

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

November 1, 2006

NORTHERN RIVERS INNOVATION RSP FUND

Northern Rivers Innovation RSP Fund (the “**Fund**”) is an open-ended fund trust governed by an amended and restated trust indenture and amended and restated fund regulation, both dated October 23, 2006 (collectively, the “**Trust Indenture**”), in which Concentra Trust is the trustee. The investment objective of the Fund is to maximize absolute returns through securities selection and asset allocation, while using hedging activities and asset allocation in an attempt to manage market risk. The Fund will focus on achieving growth of capital through superior securities selection. The Fund will pursue a long term investment program with the aim of generating capital gains. Northern Rivers Capital Management Inc. (the “**Manager**”) is the manager of the Fund.

SUBSCRIPTION PRICE: NET ASSET VALUE PER UNIT

An unlimited number of trust units in the Fund (the “**Units**”) are being offered hereby. Units are being distributed only pursuant to available prospectus and registration exemptions to residents of British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Québec, Nova Scotia, New Brunswick, Newfoundland and Labrador and Prince Edward Island. Units are being offered by the Fund on a continuous basis to an unlimited number of subscribers who are prepared to invest a minimum subscription amount of Cdn\$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 Cdn\$25,000, from “Accredited Investors” as defined in National Instrument 45-106 – *Prospectus and Registration Exemptions* will also be accepted. The price per Unit is based upon the net asset value of the Units on the date of purchase (determined in accordance with the Trust Indenture). Subscriptions may be accepted on the last business day of each month and on such other dates as the Manager may prescribe (each, a “**Valuation Date**”). Units may be redeemed on each Valuation Date, commencing on the first anniversary of the purchase of such units by the unitholder. Subject to the foregoing, this offering is not subject to any minimum aggregate subscription level, and therefore any funds invested are available to the Fund and need not be refunded to the subscriber. Eligible investors may purchase Units directly through participating investment dealers and/or financial advisers.

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.

There is no market through which the Units may be sold and none is expected to develop. As there is no market for these securities, it may be difficult or even impossible for the purchaser to sell them. Units are subject to restrictions on resale under applicable securities legislation, rules and regulations, unless a further statutory exemption may be relied upon by the investor or an appropriate discretionary order is obtained from the appropriate securities regulatory authorities pursuant to applicable securities laws. Redemptions may be suspended by the Manager in certain circumstances. 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 the investment. Please see “Risk Factors”, “Resale Restrictions” and “Redemptions”.

The securities offered hereby are offered exclusively by the Fund 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 a subscription agreement for the Units.

TABLE OF CONTENTS

SUMMARY	I
THE FUND	1
BUSINESS OF THE FUND.....	1
THE MANAGER	1
THE TRUSTEE.....	4
THE CUSTODIAN AND PRIME BROKER.....	4
INVESTMENT OBJECTIVE, INVESTMENT STRATEGIES AND INVESTMENT POLICIES OF THE FUND.....	4
INVESTMENT RESTRICTIONS OF THE FUND	5
WHO SHOULD INVEST	5
THE OFFERING.....	6
RESALE RESTRICTIONS.....	7
REDEMPTIONS	7
DESCRIPTION OF UNITS	8
FEES AND EXPENSES	9
FINANCIAL STATEMENTS.....	10
COMPUTATION OF NET ASSET VALUE.....	11
DISTRIBUTIONS AND ALLOCATION OF NET PROFITS OR LOSSES	13
AMENDMENTS TO TRUST INDENTURE	13
MEETINGS OF UNITHOLDERS	14
TERMINATION OF THE FUND.....	15
RISK FACTORS	15
CONFLICTS OF INTEREST POLICY	20
PROCEEDS OF CRIME (MONEY LAUNDERING) LEGISLATION.....	22
PRIVACY POLICY	22
RIGHTS OF ACTION AND RESCISSION	22
CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS.....	26

SUMMARY

This summary is qualified by the more detailed information appearing elsewhere in this Offering Memorandum. Capitalized terms used but not defined in this summary are defined elsewhere in this Offering Memorandum.

The Fund: Northern Rivers Innovation RSP Fund (the “**Fund**”) is an open-ended fund trust governed by an amended and restated trust indenture and amended and restated fund regulation, both dated October 23, 2006 (collectively, the “**Trust Indenture**”). Concentra Trust is trustee of the Fund. An unlimited number of trust units in the Fund (the “**Units**”) are being offered hereby.

Investment Objective: The investment objective of the Fund is to maximize absolute returns through securities selection and asset allocation, while using hedging activities and asset allocation in an attempt to manage market risk. The Fund will focus on achieving growth of capital through superior securities selection. The Fund will pursue a long term investment program with the aim of generating capital gains. See “Investment Objective, Investment Strategies and Investment Policies of the Fund”.

The Manager and Principal Distributor: Northern Rivers Capital Management Inc. (the “**Manager**”) is the manager of the Fund’s investment portfolio and principal distributor of units of the Fund. The Units are available for purchase directly from the Manager and are not available for purchase from the Trustee. The Manager is a corporation incorporated under the federal laws of Canada, which has Likrilyn Capital Corporation (“**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, portfolio manager of the Fund and is the principal portfolio manager of the Northern Rivers Innovation Fund LP, 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.

Robert Blakely, LLB, is President and a director of the Manager and President of its parent, Likrilyn, and its other Canadian and US 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.

Alexander Ruus, CFA, is a Vice-President of the Manager and joined the Manager in October, 2005. He 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 US Equity Manager at Cumberland Asset Management. Mr. Ruus earned his Professional Engineering designation in 1988 and his CFA designation in 1996.

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 Likrielyn group of companies. Prior to joining Likrielyn 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 boards.

- Trustee:** Concentra Trust (the “**Trustee**”) acts as bare trustee to the Fund and holds title to the property of the Fund under the Trust Indenture. The Manager has retained responsibility for administration of the Fund under the Trust Indenture and the Trustee, as bare trustee, has no responsibility for the administration of the Fund under the Trust Indenture. Each unitholder of the Fund (a “**Unitholder**”) is entitled to a copy of the Trust Indenture upon making a request therefor to the Manager. See “The Trustee”.
- Price:** The subscription price for Units is based upon the applicable net asset value (“**Net Asset Value**”) per Unit at the time of subscription. The Fund may issue fractional Units so that subscription funds may be fully invested.
- Minimum Individual Subscription:** Units are being offered by the Fund 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 is \$150,000 paid in cash at the time of the subscription. Subscriptions for lesser amounts, subject to a minimum of \$25,000, 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 British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Québec, Nova Scotia, New Brunswick, Newfoundland and Labrador and Prince Edward Island. See “The Offering”.
- Registered Plans:** Units of the Fund are “qualified investments” under the Tax Act for registered retirement savings plans. Investors are urged to consult with their tax advisers in respect of purchases made through a registered plan.
- Closing Dates:** Closings may occur on each Valuation Date.
- Subscriptions:** Subscriptions may be made on the last business day of each month (each a “**Valuation Date**”) and such other dates as the Manager may determine, and Units will be issued based on the closing net asset value of the Fund on such Valuation Date if a duly completed subscription form and the required payment reaches the Manager no later than 4:00 p.m. (Toronto time) (each, a “**Valuation Time**”) on such Valuation Date. No certificates evidencing ownership of Units will be issued to a Unitholder. Additional investments may be subject to a statutory minimum investment. **By executing a subscription agreement for Units, each subscriber is acknowledging that the investment portfolio and trading procedures of the Fund are proprietary in nature and agrees that all information relating to such investment portfolio and trading procedures 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 Manager shall determine the net income and the net realized capital gains of the Fund for each calendar year and there shall be due and payable on the last business day in each calendar year to Unitholders of record as at the close of business on December 15 of each calendar year, in respect of each Unit held, an amount per Unit, equal to the amount, if any, by which the net income and net realized capital gains of the Fund exceed the aggregate of the amount in respect of any non-capital losses (as defined in the *Income Tax Act* (Canada) as amended from time to time (the “**Tax Act**”)) for current and prior years which the Fund is permitted by the Tax Act to deduct in computing its taxable income for such year and any amount distributed on an interim basis during the year by the Trustee, divided by the number of Units outstanding at the close of business on the second last business day of the calendar year. Such distribution shall be made as of the last business day of the calendar year.

