 1996.

Robert Blakely, LLB, is President and a director of the Manager and President of its parent, Likrilyn, and its other Canadian and U.S. subsidiaries. He has been a Chairman of Queen's University Arts & Science Dean's Council. He is a director of a number of private and public North American companies, including The Caring Foundation and Duvernay Oil & Gas, and sits on the Advisory Board of Northern Plains Capital. Prior to starting Likrilyn, Mr. Blakely practiced law and was Managing Partner of Raymond & Honsberger, a mid-sized Toronto law firm. He has been a director of Scott's Hospitality, Connor Clark, Laser Quest, Children's Aid Society Foundation, Lake of Bays Association, Downtown Churchworkers' Association and Leaside Girls Hockey. He has been President of Lake of Bays Heritage Foundation and Oriole Park Residents Association.

Robyn Graham, FCSI, CIM, CFP is Vice President Sales & Marketing and joined the Manager in April 2006. She has a Bachelor of Arts (English & History, 1986) from University of Toronto. From 1986 to 1989, Ms. Graham worked for Jones Heward Investment Management as Marketing Coordinator, Mutual Funds. From 1989 to 1997 Ms. Graham served as Manager, then Vice President, Private Client & Group Services for Altamira Investment Services Inc. and Vice President Institutional Services from 1998 to 2003. Following the acquisition of Altamira by The National Bank of Canada, Ms. Graham served as Vice President Institutional Services for Natcan Investment Management Inc., a subsidiary of The National Bank, from 2003 to 2006.

Peter Blaiklock, CA, is a director of and has primary financial reporting responsibility for the Manager. He also has senior financial and operations responsibilities for the other companies in the Likrilyn group of companies. Prior to joining Likrilyn in 1996, Mr. Blaiklock was a Partner in Ernst & Young LLP's Financial Services and Information Systems Assurance groups. Mr. Blaiklock had an eighteen-year career with Ernst & Young in Canada and Australia. He primarily served clients in the financial services area and had overall responsibility for coordination of services to Ernst & Young LLP's securities industry clients. In that area, he provided audit support, regulatory, internal control and information systems services. Mr. Blaiklock also represented Ernst & Young - Canada in a number of

international research and development as well as practice coordination committees. Mr. Blaiklock holds an H.B. Comm. degree from Carleton University and earned his Chartered Accountant's designation in 1980. He has held a number of board positions in several not-for-profit organizations.

Scott Laskey, CA, joined the Manager in October, 2005 as Controller and Chief Compliance Officer. He has a Bachelor of Arts (Chemistry, 1996) from Oxford University, UK and earned his professional designation as a Chartered Accountant in 2002. From 1998 until 2003, Mr. Laskey worked as an external auditor for PricewaterhouseCoopers, Toronto. The majority of the engagements Mr. Laskey worked on were in the financial services industry. From April 2003 to October 2005, Mr. Laskey worked as an Accountant in the Compliance Department of the Ontario Securities Commission. His role involved compliance field reviews of investment counsel/portfolio managers and fund managers, and participation in special projects.

George Dickson is a director of the Manager and is an executive with extensive experience in Canadian financial services in multidivisional, multinational, entrepreneurial and not-for-profit environments. He held a number of senior executive positions with RBC Financial Group over his thirty-five year career there, most recently as Senior Vice President, Commercial Markets - Ontario. He is also director of a number of private and not-for-profit entities.

See "The Manager".

Price: The subscription price for Units is based upon the applicable net asset value ("**Net Asset Value**") per Unit at the time of subscription.

Minimum Individual Subscription: Units are being offered by the Funds on a continuous basis to an unlimited number of subscribers who are prepared to invest a sufficient amount to meet the minimum subscription requirements or are otherwise qualified investors. As at the date of this offering memorandum, the minimum subscription amount required for each Fund is \$150,000 paid in cash at the time of the subscription or are otherwise qualified investors. Subscriptions for lesser amounts, subject to a minimum of \$25,000 in the case of Conservative Growth Fund and Global Energy Fund, and \$100,000 (or such lesser amount as the General Partner permits) in the case of Innovation Fund, from "Accredited Investors" as defined in National Instrument 45-106 - *Prospectus and Registration Exemptions* will also be accepted. The Units are being offered to investors resident in each of the Provinces of Canada.

See "The Offering".

Closing Dates: Closings may occur on each Valuation Date (defined below).

Fiscal Year End: December 31 in each year.

Subscriptions: Subscriptions for Units may be made on the last business day of each month and such other dates as the General Partner may determine (each a "**Valuation Date**"), and Units will be deemed to be issued on the next business day based on the closing net asset value of the applicable Fund on such Valuation Date if a duly completed subscription form and the required payment reaches the Fund no later than 4:00 p.m. (Toronto time) on such Valuation Date. No certificates evidencing ownership of Units will be issued to a Limited Partner. Additional investments may be subject to a statutory minimum investment.

By executing a subscription form for Units, each subscriber is acknowledging that the investment portfolio and trading procedures of the Funds are

proprietary in nature and agrees that all information relating to such investment portfolio and trading procedures shall be kept confidential by such subscriber and will not be disclosed to third parties (excluding the subscriber's professional advisors) without the written consent of the Manager.

See "The Offering - Subscription Procedure".

Distributions:

The General Partner may make distributions from time to time in its sole discretion, however, no payment may be made to a Limited Partner from the assets of a Fund if the payment would reduce the assets of the Fund to an insufficient amount to discharge the liabilities of the Fund to persons who are not the General Partner or a Limited Partner. It is not anticipated that the Funds will make any distributions.

See "The Partnership Agreements – Distributions".

Redemptions:

A Limited Partner may redeem Units on an applicable Valuation Date, commencing the second anniversary of the purchase of such Units. The General Partner has the right to require a Limited Partner to redeem some or all of the Units owned by such Limited Partner on a Valuation Date at the Net Asset Value per Unit thereof, by notice in writing to the Limited Partner given at least 30 days before the date of redemption, which right may be exercised by the General Partner in its sole discretion.

Upon redemption of Units, the Limited Partner will receive an amount equal to the Net Asset Value of the Units redeemed, and an amount equal to the lesser of the disposition expenses (including brokerage fees and/or market spread) incurred to enable the Fund to fund such redemption and 2% of the Net Asset Value of such Units, may be retained by the Fund in respect of disposition expenses incurred to enable the redemption. Units redeemed by Innovation Fund may also be subject to a redemption fee payable to the Manager in the amount of 2% of the Net Asset Value of the Units redeemed. A redemption charge of 2% of the Net Asset Value of the Units redeemed is payable to Conservative Growth Fund or Global Energy Fund in the event of an early redemption.

Redemption proceeds shall be paid to the redeeming Limited Partner as soon as is practicable and in any event within 30 days following the applicable Valuation Date (or 60 days if such Valuation Date is the Fund's fiscal year end). An appropriate portion of any accrued administration and performance fee payable to the Manager will be deducted and paid to the Manager upon redemption.

See "Redemptions".

Income/Loss Allocation:

Subject to adjustment by the General Partner, at the end of each fiscal year: (i) the Limited Partners of Conservative Growth Fund and Global Energy Fund will be allocated 99.99% of the income or loss and taxable capital gains or allowable capital losses of these Funds in accordance with their proportionate shares and the remaining 0.01% shall be allocated to the General Partner; and (ii) the Limited Partners of Innovation Fund will be allocated 99.999% of the income or loss and taxable capital gains or allowable capital losses of Innovation Fund in accordance with their proportionate shares and the remaining 0.001% shall be allocated to the General Partner.

See "Summary of Partnership Agreements - Allocation of Income and Loss".

Administrative and Performance Fees:

The Manager is paid an administrative fee by Conservative Growth Fund on the first business day of each month equal to one-twelfth of 2.0% of the Fund's Net Asset

Value on the immediately preceding Valuation Date. The Manager does not receive a performance fee from Conservative Growth Fund.

The Manager does not currently receive an administrative fee from Global Energy Fund. The General Partner shall provide the Limited Partners of Global Energy Fund with at least 90 days prior written notice of the Manager's intention to implement an administrative fee for Global Energy Fund. The Manager is paid a performance fee by Global Energy Fund on June 30 and December 31 of each year equal to 20% of the increase, if any, in Global Energy Fund's Net Asset Value during the preceding semi-annual period, subject to an annual "high water mark" limitation.

The Manager is paid an administrative fee by Innovation Fund equal to one-quarter of 1.0% the Net Asset Value of Innovation Fund on the first business day following the last Valuation Date in the preceding calendar quarter (a "**Performance Valuation Date**"). The Manager is paid a performance fee by Innovation Fund on each outstanding Unit on each Performance Valuation Date equal to 20% of the increase, if any, in the Net Asset Value of such Unit from the date of its purchase or the day immediately following the previous Performance Valuation Date, whichever is later, to such Performance Valuation Date in excess of a 2% per quarter hurdle rate, subject to an annual "high water mark" limitation.

See "Summary of Partnership Agreements - Administrative Fees" and "Summary of Partnership Agreements - Performance Fees".

Payment of Expenses:

Each Fund shall be responsible for and the General Partner shall be entitled to reimbursement from the Fund for all costs actually incurred by it in connection with the business of the Fund including, but not limited to, administrative fees and expenses, accounting, audit and legal costs, insurance premiums, unitholder communication expenses, regulatory fees and expenses and reasonable extraordinary or non-recurring expenses, custodian's fees, interest charges on funds borrowed by the Fund and commissions or other charges for brokerage, banking, financial and securities information services provided to the Fund.

See "Summary of Partnership Agreements – Expenses".

Transfer or Resale:

Units may only be transferred with the consent of the General Partner and transfers will generally not be permitted. The transfer or resale of Units (which does not include a redemption of Units) is also subject to restrictions under applicable securities legislation. Accordingly, redemption of the Units in accordance with the provisions set out herein is likely to be the only means of liquidating an investment in a Fund.

See "Resale Restrictions".

Sales Commission:

No commission is payable to the Manager in respect of Units purchased directly by a subscriber. Participating dealers may, at their discretion, charge a commission of up to 5% of the Net Asset Value of the Units purchased. Any such fee will be negotiated between the dealer and the subscriber and will be payable by the subscriber. All minimum subscription amounts are net of such fees.

See "The Offering".

Financial Reporting:

Audited financial statements of the Fund(s) will be provided within 90 days of each fiscal year end. Quarterly unaudited financial information respecting the Net Asset Value per Unit of the Fund(s) in each fiscal year will be provided within 30 days of

the end of such period.

See “Summary of Partnership Agreements - Reports to Limited Partners”.

Tax Considerations:

Subscribers are urged to consult with their tax advisers to determine the tax consequences of an investment in the Funds.

Units of the Funds are not “qualified investments” under the *Income Tax Act* (Canada) for registered retirement savings plans, deferred profit sharing plans, registered retirement income funds or registered education savings plans.

See “Canadian Income Tax Considerations”.

Limited Liability:

The liability of each Limited Partner for the debts, liabilities, obligations and losses of a Fund will be limited to the amount of the capital contributed by the Limited Partner, unless the Limited Partner takes part in the control of the business of that Fund).

See “Summary of Partnership Agreements - Liability” and “Risk Factors”.

Risk Factors:

An investment in the Fund(s) is speculative and is not intended as a complete investment program. A subscription for Units should be considered only by persons financially able to maintain their investment and who can bear the risk of loss associated with an investment in the Fund(s). Investors should review closely the investment objective and investment strategies to be utilized by the Fund(s) as outlined herein to familiarize themselves with the risks associated with an investment in the Fund(s). Investment in the Fund(s) is also subject to certain other risks.

See “Risk Factors”.

Term:

Dissolution of the Funds may only occur on the earlier of (i) not less than 60 days (in the case of Conservative Growth Fund and Global Energy Fund) and 30 days (in the case of Innovation Fund) prior written notice by the General Partner to each Limited Partner of such dissolution of the Fund and (ii) 60 days following the removal of the General Partner in accordance with the terms of the Fund’s Partnership Agreement unless a new General Partner is appointed prior to such date.

See “Summary of Partnership Agreements - Term”.

Legal Counsel:

Aird & Berlis LLP, Toronto, Ontario.

Auditors:

Ernst & Young LLP, Chartered Accountants, Toronto, Ontario.

**Prime Broker
and Custodian:**

BMO Nesbitt Burns, Inc., Toronto, Ontario.

THE FUNDS

Northern Rivers Conservative Growth Fund LP (“**Conservative Growth Fund**”) was formed under the laws of the Province of Ontario and became a limited partnership by filing a Declaration of Limited Partnership under the *Limited Partnerships Act* (Ontario) (the “**Act**”) on November 10, 2005. Conservative Growth Fund is governed by a limited partnership agreement dated November 30, 2005 between Northern Rivers General Partner Ltd. (the “**General Partner**”) and Likrilyn Capital Corporation (“**Likrilyn**”) (the “**Conservative Growth Agreement**”).

Northern Rivers Global Energy Fund LP (“**Global Energy Fund**”) was formed under the laws of the Province of Ontario and became a limited partnership by filing a Declaration of Limited Partnership under the Act on November 10, 2005. Global Energy Fund is governed by a limited partnership agreement dated November 30, 2005 between the General Partner and Likrilyn (the “**Global Energy Agreement**”).

Northern Rivers Innovation Fund LP (“**Innovation Fund**”, and collectively with Conservative Growth Fund and Global Energy Fund, the “**Funds**” and individually a “**Fund**”) was formed under the laws of the Province of Ontario and became a limited partnership by filing a Declaration of Limited Partnership under the Act on May 2, 2001. Innovation Fund is governed by limited partnership agreement dated May 2, 2001, as amended by an agreement dated October 16, 2001, between the General Partner, Northern Rivers Capital Management Inc. (the “**Manager**”) and Likrilyn (the “**Innovation Agreement**”, and collectively with Conservative Growth Agreement and Global Energy Agreement, the “**Partnership Agreements**”).

The principal place of business of the Funds and of the General Partner is Suite 2000, Royal Bank Plaza, North Tower, 200 Bay Street, Toronto, Ontario, M5J 2J2.

