This Amended and Restated Confidential Offering Memorandum ("Offering Memorandum") constitutes an offering of securities only in those jurisdictions and to those persons where and to whom they may lawfully be offered for sale. This Offering Memorandum is not, and under no circumstances is to be construed as, a prospectus or an advertisement for a public offering of these securities. No securities commission or similar authority in Canada has in any way passed upon the merits of the securities offered in this Offering Memorandum nor has it reviewed this Offering Memorandum and any representation to the contrary is an offence.

No person has been authorized to give any information or to make any representations about the Funds not contained in this Offering Memorandum. Any such information or representation which is given or received must not be relied upon by any investor.

PICTON MAHONEY EQUITY FUNDS

PICTON MAHONEY MARKET NEUTRAL EQUITY FUND
Class A and Class F Units

PICTON MAHONEY LONG SHORT EQUITY FUND
Class A and Class F Units

AMENDED AND RESTATED CONFIDENTIAL OFFERING MEMORANDUM

June 3, 2019

The distribution of trust units ("Units") of the Picton Mahoney Market Neutral Equity Fund and the Picton Mahoney Long Short Equity Fund (the "Funds") pursuant to this Offering Memorandum is exempt from the requirement that the Funds prepare and file a prospectus with securities regulatory authorities. Accordingly, any resale of the Units permitted by the Trust Declaration (as defined below) must be made in accordance with applicable securities laws and which may be subject to resale restrictions. As there is no market for these Units, it may be difficult or even impossible for investors to sell their Units. The securities, however, may be redeemed in accordance with the provisions of this Offering Memorandum. Purchasers are advised to seek legal advice prior to any resale of the Units.

Potential investors should pay particular attention to the information under the heading "Certain Risk Factors" in this Offering Memorandum. An investment in the Funds requires the financial ability and willingness to accept certain risks. No assurance can be given that the investment objectives of the Funds will be achieved or that investors will receive a return of their capital.

SUMMARY

The following is a summary of the terms and conditions of an investment in the Picton Mahoney Equity Funds. This summary is qualified in its entirety by the more detailed information contained in this Offering Memorandum and the information contained in the Trust Declaration (as defined below). Prospective investors are encouraged to consult their own professional advisors as to the tax and legal consequences of investing in the Funds. Unless otherwise indicated, all amounts are expressed in Canadian dollars.

The Funds

The two (2) separate funds offered herein are:

Picton Mahoney Market Neutral Equity Fund; and

Picton Mahoney Long Short Equity Fund

(individually a "Fund", together the "Funds")

Each Fund is an open-ended trust established under the laws of the Province of Ontario by a master declaration of trust originally dated March 9, 2015, as amended and restated as of March 17, 2017 and as the same may be further amended, restated or supplemented from time to time (the "Trust Declaration"). Picton Mahoney Asset Management acts as the trustee and the manager (the "Trustee", the "Manager" or "Picton Mahoney") of the Funds pursuant to the Trust Declaration. Each Fund is permitted to issue trust units ("Units", and a holder of such Units, the "Unitholders") in an unlimited number of classes to qualified investors in the provinces and territories of Canada ("Offering Jurisdictions") pursuant to prospectus exemptions.

Investment Approach

Picton Mahoney utilizes an investment process that combines a quantitative approach with fundamental analysis. The Manager believes this combination creates a highly disciplined and repeatable investment process and is the key to successful investing. The Manager employs a multi-factor model that emphasizes factors that have shown to be effective at differentiating between strong and weak performing investment opportunities. These factors include: fundamental change, valuation, growth and quality. The Manager typically has a shorter investment horizon than other types of fund managers. The Manager seeks gains through significant movements in stock prices that can occur over a short to intermediate term time horizon.

Picton Mahoney Market Neutral Equity Fund

Investment Objective

The investment objective of the Picton Mahoney Market Neutral Equity Fund (the "Market Neutral Fund") is to provide consistent long-term capital appreciation and to provide Unitholders with an attractive risk-adjusted rate of return with less volatility than traditional equity markets and low correlation to major equity markets.

Investment Strategies

The Market Neutral Fund will be managed in accordance with the investment approach and the following strategies:

Investing Long in Securities

Making long investments in securities of companies identified as attractive investment candidates by the Manager's investment process.

Short Selling Securities

Short selling of securities of companies identified as unattractive investments by the Manager's investment process and/or to hedge the market exposure of the Market Neutral Fund's long positions.

Pairs Trading

Taking short positions from time to time in securities of one issuer while taking a long position in securities of another issuer in an attempt to gain from the relative valuation differences between the two issuers. A pairs trade will be made when the Manager feels the long position will appreciate in value when compared to the short position.

Private Placements and IPOs

Participating in initial public offerings, secondary offerings, and private financings (including special warrant financings) in existing publicly traded issuers. The Market Neutral Fund shall not invest in any private placements by a private company.

Derivatives

The Market Neutral Fund may use derivatives to reduce or hedge against various risks including currency exchange risk associated with its foreign investments, and to obtain investment exposures on positions consistent with its investment objective, strategies and risk management. The derivatives that the Market Neutral Fund may use in this regard are clearing corporation and over-the-counter (OTC) options or forwards. The Market Neutral Fund may also employ various option strategies to increase its income return including, but not limited to, covered call and put writing.

Managing Long and Short Positions

Managing the relative weightings of long and short positions to achieve the Market Neutral Fund's investment objective.

In order to achieve its investment objective, the Market Neutral Fund will be structured so that it generally possesses minimal equity market exposure. That is, on average, over an entire market cycle, the Manager expects the Market Neutral Fund will possess a net 0% long exposure with a forecasted market risk, or market beta, of approximately 0.0.

On average, over time, the Manager expects that, for every $100 invested, the Market Neutral Fund shall be constructed as follows:

$100 Cash =	$100 stock bought long
	($100) stock sold short
	$100 cash or money market

As illustrated above, the Market Neutral Fund invests an amount approximately equal to its Net Asset Value in cash or money market instruments. The Market Neutral Fund is expected on average to generate approximately 1.0 times this amount by selling securities short and using the cash raised from the shorted securities to buy other securities. The Manager intends to periodically rebalance the portfolio so that, after each rebalancing, the value of the long positions is approximately equal to the Market Neutral Fund's borrowing obligations in connection with the short positions.

Leverage

The Market Neutral Fund is authorized to borrow in order to increase its investment leverage. On a position by position basis, margin requirements of the applicable exchange will be adhered to by the Market Neutral Fund. On average, over time the Market Neutral Fund expects to utilize leverage of two times its net assets, at the time of investment.

Investments in other funds managed by the Manager

The Market Neutral Fund may invest in units of other funds for which the Manager is the manager and/or portfolio manager in accordance with applicable securities law and with regulatory orders it has obtained.

Picton Mahoney Long Short Equity Fund

Investment Objective

The investment objective of the Picton Mahoney Long Short Equity Fund (the "Long Short Fund") is to provide consistent long-term capital appreciation and to provide Unitholders with an attractive risk-adjusted rate of return.

Investment Strategies

The Long Short Fund will be managed in accordance with the investment approach and the following strategies:

Investing Long in Securities

Making long investments in securities of companies identified as attractive investment candidates by the Manager's investment process.

Short Selling Securities

Short selling of securities of companies identified as unattractive investments by the Manager's investment process and/or to hedge the market exposure of the Long Short Fund's long positions.

Pairs Trading

Taking short positions from time to time in securities of one issuer while taking a long position in securities of another issuer in an attempt to gain from the relative valuation differences between the two issuers. A pairs trade will be made when the Manager feels the long position will appreciate in value when compared to the short position.

Private Placements and IPOs

Participating in initial public offerings, secondary offerings, and private financings (including special warrant financings) in existing publicly traded issuers. The Long Short Fund shall not invest in any private placements by a private company.

Derivatives

The Long Short Fund may use derivatives to reduce or hedge against various risks including currency exchange risk associated with its foreign investments, and to obtain investment exposures on positions consistent with its investment objective, strategies and risk management. The derivatives that the Long Short Fund may use in this regard are clearing corporation and over-the-counter (OTC) options or forwards. The Long Short Fund may also employ various option strategies to increase its income return including, but not limited to, covered call and put writing.

Managing Long and Short Positions

Managing the relative weightings of long and short positions to achieve the Long Short Fund's investment objective.

In order to achieve its investment objective, the Long Short Fund will be structured so that it generally possesses positive but not full equity market exposure. That is, on average, over an entire market cycle, the Manager expects the Long Short Fund will possess a 50% net long exposure to the equity market. The Manager may alter the net market exposure of the Long Short Fund depending on the Manager's expectations of the direction of the overall equity markets within a permitted range of 150% net long exposure and 50% net short exposure.

Leverage

The Long Short Fund is authorized to borrow in order to increase its investment leverage. On a position by position basis, margin requirements of the applicable exchange will be adhered to by the Long Short Fund

Investments in other funds managed by the Manager

The Long Short Fund may invest in units of other funds for which the Manager is the manager and/or portfolio manager in accordance with applicable securities law and with regulatory orders it has obtained.

Risk Management

Picton Mahoney utilizes disciplined risk controlled quantitative techniques to construct portfolios. First, using historical analysis the Manager sets an expected volatility target for each Fund's portfolio. Second, the Manager jointly constructs a long and short portfolio to minimize unwanted risk exposures. The Manager controls for factors including: liquidity, size, sector exposure, industry exposure, position size, and company specific factors. Each Fund's portfolio is reviewed and rebalanced on a regular and ongoing basis to maintain the risk reward target.

Investment Restrictions

The Funds are subject to various investment restrictions. See "Risk Management and Investment Restrictions – Investment Restrictions".

Price

Units will be offered at the Class Net Asset Value per Unit calculated as of the applicable Valuation Date (as defined herein). Fractional Units will be issued up to three decimal points.