Unless a Unitholder otherwise provides written notice to the Manager by December 1 in any year of its desire to receive any distribution of net income and net realized capital gains in that year in cash, such distribution will be reinvested by the Trustee for the account of such Unitholder in additional Units or fractions of Units at the Net Asset Value per Unit.

See “Distributions and Allocations of Net Profits and Losses”.

Redemptions:

A Unitholder shall be entitled to redeem all or any portion of its Units on the last Valuation Day in any month (or otherwise with the consent of the Manager) commencing on the first anniversary of its purchase of such Units upon providing the Manager with at least 30 days prior written notice of such redemption or at such other times and upon such other notice as may be permitted by the Manager. The amount payable to a Unitholder in respect of such redemption shall be equal to the number of Units of the Fund to be redeemed pursuant to the request multiplied by the Net Asset Value Per Unit at the Valuation Time on the applicable Valuation Day less the amounts set out below.

The Manager shall, within ten Business Days after the Valuation Day as of which a redemption of Units is effected, arrange for the payment out of the property of the Fund of the Net Asset Value Per Unit of the Units redeemed to the Unitholder less a deduction equal to the lesser of the disposition expenses (including brokerage fees and/or market spread) incurred to enable the Fund to fund such redemptions, and 2% of the Net Asset Value of such Units, which amount may be retained by the Fund in respect of disposition expenses incurred by the Fund to enable a redemption. The amount of such deduction on a Valuation Date shall be in the sole discretion of the Manager (subject to the maximum set out above). An appropriate portion of any accrued Performance Fee payable to the Manager may also be deducted and paid to the Manager upon redemption.

The Manager may hold back up to 20% of the redemption proceeds 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.

The Manager may, in its sole discretion, refuse to make a redemption payment to a Unitholder if the Manager suspects or is advised that the payment to such Unitholder 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 the Fund or any other person in any relevant jurisdiction, or such refusal is necessary to ensure the compliance by the Fund, the Manager 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 Manager may deposit such redemption proceeds in a separate bank account. If the Manager is given permission to pay out such redemption proceeds to the relevant Unitholder, such Unitholder’s only right against the Fund shall be the right to receive the moneys so deposited (without interest).

The Manager may, in its discretion, require any Unitholder (including, without limitation, a Unitholder who holds, or who following a redemption would hold, Units having an aggregate Net Asset Value of less than the amount specified by the Manager from time to time) to redeem any or all of the Units held by the Unitholder after giving the Unitholder 15 days’ prior written notice to that effect. A Unitholder who receives a notice requiring redemption because the Units held by such Unitholder have an aggregate Net Asset Value of less than the amount specified by the Manager,

shall be entitled to increase the aggregate Net Asset Value of the Units in his account by subscribing for additional Units prior to the proposed date of the redemption in accordance with the requirements hereunder. Any such redemption shall be processed at the Net Asset Value Per Unit at the Valuation Time on the Valuation Day immediately following the date of expiration of the notice period.

The Manager may suspend the redemption of Units or payment of redemption proceeds in respect thereof for a period of 30 days whenever the aggregate number of Units being redeemed exceeds 10% of the outstanding Units to allow for the orderly liquidation of the property of the Fund to satisfy such redemption requests. In addition, the Manager may suspend the redemption of Units or payments in respect thereof when, and for so long as: (i) the Custodian is closed for business; or (ii) normal trading is suspended on any stock exchange, auctions exchange or futures exchange within or outside Canada on which securities are listed for trading which represent more than 50% by value of the property of the Fund without allowance for liabilities; provided, however, that any suspension shall terminate, in any event, on the first day on which the condition giving rise to the suspension has ceased to exist, provided that no other condition under which a suspension is authorized then exists. The Manager shall apply the suspension to all requests for redemption received prior to the suspension but as to which payment has not been made, as well as to all requests received while the suspension is in effect. All Unitholders making such requests shall (unless the suspension lasts for less than 48 hours) be given notice by the Manager advising of the suspension, that redemptions shall be effected on the basis of the Net Asset Value Per Unit determined on the first Valuation Day following the termination of the suspension and that Unitholders have the right to withdraw their requests for redemption.

See “Redemptions”.

Management and Performance Fees:

The Fund will pay the Manager a management fee (the “**Management Fee**”), calculated on each Valuation Date which falls on the last business day of a month at a rate of one-twelfth of 2% of the Fund’s Net Asset Value on such date and is payable from the assets of the Fund as soon as practicable thereafter.

The Fund will pay the Manager a performance fee (the “**Performance Fee**”) on each Valuation Date which falls on the last business day of a fiscal quarter of the Fund (the “**Determination Date**”) on each Unit outstanding on such Determination Date (before subscriptions and redemptions) equal to 20% of the positive amount, if any, obtained when a hurdle rate of 2% per quarter is added to a “high water mark” and is subtracted from the Net Asset Value per Unit on such Determination Date (after payment of the Management Fee).

See “Fees and Expenses – Management Fees” and “Fees and Expenses – Performance Fees”.

Payment of Expenses:

All expenses of the Fund shall be paid by the Fund out of the property of the Fund and such expenses include, without limitation, legal and audit fees, brokerage fees, taxes payable by the Fund, bookkeeping charges, registry and transfer agency fees, distribution costs, custodial charges, the Trustee’s fees, costs of any Advisory Committee established by the Manager, the Manager’s fees, any third party portfolio manager fees and all services required in connection with the provision of information to Unitholders. The Manager shall be responsible for all costs associated with sales, advertising and marketing expenses, printing and mailing costs and regulatory filing fees related to the Fund. The Trustee shall be entitled to be reimbursed out of the property of the Fund for any expenses that are reasonably incurred by it in connection with the affairs of the Fund. See “Fees and Expenses – Expenses”.

Transfer or Resale:	Units are non-transferable except by operation of law or with the written consent of the Manager, which consent may be withheld in the absolute discretion of the Manager. 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 in the Trust Indenture is likely to be the only means of liquidating an investment in the Fund. See “Resale Restrictions”.
Sales Commission:	No commission is payable to the Manager in respect of Units purchased directly by the 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.
Fiscal Year End:	December 31 in each year.
Service Fee:	Subject to applicable law, the Manager may pay, out of the fees payable to the Manager by the Fund, a negotiated referral fee or trailing commission to dealers or other persons in connection with a sale of Units.
Financial Reporting:	Audited financial statements will be provided within 140 days of year end. See “Financial Statements”.
Tax Considerations:	Subscribers are urged to consult with their tax advisers to determine the tax consequences of an investment in the Fund.
Risk Factors:	An investment in the Fund may be deemed 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. Investors should review closely the investment objective and investment strategies to be utilized by the Fund as outlined herein to familiarize themselves with the risks associated with an investment in the Fund. Investment in the Fund is also subject to certain other risks. See “Risk Factors”.
Auditors:	Ernst & Young LLP, Chartered Accountants, Toronto, Ontario.
Prime Broker and Custodian:	BMO Nesbitt Burns Inc., Toronto, Ontario.