The interest of each limited partner in a Fund (a “**Limited Partner**”) will represent the same proportion of the total interest of all Limited Partners in the Fund as the number of Units held by such Limited Partner is of the total number of Units then outstanding.

BUSINESS OF THE FUNDS

Each of the Funds seeks to maximize absolute returns on investments through securities selection and asset allocation, while using hedging activities and asset allocation in an attempt to manage market risk. Conservative Growth Fund engages in making investments including, but not limited to, investments in the energy and financial services sectors. Global Energy Fund engages in making investments including, but not limited to, investments in the energy sector. Innovation Fund engages in making investments including, but not limited to, investments in sectors such as technology, natural resources and health care.

See “Investment Objectives and Investment Strategies of the Funds”.

THE GENERAL PARTNER

The General Partner was incorporated under the *Canada Business Corporations Act* on April 26, 2001. The General Partner may act as general partner of other limited partnerships. The General Partner does not presently carry on any other business operations and currently has no significant assets or financial resources. Likrilyn owns 100% of the issued and outstanding common shares of the General Partner. The General Partner may also become a Limited Partner by purchasing Units. The General Partner is responsible for the management and control of business and affairs of the Funds on a day-to-day basis in accordance with the terms of the Partnership Agreements but has engaged the Manager to provide investment advisory services to the Funds, to act as principal distributor of the Units and to provide administrative support to the General Partner.

The General Partner shall exercise its powers and discharge its duties honestly, in good faith, and with a view to the best interests of the Funds and in connection therewith shall exercise the degree of care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances. The General Partner shall be entitled to retain advisors, experts or consultants to assist in the exercise of its powers and the performance of its duties.

The General Partner may assign its rights and interests as the General Partner of Conservative Growth Fund or Global Energy Fund to an affiliated entity at any time provided that written notice of such assignment is given to all applicable Limited Partners promptly after such assignment. The General Partner may not sell, assign, or otherwise transfer its interest or rights as the General Partner in the Funds except with the prior approval of the applicable Limited Partners given by ordinary resolution.

The directors and officers of the General Partner are listed below:

<u>Name and Municipality of Residence</u>	<u>Office with the General Partner</u>
Robert W. Blakely Toronto, Ontario	President and Director
Peter S. Blaiklock Toronto, Ontario	Vice President, Secretary-Treasurer and Director

THE MANAGER

The General Partner has engaged the Manager to provide investment advisory services to the Funds, to act as principal distributor of the Units and to provide administrative support to the General Partner. Likrilyn is also the principal shareholder of the Manager.

The Manager was incorporated under the *Canada Business Corporations Act* on April 26, 2001. The principal place of business of the Manager is Suite 2000, Royal Bank Plaza, North Tower, 200 Bay Street, Toronto, Ontario, Canada M5J 2J2. The directors and officers of the Manager are as follows:

<u>Name and Municipality of Residence</u>	<u>Office with the Manager</u>
Robert W. Blakely Toronto, Ontario	President and Director
Hugh C. Cleland Oakville, Ontario	Executive Vice President, Portfolio Manager
Alexander Ruus Toronto, Ontario	Vice President, Portfolio Manager
Robyn Graham Toronto, Ontario	Vice President, Sales and Marketing
Peter S. Blaiklock Toronto, Ontario	Vice President, Secretary, Treasurer and Director
Scott Laskey Toronto, Ontario	Controller and Chief Compliance Officer
George Dickson Toronto, Ontario	Director

Hugh Cleland, CFA, is an Executive Vice President of the Manager, principal portfolio manager of Innovation Fund and portfolio manager of the Northern Rivers Innovation RSP Fund, a fund which is also managed by the Manager. Mr. Cleland joined the Manager in May 2001. He has a Bachelor of Arts (Honours, 1992/97) from Harvard University. After graduating from Harvard, Mr. Cleland worked in the Research Department at Midland Walwyn Capital (subsequently Merrill Lynch Canada) as Research Associate to the senior telecommunications services analyst. The detailed financial model building and data gathering techniques learned at Midland provided a solid foundation for company and industry analysis. From March of 1998 to March of 2001, Mr. Cleland worked at Interward Capital Corporation, first as an analyst, and later as Associate Portfolio Manager, specializing in technology equities. Mr. Cleland earned his CFA designation in 2001.

Alexander Ruus, CFA, is a Vice-President of the Manager and is the principal portfolio manager of Conservative Growth Fund and Global Energy Fund. Mr. Ruus joined the Manager in October, 2005. Mr. Ruus has a Bachelor of Science (Engineering, 1986) from the University of Calgary and a Masters of Business Administration (1992) from the Richard Ivey School of Business at the University of Western Ontario. From 1986 until 1991, Mr. Ruus worked as an Operations Supervisor, Production Engineer, Reservoir Engineer, and Acquisitions & Divestiture Associate at Chevron Canada Resources. From April 1993 to June 2001, Mr. Ruus worked at Perigee Inc. (subsequently Legg Mason Canada), initially as an Assistant Portfolio Manager and subsequently as a Lead Portfolio Manager. From June 2002 to September 2005, Mr. Ruus was a U.S. Equity Manager at Cumberland Asset Management. Mr. Ruus earned his Professional Engineering designation in 1988 and his CFA designation in 1996.

Robert Blakely, LLB, is President and a director of the Manager and President of its parent, Likrilyn, and its other Canadian and U.S. subsidiaries. He has been a Chairman of Queen's University Arts & Science Dean's Council. He is a director of a number of private and public North American companies, including The Caring Foundation and Duvernay Oil & Gas, and sits on the Advisory Board of Northern Plains Capital. Prior to starting Likrilyn, Mr. Blakely practiced law and was Managing Partner of Raymond & Honsberger, a mid-sized Toronto law firm. He has been a director of Scott's Hospitality, Connor Clark, Laser Quest, Children's Aid Society Foundation, Lake of Bays Association, Downtown Churchworkers' Association and Leaside Girls Hockey. He has been President of Lake of Bays Heritage Foundation and Oriole Park Residents Association.

Robyn Graham, FCSI, CIM, CFP is Vice President, Sales and Marketing of the Manager and joined the Manager in April 2006. She has a Bachelor of Arts (English & History, 1986) from University of Toronto. From 1986 to 1989, Ms. Graham worked for Jones Heward Investment Management as Marketing Coordinator, Mutual Funds. From 1989 to 1997 Ms. Graham served as Manager, then Vice President, Private Client & Group Services for Altamira Investment Services Inc. and Vice President Institutional Services from 1998 to 2003. Following the acquisition of Altamira by The National Bank of Canada, Ms. Graham served as Vice President Institutional Services for Natcan Investment Management Inc., a subsidiary of The National Bank, from 2003 to 2006.

Peter Blaiklock, CA, is a director of and has primary financial reporting responsibility for the Manager. He also has senior financial and operations responsibilities for the other companies in the Likrilyn group of companies. Prior to joining Likrilyn in 1996, Mr. Blaiklock was a Partner in Ernst & Young LLP's Financial Services and Information Systems Assurance groups. Mr. Blaiklock had an eighteen-year career with Ernst & Young in Canada and Australia. He primarily served clients in the financial services area and had overall responsibility for coordination of services to Ernst & Young LLP's securities industry clients. In that area, he provided audit support, regulatory, internal control and information systems services. Mr. Blaiklock also represented Ernst & Young - Canada in a number of international research and development as well as practice coordination committees. Mr. Blaiklock holds an H.B. Comm. degree from Carleton University and earned his Chartered Accountant's designation in 1980. He has held a number of board positions in several not-for-profit organizations.

Scott Laskey, CA, joined the Manager in October, 2005 as Controller and Chief Compliance Officer. He has a Bachelor of Arts (Chemistry, 1996) from Oxford University, UK and earned his professional designation as a Chartered Accountant in 2002. From 1998 until 2003, Mr. Laskey worked as an external auditor for PricewaterhouseCoopers, Toronto. The majority of the engagements Mr. Laskey worked on were in the financial services industry. From April 2003 to October 2005, Mr. Laskey worked as an Accountant in the Compliance Department of the Ontario Securities Commission. His role involved compliance field reviews of investment counsel/portfolio managers and fund managers, and participation in special projects.

George Dickson is a director of the Manager and is an executive with extensive experience in Canadian financial services in multidivisional, multinational, entrepreneurial and not-for-profit environments. He held a number of senior executive positions with RBC Financial Group over his thirty-five year career there, most recently as Senior Vice President, Commercial Markets - Ontario. He is also director of a number of private and not-for-profit entities.

THE CUSTODIAN AND PRIME BROKER

BMO Nesbitt Burns Inc. is the custodian and prime broker of the Funds.

INVESTMENT OBJECTIVES AND INVESTMENT STRATEGIES OF THE FUNDS

Conservative Growth Fund

The investment objective of Conservative Growth Fund is to maximize absolute returns on investments through securities selection and asset allocation, while using hedging activities and asset allocation in an attempt to manage market risk. Conservative Growth Fund focuses on achieving growth of capital through superior securities selection. Conservative Growth Fund pursues a long-term investment program with the aim of generating capital gains. Conservative Growth Fund is invested according to the following guidelines: the assets of Conservative Growth Fund are allocated at the discretion of the Manager to those investment strategies that balance risk, return and liquidity. Conservative Growth Fund may borrow money from brokerage firms, banks and others to make investments. Conservative Growth Fund makes use of equity derivatives, such as calls and puts, index futures and exchange traded funds to manage risk.

In selecting investments for Conservative Growth Fund, the Manager primarily focuses on the securities (equity and equity derivatives) of companies which the Manager believes trade at a discount to their intrinsic value. The Manager engages in making investments for Conservative Growth Fund including, but not limited to, investments in the energy and financial services sectors.

To achieve the investment objective of Conservative Growth Fund, the Manager:

- (a) makes long term investments of securities of issuers which the Manager believes present the greatest opportunity for capital appreciation. Such issuers will typically have strong balance sheets, strong fundamentals, strong earnings or growth (or earnings or growth potential), and will typically be demonstrably undervalued relative to earnings power or shareholder's equity; and
- (b) manages the portfolio's sector allocation, increasing and decreasing exposure to different sectors of the market as appropriate.

The General Partner reserves the right to amend this offering memorandum in respect of Conservative Growth Fund's investment objectives and strategies. Changes to the investment objectives and strategies of Conservative Growth Fund can be made without approval of the Limited Partners and written notice will be given to the Limited Partners promptly thereafter.

Global Energy Fund

The investment objective of Global Energy Fund is to maximize absolute returns on investments through securities selection and asset allocation, while using hedging activities and asset allocation in an attempt to manage market risk. Global Energy Fund focuses on achieving growth of capital through superior securities selection. Global Energy Fund pursues a long-term investment program with the aim of generating capital gains. Global Energy Fund is invested according to the following guidelines: the assets of Global Energy Fund are allocated at the discretion of the Manager to those investment strategies that balance risk, return and liquidity. Global Energy Fund may borrow money from brokerage firms, banks and others to make investments. Global Energy Fund makes use of equity derivatives, such as calls and puts, index futures and exchange traded funds to manage risk.

In selecting investments for Global Energy Fund, the Manager primarily focuses on the securities (equity and equity derivatives) of companies in three broadly defined areas; energy producers, service companies and companies whose performance is sensitive to energy prices.

To achieve the investment objective of Global Energy Fund, the Manager:

- (a) makes long term investments of securities of issuers which the Manager believes present the greatest opportunity for capital appreciation. Such issuers will typically have strong balance sheets, strong fundamentals, strong earnings or growth (or earnings or growth potential), and will typically be demonstrably undervalued relative to earnings power or shareholder's equity; and

- (b) manages the portfolio's sector allocation, increasing and decreasing exposure to the three broad areas described above (energy producers, service companies, and companies whose performance is sensitive to energy prices) as appropriate.

The General Partner reserves the right to amend this offering memorandum in respect of Global Energy Fund's investment objectives and strategies. Changes to the investment objectives and strategies of Global Energy Fund can be made without approval of the Limited Partners and written notice will be given to the Limited Partners promptly thereafter.

Innovation Fund

The investment objective of Innovation Fund is to maximize absolute returns on investments through securities selection and asset allocation, while using hedging activities and asset allocation in an attempt to manage market risk. Innovation Fund focuses on achieving growth of capital through superior securities selection. Innovation Fund pursues a long-term investment program with the aim of generating capital gains. Innovation Fund is invested according to the following guidelines: the assets of Innovation Fund are allocated at the discretion of the Manager to those investment strategies that balance risk, return and liquidity. Innovation Fund may borrow money from brokerage firms, banks and others to make investments. Innovation Fund makes use of equity derivatives, such as calls and puts, index futures and exchange traded funds to manage risk.

In selecting investments for Innovation Fund, the Manager primarily focuses on the securities (equity and equity derivatives) of companies which develop innovative products, processes or services, and hence the majority of positions will be concentrated in the technology, healthcare and oil services sectors.

To achieve the investment objective of Innovation Fund, the Manager:

- (a) makes long term investments of securities of issuers which the Manager believes present the greatest opportunity for capital appreciation. Such issuers will typically have strong balance sheets, strong fundamentals, strong earnings or growth (or earnings or growth potential), and will typically be demonstrably undervalued relative to earnings power or shareholder's equity; and
- (b) manages the portfolio's sector allocation, increasing and decreasing exposure to the three primary sectors (technology, healthcare and oil services) as appropriate.

The General Partner reserves the right to amend this offering memorandum in respect of Innovation Fund's investment objectives and strategies. Changes to the investment objectives and strategies of Innovation Fund can be made without approval of the Limited Partners, however no such change may be made unless 105 days' prior written notice is given to each Limited Partner.

General

The Funds' returns should be enhanced by use of short sales, leverage and arbitrage. The Manager will sell short securities which the Manager believes are overvalued and have deteriorating fundamentals. The Manager manages risk in the Funds' portfolios by:

- (a) managing the relative weightings of long and short and net cash positions (i.e., asset allocation); and
- (b) using equity and index options for risk management purposes (i.e., buying protective puts).