The Manager

Picton Mahoney is the Manager of the Funds and is responsible for the day-to-day business of the Funds, including the management of the Funds' investment portfolios. The Manager is registered with the applicable securities regulatory authorities as an Exempt Market Dealer, Investment Fund Manager, Portfolio Manager and Commodity Trading Manager. The Manager carries out its advisory activities from Toronto, Canada.

Picton Mahoney was formed in 2004 as a portfolio management boutique providing investment management services to institutional clients. Two of the Manager's principals, David Picton and Michael Mahoney, were founding partners at Synergy Asset Management Inc. ("Synergy") in 1997. Their team joined CI Investments ("CI") when CI purchased Synergy in 2003 and they have continued to act as sub-advisor to the Synergy funds since that time.

The Trustee

Picton Mahoney is the Trustee of the Funds.

Units of the Funds

An investment in a Fund is represented by Units. Each Fund is permitted to have an unlimited number of classes of Units (each, a "Class") having such terms and conditions as the Manager may determine. Additional Classes may be offered in future on different terms, including having different fee and dealer compensation terms and different minimum subscription levels. Each Unit of a Class represents an undivided ownership interest in the net assets of the Fund attributable to that Class of Units. The Funds will consult with their tax advisors prior to the establishment of each new Class to ensure that the issuance of Units of the Class will not have adverse Canadian tax consequences. Two (2) Classes of Units of each Fund are offered under this Offering Memorandum.

Class A Units are designed for investors investing $25,000 or more, who are not eligible to purchase Class F Units.

Class F Units are designed for investors who are enrolled in a dealer sponsored fee for service or wrap program and who are subject to an annual asset based fee rather than commissions on each transaction or, at the discretion of the Manager, any other investor for whom the Manager does not incur distribution costs, investing $25,000 or more.

Each Fund issues Class I Units, including to other funds managed by the Manager, which are not charged management fees or performance fees.

Expenses

The Manager paid for the costs of initially organizing the Funds and offering the Units, including the fees and expenses of counsel and the Funds' auditors.

The Funds will pay for all routine and customary expenses relating to the Funds' operation, including registrar and transfer agency fees and expenses, trustee fees (if any), custodian fees, auditing, legal and accounting fees, communication expenses, printing and mailing expenses, all costs and expenses associated with the sale of Units including securities filing fees (if any), expenses relating to providing financial and other reports to Unitholders and convening and conducting meetings of Unitholders, all taxes, assessments or other governmental charges levied against the Funds, interest expenses and all brokerage and other fees relating to the purchase and sale of the assets of the Funds. In addition, the Funds will pay for expenses associated with ongoing investor relations and education relating to the Funds.

Management Fee

For providing its services to the Funds, the Manager receives a management fee (the "Management Fee") from each Fund attributable to the Class A Units and the Class F Units of the Funds, respectively. Each Class of Units is responsible for the Management Fee attributable to that Class.

The Class A Units of each Fund are charged a Management Fee equal to 0.50% per quarter (2.00% per annum) of the Net Asset Value of the Class A Units of the Fund, plus applicable taxes, calculated and accrued on each Valuation Date, and payable on the last Valuation Date of each quarter.

The Class F Units of each Fund are charged a Management Fee equal to 0.25% per quarter (1.00% per annum) of the Net Asset Value of the Class F Units of the Fund, plus applicable taxes, calculated and accrued on each Valuation Date, and payable on the last Valuation Date of each quarter.

Performance Fee

The Manager receives a performance fee (the "Performance Fee") from each Fund attributable to the Class A Units and the Class F Units respectively. Each Class of Units is responsible for the Performance Fee attributable to that Class. Each Class is charged a performance fee equal to 20% of the amount by which the performance of a Fund exceeds the previous high-water mark for the Class A Units or the Class F Units, as the case may be, plus applicable taxes. The Performance Fee shall be calculated and accrued on each Valuation Date and shall be payable at the end of each calendar quarter.

See "Performance Fee".

Dealer Compensation

Registered dealers ("Dealers") who distribute Units may be paid a sales commission of up to 5.00%, which will be deducted from the purchase order and paid by the investor to the Dealer. Sales commissions may be negotiated between the Dealer and the investor.

The Manager will pay Dealers servicing commissions as compensation for ongoing advice and service in respect to Class A Units. The servicing commissions are accrued on each Valuation Date and are paid quarterly at a current annual rate of 1.00% of the Class Net Asset Value of the Class A Units held by clients of the Dealer.

In addition, the Manager will pay an amount equal to a portion of its Performance Fee to Dealers with client assets invested in Class A Units and Class F Units of the Funds. Dealers will be paid an amount equal to 10% of the Manager's Performance Fee attributable to their clients' investment in Class A Units and Class F Units. The foregoing payment shall be to the extent permitted by applicable securities legislation.

See "Dealer Compensation".

Purchase of Units

Investors may be admitted to the Funds or may acquire additional Units on a weekly basis as of the last Business Day (any day on which the Toronto Stock Exchange ("TSX") is open for trading is hereinafter referred to as a "Business Day") of each calendar week. Units of the Funds are offered at the Class Net Asset Value per Unit calculated as of the applicable Valuation Date.

Each of the Classes of a Fund can be purchased with only Canadian dollars.

Minimum Investment

The minimum initial investment in a Fund is $25,000 and the Manager has the discretion to accept a lesser initial subscription, provided, in each case, that the issuance of Units in respect of such subscription shall otherwise be exempt from the prospectus requirements of applicable securities legislation. Subsequent investments are subject to an additional minimum investment of $5,000 subject to applicable securities legislation. See "Investing in Units of the Funds".

Redemptions

Units may be surrendered to the Manager for redemption at any time. A Unitholder may have his or her Units redeemed on any Valuation Date at the Class Net Asset Value per Unit as of that Valuation Date. Under certain circumstances, the Manager is entitled to suspend or restrict rights of redemption. See "Redemption of Units".

Short-Term Trading Deduction

In order to protect the interest of the majority of investors in a Fund and to discourage short-term trading in a Fund, investors may be subject to a short-term trading deduction. If an investor redeems Units of a Fund within 120 days of purchasing such Units, the Fund may deduct and retain, for the benefit of the remaining Unitholders in the Fund, five percent (5.00%) of the Class Net Asset Value of the Units being redeemed. See "Redemptions of Units – Short-Term Trading Deductions".

Transfers of Units

No transfers of Units of a Fund may be made other than by operation of law or with the consent of the Manager. Units will also be subject to certain resale restrictions under applicable securities laws.

Valuation

Each Fund's net asset value (the "Net Asset Value") is calculated as the value of the Fund's assets, less its liabilities, computed on a particular date in accordance with the Trust Declaration. The Administrator of the Funds (or such other person or entity designated by the Manager) will calculate the Net Asset Value of the Funds as of the last Business Day of each week, at the close of regular trading on the TSX, normally 4:00 p.m. (Eastern time) (each, a "Valuation Date").

The Class Net Asset Value per Unit on a Valuation Date is obtained by dividing the value of the assets of a Fund less the amount of its liabilities, in each case attributable to that Class, by the total number of Units of the Class outstanding at the close of business on the Valuation Date and adjusting the result to a maximum of three decimal places.

See "Determination of Net Asset Value".

Distributions

Each Fund intends to distribute sufficient net income and net realized capital gains, if any, to Unitholders in each calendar year to ensure that the Fund is not liable for income tax under Part I of the *Income Tax Act* (Canada) (the "Tax Act"), after taking into account any loss carry forwards and capital gains refunds. All distributions (other than Fee Distributions described in "Fees and Expenses") will be made on a *pro rata* basis within each Class to each registered Unitholder determined as of the close of business on the last Valuation Date prior to the date of the distribution. See "Distributions".

Tax Consequences

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

Eligibility for Investment

Provided a Fund qualifies as a "mutual fund trust" for purposes of the Tax Act, Units of such Fund will be qualified investments for a trust governed by a registered retirement savings plan ("RRSP"), a registered retirement income fund ("RRIF"), a deferred profit sharing plan ("DPSP"), a registered education savings plan ("RESP"), a registered disability savings plan ("RDSP") and a tax-free savings account ("TFSA") (each, a "Registered Plan").

Notwithstanding the foregoing, the holder of a TFSA or RDSP, the annuitant of an RRSP or RRIF, or the subscriber of an RESP (each, a "Plan Holder") will be subject to a penalty tax in respect of Units held in such account, plan or fund if such Units are a "prohibited investment" for the purposes of the Tax Act. Plan Holders should consult their own tax advisors with respect to whether Units would be "prohibited investments" for their TFSAs, RRSPs, RRIFs, RESPs or RDSPs and the tax consequences of Units being acquired or held by trusts governed by such accounts, plans or funds.

See "Eligibility for Investment".

Risk Factors

The Funds are subject to various risk factors. See "Certain Risk Factors".

Fiscal Year

Each Fund's fiscal year will end on December 31st of each year.

Reports

Unitholders will be sent audited annual financial statements within 90 days of the Fund's fiscal year-end and unaudited semi-annual financial statements within 60 days of June 30th, or as otherwise required by law. Additional interim reporting to Unitholders will be at the discretion of the Manager. The Funds may enter into other agreements with certain Unitholders which may entitle such Unitholders to receive additional reporting. Unitholders will receive the applicable required tax form(s) within the time required by applicable law to assist Unitholders in making the necessary tax filings.

PICTON MAHONEY EQUITY FUNDS

SECTION 1 – PICTON MAHONEY EQUITY FUNDS

The two (2) separate funds offered herein are:

Picton Mahoney Market Neutral Equity Fund; and

Picton Mahoney Long Short Equity Fund

(individually a "Fund", together the "Funds")

Each Fund is an open-ended trust established under the laws of the Province of Ontario by a master declaration of trust originally dated March 9, 2015, as amended and restated as of March 17, 2017 and as the same may be further amended, restated or supplemented from time to time (the "Trust Declaration"). Picton Mahoney Asset Management acts as the trustee and the manager (the "Trustee", the "Manager" or "Picton Mahoney") of the Funds pursuant to the Trust Declaration. The office of the Funds and of the Manager is located at 33 Yonge Street, Suite 830, Toronto, Ontario M5E 1G4. Each Fund is permitted to issue trust units ("Units", and a holder of such Units, the "Unitholders") in an unlimited number of classes pursuant to the Trust Declaration. The description of provisions of the Trust Declaration contained herein is subject to and qualified in its entirety by the Trust Declaration.