THE FUND

Northern Rivers Innovation RSP Fund (the “**Fund**”) is an open-ended fund trust, governed by an amended and restated trust indenture and amended and restated fund regulation, both dated October 23, 2006 (collectively, the “**Trust Indenture**”), in which Concentra Trust is the trustee (the “**Trustee**”) and Northern Rivers Capital Management Inc. is the manager (the “**Manager**”). The Fund was established on November 22, 2003. The principal place of business of the Fund and of the Manager is Suite 2000, Royal Bank Plaza, North Tower, 200 Bay Street, Toronto, Ontario, M5J 2J2. Unitholders of the Fund (“**Unitholders**”) are entitled to a copy of the Trust Indenture upon making a request therefor to the Manager.

Pursuant to the Trust Indenture, the Manager may designate additional unit investment trusts (each, an “**Additional Fund**”). The name, investment objective, investment strategies and policies and investment restrictions, and any special terms and conditions of an Additional Fund shall be specified in an Additional Fund regulation pertaining to the Additional Fund.

An unlimited number of trust units of the Fund (the “**Units**”) are being offered hereby.

BUSINESS OF THE FUND

The Fund will engage in making investments including, but not limited to, investments in sectors such as technology, natural resources and health care. The investment objective of the Fund is to maximize absolute returns through securities selection and asset allocation, while using hedging activities and asset allocation in an attempt to manage market risk. The Fund will focus on achieving growth of capital through superior securities selection and will pursue a long term investment program with the aim of generating capital gains. See “Investment Objective and Activities of the Fund”.

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, portfolio manager of the Fund and the principal portfolio manager of the Northern Rivers Innovation Fund LP, 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

Northern Rivers Innovation RSP Fund Confidential Offering Memorandum

(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.

Robert Blakely, LLB, is President and a director of the Manager and President of its parent, Likrilyn, and its other Canadian and US 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.

Alexander Ruus, CFA, is a Vice President of the Manager and joined the Manager in October, 2005. He 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 US Equity Manager at Cumberland Asset Management. Mr. Ruus earned his Professional Engineering designation in 1988 and his CFA designation in 1996.

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 boards.

Powers and Duties of the Manager

The Manager will act on a basis which is fair and reasonable and it will exercise its powers and duties honestly, in good faith and in the best interests of the Fund. The Manager will exercise a degree of care, diligence and skill that would be expected of a prudent professional portfolio manager in similar circumstances.

The Manager may engage one or more advisers to provide investment, advisory and management services to the Fund. Notwithstanding the engagement of such advisers, the Manager is vested with the sole responsibility to manage and direct the Fund and its business and affairs, to administer and regulate the day to day operations of the Fund and to direct the investment of the property of the Fund (the “**Trust Property**”) and it shall be solely responsible for the performance of the acts and duties and the exercise of the powers set forth in the Trust Indenture. The Manager does not presently intend to engage any such advisors. Under no circumstances will the Manager be, or be deemed to be, an agent of the Unitholders.

In discharging its duties under the Trust Indenture, the Manager shall:

- (a) administer the day to day investment and other operations of the Fund and obtain and supervise the performance of the accounting and other clerical administrative functions in connection with the management and administration of the Fund including, without limitation, the provision of office space, office equipment and personnel for the performance of such services;
- (b) unless delegated, serve as the investment counsel, portfolio manager, and broker on behalf of the Fund;
- (c) provide research, information, data, advice, opportunities and recommendations with respect to the making, acquiring (by purchase, investment, exchange or otherwise), holding and disposing (through sale, exchange or otherwise) of investments of or considered by the Manager to be consistent with the Fund’s investment objective, strategy, policies and restrictions;
- (d) obtain for the Fund such services as may be required for acquiring, disposing of and owning investments;
- (e) invest and reinvest any Trust Property and manage the short-term investments of the Fund;
- (f) communicate with Unitholders;
- (g) supervise the maintenance of books and records for the Fund, the payment of interest, distributions and dividends, the issuance, registration and redemption of Units and the issuance, transfer, redemption or discharge of the securities of the Fund;
- (h) determine the frequency of distributions of income to be made to Unitholders;
- (i) make all filings which may be required to be made in accordance with applicable law in respect of the Fund or any issue or redemption of Units;
- (j) co-ordinate the activities of the Trustee, the Custodian and other persons engaged on behalf of a Fund;
- (k) from time to time provide the Trustee or the Custodian with instructions with respect to the voting of portfolio securities of the Fund and advise the Trustee how to complete any applicable shareholder communication instructions;
- (l) pay the direct costs and expenses of the Fund out of the Trust Property; and

- (m) perform and carry out any other service, duty or function as is required to be performed by the Manager by the terms of the Trust Indenture.

The Manager shall allocate investment opportunities among its clients on a basis which is fair and reasonable. The Manager in its capacity as Manager shall not be required to devote its full time and attention to the affairs of the Fund but need only devote such time as it may deem appropriate or necessary to discharge its duties hereunder in a responsible manner.

The Units are available for purchase directly from the Manager and are not available for purchase from the Trustee.

THE TRUSTEE

The trustee of the Fund is Concentra Trust (formerly Co-operative Trust Company of Canada), a trust company incorporated under the laws of Canada with its head office in Saskatoon, Saskatchewan. Unitholders are entitled to a copy of the Trust Indenture upon making a request therefor to the Manager.

Under the Trust Indenture, the liability of Unitholders, the Manager and the Trustee for obligations and claims arising out of or in connection with the Fund is limited or excluded. The Trust Indenture provides, in part, as follows:

- (a) Unitholders are excluded from personal liability for satisfaction of any obligation or claim in connection with the Trust Indenture, any contract or other obligation of the Fund, the Manager or the Trustee, and for any act or omission of the Trustee, the Manager or any other person in the performance or exercise of, or purported performance or exercise of, any obligation, power, discretion or authority conferred under the Trust Indenture;
- (b) no Unitholder is liable to indemnify the Trustee, the Manager or any other person and the Trustee and the Manager have waived any right to such indemnification under any applicable law;
- (c) the Trustee is excluded from any liability for any loss or damage relating to any matter regarding the Fund and is entitled to be reimbursed out of Fund property for all costs and expenses associated with or related to the Fund; and
- (d) subject to compliance at all times with the Trust Indenture, the Manager, and, without limiting the generality of paragraph (c) above, the Trustee, have no personal liability to satisfy any obligation or claim arising out of or in connection with any contract or other obligation of the Fund.

Under the Trust Indenture, the Trustee is not responsible for the administration or the management of the Fund. As bare trustee of the Fund, the only material role of the Trustee is to hold the Fund property and deal with the Fund property in accordance with the Manager's directions and instructions. Subject to the Trust Indenture, the Fund's investment strategies, policies and objectives are at the sole discretion, supervision, management and control of the Manager, not of the Trustee.

THE CUSTODIAN AND PRIME BROKER

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

INVESTMENT OBJECTIVE, INVESTMENT STRATEGIES AND INVESTMENT POLICIES OF THE FUND

The investment objective of the 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. The Fund will focus on achieving growth of capital through superior securities selection. The Fund will pursue a long term investment program with the aim of generating capital gains. The Fund may borrow money from brokerage firms, banks and others to make investments. The Fund will also make use of eligible equity derivatives, such as

calls and puts, index futures and exchange traded funds to manage risk. The majority of positions will be concentrated in the technology, healthcare and natural resources sectors.