To a lesser extent, the Manager will employ the following strategies on an opportunistic basis as a way to attempt to enhance the Funds' returns:

- (a) write covered calls when appropriate for income enhancement;

- (b) participate in select private placements of issuers that have compelling growth or investment characteristics; and
- (c) implement arbitrage strategies where the Funds could capture the price spread between the current market price of a subject security and the fixed offering price of an attendant special warrant offering.

WHO SHOULD INVEST

The Funds are designed for sophisticated investors wishing to achieve enhanced performance. As the Funds are subject to various risks as outlined under “Risk Factors”, it is recommended that an investment in the Fund(s) should not constitute the major portion of an individual’s portfolio. The Funds are designed to attract investment capital which is surplus to a subscriber’s basic financial requirements. Because of restrictions on redemption and transfer, the Funds are not appropriate for investors who require short term liquidity.

The following persons may not invest in the Funds:

- (a) a “non-Canadian” within the meaning of the *Investment Canada Act* (Canada); or
- (b) a “non-resident”, a “tax shelter” or a “tax shelter investment”, or a person an interest in which is a “tax shelter investment” or in which a “tax shelter investment” has an interest, within the meaning of the *Income Tax Act* (Canada) (the “**Tax Act**”); or
- (c) a partnership which is not a Canadian partnership for purposes of the Tax Act; or
- (d) a partnership which does not have a prohibition against investment by the foregoing persons,

and any Limited Partner whose status changes with respect to the foregoing or who fails to provide evidence satisfactory to the General Partner of such status when requested to do so from time to time shall be removed as a Limited Partner by the redemption of his Units at the end of the month in which such status changes. In addition, any Limited Partner that is or becomes a “financial institution” within the meaning of Section 142.2 of the Tax Act shall disclose such status to the General Partner at the time of subscription (or when such status changes) and the General Partner may restrict the participation of any such Limited Partner or require any such Limited Partner to redeem all or some of such Limited Partner’s Units.

THE OFFERING

Units are being offered by the Funds on a continuous basis to an unlimited number of subscribers resident in each of the Provinces of Canada who are prepared to invest a sufficient amount to meet the minimum subscription requirements or are otherwise qualified investors. As at the date of this offering memorandum, the minimum subscription amount required for each Fund is \$150,000 paid in cash at the time of the subscription. Subscriptions for lesser amounts, subject to a minimum of \$25,000 in the case of Conservative Growth Fund and Global Energy Fund and \$100,000 in the case of Innovation Fund (or such lesser amounts as the General Partner permits), from “Accredited Investors” as defined in National Instrument 45-106 - Prospectus and Registration Exemptions (“**NI 45-106**”) will also be accepted. A list of those persons who qualify as an “Accredited Investor” is set out in the Funds’ subscription form, but generally includes: (i) an individual who, either alone or with a spouse, beneficially owns, directly or indirectly, financial assets (meaning cash, securities and contracts of insurance or a deposit or an evidence of a deposit) having an aggregate realizable value that before taxes, but net of any related liabilities (meaning liabilities incurred or assumed for the purpose of financing the acquisition or ownership of financial assets or liabilities that are secured by financial assets) exceeds \$1,000,000; (ii) an individual whose net income before taxes exceeded \$200,000 in each of the two most recent calendar years or whose net income before taxes combined with that of a spouse exceeded \$300,000 in each of the two most recent calendar years and who, in either case, reasonably expects to exceed that net income level in the current calendar year; (iii) an individual who, either alone or with a spouse, has net assets of at least \$5,000,000; (iv) a person, other than an individual or investment fund, that has net assets of at least \$5,000,000 as shown on its most recently prepared financial statements; or (v) a person in

respect of which all of the owners of interests, direct, indirect or beneficial, except the voting securities required by law to be owned by directors, are persons that are accredited investors.

Certain investors, other than individuals that are “Accredited Investors” (as defined in NI 45-106), must provide a representation (and agree to provide additional evidence promptly upon request) in the subscription form they enter into that such investor was not created or used solely to purchase or hold Units in reliance on the exemption contained in Section 2.10 of NI 45-106.

Closings may occur at the sole discretion of the Manager on the last business day of each month (each, a “**Valuation Date**”), subject to applicable law, if a duly completed subscription form and the required payment reaches the Fund no later than 4:00 p.m. (Toronto time) on such Valuation Date. No certificates evidencing ownership of Units will be issued. Units subscribed for will be deemed to be issued for a purchase price equal to the Net Asset Value per Unit on such Valuation Date.

No commission is payable to the Manager in respect of Units purchased directly by a subscriber. Participating dealers may, at their discretion, charge a commission of up to 5% of the Net Asset Value of the Units purchased. Any such fee will be negotiated between the dealer and the purchaser and will be payable by the purchaser. All minimum subscription amounts are net of such fees.

Subject to applicable law, the Manager may pay, out of the fees payable to the Manager by a Fund, a negotiated referral fee or trailing commission to dealers or other persons in connection with the sale of Units.

Subscription Procedure

Subscriptions for Units must be made by completing the subscription form provided by the Manager and by forwarding such form together with cheque(s) for payment of the subscription price to the Manager. Subscription funds received prior to a Valuation Date will be kept in a segregated account. Subscriptions for Units are subject to acceptance or rejection in whole or in part by the Manager in its sole discretion. In the event a subscription for Units is rejected, any subscription funds forwarded by the subscriber will be returned without interest or deduction.

By executing a subscription form, each subscriber makes certain representations on which the Manager and the General Partner will be relying. Subscribers must read the subscription form provided by the Manager carefully before signing.

By executing a subscription form for Units, each subscriber is acknowledging that the investment portfolio and trading procedures of the Funds are proprietary in nature and agrees that all information relating to such investment portfolio and trading procedures shall be kept confidential by such subscriber and will not be disclosed to third parties (excluding the subscriber’s professional advisors) without the written consent of the Manager.

Additional Subscriptions

Following the required initial minimum investment in a Fund, Limited Partners may make additional investments in that Fund of not less than \$25,000 provided that, at the time of the subscription for additional Units, the Limited Partner is an “Accredited Investor” under NI 45-106. Limited Partners who are not “Accredited Investors” may make additional investments in a Fund at a minimum subscription amount of \$150,000 paid in cash at the time of the subscription. In addition, Limited Partners who are not “Accredited Investors” but (a) initially acquired Units of a Fund as principal for an acquisition cost of not less than \$150,000 paid in cash at the time of the trade; (b) the additional investment is for a security of the same class or series of Units; and (c) holds as at the date of the additional investment, Units of the Fund having an acquisition cost or current net asset value of not less than \$150,000, will also be permitted to make subsequent investments in that Fund of not less than \$25,000. The Manager may from time to time permit additional investments of lesser amounts, in its sole discretion, subject to the requirements of applicable securities legislation. At the time of each additional investment in the Fund(s), a Limited Partner will be asked to execute a new subscription form.

RESALE RESTRICTIONS

As the Units offered by this offering memorandum are being distributed pursuant to exemptions from the prospectus requirements of applicable securities legislation, the resale of these securities by subscribers is subject to restrictions. A purchaser should refer to applicable provisions in consultation with a legal adviser. Furthermore, no transfers of Units may be effected unless the General Partner, in its sole discretion, approves the transfer and the proposed transferee. The proposed transferee will be required to make representations and warranties to the applicable Fund in form and substance satisfactory to the General Partner and the transferring Limited Partner or the transferee will be required to pay all reasonable legal fees and other expenses incurred by the General Partner and the applicable Fund in connection with such transfer.

There is no market for the Units and no market is expected to develop, therefore it may be difficult or even impossible for the purchaser to sell the Units other than by way of redemption.

Purchasers are advised to consult with their legal advisers 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 legislation.

REDEMPTIONS

Conservative Growth Fund

An investment in Units of Conservative Growth Fund is intended to be a long-term investment. A Limited Partner of Conservative Growth Fund shall be entitled to redeem some or all of such Limited Partner's Units on an applicable Valuation Date, commencing with the second anniversary of such Units' purchase by the Limited Partner by giving notice to the General Partner in such form as the General Partner, from time to time, may prescribe. Redemptions may only be made if the General Partner receives a written request for such redemption at least 30 days prior to the Valuation Date (60 days if such Valuation Date is Conservative Growth Fund's fiscal year end). Any written request for the redemption of Units shall be deemed to constitute the entire notice to Conservative Growth Fund and will, unless the General Partner determines otherwise in its sole discretion, supersede all previous requests, communications, representations, understandings and agreement, written or verbal, between the Limited Partner and Conservative Growth Fund with respect to the redemption of Units including, but not limited to, any prior notices of redemption.

If a redemption request by a Limited Partner of Conservative Growth Fund is honoured, the Limited Partner will receive proceeds of redemption equal to the Net Asset Value on the redemption date of the Units so redeemed, and an amount equal to the lesser of the disposition expenses (including brokerage fees and/or market spread) incurred to enable Conservative Growth Fund to fund such redemption and 2% of the Net Asset Value of such Units, may be retained by Conservative Growth Fund in respect of disposition expenses incurred to enable the redemption. The amount of such deduction on a Valuation Date shall be in the sole discretion of the General Partner (subject to the maximum set out above).

Only in extraordinary circumstances and always at the sole discretion of the General Partner, will the General Partner permit early redemption, which may, in the sole discretion of the General Partner, be subject to a redemption surcharge, in addition to the 2% fee noted above, which is equal to 2% of the Net Asset Value of the Units redeemed. The redemption surcharge is payable to Conservative Growth Fund.

The General Partner has the right to hold back up to 20% of the Net Asset Value of the Units being redeemed on any redemption to provide for an orderly disposition of assets. Any redemption proceeds which are held back shall be paid within a reasonable time period, having regard for applicable circumstances. In the sole discretion of the General Partner, payment of all or any part of any redemption amount may be made by the transfer of a pro rata portion of any securities then held by Conservative Growth Fund. In the event the General Partner determines to pay all or any part of any redemption amount by the transfer of securities then held by Conservative Growth Fund, it shall provide the redeeming Limited Partner with prompt notice thereof and the redeeming Limited Partner shall have and shall be advised that they have the right to withdraw their redemption request, or a portion thereof. If any

redemption is requested without provision by the Limited Partner of appropriate payment instructions, the General Partner may deposit in a separate bank account the amount redeemed. Upon such deposit, the Limited Partner shall have no interest in or claim against Conservative Growth Fund or its assets except the right to receive (subject to the limitations outlined in the Conservative Growth Agreement) the moneys so deposited (without interest).

The General Partner may, in its sole discretion, refuse to make a payment to a Limited Partner if the General Partner suspects or is advised that the payment of any redemption proceeds to such Limited Partner may result in a breach or violation of any applicable laws or regulations (including, without limitation, any anti-money laundering or anti-terrorism laws and regulations) by Conservative Growth Fund or any other person in any relevant jurisdiction, or such refusal is necessary to ensure the compliance by Conservative Growth Fund, the General Partner or any authorized agent with any such applicable law or regulation in any relevant jurisdiction. In such circumstances, and until otherwise instructed by the relevant authority, the General Partner may deposit such redemption proceeds in a separate bank account. If the General Partner is given permission to pay out such redemption proceeds to the relevant Limited Partner, such Limited Partner's only right against Conservative Growth Fund shall be the right to receive the moneys so deposited (without interest).

The General Partner may, in its sole discretion, declare a suspension of the determination of Net Asset Value and the admission of Partners and the redemption of Units of Conservative Growth Fund (in whole or in part) and the concurrent payment for Units of Conservative Growth Fund tendered for redemption in such circumstances as it deems appropriate, including but not limited to (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 securities or derivatives owned by Conservative Growth Fund (or any successor thereto) are listed which, in the aggregate, represent directly or indirectly more than 50% of the Net Asset Value or underlying market exposure of the total assets of Conservative Growth Fund (or any successor thereto) without allowance for liabilities; (ii) if the General Partner is of the opinion in its sole discretion that there are insufficient liquid assets in Conservative Growth Fund to fund such redemptions or that the liquidation of assets would be to the detriment of Conservative Growth Fund generally or (iii) if the General Partner determines that conditions exist which impair the ability of Conservative Growth Fund to determine the value of the assets of Conservative Growth Fund. A suspension will apply to all redemption requests received prior to the suspension but as for which payment has not been made as well as to all redemption requests received while the suspension is in effect. In such circumstances, all Limited Partners shall have and shall be advised that they have the right to withdraw their redemption request. Subject to applicable laws, any declaration of suspension made by the General Partner shall be conclusive. The General Partner will advise the Limited Partners who have requested a redemption if redemptions will be limited or suspended on such Valuation Date. Redemption requests which are rejected as at a Valuation Date will be accepted on the next Valuation Date on which redemption requests are honoured. Redemption requests are irrevocable unless they are not honoured on a Valuation Date or a redeeming Limited Partner has been advised by the General Partner that they have the right to withdraw their redemption request, in which case they may be withdrawn within 30 days following such Valuation Date.

Notwithstanding and without limiting any of the provisions hereof, the General Partner has the right to require a Limited Partner to redeem some or all of the Units owned by such Limited Partner on a Valuation Date at the Net Asset Value per Unit thereof, by notice in writing to the Limited Partner given at least 30 days before the date of redemption, which right may be exercised by the General Partner in its sole discretion. Any such redemption will not be subject to the redemption surcharge but will be subject to all other applicable redemption fees and deductions.

Global Energy Fund

An investment in Units of Global Energy Fund is intended to be a long-term investment. A Limited Partner of Global Energy Fund shall be entitled to redeem some or all of such Limited Partner's Units on an applicable Valuation Date, commencing with the second anniversary of such Units' purchase by the Limited Partner by giving notice to the General Partner in such form as the General Partner, from time to time, may prescribe. Redemptions may only be made if the General Partner receives a written request for such redemption at least 30 days prior to the Valuation Date (60 days if such Valuation Date is Global Energy Fund's fiscal year end). Any written request for the redemption of Units shall be deemed to constitute the entire notice to Global Energy Fund and will, unless the General Partner determines otherwise in its sole discretion, supersede all previous requests, communications,

representations, understandings and agreement, written or verbal, between the Limited Partner and Global Energy Fund with respect to the redemption of Units including, but not limited to, any prior notices of redemption.