SECTION 2 – INVESTMENT APPROACH, OBJECTIVES AND STRATEGIES

2.1 Investment Approach

Picton Mahoney utilizes an investment process that combines a quantitative approach with fundamental analysis. The Manager believes this combination creates a highly disciplined and repeatable investment process and is the key to successful investing. The Manager employs a multi-factor model that emphasizes factors that have shown to be effective at differentiating between strong and weak performing investment opportunities. These factors include: fundamental change, valuation, growth and quality. The Manager typically has a shorter investment horizon than other types of fund managers. The Manager seeks gains through significant movements in stock prices that can occur over a short to intermediate term time horizon.

2.2 Picton Mahoney Market Neutral Equity Fund

Investment Objective

The investment objective of the Picton Mahoney Market Neutral Equity Fund (the "Market Neutral Fund") is to provide consistent long-term capital appreciation and to provide Unitholders with an attractive risk-adjusted rate of return with less volatility than traditional equity markets and low correlation to major equity markets.

Investment Strategies

The Market Neutral Fund will be managed in accordance with the investment approach and the following strategies:

Investing Long in Securities

Making long investments in securities of companies identified as attractive investment candidates by the Manager's investment process.

Short Selling Securities

Short selling of securities of companies identified as unattractive investments by the Manager's investment process and/or to hedge the market exposure of the Market Neutral Fund's long positions.

Pairs Trading

Taking short positions from time to time in securities of one issuer while taking a long position in securities of another issuer in an attempt to gain from the relative valuation differences between the two issuers. A pairs trade will be made when the Manager feels the long position will appreciate in value when compared to the short position.

Private Placements and IPOs

Participating in initial public offerings, secondary offerings, and private financings (including special warrant financings) in existing publicly traded issuers. The Market Neutral Fund shall not invest in any private placements by a private company.

Derivatives

The Market Neutral Fund may use derivatives to reduce or hedge against various risks including currency exchange risk associated with its foreign investments, and to obtain investment exposures on positions consistent with its investment objective, strategies and risk management. The derivatives that the Market Neutral Fund may use in this regard are clearing corporation and over-the-counter (OTC) options or forwards. The Market Neutral Fund may also employ various option strategies to increase its income return including, but not limited to, covered call and put writing.

Managing Long and Short Positions

Managing the relative weightings of long and short positions to achieve the Market Neutral Fund's investment objective.

In order to achieve its investment objective, the Market Neutral Fund will be structured so that it generally possesses minimal equity market exposure. That is, on average, over an entire market cycle, the Manager expects the Market Neutral Fund will possess a net 0% long exposure with a forecasted market risk, or market beta, of approximately 0.0.

On average, over time, the Manager expects that, for every $100 invested, the Market Neutral Fund shall be constructed as follows:

$100 Cash = $100 stock bought long
($100) stock sold short
$100 cash or money market

As illustrated above, the Market Neutral Fund invests an amount approximately equal to its Net Asset Value in cash or money market instruments. The Market Neutral Fund is expected on average to generate approximately 1.0 times this amount by selling securities short and using the cash raised from the shorted securities to buy other securities. The Manager intends to periodically rebalance the portfolio so that, after each rebalancing, the value of the long positions is approximately equal to the Market Neutral Fund's borrowing obligations in connection with the short positions.

Leverage

The Market Neutral Fund is authorized to borrow in order to increase its investment leverage. On a position by position basis, margin requirements of the applicable exchange will be adhered to by the Market Neutral Fund. On average, over time the Market Neutral Fund expects to utilize leverage of two times its net assets, at the time of investment.

Investments in other funds managed by the Manager

The Market Neutral Fund may invest in units of other funds for which the Manager is the manager and/or portfolio manager (the "Underlying Funds") in accordance with applicable securities law and with regulatory orders it has obtained. Such investment, which may result in the Fund holding units representing more than 10% of either the votes attaching to the outstanding units of an Underlying Fund or the outstanding units of that Underlying Fund, may only be made if the Manager determines that an investment in an Underlying Fund is consistent with the investment objectives, investment strategies and investment restrictions of the Market Neutral Fund and in the best interests of the Market Neutral Fund. It is expected that the Market Neutral Fund will not invest more than 10% of its assets in an Underlying Fund, but may invest up to all of its assets in an Underlying Fund if the Manager determines that it is in the best interests of the Market Neutral Fund. The investment by the Market Neutral Fund in units of an Underlying Fund will not result in any duplication of management fees and performance fees to the Market Neutral Fund or the investors of the Market Neutral Fund and the Manager will not receive any management fees or performance fees in respect of the units of the Underlying Fund to be purchased by the Market Neutral Fund.

2.3 Picton Mahoney Long Short Equity Fund

Investment Objective

The investment objective of the Picton Mahoney Long Short Equity Fund (the "Long Short Fund") is to provide consistent long-term capital appreciation and to provide Unitholders with an attractive risk-adjusted rate of return.

Investment Strategies

The Long Short Fund will be managed in accordance with the investment approach and the following strategies:

Investing Long in Securities

Making long investments in securities of companies identified as attractive investment candidates by the Manager's investment process.

Short Selling Securities

Short selling of securities of companies identified as unattractive investments by the Manager's investment process and/or to hedge the market exposure of the Long Short Fund's long positions.

Pairs Trading

Taking short positions from time to time in securities of one issuer while taking a long position in securities of another issuer in an attempt to gain from the relative valuation differences between the two issuers. A pairs trade will be made when the Manager feels the long position will appreciate in value when compared to the short position.

Private Placements and IPOs

Participating in initial public offerings, secondary offerings, and private financings (including special warrant financings) in existing publicly traded issuers. The Long Short Fund shall not invest in any private placements by a private company.

Derivatives

The Long Short Fund may use derivatives to reduce or hedge against various risks including currency exchange risk associated with its foreign investments, and to obtain investment exposures on positions consistent with its investment objective, strategies and risk management. The derivatives that the Long Short Fund may use in this regard are clearing corporation and over-the-counter (OTC) options or forwards. The Long Short Fund may also employ various option strategies to increase its income return including, but not limited to, covered call and put writing.

Managing Long and Short Positions

Managing the relative weightings of long and short positions to achieve the Long Short Fund's investment objective.

In order to achieve its investment objective, the Long Short Fund will be structured so that it generally possesses positive but not full equity market exposure. That is, on average, over an entire market cycle, the Manager expects the Long Short Fund will possess a 50% net long exposure to the equity market. The Manager may alter the net market exposure of the Long Short Fund depending on the Manager's expectations of the direction of the overall equity markets within a permitted range of 150% net long exposure and 50% net short exposure.

Leverage

The Long Short Fund is authorized to borrow in order to increase its investment leverage. On a position by position basis, margin requirements of the applicable exchange will be adhered to by the Long Short Fund.

Investments in other funds managed by the Manager

The Long Short Fund may invest in units of Underlying Funds in accordance with applicable securities law and with regulatory orders it has obtained. Such investment, which may result in the Fund holding units representing more than 10% of either the votes attaching to the outstanding units of an Underlying Fund or the outstanding units of that Underlying Fund, may only be made if the Manager determines that an investment in an Underlying Fund is consistent with the investment objectives, investment strategies and investment restrictions of the Long Short Fund and in the best interests of the Long Short Fund. It is expected that the Long Short Fund will not invest more than 10% of its assets in an Underlying Fund, but may invest up to all of its assets in an Underlying Fund if the Manager determines that it is in the best interests of the Long Short Fund. The investment by the Long Short Fund in units of an Underlying Fund will not result in any duplication of management fees and performance fees to the Long Short Fund or the investors of the Long Short Fund and the Manager will not receive any management fees or performance fees in respect of the units of the Underlying Fund to be purchased by the Long Short Fund.

Statutory Caution

The foregoing disclosure of the Manager's investment strategies and intentions may constitute "forward-looking information" for the purpose of Ontario securities legislation, as it contains statements of the Manager's intended course of conduct and future operations of a Fund. These statements are based on assumptions made by the Manager of the success of its investment strategies in certain market conditions, relying on the experience of the Manager's officers and employees and their knowledge of historical economic and market trends. Investors are cautioned that the assumptions made by the Manager and the success of its investment strategies are subject to a number of mitigating factors. Economic and market conditions may change, which may materially impact the success of the Manager's intended strategies as well as its actual course of conduct. Investors are urged to read "Certain Risk Factors" below for a discussion of other factors that will impact the operations and success of a Fund.

SECTION 3 – RISK MANAGEMENT AND INVESTMENT RESTRICTIONS

3.1 Risk Management

Picton Mahoney utilizes disciplined risk controlled quantitative techniques to construct portfolios. First, using historical analysis the Manager sets an expected volatility target for each Fund's portfolio. Second, the Manager jointly constructs a long and short portfolio to minimize unwanted risk exposures. The Manager controls for factors including: liquidity, size, sector exposure, industry exposure, position size, and company specific factors. Each Fund's portfolio is reviewed and rebalanced on a regular and ongoing basis to maintain the risk reward target.

3.2 Investment Restrictions

The investment activities of each of the Funds will be conducted in accordance with certain restrictions, which include the following:

Sole Undertaking

A Fund will not engage in any undertaking other than the investment of the Fund's assets in accordance with the Fund's investment objective and investment strategies.

Fixed Price

A Fund will not purchase any security which may by its terms require the Fund to make a contribution in addition to the payment of the purchase price (other than pursuant to a permitted derivative transaction), provided that such restriction will not apply to the purchase of securities which are paid for on an installment basis where the total purchase price and the amount of all such installments are fixed at the time the first installment is paid.