The Manager intends to manage risk in the Fund's portfolio by managing the relative weightings of cash and equity positions (i.e., asset allocation) and using equity and index options for risk management purposes. To a lesser extent, the Manager will employ the following strategies on an opportunistic basis as a way to attempt to enhance the Fund's returns:

- (a) write covered calls when appropriate for income enhancement; and
- (b) participate in select private placements of issuers that have compelling investment characteristics.

The Manager reserves the right to amend this Offering Memorandum in respect of the Fund's investment strategies and investment policies. Such changes can be made without approval of the Unitholders and written notice will be given to the Unitholders promptly thereafter.

In addition to the foregoing, there are statutory provisions which restrict or prohibit certain non-arm's length transactions.

INVESTMENT RESTRICTIONS OF THE FUND

The Fund will only invest in investments which permit the Fund to all times be a qualified investment for registered retirement savings plans and to ensure generally that the Fund is not subject to tax under the *Income Tax Act* (Canada) as amended or replaced from time to time (the "**Tax Act**"), including tax under Part X.2 of the Tax Act.

The Manager may from time to time establish investment restrictions with respect to the Fund, including, without limitation, restrictions as to the proportion of the assets of the Fund which may be invested in the securities of issuers operating in any industry sector or in any class of investment. Additional investment restrictions will be imposed in order to ensure that the Fund is a qualified investment for registered retirement savings plans and to ensure generally that the Fund is not subject to tax under the Tax Act, including tax under Part X.2 of the Tax Act.

The Manager reserves the right to amend this Offering Memorandum in respect of the Fund's investment restrictions. Such changes can be made without approval of the Unitholders and written notice will be given to the Unitholders promptly thereafter.

WHO SHOULD INVEST

The Fund is designed for sophisticated investors wishing to achieve enhanced performance through a combination of carefully selected long and short positions, predominantly in North American equities. As the Fund is subject to various risks as outlined under "Risk Factors", it is recommended that an investment in the Fund should not constitute the major portion of an individual's portfolio. The Fund is designed to attract investment capital which is surplus to a subscriber's basic financial requirements. Because of restrictions on redemption and transfer, the Fund is not appropriate for investors who require short term liquidity.

Any Unitholder that is or becomes a "financial institution" within the meaning of Section 142.2 of the Tax Act shall disclose such status to the Manager at the time of subscription (or when such status changes) and the Manager may restrict the participation of any such Unitholder or require any such Unitholder to redeem all or some of such Unitholder's Units.

Non-residents of Canada within the meaning of the Tax Act may not invest in the Fund.

Any Unitholder whose status changes with respect to the foregoing or who fails to provide evidence satisfactory to the Manager of such status when requested to do so from time to time, shall be removed as a Unitholder by the redemption of his Units on the Valuation Date immediately following a 15 day notice period.

THE OFFERING

Units are being offered by the Fund on a continuous basis to an unlimited number of subscribers resident in British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Québec, Nova Scotia, New Brunswick, Newfoundland and Labrador and Prince Edward Island 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 is \$150,000 paid in cash at the time of the subscription. Subscriptions for lesser amounts, subject to a minimum of \$25,000, 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 Fund’s subscription agreement, but generally includes individuals whose net investment assets exceed \$1,000,000, or who has personal net income before taxes that exceeds \$200,000 or, when combined with that of a spouse, exceeded \$300,000 in the previous two years and who, in either case, has a reasonable expectation of exceeding the same net income level in the current year.

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 agreement they enter into with the Fund 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 each Valuation Date, subject to applicable law, if a duly completed subscription agreement and the required payment reaches the Fund no later than 4:00 p.m. (Toronto time) (each, a “**Valuation Time**”) on such Valuation Date. No certificates evidencing ownership of Units will be issued to a Unitholder. 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 the 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 agreement 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 and absolute 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 agreement, each subscriber makes certain representations on which the Manager will be relying. Subscribers must read the Subscription Agreement carefully before signing.

By executing a subscription agreement for Units, each subscriber is acknowledging that the investment portfolio and trading procedures of the Fund are proprietary in nature and agrees that all information relating to such investment portfolio and trading procedures 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 the Fund, Unitholders may make additional investments in the Fund of not less than \$25,000 provided that, at the time of the subscription for additional Units, the Unitholder is an

“Accredited Investor” under NI 45-106. Unitholders who are not “Accredited Investors” may make additional investments in the Fund at a minimum subscription amount of \$150,000 paid in cash at the time of the subscription. In addition, Unitholders who are not “Accredited Investors” but: (a) initially acquired Units 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 having an acquisition cost or current net asset value of not less than \$150,000, will also be permitted to make subsequent investments in the 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 an additional investment in the Fund, a Unitholder will be asked to execute a new subscription agreement.

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 Manager, in its sole discretion, approves the transfer and the proposed transferee. The proposed transferee will be required to make representations and warranties to the Fund in form and substance satisfactory to the Manager and the transferring Unitholder or the transferee will be required to pay all reasonable legal fees and other expenses incurred by the Manager and the 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 and the Trust Indenture.

REDEMPTIONS

An investment in Units is intended to be a long-term investment. A Unitholder shall be entitled to redeem all or any portion of its Units on the last Valuation Day in any month (or otherwise with the consent of the Manager) commencing on the first anniversary of its purchase of such Units upon providing the Manager with at least 30 days prior written notice of such redemption or at such other times and upon such other notice as may be permitted by the Manager. The amount payable to a Unitholder in respect of such redemption shall be equal to the number of Units of the Fund to be redeemed pursuant to the request multiplied by the Net Asset Value Per Unit at the Valuation Time on the applicable Valuation Day less the amounts set out below.

The Manager shall, within ten Business Days after the Valuation Day as of which a redemption of Units is effected, arrange for the payment out of the Trust Property of the Net Asset Value Per Unit of the Units redeemed to the Unitholder less a deduction equal to the lesser of the disposition expenses (including brokerage fees and/or market spread) incurred to enable the Fund to fund such redemptions, and 2% of the Net Asset Value of such Units, which amount may be retained by the Fund in respect of disposition expenses incurred by the Fund to enable a redemption. The amount of such deduction on a Valuation Date shall be in the sole discretion of the Manager (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.

The Manager may hold back up to 20% of the redemption proceeds 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.

The Manager may, in its sole discretion, refuse to make a redemption payment to a Unitholder if the Manager suspects or is advised that the payment to such Unitholder 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 the Fund or any other person in any relevant jurisdiction, or such refusal is necessary to ensure the compliance by the Fund, the Manager 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 Manager may deposit such redemption proceeds in a separate bank account. If the Manager is given permission to pay out such redemption proceeds to the relevant Unitholder, such Unitholder's only right against the Fund shall be the right to receive the moneys so deposited (without interest).

The Manager may, in its discretion, require any Unitholder (including, without limitation, a Unitholder who holds, or who following a redemption would hold, Units having an aggregate Net Asset Value of less than the amount specified by the Manager from time to time) to redeem any or all of the Units held by the Unitholder after giving the Unitholder 15 days' prior written notice to that effect. A Unitholder who receives a notice requiring redemption because the Units held by such Unitholder have an aggregate Net Asset Value of less than the amount specified by the Manager, shall be entitled to increase the aggregate Net Asset Value of the Units in his account by subscribing for additional Units prior to the proposed date of the redemption in accordance with the requirements hereunder. Any such redemption shall be processed at the Net Asset Value Per Unit at the Valuation Time on the Valuation Day immediately following the date of expiration of the notice period.