If a redemption request by a Limited Partner of Global Energy Fund is honoured, the Limited Partner will receive proceeds of redemption equal to the Net Asset Value on the redemption date of the Units so redeemed, and an amount equal to the lesser of the disposition expenses (including brokerage fees and/or market spread) incurred to enable Global Energy Fund to fund such redemption and 2% of the Net Asset Value of such Units, may be retained by Global Energy Fund in respect of disposition expenses incurred to enable the redemption. The amount of such deduction on a Valuation Date shall be in the sole discretion of the General Partner (subject to the maximum set out above). An appropriate portion of any accrued performance fee payable to the Manager will also be deducted and paid to the Manager upon redemption.

Only in extraordinary circumstances and at the sole discretion of the General Partner, will the General Partner permit early redemption of Units (during the 2 year period following the date of issuance of such Units), which may, in the sole discretion of the General Partner, be subject to a redemption surcharge, in addition to the 2% fee noted above, which is equal to 2% of the Net Asset Value of the Units redeemed. The redemption surcharge is payable to Global Energy Fund.

The General Partner of Global Energy Fund has the right to hold back up to 20% of the Net Asset Value of the Units being redeemed on any redemption to provide for an orderly disposition of assets. Any redemption proceeds which are held back shall be paid within a reasonable time period, having regard for applicable circumstances. In the sole discretion of the General Partner, payment of all or any part of any redemption amount may be made by the transfer of a pro rata portion of any securities then held by Global Energy Fund. In the event the General Partner determines to pay all or any part of any redemption amount by the transfer of securities then held by Global Energy Fund, it shall provide the redeeming Limited Partner with prompt notice thereof and the redeeming Limited Partner shall have and shall be advised that they have the right to withdraw their redemption request, or a portion thereof. If any redemption is requested without provision by the Limited Partner of appropriate payment instructions, the General Partner may deposit in a separate bank account the amount redeemed. Upon such deposit, the Limited Partner shall have no interest in or claim against Global Energy Fund or its assets except the right to receive (subject to the limitations outlined in the Global Energy Agreement) the moneys so deposited (without interest).

The General Partner may, in its sole discretion, refuse to make a payment to a Limited Partner if the General Partner suspects or is advised that the payment of any redemption proceeds to such Limited Partner may result in a breach or violation of any applicable laws or regulations (including, without limitation, any anti-money laundering or anti-terrorism laws and regulations) by Global Energy Fund or any other person in any relevant jurisdiction, or such refusal is necessary to ensure the compliance by Global Energy Fund, the General Partner or any authorized agent with any such applicable law or regulation in any relevant jurisdiction. In such circumstances, and until otherwise instructed by the relevant authority, the General Partner may deposit such redemption proceeds in a separate bank account. If the General Partner is given permission to pay out such redemption proceeds to the relevant Limited Partner, such Limited Partner's only right against Global Energy Fund shall be the right to receive the moneys so deposited (without interest).

The General Partner may, in its sole discretion, declare a suspension of the determination of Net Asset Value and the admission of Partners and the redemption of Units of Global Energy Fund (in whole or in part) and the concurrent payment for Units of Global Energy Fund tendered for redemption in such circumstances as it deems appropriate, including but not limited to (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 securities or derivatives owned by Global Energy Fund (or any successor thereto) are listed which, in the aggregate, represent directly or indirectly more than 50% of the Net Asset Value or underlying market exposure of the total assets of Global Energy Fund (or any successor thereto) without allowance for liabilities; (ii) if the General Partner is of the opinion in its sole discretion that there are insufficient liquid assets in Global Energy Fund to fund such redemptions or that the liquidation of assets would be to the detriment of Global Energy Fund generally or (iii) if the General Partner determines that conditions exist which impair the ability of Global Energy Fund to determine the value of the assets of Global Energy Fund. A suspension will apply to all redemption requests received prior to the suspension but as for which payment has not been made as well as to all redemption requests received while the suspension is in effect. In such circumstances, all Limited Partners shall have and shall be advised that they have the right to

withdraw their redemption request. Subject to applicable laws, any declaration of suspension made by the General Partner shall be conclusive. The General Partner will advise the Limited Partners who have requested a redemption if redemptions will be limited or suspended on such Valuation Date. Redemption requests which are rejected as at a Valuation Date will be accepted on the next Valuation Date on which redemption requests are honoured. Redemption requests are irrevocable unless they are not honoured on a Valuation Date or a redeeming Limited Partner has been advised by the General Partner that they have the right to withdraw their redemption request, in which case they may be withdrawn within 30 days following such Valuation Date.

Notwithstanding and without limiting any of the provisions hereof, the General Partner has the right to require a Limited Partner to redeem some or all of the Units owned by such Limited Partner on a Valuation Date at the Net Asset Value per Unit thereof, by notice in writing to the Limited Partner given at least 30 days before the date of redemption, which right may be exercised by the General Partner in its sole discretion. Any such redemption will not be subject to the redemption surcharge but will be subject to all other applicable redemption fees and deductions.

Innovation Fund

An investment in Units of Innovation Fund is intended to be a long-term investment. A Limited Partner of Innovation Fund shall be entitled to redeem some or all of such Limited Partner's Units on an applicable Valuation Date, commencing with the second anniversary of such Units' purchase by the Limited Partner. Redemptions may only be made if the General Partner receives a written request for such redemption at least 30 days prior to the redemption date (60 days if such Valuation Date is Innovation Fund's fiscal year end).

If a redemption request by a Limited Partner of Innovation Fund is honoured, the Limited Partner will receive proceeds of redemption equal to the Net Asset Value on the redemption date of the Units so redeemed, and an amount equal to the lesser of the disposition expenses (including brokerage fees and/or market spread) incurred to enable Innovation Fund to fund such redemption and 2% of the Net Asset Value of such Units, may be retained by Innovation Fund in respect of disposition expenses incurred to enable the redemption. The amount of such deduction shall be in the absolute discretion of the General Partner and shall be retained by Innovation Fund. Redeemed Units of Innovation Fund may also be subject to a redemption fee, payable to the Manager, in the amount of 2% of the Net Asset Value of such Units on the redemption date. An appropriate portion of any accrued administrative and performance fee payable to the Manager will also be deducted and paid to the Manager upon redemption.

The General Partner will not permit redemptions (either in whole or in part) at any time the General Partner is of the opinion in its sole discretion that there are insufficient liquid assets in Innovation Fund to fund such redemptions or that the liquidation of assets would be to the detriment of Innovation Fund generally. The General Partner will advise the Limited Partners who have requested a redemption if redemptions will be limited or suspended on such Valuation Date. Redemption requests which are rejected as at a Valuation Date will be accepted on the next Valuation Date on which redemption requests are honoured. Redemption requests are irrevocable unless they are not honoured on a Valuation Date, in which case they may be withdrawn within 30 days following such Valuation Date.

Notwithstanding and without limiting any of the provisions hereof, the General Partner has the right to require a Limited Partner to redeem some or all of the Units owned by such Limited Partner on an applicable Valuation Date at the Net Asset Value per Unit thereof, by notice in writing to the Limited Partner given at least 30 days before the date of redemption, which right may be exercised by the General Partner in its sole discretion. Any such redemption will not be subject to the redemption surcharge but will be subject to all other applicable redemption fees and deductions.

SUMMARY OF PARTNERSHIP AGREEMENTS

This summary is not intended to be complete and each purchaser should carefully review the Partnership Agreements for full details of these provisions.

Administrative Fees

The Manager is entitled to be paid an administrative fee by Conservative Growth Fund in such amounts and at such intervals as are agreed to by the Manager and the General Partner and disclosed in the offering memorandum of Conservative Growth Fund. The Manager is currently paid an administrative fee by Conservative Growth Fund on the first business day of each month equal to one-twelfth of 2.0% of the Net Asset Value of Conservative Growth Fund on the immediately preceding Valuation Date. The General Partner must give the Limited Partners of Conservative Growth Fund not less than 90 days prior written notice of any proposed change to the amount and method of calculation of the administrative fee, if, as a result of such change, the administrative fee will be paid more frequently or could result in increased fees being paid by Conservative Growth Fund.

The Manager is entitled to be paid an administrative fee by Global Energy Fund in such amounts and at such intervals as are agreed to by the Manager and the General Partner, provided that such fee does not exceed 2% of the Net Asset Value of the Units of Global Energy Fund per annum. The Manager does not currently receive an administrative fee from Global Energy Fund. The General Partner shall provide Limited Partners of Global Energy Fund with at least 90 days prior written notice of the Manager's intention to implement any such fees.

The Manager is paid an administrative fee by Innovation Fund equal to one-quarter of 1.0% of the Net Asset Value of Innovation Fund on the first business day following the last Valuation Date in the preceding calendar quarter (a "**Performance Valuation Date**").

Performance Fees

The Manager is not entitled to and does not receive a performance fee from Conservative Growth Fund.

The Manager receives a performance fee from Global Energy Fund on June 30 and December 31 of each year equal to 20% of the increase, if any, in the Net Asset Value of Global Energy Fund during the preceding semi-annual period. The performance fee is subject to an annual "high water mark" limitation so that a performance fee is not payable if the Net Asset Value of Global Energy Fund falls below the Net Asset Value at the beginning of that fiscal year or the Net Asset Value following any previous date on which a performance fee was payable in the same fiscal year. By resetting the high water mark annually, any losses suffered by Global Energy Fund during a fiscal year will not be carried forward for the purposes of tracking the performance fee. As a result, there may be a performance fee payable to the Manager in a fiscal year even if the amount of any losses suffered by Global Energy Fund in a previous fiscal year have not been recouped. The General Partner must give the Limited Partners of Global Energy Fund not less than 90 days prior written notice of any proposed change to the amount and method of calculation of the performance fee, if, as a result of such change, the performance fee will be paid more frequently or could result in increased fees being paid by Global Energy Fund. The General Partner may change the definition of "high water mark" for Global Energy Fund provided it gives Limited Partners of Global Energy Fund notice as provided in the preceding sentence.

The Manager receives a performance fee from Innovation Fund on each Unit outstanding on each Performance Valuation Date equal to 20% of the increase, if any, in the Net Asset Value of such Unit from the date of its purchase or the day immediately following the previous Performance Valuation Date, whichever is later, to such Performance Valuation Date, in excess of a 2% per quarter hurdle rate. The performance fee is subject to a "high water mark" limitation so that a performance fee is not payable if the Net Asset Value per Unit falls below the Net Asset Value at the beginning of the same fiscal year, the issue price, if issued in the same fiscal year, or the Net Asset Value per Unit on the business day preceding any previous Performance Valuation Date on which a performance fee was payable in the same fiscal year.

Expenses

Conservative Growth Fund shall be responsible for, and the General Partner shall be entitled to reimbursement from Conservative Growth Fund for all costs actually incurred by it in connection with the business of Conservative Growth Fund including, but not limited to, administrative fees and expenses, accounting, audit and legal costs, insurance premiums, unitholder communication expenses, regulatory fees and expenses and reasonable

extraordinary or non-recurring expenses, custodian's fees, interest charges on funds borrowed by Conservative Growth Fund and commissions or other charges for brokerage, banking, financial and securities information services provided to Conservative Growth Fund.

Global Energy Fund shall be responsible for and the General Partner shall be entitled to reimbursement from Global Energy Fund for all costs actually incurred by it in connection with the business of Global Energy Fund including, but not limited to, administrative fees and expenses, accounting, audit and legal costs, insurance premiums, unitholder communication expenses, regulatory fees and expenses and reasonable extraordinary or non-recurring expenses, custodian's fees, interest charges on funds borrowed by Global Energy Fund and commissions or other charges for brokerage, banking, financial and securities information services provided to Global Energy Fund.

Innovation Fund shall be responsible for and the General Partner shall be entitled to reimbursement from Innovation Fund for all costs incurred by it in connection with the sale of Units of Innovation Fund, audit fees relating to Innovation Fund, legal fees associated with the on-going administration and investments of Innovation Fund, custodian's fees, interest charges on funds borrowed by Innovation Fund, and commissions or other charges from brokerage firms, banks and financial institutions. To the extent that such expenses are borne by the General Partner, the General Partner shall be reimbursed by Innovation Fund from time to time.

Distributions

The General Partner may make distributions from time to time in its sole discretion, however, no payment may be made to a Limited Partner from the assets of a Fund if the payment would reduce the assets of the Fund to an insufficient amount to discharge the liabilities of the Fund to persons who are not the General Partner or a Limited Partner. It is not anticipated that the Funds will make any distributions.

Allocation of Income and Loss

Income and loss and taxable capital gains or allowable capital losses of Conservative Growth Fund (as determined for purposes of the Tax Act) shall be allocated to the General Partner in accordance with its proportionate share and the balance shall be allocated to or among Limited Partners in accordance with their respective proportionate share of Units. The General Partner may adopt and amend an allocation policy from time to time to allocate income or loss and taxable capital gains or allowable capital losses of Conservative Growth Fund in such a manner as to account for Units which are purchased or redeemed throughout a fiscal year, the tax basis of such Units, and the timing of receipt of income or realization of gains or losses by Conservative Growth Fund during such year, among other factors deemed relevant by the General Partner. To such end, any person who was a Limited Partner of Conservative Growth Fund at any time during a fiscal year but who has redeemed or transferred all of his Units before the last day of such fiscal year may be allocated income or loss and taxable capital gains or allowable capital losses for the purposes of the Tax Act. All determinations shall be made by the General Partner and shall, absent manifest error, be binding on the Limited Partners of Conservative Growth Fund.