Interest of Manager

A Fund will not purchase securities from, or sell securities to, the Manager or any of its affiliates or any individual who is a partner, director or officer of any of them, any employee of the Manager or any portfolio managed by the Manager. A Fund may, however, purchase units of other funds managed by the Manager, in accordance with applicable securities law and with regulatory orders it has obtained. It is expected that a Fund will not invest more than 10% of its assets in such other funds, but may do so if the Manager determines that it is in the best interest of the Fund.

Commodities

A Fund may not purchase any physical commodity.

Private Company Investments

A Fund may not invest in any company that does not have a public market for its securities.

Control Restrictions

Except as described herein and as may be permitted by applicable securities laws or regulatory relief therefrom, a Fund will not purchase a security of an issuer if, immediately after the purchase, the Fund would hold securities representing more than 10% of either the votes attaching to the outstanding securities of that issuer or the outstanding equity securities of that issuer, or purchase a security for the purpose of exercising control over or management of the issuer of the security. If the Fund acquires a security other than as the result of a purchase and the acquisition results in the Fund exceeding the 10% limit described in this paragraph, the Fund will, as quickly as is commercially reasonable (and in any event within 90 days of the acquisition), reduce their holdings of those securities so that they do not hold securities exceeding such limits.

Foreign Investment Restrictions

A Fund will not invest in (i) an interest in a trust (or partnership which holds such interest) which would require the Fund (or the partnership) to report income in connection with such interest pursuant to section 94.2 of the Tax Act; or (ii) the securities of any non-resident corporation, trust or other non-resident entity if the Fund would be required to include an amount in income pursuant to section 94.1 of the Tax Act.

SECTION 4: MANAGEMENT OF THE FUNDS

4.1 The Manager

Picton Mahoney is the Manager of the Funds and is responsible for the day-to-day business of the Funds, including the management of the Funds' investment portfolios. The Manager was formed under the laws of Ontario in 2004, to provide investment management services to the Canadian marketplace. Two of the Manager's principals, David Picton and Michael Mahoney, were founding partners at Synergy Asset Management Inc. ("Synergy") in 1997. Their team joined CI Investments ("CI") when CI purchased Synergy in 2003 and they have continued to act as sub-advisor to the Synergy funds since that time.

With over $7 billion in assets under management in sub-advisory, hedge fund and mutual fund assets as of March 31, 2019, Picton Mahoney is 100% employee owned. The Manager is registered with the applicable securities regulatory authorities as an Exempt Market Dealer, Investment Fund Manager, Portfolio Manager and Commodity Trading Manager. The Manager carries out its advisory activities from 33 Yonge Street, Suite 830, Toronto, Ontario M5E 1G4.

Pursuant to the Trust Declaration, the Manager has authority to manage the business and affairs of each of the Funds and has authority to bind a Fund. The Manager will be responsible for managing the assets of each of the Funds, will have complete discretion to invest and reinvest the Fund's assets, and will be responsible for executing all portfolio transactions. The Manager may delegate its powers to third parties where, in the discretion of the Manager, it would be in the best interests of the Fund to do so. The Manager is required to exercise its powers and discharge its duties honestly, in good faith, and in the best interests of the Fund and to exercise the care, diligence and skill of a reasonable prudent person in comparable circumstances. Among its other powers, the Manager may establish the Funds' operating expense budgets and authorize the payment of operating expenses.

The Trust Declaration provides that the Manager and certain affiliated parties have a right of indemnification from a Fund for legal fees, judgments and amounts paid in settlement incurred in carrying out their duties under the Trust Declaration, except in certain circumstances, including where there has been gross negligence, lack of good faith or wilful default on the part of the Manager or the Manager has failed to fulfill its standard of care as set out in the Trust Declaration. In addition, the Trust Declaration contains provisions limiting the liability of the Manager.

Pursuant to the Trust Declaration, the Manager may resign upon 90 days' written notice to the Unitholders of the Fund. The Manager must appoint a successor, which appointment must be approved by a majority of the Unitholders unless the successor is an affiliate of the Manager. If no successor Manager is appointed or if Unitholders fail to approve a successor the Fund shall be terminated.

Officers and Directors of the Manager

The name, municipality of residence, position with the Manager and principal occupation of each of the directors and officers of the Manager are set out below:

Name and Municipality of Residence	**Office**	**Principal Occupation(s)**
David Picton Toronto, Ontario	Member of the Executive Committee, President and Chief Executive Officer	Member of the Executive Committee, President and Chief Executive Officer
Arthur Galloway Toronto, Ontario	Member of the Executive Committee, Chief Financial Officer, Chief Operating Officer and Corporate Secretary	Member of the Executive Committee, Chief Financial Officer, Chief Operating Officer and Corporate Secretary
Catrina Duong Toronto, Ontario	Chief Compliance Officer	Chief Compliance Officer

David Picton

David Picton, President and Chief Executive Officer of Picton Mahoney, has 29 years of investment experience, including eight years as a top-ranked analyst and head of quantitative research at RBC Dominion Securities Inc. Mr. Picton has managed portfolios for Synergy since 1997, including the Synergy Canadian Class. Mr. Picton is a graduate of the University of British Columbia with a Bachelor of Commerce Honours degree. He also received a Leslie Wong Fellowship from UBC's prestigious Portfolio Management Foundation.

Arthur Galloway

Arthur Galloway, Chief Financial Officer, Chief Operating Officer and Corporate Secretary of Picton Mahoney, is responsible for company-wide financial operations, internal financial control and internal and external financial reporting. He is also responsible for the financial oversight and administration of Picton Mahoney's alternative investment funds. Before joining Picton Mahoney, he spent 10 years with Investors Financial Services, most recently as a Director, where his clients included numerous global asset management firms. He holds a Bachelor of Business degree in Finance from Brock University and is a CFA charterholder.

Catrina Duong

Catrina Duong, Chief Compliance Officer, is responsible for the monitoring and oversight of Picton Mahoney's compliance program. Ms. Duong has over 10 years of experience, most recently as a member of the Legal and Compliance Department at BlackRock Asset Management Canada Limited. She has a Bachelor of Arts (Hons) from the University of Toronto, a law degree from Queen's University and is a member of the Bar of the Province of Ontario.

4.2 The Trustee

Picton Mahoney acts as the trustee of the Funds pursuant to the Trust Declaration. The Trustee has those powers and responsibilities in respect of the Funds as described in the Trust Declaration. The Trustee is required to exercise its powers and discharge its duties honestly, in good faith and in the best interests of each of the Funds and to exercise the degree of care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances. Pursuant to the Trust Declaration, the Manager may remove the Trustee and appoint a successor trustee from time to time on 90 days' written notice or in certain other circumstances. The Trustee or any successor appointed pursuant to the terms of the Trust Declaration may resign upon 90 days' written notice to the Manager, who shall use its best efforts to appoint a successor trustee. If no successor Trustee is appointed the Funds shall be terminated.

The Trust Declaration provides that the Trustee and its affiliates have a right of indemnification from each of the Funds, and to the extent that the assets of the Fund are insufficient to satisfy such right, from the Manager, for any claims arising out of the execution of its duties as trustee, except in cases of negligence, willful default or bad faith on the part of the Trustee. In addition, the Trust Declaration contains provisions limiting the liability of the Trustee.

4.3 Conflicts of Interest

Services of the Manager not Exclusive to the Funds

The services of the Manager and its partners, and their respective directors, officers, employees, agents and associates are not exclusive to the Funds. The Manager and its partners, and any of their respective directors, officers, employees, agents and associates may, at any time, engage in the promotion, management or portfolio management of any other fund or trust (including any Underlying Funds) and provide similar services to other investment funds and other clients and engage in other activities. While the Manager and its partners and their respective directors, officers, employees, agents and associates devote as much of their respective time and resources to the activities of the Funds as in their respective judgment is reasonably required, they will not be devoting their time exclusively to the affairs of each Fund or both Funds. The Manager and its partners and their respective directors, officers, employees, agents and associates will therefore have conflicts of interest in allocating management time, services and functions among the Funds and such other persons for which it provides services (including any Underlying Funds). However, at all times the Manager will ensure a fair and equitable allocation of its management time, services and functions between each Fund and any other such persons to whom it provides services.

Allocation of Investment Opportunities

Investment decisions for each Fund will be made independently of those made for other clients and independently of investments of the Manager. On occasion, however, the Manager may make the same investment for a Fund and for one or more of its other clients (including any Underlying Funds). If a Fund and one or more of the other clients of the Manager are engaged in the purchase or sale of the same security, the transactions will generally be effected on an equitable basis. However, the Manager may determine from time to time that some investment opportunities are appropriate for certain investment management clients and not others, including the Funds, due to differing objectives, time horizons, liquidity needs or availability, tax consequences and assessments of general market conditions and of individual securities. The Manager may also

occasionally determine it to be necessary to allocate limited investment opportunities among the Funds and any other funds or managed accounts under its responsibility (including any Underlying Funds), on a basis deemed appropriate by the Manager. Certain funds or managed accounts may therefore show a gain or a loss that would otherwise not be present within other funds or accounts managed by the Manager.

Conflicts of Interest Policy

The Manager is an Exempt Market Dealer, an Investment Fund Manager, a Portfolio Manager and a Commodity Trading Manager. Additionally, the Funds may invest in units of the Underlying Funds for which the Manager is the manager and/or portfolio manager in accordance with applicable securities laws and with regulatory orders it has obtained. As a result, there are potential conflicts of interest that could arise in connection with the Manager acting in its capacities as Exempt Market Dealer, Investment Fund Manager, Portfolio Manager and Commodity Trading Manager and as the manager and/or portfolio manager of both the Funds and the Underlying Funds.

The Manager has adopted a conflict of interest policy to address and minimize those potential conflicts of interest. The policy states that the Manager will deal fairly, honestly and in good faith with all clients (including the Funds and the Underlying Funds) and not advantage one client over another. 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. Each Fund is a related issuer and a connected issuer of the Manager within the meaning of applicable Canadian securities legislation.