The Trustee reserves the right to redeem, on a pro rata basis, Units held by Financial Institutions if at any time, as a result of any new subscription for, redemption of, or distribution of Units, more than 45% of all outstanding Units of any Fund shall be held by Financial Institutions. Such right of redemption entitles the Trustee to redeem only such number of Units held by Financial Institutions as are required to reduce the number of such Units to the point at which they represent no more than 45% of all outstanding Units of a Fund. The amount payable to a Financial Institution in respect of such redemption shall be equal to the number of Units to be redeemed pursuant to the request multiplied by the Net Asset Value Per Unit at the Valuation Time on the applicable Valuation Day.

The Manager may suspend the redemption of Units or payment of redemption proceeds in respect thereof for a period of 30 days whenever the aggregate number of Units being redeemed exceeds 10% of the outstanding Units to allow for the orderly liquidation of Trust Property to satisfy such redemption requests. In addition, the Manager may suspend the redemption of Units or payments in respect thereof when, and for so long as: (i) the Custodian is closed for business; or (ii) normal trading is suspended on any stock exchange, auctions exchange or futures exchange within or outside Canada on which securities are listed for trading which represent more than 50% by value of the Trust Property without allowance for liabilities; provided, however, that any suspension shall terminate, in any event, on the first day on which the condition giving rise to the suspension has ceased to exist, provided that no other condition under which a suspension is authorized then exists. The Manager shall apply the suspension to all requests for redemption received prior to the suspension but as to which payment has not been made, as well as to all requests received while the suspension is in effect. All Unitholders making such requests shall (unless the suspension lasts for less than 48 hours) be given notice by the Manager advising of the suspension, that redemptions shall be effected on the basis of the Net Asset Value Per Unit determined on the first Valuation Day following the termination of the suspension and that Unitholders have the right to withdraw their requests for redemption.

If at any time there is not sufficient cash on hand to redeem Units, the Manager shall either: (i) realize upon a sufficient number of securities selected by the Manager in its sole discretion to redeem the Units; (ii) where in the opinion of the Manager one or more portfolio securities held by the Fund are illiquid or cease to be listed on a published market, stock exchange or other trading facility, make payment of the redemption price in kind or partly in kind, as the Manager shall determine; (iii) borrow an amount to finance the redemption of the Units, provided, however, the aggregate amount outstanding for this purpose from time to time does not exceed 10% of the Net Asset Value, the term of such borrowing does not exceed 90 days from the date of the related redemption, such borrowing is not part of a series of loans or other transactions and repayments, and that the Trustee is promptly notified in writing of all such borrowing and the repayment thereof.

DESCRIPTION OF UNITS

The beneficial interest in the Fund is divided into interests of one class of equal value referred to as Units and fractions thereof. The Fund may issue an unlimited number of Units. Each Unit shall have the following attributes:

- (a) each Unit shall be without nominal or par value and shall be issued only as fully paid and non-assessable in accordance with the provisions of the Trust Indenture;

- (b) each whole Unit shall entitle the holder thereof to one vote at all meetings of Unitholders of the Fund;
- (c) each Unit shall represent an undivided beneficial interest in the net assets of the Fund;
- (d) each Unit shall entitle the holder thereof to participate equally, in accordance with the provisions of the Trust Indenture, in the crediting of cumulative net income and cumulative net capital gains and, on liquidation, to participate equally in the net assets of the Fund remaining after satisfaction of outstanding liabilities;
- (e) no pre-emptive rights shall attach to any Unit;
- (f) no transfer, cancellation, surrender or redemption rights or provisions shall attach to any Unit, except as set out herein;
- (g) no liability or future calls or assessment shall attach to any Unit;
- (h) Units may be issued in fractions, to three (3) decimal places, and each fractional Unit of a Fund shall have attached thereto the rights, restrictions, conditions and limitations attaching to whole Units of the Fund in the proportion that they bear to a whole Unit of the Fund except that no holder of a fraction of a Unit of a Fund, as such, shall be entitled to notice of, or to attend or to vote at meetings of Unitholders;
- (i) the Trustee may in its discretion subdivide the Units of a particular Fund outstanding at any time so that the number of Units may be increased, or consolidate the Units outstanding at any time so that the number of Units may be decreased; and
- (j) all Units are non-transferable except by operation of law or with the written consent of the Manager, which consent may be withheld in the absolute discretion of the Manager.

Title to Units is conclusively evidenced by the register of Unitholders maintained by the Manager and certificates for the Units will not be issued.

FEES AND EXPENSES

Management Fees

The Fund will pay the Manager a management fee (the “**Management Fee**”), calculated on each Valuation Date which falls on the last business day of a month at a rate of one-twelfth of 2% of the Fund’s Net Asset Value on such date and is payable from the assets of the Fund as soon as practicable thereafter.

Expenses

All expenses of the Fund shall be paid by the Fund out of its Trust Property and such expenses include, without limitation, legal and audit fees, brokerage fees, taxes payable by the Fund, bookkeeping charges, registry and transfer agency fees, distribution costs, custodial charges, the Trustee’s fees, costs of any Advisory Committee established by the Manager, the Manager’s fees, all services required in connection with the provision of information to Unitholders and all costs relating to the formation and organization of the Fund. The Manager shall be responsible for all costs associated with sales, advertising and marketing expenses, printing and mailing costs and regulatory filing fees related to the Fund. The Trustee shall be entitled to be reimbursed out of the Trust Property for any expenses that are reasonably incurred by it in connection with the affairs of the Fund.

Trustee Fees

The Trustee shall receive an annual fee which shall be paid quarterly, in advance, out of the Trust Property. The amount of such annual fee shall be settled by agreement between the Trustee and the Manager, and shall not be reduced by or in respect of any fee payable out of the Trust Property to the Manager, the custodian of the Fund or any other consultants or agents engaged by the Trustee in connection with the Trust Property. Unless other arrangements are agreed upon by the Manager, the Trustee shall receive no other compensation for its services as trustee hereunder but nothing herein shall preclude the Trustee from receiving additional compensation in connection with other services that may be performed by the Trustee for the Fund in a capacity other than its capacity as trustee. Without limiting the generality of the foregoing, if the Trustee also acts as registrar and transfer agent for the Fund, it may receive additional compensation for the performance of such services.

Performance Fees

The Manager shall be entitled to receive from the Fund on each Valuation Date which falls on the last Business Day of a fiscal quarter of the Fund (the “**Determination Date**”), a performance fee (the “**Performance Fee**”) on each Unit outstanding on such Determination Date (before subscriptions and redemptions) equal to 20% of the positive amount, if any, obtained when: (i) the Hurdle Rate is added to the High Water Mark; and is subtracted from (ii) the Net Asset Value per Unit on such Determination Date (after payment of the Management Fee).

“**High Water Mark**”, in respect of a Unit on a Determination Date, means the greatest of: (i) the Net Asset Value per Unit on the first business day of the same fiscal year; (ii) the Net Asset Value per Unit on any previous Determination Date in the same fiscal year on which a Performance Fee was payable in respect of such Unit, if any; and (iii) the Net Asset Value per Unit on the date of issuance of such Unit, if issued in the same fiscal year.

“**Hurdle Rate**” as calculated on a Determination Date means 2% of the High Water Mark for such Determination Date multiplied by the number of Determination Dates between the date of the High Water Mark and the calculation date (including the calculation date). The Hurdle Rate shall never exceed 8% of the relevant High Water Mark. For greater certainty, by way of example, if the calculation date is September 30 in a year, and the High Water Mark for a Unit occurred on March 31 in that year, the Hurdle Rate for that Unit would be calculated as 4% of the Net Asset Value per Unit as at March 31.