Income and loss and taxable capital gains or allowable capital losses of Global Energy Fund (as determined for purposes of the Tax Act) shall be allocated to the General Partner in accordance with its proportionate share and the balance shall be allocated to or among Limited Partners in accordance with their respective proportionate share of Units. The General Partner may adopt and amend an allocation policy from time to time to allocate income or loss and taxable capital gains or allowable capital losses of Global Energy Fund in such a manner as to account for Units which are purchased or redeemed throughout a fiscal year, the tax basis of such Units, and the timing of receipt of income or realization of gains or losses by Global Energy Fund during such year, among other factors deemed relevant by the General Partner. To such end, any person who was a Limited Partner of Global Energy Fund at any time during a fiscal year but who has redeemed or transferred all of his Units before the last day of such fiscal year may be allocated income or loss and taxable capital gains or allowable capital losses for the purposes of the Tax Act. All determinations shall be made by the General Partner and shall, absent manifest error, be binding on the Limited Partners of Global Energy Fund.

Income or loss of Innovation Fund (as determined for purposes of the Tax Act) shall be allocated to the Limited Partners in their respective proportionate interests. Such allocations shall be from ordinary income or loss and taxable capital gains or allowable capital losses, if any. The General Partner may adopt an allocation policy from

time to time intended to allocate income or loss in such a manner as to account for Units which are purchased or redeemed throughout such fiscal year. To such end, any person who was a Limited Partner of Innovation Fund at any time during a fiscal year but who has redeemed or transferred all of his Units before the last day of such fiscal year may be deemed to be a Limited Partner of Innovation Fund on the last day of such fiscal year for the purpose of the Tax Act.

Liability

Subject to the provisions of the Act, the liability of each Limited Partner for the liabilities and obligations of a Fund is limited to the amount the Limited Partner contributes or agrees in writing to contribute to that Fund, less any such amounts properly returned to the Limited Partner. However, a Limited Partner may lose his, her or its status as a limited partner of a Fund if such Limited Partner takes part in the control of the business of that Fund or if certain provisions of the Act are contravened. Where a Limited Partner has received the return of all or part of the Limited Partner's contributed capital from a Fund, the Limited Partner is nevertheless liable to the Fund or, following the dissolution of the Fund, to the Fund's creditors for any amount, not in excess of the amount returned with interest (calculated at a rate per annum equal to the prime commercial lending rate of the Fund's bankers), necessary to discharge the liabilities of the Fund to all creditors who extended credit or whose claims otherwise arose before the return of the contributed capital.

If after a distribution by a Fund, the General Partner determines that a Limited Partner was not entitled to all or some of such distribution, such Limited Partner shall be liable to the Fund to return the portion improperly distributed, together with interest at a rate per annum equal to the prime commercial lending rate of the Fund's bankers, if repayment of such excess amount is not made by the Limited Partner within fifteen days of receiving notice of such overpayment. The General Partner may set off and apply any sums otherwise payable to a Limited Partner against such amounts due from such Limited Partner, provided that there shall be no right of set-off against a Limited Partner in respect of amounts owed to the Fund by a predecessor of such Limited Partner.

The General Partner shall be liable for the debts, obligations and any other liabilities of the Funds in the manner and to the extent required by the Act and as set forth in the Partnership Agreements.

The General Partner will indemnify and hold harmless each Limited Partner for any costs, damages, liabilities, expenses or losses suffered or incurred by such Limited Partner that result from or arise out of such Limited Partner not having limited liability as set out in the Partnership Agreements, other than any lack of limited liability caused by or arising out of any act or omission of such Limited Partner.

Power of Attorney

The Partnership Agreements and the subscription form include an irrevocable power of attorney authorizing the General Partner on behalf of the Limited Partners to execute, amongst other things, the Partnership Agreement(s), any amendments to the Partnership Agreement(s), all instruments necessary to effect the dissolution and liquidation of the Fund(s), all documents necessary to be filed with any governmental body in connection with the business, property, assets and undertaking of the Fund(s) or in connection with the Partnership Agreement(s), as well as any elections, determinations, designations or other documents or instruments under the Tax Act or any other taxation or other legislation or laws of like import with respect to the affairs of the Fund(s) or a Limited Partner's interest in the Fund(s).

Reports to Limited Partners

Within 90 days after the end of each fiscal year, the General Partner will forward to each Limited Partner an annual report for such fiscal year in respect of the Fund(s) consisting of (i) audited financial statements of the Fund(s); (ii) a report of the auditors on such financial statements; (iii) a report on aggregate allocations to the Limited Partners' capital accounts and taxable income or loss and distributions of cash to the General Partner and the Limited Partners of the Fund(s) for such fiscal period; and (iv) tax information to enable each Limited Partner or former Limited Partner to properly complete and file his, her or its tax returns in Canada in relation to an investment in Units.

The General Partner will forward to each Limited Partner quarterly unaudited financial information respecting the Net Asset Value per Unit of the Fund(s) within 30 days after the end of each fiscal quarter of the Fund(s).

Amendment

The General Partner may, without prior notice to or consent from any Limited Partner, amend the Partnership Agreement(s): (i) in order to protect the interests of the Limited Partners, if necessary; (ii) to cure any ambiguity or clerical error or to correct or supplement any provision contained therein which may be defective or inconsistent with any other provision if such amendment does not and shall not in any manner adversely affect the interests of any Limited Partner; (iii) to reflect any changes to any applicable legislation; or (iv) in any other manner, if such amendment does not and shall not adversely affect the interests of any Limited Partner in any manner. The Limited Partners of a Fund may, by either a resolution approved at a meeting of Limited Partners of the applicable Fund by Limited Partners holding not less than 66 2/3% of the votes cast at the meeting or any adjournment thereof or by a written resolution signed by Limited Partners holding not less than 66 2/3% of the then outstanding Units of the Fund, amend the applicable Partnership Agreement with the consent of the General Partner.

Term

Conservative Growth Fund will be dissolved upon the earlier of (i) at any time on not less than 60 days' prior written notice by the General Partner to each Limited Partner of such dissolution and (ii) on the date which is 60 days following the removal of the General Partner in accordance with the terms of the Conservative Growth Agreement unless a new General Partner is appointed prior to such date; provided that, in either case, all of Conservative Growth Fund's assets have been distributed pursuant to the Conservative Growth Agreement and the declaration of Conservative Growth Fund has been cancelled in accordance with the Act.

Global Energy Fund will be dissolved upon the earlier of (i) at any time on not less than 60 days' prior written notice by the General Partner to each Limited Partner of such dissolution and (ii) on the date which is 60 days following the removal of the General Partner in accordance with the terms of the Global Energy Agreement unless a new General Partner is appointed prior to such date; provided that, in either case, all of Global Energy Fund's assets have been distributed pursuant to the Global Energy Agreement and the declaration of Global Energy Fund has been cancelled in accordance with the Act.

Innovation Fund will be dissolved upon the earlier of (i) at any time on 30 days' written notice by the General Partner to each Limited Partner, (ii) on the date which is 60 days following the removal of the General Partner in accordance with the terms of the Innovation Agreement; and (iii) December 31, 2006, unless the Limited Partners agree not to terminate Innovation Fund by a resolution approved by the Limited Partners holding not less than 66 2/3% of the then outstanding Units. On November 15, 2006, the Limited Partners of Innovation Fund duly passed a resolution in which they agreed not to terminate Innovation Fund on December 31, 2006.

COMPUTATION OF NET ASSET VALUE

Conservative Growth Fund

The Net Asset Value of Conservative Growth Fund will be determined as at the close of business on each Valuation Date using the methodology set out below, which may be revised by the General Partner from time to time.

The Net Asset Value per Unit of Conservative Growth Fund will be determined by dividing the Net Asset Value of Conservative Growth Fund, adjusted to give effect to allocations of net profit and/or net loss to the General Partner, by the total number of Units then outstanding. The Net Asset Value of Conservative Growth Fund shall be determined as follows:

- (a) The assets of Conservative Growth 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;
 - (iii) all bonds, debentures, shares, subscription rights and other securities owned by or contracted for Conservative Growth Fund;
 - (iv) all shares, rights and cash dividends and cash distributions to be received by Conservative Growth Fund and not yet received by it when the Net Asset Value is being determined so long as, in the case of cash dividends and cash distributions to be received by Conservative Growth Fund and not yet received by it when the Net Asset Value is being determined, the shares are trading ex-dividend;
 - (v) all interest accrued on any interest-bearing securities owned by Conservative Growth Fund other than interest, the payment of which is in default; and
 - (vi) all other assets of every kind and nature including prepaid expenses.
- (b) The value of the assets of Conservative Growth Fund shall be determined as follows:
- (i) The value of any cash on hand or on deposit, bills, demand notes, accounts receivable, prepaid expenses, dividends receivable (if such dividends are declared and the date of record is before the date as of which the Net Asset Value is being determined) and interest accrued and not yet received, shall be deemed to be the full amount thereof, unless the General Partner determines that any such deposit, bill, demand note, account receivable, prepaid expense, dividend receivable or interest accrued and not yet received is not worth the full amount thereof, in which event the value thereof shall be deemed to be such value as the General Partner determines to be the reasonable value thereof.
 - (ii) Investments traded on a public stock exchange are recorded at quoted market values which are considered to be the last traded price, and if such price is not current, then the last bid price for investments owned and last ask price for investments sold short at the period end. The value of any investment that is listed or traded on more than one stock exchange or that is actively traded on the over-the-counter market while being listed or traded on any stock exchange may, as determined by the General Partner, be the market quotation which most accurately reflects the fair market value of the investment in question. The value of investments which are traded on a public stock exchange, for which restrictions on marketability exist, will be valued at the General Partner's estimate of fair market value which will not exceed the quoted market value. Investments which are not publicly traded or other assets for which no public market exists will be valued at the most recent value at which investments have been exchanged in an arm's length transaction unless a different fair market value is otherwise determined to be appropriate by the General Partner.
 - (iii) If a security is held with trading restrictions and it is not possible to obtain borrowed free-trading stock in order to lock-in a profit on the restricted security, such restricted security is valued at market less a liquidity discount that is dependent on the outstanding period until the stock becomes free-trading.
 - (iv) Securities quoted in currencies other than Canadian Dollars will be translated to Canadian Dollars using the exchange rate as at the date at which the Net Asset Value is being determined.
 - (v) The value of any security or property to which, in the opinion of the General Partner, the above principles cannot be applied (whether because no price or yield equivalent quotations are available or for any other reason), shall be the fair value thereof

determined in such manner as the General Partner may from time to time determine based on standard industry practise.

- (c) The liabilities of Conservative Growth Fund shall be calculated on an accrued basis and shall be deemed to include the following:
 - (i) all bills and accounts payable;
 - (ii) all fees (including any administrative fees) and administrative expenses payable and/or accrued;
 - (iii) all contractual obligations for the payment of money or property including distributions of net income and net capital gains, if any, declared, accrued or credited to the Limited Partners but not yet paid on the day before the day as of which the net asset value of Conservative Growth Fund is being determined;
 - (iv) all allowances authorized or approved by the General Partner for taxes or contingencies; and
 - (v) all other liabilities of Conservative Growth Fund of whatsoever kind and nature, but excluding all liabilities represented by outstanding Units.
- (d) Investment portfolio purchases or sales effected by Conservative Growth Fund will be reflected in the computation of the Net Asset Value of the Fund not later than the first computation of such Net Asset Value made after the date on which such transaction becomes binding.
- (e) In calculating the Net Asset Value per Unit on any Valuation Date, Units to be redeemed on such date shall be included and Units to be issued on such date shall be excluded from such calculation.
- (f) Without prejudice to its general powers to delegate its functions, the General Partner may delegate any of its functions in relation to the calculation of Net Asset Value per Unit to any other person.
- (g) The Net Asset Value per Unit established by the General Partner in accordance with the provisions of this section shall, in the absence of bad faith or manifest error, be conclusive and binding on all Limited Partners.

The General Partner may make such other rules for calculating Net Asset Value as it deems necessary from time to time. In determining Net Asset Value, the General Partner may consult with and rely upon the advice of the Manager and Conservative Growth Fund's brokers, custodian, auditors, legal counsel or other service providers. In no event and under no circumstances will the General Partner, the Manager, Conservative Growth Fund's brokers, custodian, auditors, legal counsel or other service providers incur any individual liability or responsibility for any determination made or other action taken or omitted by them in good faith.

Global Energy Fund

The Net Asset Value of Global Energy Fund will be determined as at the close of business on each Valuation Date and on each Performance Valuation Date (if that day is not otherwise a Valuation Date), using the methodology set out below, which may be revised by the General Partner from time to time.

The Net Asset Value per Unit of Global Energy Fund will be determined by dividing the Net Asset Value of Global Energy Fund, adjusted to give effect to allocations of net profit and/or net loss to the General Partner, by the total number of Units then outstanding. The Net Asset Value of Global Energy Fund shall be determined as follows:

- (a) The assets of Global Energy 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;
 - (iii) all bonds, debentures, shares, subscription rights and other securities owned by or contracted for Global Energy Fund;
 - (iv) all shares, rights and cash dividends and cash distributions to be received by Global Energy Fund and not yet received by it when the Net Asset Value 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 is being determined, the shares are trading ex-dividend;
 - (v) all interest accrued on any interest-bearing securities owned by Global Energy Fund other than interest, the payment of which is in default; and
 - (vi) all other assets of every kind and nature including prepaid expenses.
- (b) The value of the assets of Global Energy Fund shall be determined as follows:
- (i) The value of any cash on hand or on deposit, bills, demand notes, accounts receivable, prepaid expenses, dividends receivable (if such dividends are declared and the date of record is before the date as of which the Net Asset Value is being determined) and interest accrued and not yet received, shall be deemed to be the full amount thereof, unless the General Partner determines that any such deposit, bill, demand note, account receivable, prepaid expense, dividend receivable or interest accrued and not yet received is not worth the full amount thereof, in which event the value thereof shall be deemed to be such value as the General Partner determines to be the reasonable value thereof.
 - (ii) Investments traded on a public stock exchange are recorded at quoted market values which are considered to be the last traded price, and if such price is not current, then the last bid price for investments owned and last ask price for investments sold short at the period end. The value of any investment that is listed or traded on more than one stock exchange or that is actively traded on the over-the-counter market while being listed or traded on any stock exchange may, as determined by the General Partner, be the market quotation which most accurately reflects the fair market value of the investment in question. The value of investments which are traded on a public stock exchange, for which restrictions on marketability exist, will be valued at the General Partner's estimate of fair market value which will not exceed the quoted market value. Investments which are not publicly traded or other assets for which no public market exists will be valued at the most recent value at which investments have been exchanged in an arm's length transaction unless a different fair market value is otherwise determined to be appropriate by the General Partner.
 - (iii) If a security is held with trading restrictions and it is not possible to obtain borrowed free-trading stock in order to lock-in a profit on the restricted security, such restricted security is valued at market less a liquidity discount that is dependent on the outstanding period until the stock becomes free-trading.
 - (iv) Securities quoted in currencies other than Canadian Dollars will be translated to Canadian Dollars using the exchange rate as at the date at which the Net Asset Value is being determined.