Interest of the Manager and Responsible Persons of Manager in Underlying Funds

The Manager and its partners, and their respective directors, officers, employees, agents and associates of the Manager who have access to, or participate in formulating and making decisions on behalf of the Funds or advice to be given to the Funds (each, a "Responsible Person") or affiliates of such Responsible Persons are also partners, directors or officers of the Underlying Funds.

Each Fund's investment in an Underlying Fund creates a potential conflict of interest for the Manager relating to the voting of the units of the Underlying Fund held by a Fund in that certain officers and directors of the Manager may be a substantial security holder of the Manager and also may have a significant interest in the Underlying Fund. The Manager intends to address this potential conflict of interest by not voting any units of the Underlying Fund held by a Fund (should the requirement for a vote arise); rather, the Manager may make arrangements to permit Unitholders of the Fund to exercise the votes attaching to the Fund's investment in the Underlying Fund.

The investment by the Funds in units of an Underlying Fund will not result in any duplication of management fees and performance fees to the Funds or the investors of the Funds and the Manager will not receive any management fees or performance fees in respect of the units of the Underlying Fund to be purchased by the Funds. In executing a subscription agreement for Units

of the Funds, investors will acknowledge the multiple roles of the Responsible Persons and consent to the investment by a Fund in the units of any Underlying Funds.

SECTION 5 – UNITS OF THE FUNDS

5.1 Classes of Units

An investment in a Fund is represented by Units. Each Fund is permitted to have an unlimited number of classes of Units (each, a "Class") having such terms and conditions as the Manager may determine. Additional Classes may be offered in future on different terms, including having different fee and dealer compensation terms and different minimum subscription levels. Each Unit of a Class represents an undivided ownership interest in the net assets of the Fund attributable to that Class of Units. The Funds will consult with their tax advisors prior to the establishment of each new Class to ensure that the issuance of Units of the Class will not have adverse Canadian tax consequences. Two (2) Classes of Units of each Fund are offered under this Offering Memorandum.

Class A Units are designed for investors investing $25,000 or more, who are not eligible to purchase Class F Units.

Class F Units are designed for investors who are enrolled in a dealer-sponsored fee for service or wrap program and who are subject to an annual asset based fee rather than commissions on each transaction or, at the discretion of the Manager, any other investor for whom the Manager does not incur distribution costs, investing $25,000 or more.

Each Fund issues Class I Units, including to other funds managed by the Manager, which are not charged management fees or performance fees.

Class A Units, Class F Units, Class I Units, together with each future Class, are referred to collectively as the "Classes."

Although the money invested by investors to purchase Units of any Class of a Fund is tracked on a Class by Class basis in each Fund's administration records, the assets of all Classes of a Fund will be combined into a single pool to create one portfolio for investment purposes.

All Units of the same Class have equal rights and privileges. Each whole Unit of a particular Class is entitled to one vote at meetings of Unitholders of a Fund where all Classes vote together, or to one vote at meetings of Unitholders where that particular Class of Unitholders of a Fund votes separately as a Class.

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

All Units of the same Class are entitled to participate *pro rata*: (i) in any payments or distributions (other than Fee Distributions described in "Fees and Expenses") made by a Fund to the Unitholders of the same Class; and (ii) upon liquidation of a Fund, in any distributions to Unitholders of the same Class of net assets of the Fund attributable to the Class remaining after satisfaction of outstanding liabilities of such Class. Units are not transferable, except by operation of law (for example, a death or bankruptcy of a Unitholder) or with the consent of the Manager. To dispose of Units, a Unitholder must have them redeemed.

Fractional Units carry the same rights and are subject to the same conditions as whole Units (other than with respect to voting rights) in the proportion which they bear to a whole Unit. Outstanding Units of any Class may be subdivided or consolidated in the Manager's discretion on 21 days' prior written notice. Units of a Class may be re-designated by the Manager as Units of any other Class having an aggregate equivalent Class Net Asset Value (as described in "Determination of Net Asset Value") if such re-designation is approved by the holder of the Units to be re-designated or with 30 days' prior written notice. See "Certain Canadian Federal Income Tax Considerations – Taxation of Unitholders" for the Canadian tax considerations associated with such a redesignation.

SECTION 6 – FEES AND EXPENSES

6.1 Expenses

The Manager paid for the costs of initially organizing the Funds and offering the Units, including the fees and expenses of counsel and the Funds' auditors.

Each of the Funds will pay for all routine and customary expenses relating to the Fund's operations, including registrar and transfer agency fees and expenses, trustee fees (if any), custodian fees, auditing, legal and accounting fees, communication expenses, printing and mailing expenses, all costs and expenses associated with the sale of Units including securities filing fees (if any), expenses relating to providing financial and other reports to Unitholders and convening and conducting meetings of Unitholders, all taxes, assessments or other governmental charges levied against the Fund, interest expenses and all brokerage and other fees relating to the purchase and sale of the assets of the Fund. In addition, the Fund will pay for expenses associated with ongoing investor relations and education relating to the Fund.

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

The Manager may from time to time waive any portion of the fees and reimbursement of expenses otherwise payable to it, but no such waiver affects its right to receive fees and reimbursement of expenses subsequently accruing to it.

6.2 Management Fee

For providing its services to the Funds, the Manager receives a management fee (the "Management Fee") from each Fund attributable to the Class A Units and Class F Units of the Funds, respectively. Each Class of Units is responsible for the Management Fee attributable to that Class.

The Class A Units of each Fund are charged a Management Fee equal to 0.50% per quarter (2.00% per annum) of the Net Asset Value of the Class A Units of the Fund, plus applicable taxes, calculated and accrued on each Valuation Date, and payable on the last Valuation Date of each quarter.

The Class F Units of each Fund are charged a Management Fee equal to 0.25% per quarter (1.00% per annum) of the Net Asset Value of the Class F Units of the Fund, plus applicable taxes, calculated and accrued on each Valuation Date, and payable on the last Valuation Date of each quarter.

Other Classes of the Funds are charged such management fee, if any, as described in the applicable offering document or agreement relating to such Classes.

6.3 Performance Fee

The Manager receives a performance fee (the "Performance Fee") in respect of each of the Class A Units and Class F Units of the Funds. The Performance Fee in respect of Class A and Class F Units shall be calculated and become a liability of the Fund on each Valuation Date and shall be payable at the end of each calendar quarter.

The Performance Fee in respect of each of the Class A Units and Class F Units, as the case may be, on a particular Valuation Date shall be equal to the product of (a) 20% of the positive difference between (i) the Adjusted Class Net Asset Value per Unit on the Valuation Date; and (ii) the greatest Class Net Asset Value per Unit on any previous Valuation Date (or the date Units of the Class were first issued, where no Performance Fee liability has previously arisen in respect of Units of the Class) (the "high water mark"); and (b) the number of Units outstanding on the applicable Valuation Date on which the Performance Fee is determined, plus applicable taxes. As used herein, Adjusted Class Net Asset Value per Unit on a Valuation Date means the Class Net Asset Value per Unit on the Valuation Date, without giving effect to any Performance Fee determined on such Valuation Date.

The Manager may make such adjustments to the Adjusted Net Asset Value per Unit of a Class and/or the applicable "high water mark" as are determined by the Manager to be necessary to account for the payment of any distributions on Units, any Unit splits or consolidations or any other event or matter that would, in the opinion of the Manager, impact upon the computation of Performance Fee. Any such determination of the Manager shall, absent manifest error, be binding on all Unitholders.

The Manager will pay an amount equal to a portion of the Performance Fee, if any, to certain Dealers.

Other Classes of the Funds are charged such performance fee, if any, as described in the applicable offering document or agreement relating to such Classes.

6.4 Fee Rebates

To encourage large investments in the Funds and to be able to offer fees which are competitive for investments of that size, and in certain other circumstances, the Manager may from time to time reduce the Management Fee and/or the Performance Fee that it otherwise would be entitled

to receive with respect to such an investor's investment in the Funds provided that the amount of the fee reduction is distributed (a "Fee Distribution") to such Unitholder. Fee Distributions of the Funds, where applicable, will be computed on each Valuation Date and shall be payable quarterly, or at such other times as the Manager may determine, first out of net income and the net capital gains of a Fund and thereafter out of capital. Any such reduction in Management Fees and/or Performance Fees in respect of a large investment in the Funds will be negotiated by the Manager and the investor or the investor's Dealer and will be based primarily on the size of the investor's investment in the Funds and the total amount of services provided to the investor with respect to their investment in the Funds. The Manager may also reduce its fees to encourage investors to invest in a new fund. A qualified investor can choose to receive the Fee Distribution in cash or in additional Units of a Fund. The amount of any Fee Distribution is income to the Unitholder receiving it, to the extent it is paid out of net income or net taxable capital gains of a Fund. See "Certain Canadian Federal Income Tax Considerations" and "Distributions".

6.5 The Underlying Fund Fees and Expenses

For providing its services to the respective Underlying Funds, the Manager receives a management fee and a performance from the respective Underlying Funds attributable to the certain classes of units of the applicable Underlying Fund. However, any investment by a Fund into units of the respective Underlying Funds will not result in any duplication of management fees and performance fees to the Fund or the investors of the Fund as any investment by a Fund into units of the respective Underlying Funds will only be in a class of units of the applicable Underlying Fund that carry no management and performance fees. For greater certainty, the Manager will not receive any management fees or performance fees in respect of the units of the Underlying Fund to be purchased by the Fund. In addition, no sales charges or redemption fees are payable by the Fund in relation to its purchase or redemption of units of the Underlying Fund.