In the event of the issuance of Units on a date which is not a Valuation Date, the Management Fee and the Performance Fee payable to the Manager as provided above shall be appropriately pro rated having regard to the number of days in the relevant month or fiscal quarter in which the Unit was outstanding.

Sales Commissions

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.

Service Fees

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

FINANCIAL STATEMENTS

Within 140 days after the end of each fiscal year, the Manager will forward to each Unitholder an annual report for such fiscal year consisting of (i) audited financial statements; (ii) a report of the auditors on such financial statements; and (iii) tax information to enable each Unitholder to properly complete and file his, her or its tax returns in Canada in relation to an investment in Units.

COMPUTATION OF NET ASSET VALUE

The Trust Property shall be valued by the Manager as of the Valuation Time on each Valuation Date. The Net Asset Value Per Unit at any time shall be obtained by deducting from the aggregate fair market value of the Trust Property an amount sufficient to provide for all liabilities of the Fund (excluding all liabilities represented by the outstanding Units) and dividing the amount so determined by the total number of Units then outstanding, including fractions of Units. The Net Asset Value at a particular time shall be determined and computed by the Manager as follows:

- (a) The Trust Property shall include, without limitation, 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, treasury bills, certificates of deposit, guaranteed investment certificates, banker's acceptances, annuity contracts, shares, subscription rights, mortgages and other securities owned by or contracted for the Fund;
 - (iv) all stock and cash dividends and cash distributions to be received by the Fund and not yet received by it but declared to holders of record on a date on or before the Valuation Date as of which the Net Asset Value of the Fund is being determined;
 - (v) all interest accrued on any interest-bearing securities owned by the Fund other than interest the payment of which is in default; and
 - (vi) prepaid expenses.
- (b) The fair market value of the Trust Property shall be determined as follows:
 - (i) the value of the cash on hand or on deposit or on call, bills and notes, accounts receivable, prepaid expenses, cash dividends received (or to be received and declared to security holders of record on a date before the date of which the Net Asset Value is being determined) and interest accrued and not yet received shall be deemed to be the face amount thereof, unless the Manager determines that any such bill, note, deposit, account receivable, prepaid expense or interest accrued is not worth the face amount thereof, in which event the value thereof shall be deemed to be such value as the Manager shall deem to be the reasonable value thereof;
 - (ii) the value of any security which is listed or dealt upon an exchange or market shall be determined by:
 - (A) in the case of a security which was traded on the day as of which the Net Asset Value is being determined, the closing price; and
 - (B) in the case of a security which was not traded on the day as of which the Net Asset Value is being determined:
 - (I) a price which is the average of the closing bid and asked prices; or
 - (II) if no bid or asked quotation is available, the price last determined for such security for the purpose of calculating Net Asset Value,

the value of inter-listed securities shall be computed in accordance with the directions laid down from time to time by the Manager; and provided however that, if in the

opinion of the Manager, exchange or over-the-counter quotations do not properly reflect the prices which would be received by the Fund upon the disposal of the securities necessary to effect any redemptions of Units, the Manager may place such value upon the securities as appears to the Manager to most closely reflect the fair value of the securities;

- (iii) money market instruments, investment contracts, annuities or other assets that provide benefit payments on a contractual basis and with respect to which there is no active trading market shall be valued at book value, which value shall include any accrued interest or income; and
- (iv) the value of any security or other assets of the Fund to which, in the opinion of the Manager, the above principles cannot be applied (whether because no price or yield equivalent quotations are available as above provided or for any other reason), shall be the fair value thereof determined from time to time in such manner as the Manager shall from time to time provide;

provided, however, that if a competent regulatory authority having jurisdiction over the distribution of the Units of the Fund shall require the adoption by the Fund of some other method of valuing the Trust Property or any part of it, such method shall be adopted, with effect as at the date as of which such requirement becomes applicable to the Fund, and in the event of any real or apparent conflict between the requirements of two or more such authorities, the Manager shall determine which is the most appropriate method for adoption by the Fund.

- (c) The liabilities of a Fund shall be deducted from the aggregate value of the Trust Property when calculating the Net Asset Value of the Fund and such liabilities of the Fund shall include, without limitation, the following:
 - (i) all bills, notes and accounts payable by or on behalf of the Fund;
 - (ii) all fees and administrative expenses payable or accrued by or on behalf of the Fund;
 - (iii) all contractual obligations for the payment of money or property by or on behalf of the Fund;
 - (iv) all allowances authorized or approved by the Manager for taxes or contingencies by or on behalf of the Fund; and
 - (v) all amounts payable to Unitholders at the Valuation Time as at which the Net Asset Value is being determined and all other liabilities of the Fund of whatsoever kind and nature, but excluding all liabilities represented by outstanding Units.

Units of the Fund subscribed for prior to the Valuation Time on any Valuation Day shall be deemed to be outstanding immediately after the Valuation Time on such Valuation Day; provided that where notice of redemption of Units has been received, such Units shall be deemed to have been redeemed and cease to be outstanding immediately after the Valuation Time as at which time the Net Asset Value per Unit is computed for purposes of such redemption of Units and thereafter, until paid, the redemption price shall be deemed to be a liability of the Fund.

Each transaction of purchase or sale of portfolio securities effected by the 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.

DISTRIBUTIONS AND ALLOCATION OF NET PROFITS OR LOSSES

The Manager shall determine the net income and the net realized capital gains of the Fund for each calendar year and there shall be due and payable on the last business day in each calendar year to Unitholders of record as at the close of business on December 15 of each calendar year, in respect of each Unit held, an amount per Unit (calculated to the nearest one hundredth of one cent per Unit), equal to the amount, if any, by which the net income and net realized capital gains of the Fund exceed the aggregate of the amount in respect of any non-capital losses (as defined in the Tax Act) for current and prior years which the Fund is permitted by the Tax Act to deduct in computing its taxable income for such year and any amount distributed on an interim basis during the year by the Trustee, divided by the number of Units outstanding at the close of business on the second last business day of the calendar year. Such distribution shall be made as of the last business day of the calendar year.

The net income of the Fund for any calendar year shall be determined in accordance with the provisions of the Tax Act regarding the calculation of income for the purposes of determining the “taxable income” of the Fund under the Tax Act, provided that capital gains and capital losses shall be excluded and provided further that the portion of the Fund’s income comprised of taxable dividends received from corporations resident in Canada shall be calculated on the basis that the amount thereof included in income is not greater than the actual amount received and no amount is deductible in respect of amounts payable in the year to Unitholders.

The net realized capital gains of the Fund for any calendar year shall equal the amount, if any, by which the capital gains of the Fund in such year exceed the aggregate of the capital losses of the Fund in such year and to the extent not previously deducted, the aggregate of the amounts by which capital losses of the Fund exceeded capital gains of the Fund for all previous calendar years in which capital losses exceeded capital gains.

Unless a Unitholder otherwise provides written notice to the Manager by December 1 in any year of its desire to receive such distribution in that year in cash, such distribution shall be reinvested by the Trustee for the account of such Unitholder in additional Units or fractions of Units at the Net Asset Value per Unit.

To the extent possible under the Tax Act, it is intended that the character of the net income and net realized capital gains of the Fund be maintained when such net income and net realized capital gains are distributed to Unitholders. The Manager shall consequently exercise all discretions and make all designations, elections, determinations, appropriations and allocations under the Tax Act as may be, in the sole discretion of the Manager, advisable or appropriate.