- (v) The value of any security or property to which, in the opinion of the General Partner, the above principles cannot be applied (whether because no price or yield equivalent quotations are available or for any other reason), shall be the fair value thereof determined in such manner as the General Partner may from time to time determine based on standard industry practise.
- (c) The liabilities of Global Energy Fund shall be calculated on an accrued basis and shall be deemed to include the following:
 - (i) all bills and accounts payable;
 - (ii) all fees (including any management and performance fees) and administrative expenses payable and/or accrued;
 - (iii) all contractual obligations for the payment of money or property including distributions of net income and net capital gains, if any, declared, accrued or credited to the Limited Partners but not yet paid on the day before the day as of which the net asset value of Global Energy Fund is being determined;
 - (iv) all allowances authorized or approved by the General Partner for taxes or contingencies; and
 - (v) all other liabilities of Global Energy Fund of whatsoever kind and nature, but excluding all liabilities represented by outstanding Units.
- (d) Investment portfolio purchases or sales effected by Global Energy Fund will be reflected in the computation of the Net Asset Value of Global Energy Fund not later than the first computation of such Net Asset Value made after the date on which such transaction becomes binding.
- (e) In calculating the Net Asset Value per Unit on any Valuation Date, Units to be redeemed on such date shall be included and Units to be issued on such date shall be excluded from such calculation.
- (f) Without prejudice to its general powers to delegate its functions, the General Partner may delegate any of its functions in relation to the calculation of Net Asset Value per Unit to any other person.
- (g) The Net Asset Value per Unit established by the General Partner in accordance with the provisions of this section shall, in the absence of bad faith or manifest error, be conclusive and binding on all Limited Partners.

The General Partner may make such other rules for calculating Net Asset Value as it deems necessary from time to time. In determining Net Asset Value, the General Partner may consult with and rely upon the advice of the Manager and Global Energy Fund's brokers, custodian, auditors, legal counsel or other service providers. In no event and under no circumstances will the General Partner, the Manager, Global Energy Fund's brokers, custodian, auditors, legal counsel or other service providers incur any individual liability or responsibility for any determination made or other action taken or omitted by them in good faith.

Innovation Fund

The Net Asset Value of Innovation Fund will be determined as at the close of business on each Valuation Date by the General Partner, who may consult with the Manager, any custodian and/or the auditors of Innovation Fund. The Net Asset Value of Innovation Fund on any Valuation Date shall mean the value of Innovation Fund's assets less an amount equal to its liabilities (including reserves) on such date (without regard to subscriptions or redemptions on such date). The Net Asset Value per Unit of Innovation Fund will be determined by dividing the Net Asset Value of Innovation Fund by the number of Units then outstanding. The Net Asset Value of Innovation Fund shall be determined as follows:

- (a) The value of the assets of Innovation Fund shall be determined as follows:
- (i) The value of any cash on hand or on deposit, bills, demand notes, accounts receivable, prepaid expenses, dividends receivable (if such dividends are declared and the date of record is before the date as of which the Net Asset Value is being determined) and interest accrued and not yet received, shall be deemed to be the full amount thereof, unless the General Partner determines that any such deposit, bill, demand note, account receivable, prepaid expense, dividend receivable or interest accrued and not yet received is not worth the full amount thereof, in which event the value thereof shall be deemed to be such value as the General Partner determines to be the reasonable value thereof.
 - (ii) The value of any security which is listed or traded upon a recognized exchange shall be determined by taking the closing price on the previous business day or, if there was no trade on such dates, the simple average of the latest available offer price and the latest available bid price (unless in the opinion of the General Partner such value does not reflect the value thereof and in which case, the latest offer price or bid price as best reflects the value thereof should be used), as at the Valuation Date. Securities that are listed or traded on more than one public securities exchange or that are actively traded on over-the-counter markets while being listed or traded on such securities exchanges will be valued on the basis of the market quotation which, in the opinion of the General Partner, most closely reflects their fair value.
 - (iii) Any securities which are not listed or dealt in upon any public securities exchange will be valued at the simple average of the latest available offer price and the latest available bid price (unless in the opinion of the General Partner such value does not reflect the value thereof and in which case, the latest offer price or bid price as best reflects the value thereof should be used), as at the Valuation Date.
 - (iv) The value of any restricted security shall be the lesser of (i) the true value thereof based on any available reported quotations in common use and (ii) that percentage of the market value of securities of the same class, the trading of which is not restricted or limited by reason of any representation, warranty or agreement or by law, equal to the percentage that the acquisition cost thereof was of the market value of such securities at the time of acquisition thereof.
 - (v) Securities quoted in currencies other than Canadian Dollars will be translated to Canadian Dollars using the exchange rate as at the date at which the Net Asset Value is being determined.
 - (vi) The value of any security or property to which, in the opinion of the General Partner, the above principles cannot be applied (whether because no price or yield equivalent quotations are available or for any other reason), shall be the fair value thereof determined in such manner as the General Partner may from time to time determine based on standard industry practise.
- (b) Investment portfolio purchases or sales effected by Innovation Fund will be reflected in the computation of the Net Asset Value of the Fund not later than the first computation of such Net Asset Value made after the date on which such transaction becomes binding.
- (c) Liabilities shall include only those expenses paid or payable by Innovation Fund, including accrued contingent liabilities (which, only for the purposes of determining Net Asset Value for the purpose of issuing or redeeming Units or where specifically provided, shall include the accrued administrative fee and accrued performance fees, if any, to such date.

- (d) Net Asset Value of Innovation Fund and Net Asset Value per Unit on the first business day following a Valuation Date shall be deemed to be equal to the Net Asset Value of Innovation Fund (or per Unit, as the case may be) on such Valuation Date after payment of all fees and after processing of all subscriptions and redemptions in respect of such Valuation Date.

CANADIAN INCOME TAX CONSIDERATIONS

Subscribers are urged to consult with their tax advisers respecting the purchase, holding and disposition of Units of the Fund(s).

Units of the Fund(s) are not “qualified investments” under the Tax Act for registered retirement savings plans, deferred profit sharing plans, registered retirement income funds or registered education savings plans.

RISK FACTORS

There are risks associated with an investment in Units, arising from, among other considerations, the nature and operations of the Fund(s). An investment in Units should only be made after consultation with independent qualified sources of investment and tax advice. An investment in the Fund(s) is speculative and involves a high degree of risk and is not intended as a complete investment program. There is a risk that an investment in the Fund(s) will be lost entirely or in part. Only investors who do not require immediate liquidity of their investment and who can reasonably afford a substantial impairment or loss of their entire investment should consider the purchase of Units. The following risk factors should be carefully evaluated by prospective subscribers prior to investing in Units.

Marketability and Transferability of Units

There is no market for the Units and their resale, transfer and redemption are subject to restrictions imposed by the Partnership Agreements, including consent by the General Partner, and applicable securities legislation. See “Resale Restrictions”. Consequently, holders of Units may not be able to liquidate their investment in a timely manner and the Units may not be readily accepted as collateral for a loan.

Investment Risk

A subscription for Units should be considered only by persons financially able to maintain their investment and who can bear the risk of loss associated with an investment in the Fund(s). Subscribers should review closely the investment objective and investment strategies to be utilized by the Fund(s) as outlined herein to familiarize themselves with the risks associated with an investment in the Fund(s).

Liquidity of Underlying Investment

Some of the securities in which the Fund(s) intend to invest may be thinly traded or have no trading market and/or be restricted as to their transferability under applicable securities laws. There are no restrictions on the investment of the Fund(s)’ assets in illiquid securities. The valuation of these securities may be subject to a significant amount of subjectivity and discretion. It is possible that the Fund(s) may not be able to sell or repurchase significant portions of such positions without facing substantially adverse prices. If the Fund(s) is required to transact in such securities before its intended investment horizon, the performance of the Fund(s) could suffer.

Liquidity of Investment

An investment in the Fund(s) provides limited liquidity. Units are being offered on a private placement basis and will be subject to resale restriction under applicable securities laws and are not freely transferable. Units are not redeemable for two years (except with the consent of the General Partner, which consent may be withheld), and thereafter, in certain circumstances, the General Partner may suspend redemption rights. Holders of Units requesting redemptions may therefore potentially experience delays in receiving redemption payments. An investment in Units is hence suitable only for sophisticated investors who do not need full liquidity with respect to their investment.

Achievement of Investment Objective

There can be no assurance that the Fund(s)' investment strategies will be successful, that their investment objective(s) will be achieved or that they will make distributions. The Fund(s) could realize substantial losses, rather than gains, from some or all of the investments described herein.

Market Risks

All securities investments present a risk of loss of capital. However, the Manager believes that its investment strategies moderate this risk through careful selection of controlled investment techniques. The Manager's investment strategies may, however, utilize investment techniques and instruments such as futures and options transactions, margin transactions and short sales which practices can, in certain circumstances, increase losses. A lack of liquidity during a market panic could cause significant mark-to-market losses.

Shorting

The Fund(s) may engage in selling securities short. Selling a security short involves borrowing a security from an existing holder and selling the security in the market with a promise to return it at a later date. A short sale will result in a gain if the price of the securities sold short declines between the date of the short sale and the date on which securities are purchased to replace those borrowed. Should the security increase in value during the shorting period, losses will be incurred by the Fund(s). There is in theory no upper limit to how high the price of a security may go which therefore exposes the portfolio to a theoretically unlimited risk of loss. There may be investors and investment managers pursuing short selling strategies who are seeking to borrow the same securities. Therefore, it may not be possible at times for the Fund(s) to borrow the particular securities it wishes to sell short. Another risk involved in shorting is the loss of a borrow; a situation where the lender of the security requests its return. In cases like this, the Fund(s) must either find securities to replace those borrowed or step into the market and repurchase the securities. Depending on the liquidity of the security shorted, if there are insufficient securities available at current market prices, the Fund(s) may have to purchase securities in the open market at a disadvantageous time in order to cover the short, possibly at prices significantly in excess of the proceeds received in originally selling the securities short resulting in losses to the Fund(s).

Options

Purchasing and selling call and put options are highly specialized activities and entail greater than ordinary investment risk. Although the risk of loss is limited to the amount of the purchase price of the option, investment in an option may be subject to greater fluctuation than an investment in the underlying security. The sale of an uncovered option involves potentially greater risk because the investor is exposed to the extent of the actual price movement in the underlying security rather than only the premium payment received which could result in a potentially unlimited loss. To some extent this risk may be hedged by the purchase or sale of the underlying security.

Use of Leverage

The Fund(s) may use leverage to increase the amount of capital available for investments beyond the amount of the proceeds invested in the Fund(s). Such leverage will permit the Fund(s) to control a greater amount of investments than the amount of capital required to execute such trades and thereby magnify the profits or losses which may be realized by the Fund(s). The level of interest rates, generally, and the rates at which the Fund(s) can borrow, in particular, will also affect the operating results of the Fund(s).

The use of leverage will magnify the volatility of the value of the Fund(s)' investments portfolios. Leverage increases the Fund(s)' returns if the Fund(s) earn a greater return on investments purchased with borrowed funds than the Fund(s)' cost of borrowing such funds. However, the use of leverage exposes the Fund(s) to additional levels of risk, including (i) should the securities pledged to brokers to secure the Fund(s)' margin accounts decline in value, the Fund(s) could be subject to a "margin call", pursuant to which the Fund(s) will be required to either deposit additional funds with the lender or suffer mandatory liquidation of investment positions; (ii) greater losses from investments than would otherwise have been the case had the Fund(s) traded in cash markets and not borrowed

to make the investments; and (iii) losses on investments where the investment fails to earn a return that equals or exceeds the Fund(s)' cost of borrowing such funds. In the event of a sudden, precipitous drop in value of the Fund(s)' assets, the Fund(s) might not be able to liquidate assets quickly enough to repay its borrowings or may be forced to sell investments at disadvantageous times in order to repay borrowings, further magnifying its losses.

Use of Derivatives

The Fund(s) may use derivative instruments. The use of derivatives in general presents additional risks to those applicable to trading only in the underlying assets. To the extent of the Fund(s)' investment in derivatives it may take a credit risk with respect to parties with whom it trades and may also bear the risk of settlement default. When used for hedging purposes, an imperfect or variable degree of correlation between price movements of the derivative instrument and the underlying investment sought to be hedged may prevent the Fund(s) from achieving the intended hedge effect or expose the Fund(s) to the risk of loss. In addition, derivative instruments may not be liquid at all times, so that in volatile markets the Fund(s) may not be able to close out a position without incurring a loss. No assurance can be given that short sales, hedging, leverage and other techniques and strategies utilized by any the Fund(s) to hedge its exposure will not result in material losses.

Smaller Capitalization Companies

The Fund(s) may invest in the equity securities of smaller and less well established companies. The earnings and share prices of such companies tend to be more volatile and the markets for the shares tend to be less liquid, with resulting higher risk of loss, when compared to investments in larger and more established companies.

Convergence Risk

The Fund(s) may pursue relative value strategies by taking long positions in securities believed to be undervalued and short positions in securities believed to be overvalued. In the event that the perceived mispricings underlying the Fund(s)' trading positions were to fail to converge toward, or were to diverge further from, relationships expected by the Manager, the Fund(s) may incur a loss.