Each Underlying Fund will pay for all routine and customary expenses relating to the Underlying Fund's operations, including registrar and transfer agency fees and expenses, trustee fees (if any), custodian fees, auditing, legal and accounting fees, communication expenses, printing and mailing expenses, all costs and expenses associated with the sale of units of the Underlying Fund including securities filing fees (if any), expenses relating to providing financial and other reports to unitholders of the Underlying Fund and convening and conducting meetings of unitholders of the Underlying Fund, all taxes, assessments or other governmental charges levied against the Underlying Fund, interest expenses and all brokerage and other fees relating to the purchase and sale of the assets of the Underlying Fund. In addition, the Underlying Fund will pay for expenses associated with ongoing investor relations and education relating to the Underlying Fund.

The class of units of the Underlying Fund purchased by the Fund will be responsible for the above expenses specifically related to that class of units of the Underlying Fund and a proportionate share of expenses that are common to all classes of units of the Underlying Fund. As a result Unitholders of a Fund which invests in an Underlying Fund will indirectly bear a proportionate share of such expenses of such Underlying Fund.

Copies of the offering memorandum, the most recent audited annual financial statements and the most recent unaudited semi-annual financial statements of the Underlying Funds in which the Fund is invested in will be made available to Unitholders upon request and may be inspected at the principal office of the Fund during normal business hours.

SECTION 7 – DEALER COMPENSATION

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

7.1 Sales Commissions

In the event of a Dealer sale, a sales commission of up to 5% may be deducted from the purchase order and paid by the investor to the Dealer. The remaining amount will be invested in the applicable Fund. Sales commissions may be negotiated between the Dealer and the investor. Units issued on a reinvestment of distributions as described under "Distributions" will not be subject to a sales commission.

No deferred sales charge option is available.

7.2 Servicing Fees

The Manager will pay servicing commissions to Dealers whose clients have purchased Class A Units of a Fund and remain invested in the Fund during the relevant quarter. The servicing commission, expressed as an annual percentage of the Class Net Asset Value per Unit, is 1% for Class A Units. The servicing commissions will be paid on a quarterly basis in arrears. The Manager does not pay servicing commissions in respect of Class F Units. Servicing commissions may be modified or discontinued by the Manager at any time.

7.3 Performance-Based Servicing Fees

The Manager will pay an amount equal to a portion of its Performance Fee to Dealers with client assets invested in Class A Units and Class F Units of a Fund. Dealers will be paid an amount equal to 10% of the Manager's Performance Fee attributable to their clients' investment in Class A Units and Class F Units of a Fund. The foregoing payment shall be to the extent permitted by applicable securities regulation.

The purpose of the performance-based servicing fee is to ensure that the Manager, the Dealer, its representatives and investors all have a common interest in the Funds performing well. The Manager at its discretion may calculate and pay performance-based servicing fees on a more or less frequent basis, or may modify, discontinue, or otherwise differentiate this fee among dealers at any time and from time to time.

The Manager may pay an amount equal to a portion of its Performance Fee, if any, with respect to other Classes of a Fund, as described in the applicable offering document or agreement relating to such Classes, to the extent permitted by applicable securities regulation.

SECTION 8 – INVESTING IN UNITS OF THE FUNDS

8.1 Purchase of Units

Investors may be admitted to a Fund or may acquire additional Units on a weekly basis as of the last Business Day (any day on which the Toronto Stock Exchange ("TSX") is open for trading is hereinafter referred to as a "Business Day") of each calendar week. The Units are being offered using the mutual fund order entry system FundSERV. Subscription for Units may be made directly through the Manager (in jurisdictions where it is registered to sell the securities) or from a distributor on the FundSERV network under the Manufacturer Code to Picton Mahoney Asset Management "PIC" and the order code:

"PIC100" for Class A Units of the Market Neutral Fund;
"PIC101" for Class F Units of the Market Neutral Fund;
"PIC200" for Class A Units of the Long Short Fund; and
"PIC201" for Class F Units of the Long Short Fund.

Funds in respect of any subscription will be payable by investors at the time of the subscription.

Investors who wish to subscribe for Units may do so by delivering a subscription agreement (substantially in the form of the subscription agreement accompanying the Offering Memorandum or such other form of subscription agreement as the Manager may approve) to the Manager, either directly (in jurisdictions where it is registered to sell the securities) or through Dealers or other persons permitted by applicable securities laws to sell Units, accompanied by a cheque, bank draft or, in the discretion of the Manager, wire transferred funds, in an amount equal to the purchase price on or before the last Business Day of the week. Units will be offered at the Class Net Asset Value per Unit calculated as of the applicable Valuation Date. The Class Net Asset Value per Unit for subscriptions which are received and accepted by the Manager prior to 4:00 p.m. (Eastern time) on the last Business Day of a week will be calculated as of the Valuation Date for that week. Subscriptions which are received and accepted by the Manager after 4:00 p.m. (Eastern time) on the last Business Day of a week will be calculated as of the Valuation Date for the following week. See "Determination of Net Asset Value". All subscriptions for Units are to be forwarded by Dealers, without charge, the same day that they are received, to the Manager or purchased using the FundSERV network, as applicable.

The Manager reserves the right to accept or reject orders, whether made through the Manager or entered on the FundSERV network, and any monies received with a rejected order will be refunded forthwith, without interest, other compensation or deduction after such determination has been made by the Manager. The Manager shall not accept subscriptions from and shall not direct the issuance or transfer of Units to: (a) any person who is or would be a "designated beneficiary" of a Fund, as such term is defined in Part XII.2 of the Tax Act, if, as a consequence thereof, a Fund would be liable for tax under Part XII.2 of the Tax Act; (b) a "financial institution", as defined in the Tax Act for the purposes of the mark-to-market rules, if a Fund itself would be deemed to be a "financial institution" under such rules as a result of such subscription/issuance of Units; or (c) a non-resident of Canada, if in the opinion of the Manager, the issuance or transfer of a Unit to such person could create a material risk that a Fund could lose its status as a mutual fund trust under the Tax Act. If at any time the Manager becomes aware that Units are beneficially owned by one or more entities described above, a Fund may redeem all or such portion of the Units on such terms as the Manager deems appropriate in the circumstances. All subscriptions for and/or transfers of Units shall, if required by the Manager, be accompanied by evidence satisfactory to the Manager confirming that the investor making the subscription or

transfer is not and will not be a "designated beneficiary" of a Fund. All subscriptions will be irrevocable. Fractional Units will be issued up to three decimal points.

A book-based system of registration is maintained for the Funds. Unit certificates will not be issued. The register for the Units is kept at the office of the Administrator.

8.2 Minimum Investment

The minimum initial investment in a Fund is $25,000 for the Class A Units and Class F Units and the Manager has the discretion to accept a lesser initial subscription, provided, in each case, that the issuance of Units of the Fund in respect of such subscription shall otherwise be exempt from the prospectus requirements of applicable securities legislation. Subsequent investments are subject to an additional minimum investment of $5,000 for all classes, or such lesser amount as the Manager may, in its sole discretion, determine subject to applicable securities legislation.

8.3 Distribution of Units

Units of the Funds are offered to investors resident in the provinces and territories of Canada (the "Offering Jurisdictions") pursuant to applicable exemptions from the prospectus requirements of the securities laws in the Offering Jurisdictions.

Subscriptions will be accepted from an investor who is purchasing Units with a minimum investment of $150,000, paid in cash, subject to applicable securities legislation, or an investor who is an "accredited investor" as described in applicable securities legislation. An investor who purchases as an "accredited investor" is required to notify the Manager if such investor's status changes.

SECTION 9 – REDEMPTION OF UNITS

9.1 How to Redeem Units

Units may be surrendered to the Manager for redemption at any time. A Unitholder may have his or her Units redeemed as of the last Business Day of any calendar week (the "Redemption Date") at the Class Net Asset Value per Unit as of the Redemption Date provided the Manager has received a notice of redemption in respect of such Units prior to 4:00 p.m. (Eastern time) on such Valuation Date, otherwise such Units will be redeemed on the next Valuation Date. Requests for redemption made to the Manager must be made in writing with the signature guaranteed by a Dealer, Canadian chartered bank, trust company, a member of a recognized stock exchange in Canada or otherwise guaranteed to the satisfaction of the Manager. If Units are registered in the name of an intermediary such as a Dealer, clearing agency or its nominee, redemption orders must be made through such intermediary. Requests for redemption will be accepted in the order in which they are received.

Where the Units which are the subject of the notice of redemption were purchased from a distributor on the FundSERV network, a request for redemption may also be entered on the FundSERV system in the calendar week in which the Redemption Date occurs, and payment of the redemption proceeds will be made using the FundSERV network. Where the Units which are the subject of the notice of redemption were purchased through the Manager, payment of the redemption proceeds will generally be made by cheque, bank draft or wire transfer. Subject to applicable law, redemption proceeds may be made in kind if in the Manager's discretion

circumstances do not permit a payment in cash. The Manager shall within three Business Days following the determination of the Class Net Asset Value per Unit for the applicable Redemption Date distribute an amount equal to the Class Net Asset Value per Unit determined as of the relevant Redemption Date. See "Determination of Net Asset Value". Any payment referred to above, unless such payment is not honoured, will discharge the Fund, the Trustee, the Manager and their agents from all liability to the redeeming Unitholder in respect of the payment and the Units redeemed.

9.2 Suspension of Redemptions

The Manager may suspend the redemption of Units or a Class, or payments in respect thereof, for any period during which (a) the Trustee is closed for business; (b) normal trading is suspended on any stock exchange, options exchange or futures exchange within or outside Canada on which securities which represent more than 50% of the underlying market exposure of the total assets of a Fund, without allowance for liabilities, are listed and traded; or (c) during any other period in which the Manager determines that conditions exist which render impractical the sale of assets or impair the ability to determine the value of any of a Fund's assets. In addition, if the Manager has received requests to redeem 30% or more of the outstanding Units of a Fund on a Redemption Date, payment of the redemption proceeds may be deferred for up to 90 days following the determination of the Net Asset Value for such Redemption Date. The redemption price will be adjusted by changes in the Net Asset Value per Unit of the Class during this suspension period and calculated on the Valuation Date as of when the redemption occurs.