It is intended that sufficient net income and sufficient net realized capital gains of the Fund be distributed to Unitholders in each year so that the Fund shall not be liable for income tax under Part I of the Tax Act and, to the extent the Manager may consider appropriate, so that taxes payable by the Fund and the Unitholders collectively are otherwise minimized. If there is any change in the treatment under the Tax Act of the net income and net realized capital gains of the Fund that would cause the method of distribution set out herein to frustrate this intention, the Manager may, without notice to, or the vote or assent of, the Unitholders, alter the method of distribution or discontinue any distribution policy for the purpose of minimizing taxes payable collectively by the Fund and the Unitholders, provided that no such alteration or discontinuance shall be prejudicial to Unitholders.

AMENDMENTS TO TRUST INDENTURE

Subject to the provisions below, the Manager may, with the consent of the Trustee, amend any provision of the Trust Indenture (other than the provisions specified below) without the approval of Unitholders provided the Unitholders are given at least 30 days prior written notice, and the amendment is specifically permitted in the Trust indenture, or if the amendment, in the opinion of counsel for either the Trustee or the Manager, does not constitute a material change and does not relate to any of the matters specified below. Notwithstanding the foregoing, no amendment shall be made by the Manager which adversely affects the pecuniary value of the interest of any Unitholder in the Fund or restricts any protection provided to the Trustee or increases the responsibilities of the Trustee under the Trust Indenture.

Amendments may be made to the Trust Indenture by the Trustee with the consent of the Manager and without notice to Unitholders and without the approval of the Unitholders, if the amendment is intended to (i) ensure compliance with applicable laws, (ii) correct any ambiguity, defective or inconsistent provision, clerical omission or error provided that, in the opinion of the Manager and Trustee, the rights of Unitholders would not be prejudiced; (iii) provide additional protection to Unitholders; or (iv) enable the Trustee, upon receipt of instructions from the Manager in response to any amendment to the Tax Act or other relevant legislation, to expand or restrict the class of persons eligible to invest in the Fund.

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

- (a) to amend the Trust Indenture, for which the consent of Unitholders is required by applicable securities regulatory requirements;
- (b) to amend any of the amendment provisions of the Trust Indenture;
- (c) to change the basis of the calculation of a fee or expense that is charged to the Fund by the Manager or an affiliate of the Manager in a way that could result in an increase in charges to the Fund;
- (d) to change the Manager, unless the new Manager is an affiliate of the current Manager;
- (e) to change the fundamental investment objectives of the Fund;
- (f) to decrease the frequency of the calculation of the Net Asset Value of the Fund;
- (g) to undertake a reorganization with or transfer the Fund's assets to another fund, if the Fund ceases to continue after the reorganization or transfer of assets and the transaction results in the Unitholders becoming unitholders in the other fund;
- (h) to undertake a reorganization with or acquire assets from another fund, if the Fund continues after the reorganization or acquisition of assets, the transaction results in the unitholders of the other fund becoming Unitholders in the Fund and the transaction would be a significant change to the Fund, in the opinion of the Manager; or
- (i) to make any other amendment to the Trust Indenture deemed advisable by the Trustee or the Manager.

In addition, the consent of the Trustee and Manager is also required for any such amendment, if the amendment restricts any protection provided to the Trustee or Manager or impacts the responsibilities of the Trustee or Manager.

MEETINGS OF UNITHOLDERS

The Manager may convene such meetings of Unitholders as it considers appropriate or advisable from time to time or shall convene such a meeting where required by applicable securities legislation or under the Trust Indenture or upon written request of Unitholders holding not less than 50% of the outstanding Units. A notice of meeting shall be given 10 days prior to the meeting and shall be accompanied by sufficient information to permit Unitholders to make a reasonable judgment as to any matters to be put before the meeting. Accidental error or omission in giving notice to any Unitholder shall not invalidate any action or proceeding founded on such notice.

A quorum for purposes of a meeting of Unitholders shall be two Unitholders present in person or represented by proxy at the meeting. If within one-half hour from the time appointed for the meeting a quorum is not present, the meeting shall stand adjourned to such day and such time, not being less than 15 days thereafter, and to such place as may be appointed by the chairperson of the meeting, and at such adjourned meeting the Unitholders present in person or by proxy shall be a quorum. No notice of such an adjourned meeting must be provided to Unitholders. All

questions posed for the consideration of Unitholders at a meeting thereof shall be determined by a majority of the votes cast at the meeting by Unitholders in attendance in person or by proxy.

The chairperson of a meeting of Unitholders may, with the consent of any meeting of Unitholders at which a quorum is present, and shall if so directed by the meeting, adjourn the meeting from time to time, and from place to place, but no business shall be transacted at any adjourned meeting except business which might lawfully have been transacted at the meeting from which the adjournment took place.

None of the following shall occur unless duly approved by a majority of the votes cast by the Unitholders present in person or by proxy at the meeting of Unitholders which has been duly called for the purpose: (i) any matter for which the approval of the Unitholders is required by the applicable securities legislation; (ii) amendments to the Trust Indenture for which approval of Unitholders is required under the Trust Indenture; (iii) any other matter or thing stated herein to be required to be confirmed, consented to or approved by the Unitholders; and (iv) any other matter which the Manager considers appropriate to present to the Unitholders for their confirmation, consent or approval.

Any action which may be taken or any powers which may be exercised by the Unitholders at a meeting may also be taken and exercised by a resolution in writing signed by the Unitholders who hold not less than 66% of the Units. Notice of any written resolution passed in accordance with this section shall be given by the Manager to the Unitholders affected thereby within 30 days of the date on which the resolution was passed.

TERMINATION OF THE FUND

The Fund shall be wound up and terminated in the event that the Trustee has required the Manager to resign as Manager of the Fund or the Manager has given the Trustee 90 days prior written notice of its intention to resign as Manager and a successor manager has not been appointed in accordance with the terms of the Trust Indenture, or the Manager has provided instructions to the Trustee to terminate the Fund.

RISK FACTORS

There are risks associated with an investment in Units, arising from, among other considerations, the nature and operations of the Fund. An investment in Units should only be made after consultation with independent qualified sources of investment and tax advice. An investment in the Fund 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 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 this Offering Memorandum and applicable securities legislation. 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. Subscribers should review closely the investment objective and investment strategies to be utilized by the Fund as outlined herein to familiarize themselves with the risks associated with an investment in the Fund.

Liquidity of Underlying Investment

Some of the securities in which the Fund intends 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

Fund 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 may not be able to sell or repurchase significant portions of such positions without facing substantially adverse prices. If the Fund is required to transact in such securities before its intended investment horizon, the performance of the Fund could suffer.

Shorting

The Fund may engage in selling securities short. Selling a security short (“**shorting**”) 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. 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 many 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 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 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 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.

Options

Purchasing and selling eligible 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.

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 such investment techniques and instruments such as futures and options transactions, margin transactions and short sales which practices can, in certain circumstances, increase any losses. A lack of liquidity during a market panic could cause significant mark-to-market losses.

Liquidity of Investment

An investment in the Fund 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. In certain circumstances, the Manager 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 this investment.

Reliance on Manager

The success of the Fund will be primarily dependant upon the efforts of the employees of the Manager. The loss of its employees’ services could result in the Manager’s inability to trade effectively the Fund’s account. In the event that the Manager no longer acts as manager to the Fund, there can be no assurance that a suitable successor manager or investment advisor, as appropriate, would be located or appointed.

No Assurance of Return or Income

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

Tax Liability

The net income or loss of the 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. Securities owned and sold short by the Fund will be valued for tax purposes at cost, and only realized losses will be taken into account. Therefore, a Unitholder'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.