Reliance on Manager

The success of the Fund(s) will be primarily dependant upon the efforts of the Manager and its employees. The loss of such employees' services could result in the Manager's inability to effectively manage the Fund(s)' portfolios. In the event that the Manager no longer provides investment management services to the Fund(s), there can be no assurance that a suitable successor investment manager or portfolio manager, as appropriate, would be located or appointed.

No Assurance of Return or Income

Although the Manager will use its best efforts to achieve above average rates of return for the Fund(s), no assurance can be given in this regard. An investment in the Fund(s) is not suitable for an investor seeking an income from its investment. An investment in Units should be considered as speculative and subscribers must bear the risk of a loss on their investment.

Administrative Fees

Because the administrative fees paid by Conservative Growth Fund and Innovation Fund are calculated on a basis which includes unrealized appreciation of the assets, these administrative fees may be greater than if such compensation were based solely on realized gains.

Performance Fees

The performance fees paid by Global Energy Fund and Innovation Fund may create an incentive for the Manager to cause such Funds to make investments that are riskier or more speculative than would be the case in the absence of a

fee based on the performance of the Funds; however, such investments will only be made in the context of a portfolio that meets the Fund(s)' investment objectives and risk tolerance and the Manager will always act in the Fund(s)' best interest.

In addition, because these performance fees are calculated on a basis which includes unrealized appreciation of the assets, these performance fees may be greater than if such compensation were based solely on realized gains.

Charges to the Funds

The Fund(s) are obligated to pay administrative fees, brokerage commissions and legal, accounting, filing and other expenses regardless of whether the Fund(s) realize profits.

Possible Loss of Limited Liability

Under the Act, the General Partner has unlimited liability for the debts, liabilities, obligations and losses of the Fund(s) to the extent that they exceed the assets of the Fund(s). The liability of each Limited Partner for the debts, liabilities, obligations and losses of the Fund(s) is limited to the value of money or other property the Limited Partner has contributed or agreed to contribute to the Fund(s). In accordance with the Act, if a Limited Partner has received a return of all or part of the Limited Partner's contribution to the Fund(s), the Limited Partner is nevertheless liable to the Fund(s), or if dissolved, to the Fund(s)' creditors, for any amounts not in excess of the amount returned with interest, necessary to discharge the liabilities of the Fund(s) to all creditors who extended credit or whose claims arose before the return of the contribution. **The limitation of liability of a Limited Partner may be lost if a Limited Partner takes part in the control of the business of the Fund(s).**

Funding Deficiencies

Other than with respect to the possible loss of the limited liability as outlined above, no Limited Partner shall be obligated to pay any additional assessment on the Units held or subscribed. However, if, as a result of a distribution by a Fund, the Fund's capital is reduced and the Fund is unable to pay its debts as they become due, the Limited Partners may have to return to the Fund any such distributions received by them to restore the capital of the Fund. If the Fund does not have sufficient funds to meet its requirements and must default because the deficiency is not funded, Limited Partners may lose their entire investment in the Fund.

Substantial Losses and Possible Effect of Redemptions

Each Fund may at any time incur losses resulting in substantial redemptions by Limited Partners. Substantial redemptions of Units could require a 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. There is a risk that if a Fund's assets become depleted, the Fund's portfolio could become sufficiently restricted to make it difficult to achieve the Fund's investment objectives. Such factors could adversely affect the value of the Units redeemed and of the Units remaining outstanding.

Tax Liability

The net income or loss of Conservative Growth Fund for accounting purposes will be calculated on the basis of both realized trading gains and losses and accrued, unrealized gains and losses on Conservative Growth Fund's net income or loss. In computing such income or loss for tax purposes, only realized gains will be taken into account. Securities owned and sold short by Conservative Growth Fund will be valued for tax purposes at cost, and only realized losses will be taken into account. Therefore, a Limited Partner's income and loss allocation will likely differ from his, her or its share of income and loss for tax purposes. Furthermore, purchasers may be allocated income for tax purposes and not receive any cash distributions from Conservative Growth Fund.

The net income or loss of Global Energy Fund for accounting purposes will be calculated on the basis of both realized trading gains and losses and accrued, unrealized gains and losses on Global Energy Fund's net income or loss. In computing such income or loss for tax purposes, only realized gains will be taken into account. Securities

owned and sold short by Global Energy Fund will be valued for tax purposes at cost, and only realized losses will be taken into account. Therefore, a Limited Partner's income and loss allocation will likely differ from his, her or its share of income and loss for tax purposes. Furthermore, purchasers may be allocated income for tax purposes and not receive any cash distributions from Global Energy Fund.

The net income or loss of Innovation Fund for accounting purposes will be calculated on the basis of both realized trading gains and losses and accrued, unrealized gains and losses on the Fund's net income or loss. In computing such income or loss for tax purposes, only realized gains will be taken into account. Inventory of the Fund will be valued for tax purposes at the lower of cost or fair market value, and otherwise only realized losses will be taken into account. Therefore, a Limited Partner's income and loss allocation will likely differ from his, her or its share of income and loss for tax purposes. Furthermore, purchasers may be allocated income for tax purposes and not receive any cash distributions from the Fund.

Potential Lack of Diversification

The Fund(s) may not have any specific limits on holdings in securities of issuers in any one country, region or industry. As a result, the Fund(s)' portfolios may be subject to more rapid or dramatic changes in value than would be the case if the Fund(s) were required to maintain a wide diversification among companies, industries, regions, types of securities and other asset classes.

Not a Public Mutual Fund

The Fund(s) are not reporting issuer "mutual funds" for securities laws purposes and are not subject to the restrictions placed on public mutual funds to ensure diversification and liquidity of the Fund(s)' portfolios. As a result, some of the protections provided to investors in reporting issuer mutual funds under such laws will not be available to investors in the Units and certain restrictions imposed on reporting issuer mutual funds under Canadian securities laws do not apply to the Fund(s).

Lack of Independent Experts Representing Limited Partners

Each of the Funds, the General Partner and the Manager has consulted with a single legal counsel regarding the formation and terms of the Funds and the offering of Units. The Limited Partners have not, however, been independently represented. Therefore, to the extent that the Funds, the Limited Partners 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 advisers regarding the desirability of purchasing Units and the suitability of investing in the Fund(s).

No Involvement of Unaffiliated Selling Agent

The General Partner and Manager are under common control and ownership. Consequently, no outside selling agent unaffiliated with such parties has made any review or investigation of the terms of this offering, the structure of the Fund(s) or the background of the General Partner and Manager.

Changes in Applicable Law

Legal, tax and regulatory changes may occur that can adversely affect the Fund(s) and Limited Partners. There can be no assurance that income tax, securities and other laws will not be changed in a manner which adversely affects the business and affairs of the Fund(s) or the Limited Partners.

Interest Rate Risks

The Fund(s) are subject to interest rate risk. In the case of interest rate sensitive securities, the value of a security may change as the general level of interest rates fluctuates. When interest rates decline, the value of such securities can be expected to rise. Conversely, when interest rates rise, the value of such securities can be expected to decline.

Currency and Exchange Rate Risks

The Fund(s)' assets may be invested in securities of companies denominated in currencies other than the Canadian dollar. Accordingly, a portion of the income received by the Funds may be denominated in non-Canadian currencies. The Fund(s) nevertheless will compute and distribute its income in Canadian dollars. Since the Fund(s) may invest in securities denominated or quoted in currencies other than the Canadian dollar, changes in currency exchange rates may affect the value of the Fund(s)' portfolios and the unrealized appreciation or depreciation of investments. Further, the Fund(s) may incur costs in connection with conversions between various currencies.

Suspension of Trading

Securities regulatory authorities and stock exchanges typically have the right to suspend or limit trading on any publicly traded security. A suspension would render it impossible for the Fund(s) to liquidate positions and could thereby expose the Fund(s) to losses.

Changes in Investment Strategy

The Manager may alter the Fund(s)' investment objectives, strategies and restrictions without prior approval by Limited Partners to adapt to changing circumstances.

Distribution and Allocations

Distribution of a Fund's profits is not required. If a Fund has taxable income for Canadian federal income tax purposes for a fiscal year, such income will be allocated to its Limited Partners in accordance with the provisions of the applicable Partnership Agreement and will be required to be included in computing their income for tax purposes, irrespective of the fact that cash may not have been distributed to the Limited Partners. Since Units may in certain circumstances be acquired or redeemed on a monthly basis and allocations of income and losses of the Funds to Limited Partners will only be made on an annual basis, such allocations to, may not correspond to the economic gains and losses which the Limited Partners may experience.

Valuation of the Fund(s)' Investments

While each Fund is independently audited by its auditors on an annual basis in order to ensure the fairness of its financial statements, valuation of the 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 Fund(s) could be adversely affected. Independent pricing information may not at times be available regarding certain of the Fund(s)' securities and other investments. Valuation determinations will be made in good faith in accordance with this offering memorandum and the Partnership Agreements.

The Fund(s) may have assets in investments which by their very nature may be extremely difficult to value accurately. To the extent that the value assigned by the Fund(s) to any such investment differs from the actual value, the Net Asset Value per Unit may be understated or overstated, as the case may be. In light of the foregoing, there is a risk that a Limited Partner who redeems all or part of its Units while the Fund(s) holds such investments will be paid an amount less than the Limited Partner would otherwise, indirectly, be paid if the actual value of such investments is higher than the value designated by the Fund(s). Similarly, there is a risk that the Limited Partner might, indirectly, in effect, be overpaid if the actual value of such investments is lower than the value designated by the auditors of the Fund(s). In addition, there is risk that an investment in the Fund(s) by a new Limited Partner (or an additional investment by an existing Limited Partner) could dilute the value of such investments for the other Limited Partners if the designated value of such investments is higher than the value designated by the auditors of Fund(s). Further, there is risk that a new Limited Partner could pay more than it might otherwise if the actual value of such investments is lower than the value indicated in the audited financial statements of the Fund(s). The Funds do not intend to adjust the Net Asset Value of the Funds retroactively.

Potential Indemnification Obligations

Under certain circumstances, the Fund(s) might be subject to significant indemnification obligations in favour of the General Partner, the Manager or certain parties related to them. The Fund(s) 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(s) have agreed to indemnify them. Any indemnification paid by the Fund(s) would reduce the Fund(s)' Net Asset Value and, by extension, the value of the Units.

The foregoing statement of risks does not purport to be a complete explanation of all the risks involved in purchasing the Units. Potential investors should read this entire offering memorandum and consult with their legal, tax and financial advisers, before making a decision to invest in the Units.

CONFLICTS OF INTEREST

The Manager is both a limited market dealer and investment counsel/portfolio manager. As a result, there are potential conflicts of interest which could arise in connection with the Manager acting in both capacities. As a limited market dealer, the Manager intends only to sell interests in related limited partnerships and other pooled funds managed by it, including the Funds. There are potential conflicts of interest which could arise in connection with the Manager engaging in activities as an adviser and as a limited market dealer in respect of securities of related and connected issuers. The Manager will only engage in activities as an adviser and as a limited market dealer in respect of securities of related and connected issuers in compliance with Part XIII of the Regulation under the *Securities Act* (Ontario).

As a portfolio manager, the Manager may occasionally face conflicts between its interests and those of its clients, or between those of one client and those of another. The Manager has adopted certain policies to minimize the occurrence of such conflicts or to deal fairly where those conflicts cannot be avoided. In no case will the Manager put its own interests ahead of those of its clients.

As disclosed elsewhere in this offering memorandum, the Manager acts as the investment manager to the Funds and earns an administrative fee and/or performance fee for acting as the investment manager. The Manager also acts as the distributor of the Funds and the Units are available for purchase directly from the Manager and are not available for purchase from the Funds. The Manager does not charge a commission on the sale of the Units. The Manager and the General Partner have a common principal shareholder, Likrilyn. As a result, the Funds are considered to be both related and connected issuers of the Manager. Details of this relationship and the fees earned by the Manager are fully disclosed elsewhere in this offering memorandum.

Waiver of Conflict of Interest

The subscription form will require each subscriber to state that the subscriber understands that the Funds and the Manager are related and connected issuers, as outlined in the Manager's Statement of Policies, and consents to and waives any conflict of interest arising therefrom.

The securities laws of the Province of Ontario require securities dealers and advisers, when they trade in or advise with respect to their own securities or securities of certain other issuers to which they, or certain other parties related to them, are related or connected, to do so only in accordance with particular disclosure and other rules. These rules require dealers and advisers, prior to trading with or advising their customers or clients, to inform them of the relevant relationships and connections with the issuer of the securities. Clients and customers should refer to the applicable provisions of these securities laws for the particulars of these rules and their rights or consult with a legal adviser.

In executing its duties on behalf of the Funds, the Manager will be subject to the provisions of the Funds' Investment Management Agreements and the Portfolio Management Agreement which provide that the Manager will execute its duties in good faith and with a view to the best interests of the Funds and its Limited Partners.

The Manager in its capacity as Manager shall not be required to devote its full time and attention to the affairs of the Fund(s) but need only devote such time as it may deem appropriate or necessary to discharge its duties hereunder in a responsible manner. Certain inherent conflicts of interest are likely to arise as a result of the Manager and its affiliates, including Likrilyn, carrying on investment activities other than on behalf of the Fund(s), including for other investment funds, managed accounts and for their own accounts. The Manager and its affiliates and associates may, at any time, engage in the promotion, management or investment management of any other partnership, fund, trust or account which invests primarily in securities of issuers in which the Fund(s) may invest from time to time, and may provide similar services to other investment funds with investment objectives and strategies similar to that of the Fund(s) and other funds and clients and engage in other activities. As a result of the foregoing, the Manager and its affiliates and personnel are and will continue to be engaged in substantial activities other than on behalf of the Fund(s) and may have conflicts of interest in allocating their time and activity between the Fund(s) and their other investment accounts. These persons will devote only so much time and attention to the affairs of the Fund(s) as is necessary and appropriate. The Manager and its affiliates will endeavour to treat each client under management, including the Fund(s), fairly and not favour one client over another and has adopted a compliance manual which has included therein a fairness policy to address such treatment.