Any suspension may apply 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 redemption requests will (unless the suspension lasts for less than 48 hours) be advised by the Manager of the suspension and that redemption requests previously received will be effected as of the first Valuation Date following the termination of the suspension. All such Unitholders will (unless the suspension lasts for less than 48 hours) be advised that they have the right to withdraw any requests for redemption previously submitted.

The suspension will terminate 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 to be imposed then exists. To the extent not inconsistent with official rules and regulations promulgated by any government body having jurisdiction over the Funds, any declaration of a suspension of redemptions made by the Manager is conclusive. The Unitholder will receive payment of redemption proceeds based on the Class Net Asset Value per Unit on the Valuation Date that next follows the termination of the suspension.

9.3 Short Term Trading Deduction

In order to protect the interest of the majority of investors in a Fund and to discourage short-term trading in a Fund, investors may be subject to a short-term trading deduction. If an investor redeems Units of a Fund within 120 days of purchasing such Units, the Fund may deduct and retain, for the benefit of the remaining Unitholders in the Fund, five percent (5%) of the Class Net Asset Value of the Units being redeemed.

9.4 Mandatory Redemptions

The Manager may in its discretion cause a Fund to redeem all or a portion of a Unitholder's Units by giving 30 days' prior written notice to the Unitholder, specifying the number of Units to be redeemed. For example, the Manager may cause the Units of any Unitholder to be redeemed if at any time as a result of redemptions the value of the Unitholder's investment in a Fund is less than the minimum initial subscription amount. In addition, the Manager may cause a Fund to redeem Units owned by a person or partnership that is a "designated beneficiary" without notice if the continued ownership of Units by such person or partnership could have adverse tax consequences to the Fund. In addition, a Fund may redeem Units as described above under "Investing in Units of the Funds – Purchase of Units".

SECTION 10 – RESALE RESTRICTIONS

Units are not transferable except by operation of law or with the consent of the Manager. There is no formal market for the Units and none is expected to develop. Furthermore, this offering of Units is not qualified by way of prospectus and consequently, the resale of Units will be subject to restrictions under applicable securities legislation. Unitholders may not be able to resell Units and may only be able to redeem them. Redemptions of Units may be subject to the limitations described under "Redemption of Units" and "Purchase of Units". Investors are advised to seek legal advice prior to any resale of the Units.

SECTION 11 – DETERMINATION OF NET ASSET VALUE

11.1 Valuation Dates

Each Fund's net asset value (the "Net Asset Value") is calculated as the value of the Fund's assets, less its liabilities, computed on a particular date in accordance with the Trust Declaration. The Administrator of the Fund (or such other person or entity designated by the Manager) will calculate the Net Asset Value of the Fund as of the last Business Day of each week, and such other days as the Trustee may determine, at the close of regular trading on the TSX, normally 4:00 p.m. (Eastern time) (each, a "Valuation Date"). The Fund will also be valued for reporting purposes only, on the last Business Day of the month on which the TSX is open for business, at the close of regular trading, normally 4:00 p.m. (Eastern time).

The Class Net Asset Value per Unit on a Valuation Date is obtained by dividing the value of the assets of a Fund less the amount of its liabilities, in each case attributable to that Class, by the total number of Units of the Class outstanding at the close of business on the Valuation Date and adjusting the result to a maximum of three decimal places.

11.2 Valuation Principles

The Net Asset Value will be calculated by the Valuation Agent as of each Valuation Date by subtracting the amount of the liabilities of a Fund from the total assets of a Fund. The total assets of a Fund will be valued as follows:

a) the value of any cash on hand, on deposit or on call, prepaid expenses, cash dividends declared and interest accrued and not yet received, shall be deemed to be the face amount thereof, unless the Valuation Agent determines that any such deposit or call loan is not

worth the face amount thereof, in which event the value thereof shall be deemed to be such value as the Valuation Agent determines to be the reasonable value thereof;

b) the value of any bonds, debentures, and other debt obligations shall be valued by taking the average of bid and ask prices from recognized pricing vendors on a Valuation Date at such times as the Valuation Agent, in its discretion, deems appropriate. Short-term investments including notes and money market instruments shall be valued at cost plus accrued interest;

c) the value of any security, index futures or index options thereon which is listed on any recognized exchange shall be determined by the closing sale price at the close of business on the Valuation Date or, if there is no sale price, the average between the closing bid and the closing asked price on the day on which the Net Asset Value of the Fund is being determined, all as reported by any report in common use or authorized as official by a recognized stock exchange; provided that if such stock exchange is not open for trading on that date, then on the last previous date on which such stock exchange was open for trading;

d) the value of any security which is traded over-the-counter will be priced at the average of the last bid and asked prices quoted by a major dealer or recognized information provider in such securities;

e) the value of any security or other asset for which a market quotation is not readily available shall be its fair market value as determined by the Valuation Agent;

f) the value of any security, the resale of which is restricted or limited, shall be the lesser of the value thereof based on reported quotations in common use and that percentage of the market value of securities of the same class, the trading of which is not restricted or limited by reason of any representation, undertaking or agreement or by law, equal to the percentage that the Fund's acquisition cost was of the market value of such securities at the time of acquisition; provided that a gradual taking into account of the actual value of the securities may be made where the date on which the restriction will be lifted is known;

g) purchased or written clearing corporation options, options on futures, over-the-counter options, debt like securities and listed warrants shall be valued at the current market value thereof;

h) where a covered clearing corporation option, option on futures or over-the-counter option is written, the premium received by the Fund shall be reflected as a deferred credit which shall be valued at an amount equal to the current market value of the clearing corporation option, option on futures or over-the-counter option that would have the effect of closing the position. Any difference resulting from revaluation of such options shall be treated as an unrealized gain or loss on investment. The deferred credit shall be deducted in arriving at the Net Asset Value. The securities, if any, which are the subject of a written clearing corporation option, or over-the-counter option shall be valued at their then current market value;

i) the value of a futures contract, or a forward contract, shall be the gain or loss with respect thereto that would be realized if, at 4:00 p.m. (Eastern time), the position in the futures contract, or the forward contract, as the case may be, were to be closed out unless daily

limits are in effect in which case fair value shall be based on the current market value of the underlying interest;

j) the value of the securities of an investment fund shall be the net asset value or similar value of the securities of the investment fund as provided by the manager, administrator or party acting in a similar capacity of the investment fund and available to the Valuation Agent as of a time proximate to the close of business on the date on which the Net Asset Value is being calculated, whether or not the securities of such investment fund are listed or dealt with on a stock exchange. If a net asset value or similar value of the investment fund as of a time reasonably proximate to the close of business on the date on which the Net Asset Value is being calculated is not available to the Valuation Agent, the value shall be based on an estimate provided by the Manager or in such other manner as the Valuation Agent shall determine;

k) margin paid or deposited in respect of futures contracts and forward contracts shall be reflected as an account receivable and margin consisting of assets other than cash shall be noted as held as margin;

l) all securities, property and assets of the Fund valued in a foreign currency and all liabilities and obligations of a Fund payable by a Fund in foreign currency shall be converted into Canadian funds by applying the rate of exchange obtained from the best available sources to the Valuation Agent, including, but not limited to, the Valuation Agent or any of its affiliates;

m) all expenses or liabilities (including fees payable to the Manager) of a Fund shall be calculated on an accrual basis; and

n) the value of any security or property to which, in the opinion of the Valuation Agent, the above valuation 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 in such manner as the Valuation Agent from time to time provides.

The Net Asset Value of each of the Funds and each Class are calculated in Canadian dollars. The Net Asset Value of each of the Funds and each Class are reported in Canadian currency. The Net Asset Value of each of the Funds and each Class may be reported in such other currencies as the Valuation Agent may from time to time determine, based on the current end of day rate or rates of exchange, as the case may be, reported by any report in common use.

The Valuation Agent is entitled to rely on any values or quotations supplied to it by a third party, including the Manager, and is not required to make any investigation or inquiry as to the accuracy or validity of such values or quotations. Provided the Valuation Agent acts in accordance with its standard of care, it shall be held harmless by the Funds and shall not be responsible for any losses or damages resulting from relying on such information.

SECTION 12 – DISTRIBUTIONS

Each Fund intends to distribute sufficient net income (including net realized capital gains, if any) to Unitholders in each taxation year to ensure that the Fund is not liable for income tax under Part I of the Tax Act, after taking into account any loss carry forwards and capital gains refunds. All distributions (other than Fee Distributions) will be made on a *pro rata* basis within each Class to each registered Unitholder determined as of the close of business (prior to any subscriptions or redemptions) on the last Valuation Date prior to the date of the distribution.

Subject to applicable securities legislation, all distributions made by a Fund (net of any deductions or withholdings required by law) will be automatically reinvested in additional Units of the Fund or fractions of Units of the Fund at the Class Net Asset Value per Unit. Potential investors should keep this policy in mind when determining whether or not an investment in the Funds is suitable for their particular circumstances. The Manager reserves the right to change such policy, and may elect to have distributions paid in cash. Distributions paid in cash are expected to be paid within three Business Days after they have been declared.

The Manager may make such designations, determinations and allocations for tax purposes of amounts or portions of amounts which a Fund has received, paid, declared payable or allocated to Unitholder as distributions or redemption proceeds.

The costs of distributions, if any, will be paid by the Funds.

SECTION 13 – CERTAIN CANADIAN FEDERAL INCOME TAX CONSIDERATIONS

The following is, as of June 3, 2019, a summary of certain of the principal Canadian federal income tax considerations generally applicable to the acquisition, holding and disposition of Units by a Unitholder who acquires Units pursuant to this Offering Memorandum. This summary is applicable to a Unitholder who is an individual (other than a trust) and who, for the purposes of the Tax Act and at all relevant times is resident in Canada, deals at arm's length and is not affiliated with the Funds and holds Units as capital property.