Performance Fee

The Performance Fee may create an incentive for the Manager to cause the Fund 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 Fund, 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 the Performance Fee is calculated on a basis which includes unrealized appreciation of the assets, the Performance Fee may be greater than if such compensation were based solely on realized gains.

Funding Deficiencies

If, as a result of a distribution by the Fund, the Fund's capital is reduced and the Fund is unable to pay its debts as they become due, the Unitholders 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, Unitholders may lose their entire investment in the Fund.

Not a Public Mutual Fund

The Fund is not a reporting issuer "mutual fund" for securities laws purposes and is not subject to the restrictions placed on public mutual funds to ensure diversification and liquidity of the Fund's portfolio. 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.

Substantial Losses and Possible Effect of Redemptions

The Fund may at any time incur losses resulting in substantial redemptions by Unitholders. Substantial redemptions of Units could require the 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 the Fund's assets become depleted the Fund's portfolio could become sufficiently restricted to make it difficult to achieve the Fund's investment objective. Such factors could adversely affect the value of the Units redeemed and of the Units remaining outstanding.

Redemptions in Kind

Provided that the Fund qualifies as a mutual fund trust for purposes of the Tax Act or is a registered investment at a particular time, the Units will be qualified investments for trusts governed by registered retirement savings plans ("RRSPs"). RRSPs will generally not be liable for tax in respect of any distributions received from the Fund. In the

event that on a redemption of Units, a Unitholder that is a RRSP receives a distribution in kind from the Fund, such property may not be a qualified investment for a RRSP. Where the distribution in kind is comprised of non-qualified investments (“**Non-Qualified Investments**”), the Unitholder that is a RRSP would be required to include, at the time the Non-Qualified investments are acquired, the value of the Non-Qualified Investments in their income and the RRSP would be subject to tax on its income and capital gains from the Non-Qualified Investments while the Non-Qualified Investments remain non-qualified investments. Subsequently, where the RRSP disposes of the Non-Qualified Investments, the RRSP may deduct an amount equal to the lesser of (i) the amount included in its income or (ii) the proceeds of disposition. Investors are urged to consult with their tax advisors in respect of purchases made through a registered RRSP.

Charges to the Fund

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

Lack of Independent Experts Representing Unitholders

Each of the Fund and the Manager are represented by a single legal counsel. Unitholders have not been independently represented by legal counsel. To the extent that the Fund, Unitholders or this offering could benefit from further independent review, such benefit will not be available. Each prospective investor should consult his own legal, tax and financial advisers regarding the desirability of purchasing Units and the suitability of investing in the Fund.

No Involvement of Unaffiliated Selling Agent

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

Achievement of Investment Objective

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

Potential Lack of Diversification

The Fund 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 portfolio may be subject to more rapid or dramatic changes in value than would be the case if the Fund were required to maintain a wide diversification among companies, industries, regions, types of securities and other asset classes.

Changes in Applicable Law

Legal, tax and regulatory changes may occur that can adversely affect the Fund and Unitholders. 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 or Unitholders.

Interest Rate Risks

The Fund is 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.

Use of Derivatives

The Fund 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 that the Fund invests 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 from achieving the intended hedge effect or expose the Fund to the risk of loss. In addition, derivative instruments may not be liquid at all times, so that in volatile markets the Fund 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 the Fund to hedge its exposure will not result in material losses.

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 Fund may be denominated in non-Canadian currencies. The Fund nevertheless will compute and distribute its income in Canadian dollars. Since the Fund 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 portfolio and the unrealized appreciation or depreciation of investments. Further, the Fund may incur costs in connection with conversions between various currencies.

Smaller Capitalization Companies

The Fund may invest at any time 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.

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 to liquidate positions and could thereby expose the Fund to losses.

Convergence Risk

The Fund 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 may incur a loss.

Changes in Investment Strategy

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

Distributions and Allocations

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

Valuation of the Fund's Investments

While the 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 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 Trust Indenture.

The Fund may have some of its assets in investments which by their very nature may be extremely difficult to value accurately. To the extent that the value assigned by the Fund 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 Unitholder who redeems all or part of its Units while the Fund holds such investments will be paid an amount less than the Unitholder would otherwise, indirectly, be paid if the actual value of such investments is higher than the value designated by the Fund. Similarly, there is a risk that the Unitholder 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. In addition, there is risk that an investment in the Fund by another investors (or an additional investment by an existing Unitholder) could dilute the value of such investments for the other Unitholders if the designated value of such investments is higher than the value designated by the auditors of Fund. Further, there is risk that a new subscriber 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. The Fund does not intend to adjust the Net Asset Value of the Fund retroactively.

Potential Indemnification Obligations

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

Liability of Unitholders

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

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 POLICY

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 pooled funds managed by it, including the Fund. 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 manager to the Fund and earns a Management Fee and Performance Fee for acting as the manager. The Manager also acts as the distributor of the Fund and the Units are available for purchase directly from the Manager and are not available for purchase from the Trustee. The Manager does not charge a commission on the sale of the Units. As a result, the Fund is considered to be a connected issuer of the Manager. Details of the fees earned by the Manager are fully disclosed elsewhere in this Offering Memorandum.

Waiver of Conflict of Interest

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

Robert W. Blakely, the president and a director of the Manager is also the president and a director of Likrilyn, the principal shareholder of the Manager. 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 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.

The Manager in its capacity as Manager shall not be required to devote its full time and attention to the affairs of the Fund 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, 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 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 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 and may have conflicts of interest in allocating their time and activity between the Fund and their other investment accounts. These persons will devote only so much time and attention to the affairs of the Fund as is necessary and appropriate. The Manager and its affiliates will endeavour to treat each client under management, including the Fund, 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 Fund is 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 may hold securities of an issuer

with respect to which the Manager has adverse information or 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 Fund.

PROCEEDS OF CRIME (MONEY LAUNDERING) LEGISLATION

In order to comply with applicable legislation aimed at the prevention of money laundering, the Trustee and 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 Trustee, the Manager, any director, officer or employee of the Manager or the Trustee, or its 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 Trustee or the Manager reasonably believes has appropriate jurisdiction, in order to satisfy, or that the Trustee or the Manager determines in its sole and absolute discretion is in the best interests of the Fund in light of, any applicable laws, rules or regulations to which the Trustee or the Manager is 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 Unitholders is collected and maintained. Such personal information is collected to enable the Manager to provide Unitholders with services in connection with their investment in the Fund, to meet legal and regulatory requirements and for any other purpose to which Unitholders may consent in the future. By completing a subscription for Units, investors will consent to the collection, use and disclosure of his personal information in accordance with 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 or (ii) a right of action against the Fund, 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 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 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 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 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 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), *The Securities Act* (Manitoba), *Securities Act* (Quebec), *Securities Act* (Newfoundland and Labrador) and *Securities Act* (Prince Edward Island) do not provide or require the Fund 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 Fund hereby grants 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 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 Manager's current beliefs and are based on information currently available to 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 can attract and maintain investors and has sufficient capital under management to effect its investment strategies, (ii) the investment strategies will produce the results intended by 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 Manager believes to be reasonable assumptions, the Manager cannot 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 Manager assumes no obligation to update or revise them to reflect new events or circumstances.

NORTHERN RIVERS CAPITAL MANAGEMENT INC.

Suite 2000, Royal Bank Plaza

North Tower, 200 Bay Street

Toronto, Ontario

M5J 2J2

Tel No.: (416) 597-1226

Fax No.: (416) 597-8926

Toll Free No.: 1-866-902-7060

Hugh Cleland

Portfolio Manager

2016030.15