The General Partner and the Manager are under common ownership and the General Partner and the Manager may have potential conflicts of interest in relation to their duties to the Funds. In addition, as a result of being under common ownership, the General Partner could refrain from terminating the services of the Manager in circumstances where an arm's length party may terminate the services of the Manager. Robert W. Blakely, the president and a director of the Manager is also the president and a director of the General Partner and the president and a director of Likrilyn, the principal shareholder of each of the Manager and the General Partner. There are certain potential conflicts of interest which arise from Mr. Blakely holding these positions with these companies and the Manager has adopted policies and procedures to address and minimize these potential conflicts of interest.

The Funds are not permitted to purchase or sell securities of any issuer in which the Manager has obtained material, non-public information, until such time as the information is no longer material or has become publicly known. This policy could adversely affect the Fund(s)' investment performance because the Fund(s) may (i) hold securities of an issuer with respect to which the Manager has adverse information; or (ii) not purchase securities of any issuer with respect to which the Manager has favourable information.

Future investment activities of the Manager and its affiliates and their principals, partners, directors, officers and employees, including the establishment of investment funds, may give rise to additional conflicts of interest. The Manager currently intends to establish other investment funds that utilize some or all of the strategies or similar strategies used by the Funds.

PROCEEDS OF CRIME (MONEY LAUNDERING) LEGISLATION

In order to comply with Canadian legislation aimed at the prevention of money laundering, the General Partner and/or the Manager may require additional information concerning subscribers.

If, as a result of any information or other matter which comes to the attention of the General Partner and/or the Manager, any director, officer or employee of the General Partner or the Manager, or their professional advisers, knows or suspects that a subscriber 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. In addition, any information about a subscriber may be transmitted to any law enforcement authority or regulatory or governmental agency that the General Partner and/or the Manager reasonably believe have appropriate jurisdiction, in order to satisfy, or that the General Partner and/or the Manager determine in their sole and absolute discretion is in the best interests of the Fund(s) in light of, any applicable laws, rules or regulations to which the General Partner and/or the Manager are or may become subject and the disclosure of such information shall not be treated as a breach of any restriction upon the disclosure of information imposed by Canadian law or otherwise.

PRIVACY POLICY

In connection with the offering and sales 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 Limited Partners is collected and maintained. Such personal information is collected to enable the General Partner and the Manager to provide Limited Partners with services in connection with their investment in the Fund(s), to meet legal and regulatory requirements and for any other purpose to which Limited Partners may consent in the future. By completing a subscription for Units, investors will consent to the collection, use and disclosure of his or her personal information in accordance with the General Partner's and the Manager's privacy policy.

RIGHTS OF ACTION AND RESCISSION

Rights of Action for Damages or Rescission

Securities legislation in certain of the provinces of Canada provides purchasers with (i) a right of action for rescission against the Fund(s) or (ii) a right of action against the Fund(s), and in certain jurisdictions, against the seller of the Units and every director of the seller, for damages where an offering memorandum and any amendment thereto at the time of purchase contains a Misrepresentation. As used herein, except where otherwise specifically defined, "**Misrepresentation**" means an untrue statement of a material fact or an omission to state a material fact that is required to be stated in the offering memorandum and any amendment thereto or that is necessary to make a statement not misleading in light of the circumstances in which it was made. These rights of action, or notice with respect thereto, must be exercised, or delivered, as the case may be, by the purchaser within the time limits prescribed by the applicable securities legislation.

Each purchaser should refer to provisions of the applicable securities legislation for the particulars of these rights or consult with a legal advisor.

Rights for Purchasers in Ontario

The *Securities Act* (Ontario) (the "**Ontario Act**") provides that if this offering memorandum or any amendment hereto, delivered to a purchaser of Units resident in Ontario during the period of distribution contains a Misrepresentation and it was a Misrepresentation at the time of the purchase of Units by such purchaser, the purchaser will, without regard to whether the purchaser relied on the Misrepresentation, have a right of action against the applicable Fund for damages or, while still the owner of the Units purchased by that purchaser, for rescission, in which case, if the purchaser elects to exercise the right of rescission, the purchaser will have no right of action for damages against the Fund, provided that:

- (a) the right of action for rescission or damages will be exercisable only if an action is commenced to enforce such right (i) in the case of an action for rescission not more than 180 days after the date of purchase, or (ii) in the case of an action for damages not more than the earlier of (A) 180 days following the date the purchaser first had knowledge of the Misrepresentation, or (B) three years after the date of purchase;
- (b) the Fund will not be liable if it proves that the purchaser purchased the Units with knowledge of the Misrepresentation;
- (c) the Fund will not be liable for a Misrepresentation in forward-looking information (as defined in the Ontario Act), if the Fund proves that:
 - (i) this offering memorandum contained, proximate to the forward-looking information (i) reasonable cautionary language identifying the forward-looking information as such, and identifying material factors that could cause actual results to differ materially from a conclusion, forecast or projection in the forward-looking information, and (ii) a statement of the material factors or assumptions that were applied in drawing a conclusion or making a forecast or projection set out in the forward-looking information; and

- (ii) the Fund had a reasonable basis for drawing the conclusions or making the forecasts and projections set out in the forward-looking information;
- (d) in the case of an action for damages, the Fund will not be liable for all or any portion of the damages that it proves does not represent the depreciation in value of the Units as a result of the Misrepresentation relied upon; and
- (e) in no case will the amount recoverable in any action exceed the price at which the Units were sold to the purchaser.

Rights for Purchasers in Nova Scotia

The *Securities Act* (Nova Scotia) (the “**Nova Scotia Act**”) provides that if this offering memorandum or any amendment hereto delivered to a purchaser of Units resident in Nova Scotia contains a Misrepresentation, the purchaser will be deemed to have relied on such Misrepresentation and he, she or it shall have a statutory right of action for damages against the seller of the Units and every director of the seller at the date of the offering memorandum, or, so long as such purchaser is the owner of such Units, at his, her or its election, for rescission.

These rights of action are subject to certain limitations, including, among other things, that:

- (a) the applicable Fund will not be held liable if the purchaser purchased the Units with knowledge of the Misrepresentation;
- (b) in an action for damages, the defendant will not be liable for all or any portion of such damages that it proves do not represent the depreciation in value of the Units as a result of the Misrepresentation relied upon; and
- (c) in no case will the amount recoverable by a purchaser exceed the price at which the Units were offered under the offering memorandum or any amendment thereto.

The Nova Scotia Act provides that no person is liable if it is proven that this offering memorandum or any amendment hereto was sent or delivered to the purchaser without the person’s knowledge or consent and that, on becoming aware of its delivery, the person gave reasonable general notice that it was delivered without the person’s knowledge or consent, or after the delivery of this offering memorandum or any amendment hereto and before the purchase of the Units by the purchaser, on becoming aware of any Misrepresentation in this offering memorandum or any amendment hereto, the person withdrew their consent to it and gave reasonable general notice of the withdrawal and the reason for it. This provision does not apply if the seller of Units is also the issuer.

With respect to any part of this offering memorandum or any amendment hereto purporting to be made on the authority of an expert, or to be a copy of, or an extract from, a report, an opinion or a statement of an expert which contains a Misrepresentation, no person will be liable if the person had no reasonable grounds to believe and did not believe that there had been a Misrepresentation, or the relevant part of this offering memorandum or any amendment hereto 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. This provision does not apply if the seller of Units is also the issuer.

The Nova Scotia Act also provides that no person is liable with respect to any part of this offering memorandum or any amendment hereto not purporting to be made on the authority of an expert, or to be a copy of, or an extract from, a report, opinion or statement of an expert, unless the person failed to conduct a reasonable investigation to provide reasonable grounds for a belief that there had been no Misrepresentation or believed that there had been a Misrepresentation. This provision does not apply if the seller of Units is also the issuer.

No action to enforce the foregoing rights may be commenced more than 120 days after the date on which payment was made for the Units or after the date on which the initial payment for the Units was made, where payments

subsequent to the initial payment are made pursuant to a contractual commitment assumed prior to, or concurrently with, the initial payment.

Rights for Purchasers in New Brunswick

The *Securities Act* (New Brunswick) (the “**New Brunswick Act**”) provides that if any information relating to this offering delivered to a purchaser resident in New Brunswick contains a Misrepresentation, the purchaser who purchases the Units shall be deemed to have relied on the Misrepresentation if it was a Misrepresentation at the time of purchase and the purchaser has a right of action for damages against the applicable Fund or may elect to exercise a right of rescission against the Fund, in which case they shall have no right of action for damages.

These rights of action are subject to certain limitations including among other things, that:

- (a) in an action for rescission or damages, the Fund will not be liable if it proves that the purchaser purchased the Units with knowledge of the Misrepresentation;
- (b) in an action for damages, the Fund is not liable for all or any portion of the damages that it proves do not represent the depreciation in value of the Units as a result of the Misrepresentation relied upon; and
- (c) in no case shall the amount recoverable under the right of action described herein exceed the price at which the Units were offered.

No action to enforce a right of rescission may be commenced more than 180 days after the date of the transaction that gave rise to the cause of action and in the case of any action other than an action for rescission, such action shall be commenced before the earlier of (i) one year after the purchaser first had knowledge of the facts giving rise to the cause of action, and (ii) six years after the date of the transaction that gave rise to the cause of action.

Rights for Purchasers in Saskatchewan

The *Securities Act, 1988* (Saskatchewan) (the “**Saskatchewan Act**”) provides that if any information relating to this offering or any amendment thereto, delivered to a purchaser resident in Saskatchewan, contains a Misrepresentation at the time of purchase, such purchaser has a statutory right to sue the applicable Fund:

- (a) to cancel such purchaser’s agreement to buy Units; or
- (b) for damages against:
 - (i) the Fund;
 - (ii) every promoter and director of the Fund at the time this offering memorandum or any amendment thereto was sent or delivered to such purchaser;
 - (iii) every person or company whose consent has been filed respecting this offering, but only with respect to reports, opinions or statements that have been made by them;
 - (iv) every person who, or company that, signed this offering memorandum or any amendment thereto; and
 - (v) every person who, or company that, sells Units on behalf of the Fund under this offering memorandum or any amendment thereto.

In addition, if there is a Misrepresentation in any “advertising or sales literature” (as defined in the Saskatchewan Act) distributed in connection with this offering and the purchaser is a resident of Saskatchewan, the purchaser shall have a statutory right to sue:

- (a) the applicable Fund;
- (b) every promoter or director of the Fund at the time the advertising or sales literature was distributed; and
- (c) every person who or company that, at the time the advertising or sales literature was distributed, sells Units on behalf of the Fund.

Furthermore, if there is a Misrepresentation in any verbal statement made to such purchaser relating to the Units that was a Misrepresentation at the time of purchase, the verbal statement was made either before or contemporaneously with the purchase of the Units and such purchaser is resident in Saskatchewan, such purchaser has a statutory right to sue the individual who made the verbal statement.

These statutory rights of action are available to a purchaser whether or not he, she or it relied on the Misrepresentation. However, in an action for damages, the amount such purchaser may recover will not exceed the price such purchaser paid for his, her or its Units and will not include any part of the damages that the Fund or other parties sued prove does not represent the depreciation in value of the Units as a result of the Misrepresentation. The Fund or other parties sued have various defences available to them. In particular, they have a defence if they prove that the purchaser knew of the Misrepresentation when he, she or it purchased the Units.

No action to enforce a right of rescission may be commenced more than 180 days after the date of the transaction that gave rise to the cause of action. Also, a purchaser must commence his, her or its action for damages within the earlier of one year after such purchaser first had knowledge of the facts giving rise to the cause of action or six years after the date of the transaction that gave rise to the cause of action.

General

The foregoing summaries are subject to the express provisions of the Ontario Act, the Nova Scotia Act, the New Brunswick Act and the Saskatchewan Act and the regulations, rules and policy statements thereunder and reference is made thereto for the complete text of such provisions.

The rights of action for rescission or damages described herein are in addition to and without derogation from any other right or remedy that the purchaser may have at law.

Rights for Purchasers in British Columbia, Alberta, Manitoba, Quebec, Newfoundland and Labrador and Prince Edward Island

Notwithstanding that the *Securities Act* (British Columbia), *Securities Act* (Alberta), *Securities Act* (Manitoba), *Securities Act* (Quebec), *Securities Act* (Newfoundland and Labrador) and *Securities Act* (Prince Edward Island) do not provide or require the Funds to provide to purchasers resident in these jurisdictions any rights of action in circumstances where this offering memorandum or any amendment hereto contains a Misrepresentation, the Funds hereby grant to such purchasers the equivalent rights of action as are set forth above with respect to purchasers resident in Ontario.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

Some of the statements contained in this offering memorandum and any amendment or supplement thereto including, without limitation, financial and business prospects and financial outlooks, may be forward-looking statements which reflect the General Partner's or the Manager's expectations regarding future plans and intentions, growth, results of operations, performance and business prospects and opportunities. Words such as "may", "will", "should", "could", "anticipate", "believe", "expect", "intend", "plan", "potential", "continue" and similar expressions have been used to identify these forward-looking statements. These statements reflect the General Partner's or the Manager's current beliefs and are based on information currently available to the General Partner or the Manager. Forward-looking statements involve significant risks and uncertainties. A number of factors could cause actual results to differ materially from the results discussed in the forward-looking statements including, but

not limited to, changes in general economic and market conditions and other risk factors. The forward-looking statements are based on certain assumptions, which include, amongst other things, that (i) the Fund(s) can attract and maintain investors and has sufficient capital to effect its investment strategies, (ii) the investment strategies will produce the results intended by the General Partner or the Manager, and (iii) the markets will react and perform in a manner consistent with the investment strategies. Although the forward-looking statements contained herein are based upon what the General Partner and the Manager believe to be reasonable assumptions, neither the General Partner nor the Manager can assure that actual results will be consistent with these forward looking statements. Investors should not place undue reliance on forward-looking statements. These forward-looking statements are made as of the date hereof and the General Partner and the Manager assume no obligation to update or revise them to reflect new events or circumstances.

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