Generally, Units will be considered to be capital property to a holder provided the holder does not hold the Units in the course of carrying on a business of trading or dealing in securities and has not acquired them in one or more transactions considered to be an adventure or concern in the nature of trade. Certain Unitholders who might not otherwise be considered to hold their Units as capital property may, in certain circumstances, be entitled to have their Units, and all other "Canadian securities" owned or subsequently owned by them, treated as capital property by making an irrevocable election under subsection 39(4) of the Tax Act. Unitholders should consult their own tax advisors as to whether an election under subsection 39(4) of the Tax Act is available or advisable in their circumstances.

This summary assumes that none of the issuers of securities held by a Fund will be a foreign affiliate of the Fund or any Unitholder or a non-resident trust that is not an "exempt foreign trust" as defined in section 94 of the Tax Act. This summary also assumes that (i) each Fund will not be a "SIFT trust" for the purposes of the Tax Act, (ii) each Fund will, at all material times, constitute a "mutual fund trust" for the purposes of the Tax Act, and (iii) each Fund will not be required to include any amounts in income pursuant to section 94.1 or section 94.2 of the Tax Act.

This summary is based on the provisions of the Tax Act and the regulations promulgated thereunder (the "Regulations"), along with an understanding of the current published administrative policies and assessing practices of the Canada Revenue Agency (the "CRA") all as of June 3, 2019, and all specific proposals to amend the Tax Act and the Regulations publicly announced by or on behalf of the Minister of Finance (Canada) prior to June 3, 2019 (the "Proposed Amendments"). This summary does not otherwise take into account or anticipate any changes in law, whether by legislative, governmental or judicial action, nor does it take into account provincial, territorial or foreign income tax legislation or considerations.

This summary is not exhaustive of all possible Canadian federal tax considerations applicable to an investment in Units and does not describe the income tax consequences relating to the deductibility of interest paid on money borrowed to acquire Units. Moreover, the income and other tax consequences of acquiring, holding or disposing of Units will vary depending on the investor's particular circumstances including the province or territory in which the investor resides or carries on business. Accordingly, this summary is of a general nature only and is not intended to be legal or tax advice to any investor.

Investors should consult their own tax advisors for advice with respect to the income tax consequences of an investment in Units, based on their own particular circumstances.

13.1 Taxation of the Funds

Each Fund will be subject to tax in each taxation year under Part I of the Tax Act on the amount of its income for the year, including net realized taxable capital gains, less the portion thereof that it claims in respect of the amount paid or payable to Unitholders in the year. Each Fund intends to deduct, in computing its income in each taxation year, the full amount available for deduction in each year and, therefore, provided the Fund makes distributions in each year of its net income and net realized capital gains as described under "Distributions", it will generally not be liable in such year for any tax on its net income or profit under Part I of the Tax Act.

The Funds generally intend to account for gains and losses realized on transactions in derivatives on income account. However, a Fund may report certain share option transactions on capital account. Gains and losses realized on the disposition of shares held in long positions will generally be reported as capital gains and capital losses. Whether gains and losses realized by a Fund are on income or capital account will depend largely on factual considerations. Each Fund has elected under subsection 39(4) of the Tax Act such that all gains and losses realized by the Fund on "Canadian securities" will be deemed to be capital gains and losses. If a Fund is not a "mutual fund trust" for purposes of the Tax Act at any particular time, whether the Fund will be entitled to the benefit of such election will depend on factual considerations.

Each Fund will be required to include in income for each taxation year all interest that accrues to it to the end of the taxation year or becomes receivable or is received by it before the end of the year, except to the extent that such interest was included in computing the Fund's income for a preceding taxation year. Where a Fund transfers a debt security to a transferee who becomes entitled to interest that accrued on the security prior to the transfer, such accrued interest will generally be included as interest in computing the Fund's income. Each Fund will also be required to include in income any taxable dividends received on shares of corporations and generally any other income earned on its investments.

In computing its income for tax purposes a Fund may deduct reasonable administrative and other expenses incurred to earn income, generally including interest payable by the Fund on money

borrowed to purchase securities. The Funds may generally deduct the costs and expenses of the offering of Units under this Offering Memorandum that are paid by a Fund at a rate of 20% per year, pro-rated where a Fund's taxation year is less than 365 days.

Each Fund's portfolio may include securities which are not denominated in Canadian dollars. The cost and proceeds of disposition of securities, dividends, interest and all other amounts will be determined for the purposes of the Tax Act in Canadian dollars at the exchange rate prevailing at the time of the transaction as more particularly determined in accordance with section 261 of the Tax Act. Accordingly, a Fund may realize gains or losses by virtue of the fluctuation in the value of foreign currencies relative to Canadian dollars.

Each Fund may derive income or gains from investments in countries other than Canada and, as a result, may be liable to pay foreign income or profits tax to such countries. To the extent such foreign tax paid by a Fund exceeds 15% of the amount included in the Fund's income from such investments, such excess may generally be deducted by the Fund in computing its income for purposes of the Tax Act. To the extent that such foreign tax paid does not exceed 15% of such foreign source income and has not been deducted in computing a Fund's income, the Fund may designate a portion of its foreign source income in respect of a Unitholder so that such income and a portion of the foreign tax paid by the Fund may be regarded as foreign source income of, and foreign tax paid by, the Unitholder for the purposes of the foreign tax credit provisions of the Tax Act.

The Tax Act provides for a special tax on "designated income" of certain trusts that are not mutual fund trusts and that have "designated beneficiaries". The Trust Declaration contains certain restrictions that would prevent persons who would be designated beneficiaries of a Fund from owning Units when the Fund is not a mutual fund trust. Accordingly it is expected that the special tax on designated income will not apply to the Funds.

A Fund may be subject to alternative minimum tax in any taxation year throughout which the Fund is not a mutual fund trust for purposes of the Tax Act.

13.2 Taxation of Unitholders

A Unitholder will generally be required to include in computing the Unitholder's income for a taxation year the amount of a Fund's net income for the taxation year, including net realized taxable capital gains, paid or payable to the Unitholder (whether in cash or in Units) in the taxation year. Net income (or losses) including capital gains (or capital losses) realized by a Fund in a taxation year in respect of a particular Class of Units must be netted against losses (or gains) realized by the Fund in that year in respect of all other classes of Units, in accordance with the rules provided in the Tax Act, to determine the net income and net capital gains of the Fund as a whole for that year. This netting may result in income and/or capital gains allocations to a particular Class of Units that differ from those that would result if such Units had been issued by a separate trust having only one Class and series of units. The non-taxable portion of a Fund's net realized capital gains paid or payable to a Unitholder in a taxation year will not be included in the Unitholder's income for the year. Any other amount in excess of a Fund's net income for a taxation year paid or payable to the Unitholder in the year will not generally be included in the Unitholder's income. Such amount, however, will generally reduce the adjusted cost base of the Unitholder's Units, except to the extent such amount is the non-taxable portion of a capital gain of a Fund the taxable portion of which was designated to the Unitholder. To the extent that the adjusted cost base to a Unitholder of the Unit would be less than zero, the negative amount will be deemed to be a capital gain realized by the Unitholder from the disposition of the Unit and the

adjusted cost base to the Unitholder of the Unit will be increased by the amount of such deemed capital gain.

Provided that appropriate designations are made by a Fund, such portion of (i) the net realized taxable capital gains of the Fund, (ii) the foreign source income of the Fund and foreign taxes eligible for the foreign tax credit, and (iii) taxable dividends received by the Fund on shares of taxable Canadian corporations, as is paid or payable to a Unitholder will effectively retain its character and be treated as such in the hands of the Unitholder for purposes of the Tax Act. To the extent that amounts are designated as taxable dividends from taxable Canadian corporations, the normal gross-up and dividend tax credit rules contained in the Tax Act will apply.

The Class Net Asset Value per Unit will reflect any income and gains of the Funds that have accrued at the time Units are acquired. Accordingly, a Unitholder who acquires Units may become taxable on the Unitholder's share of income and gains of a Fund that accrued before the Units were acquired.

On the disposition or deemed disposition of a Unit, the Unitholder will realize a capital gain (or capital loss) to the extent that the Unitholder's proceeds of disposition (other than any amount payable by a Fund that represents an amount that is otherwise required to be included in the Unitholder's income as described above) exceed (or are exceeded by) the aggregate of the adjusted cost base of the Unit and any reasonable costs of disposition. For the purpose of determining the adjusted cost base to a Unitholder of Units of a particular Class, the cost of the newly acquired Units will be averaged with the adjusted cost base to a Unitholder of all Units of the Class owned by the Unitholder as capital property before the acquisition. If a Fund distributes property in kind, a Unitholder's proceeds of disposition would generally be equal to the aggregate of the fair market value of the distributed property and the amount of any cash received, less any capital gain realized by the Fund on the disposition.

Based on published administrative positions of the CRA, a re-designation of Units of a particular Class to another Class should not result in a disposition of the Units for purposes of the Tax Act.

One-half of any capital gain ("taxable capital gain") realized on the disposition of Units will be included in the Unitholder's income and one-half of any capital loss realized may be deducted from taxable capital gains in accordance with the provisions of the Tax Act.

In general terms, net income of a Fund paid or payable to a Unitholder that is designated as net realized taxable capital gains or dividends from taxable Canadian corporations, and taxable capital gains realized on the disposition of Units may increase the Unitholder's liability for alternative minimum tax.

International Tax Information Reporting

In March 2010, the U.S. enacted the Foreign Account Tax Compliance Act ("FATCA"), which imposes certain reporting requirements on non-U.S. financial institutions. The governments of Canada and the United States have entered into an Intergovernmental Agreement ("IGA") which establishes a framework for cooperation and information sharing between the two countries and may provide relief from a 30% U.S. withholding tax under U.S. tax law (the "FATCA Tax") for Canadian entities, such as the Funds, provided that (i) the Funds comply with the terms of the IGA and the Canadian legislation implementing the IGA in Part XVIII of the Tax Act, and (ii) the government of Canada complies with the terms of the IGA. The Funds will endeavour to comply with the requirements imposed under the IGA and Part XVIII of the Tax Act. Under Part XVIII

of the Tax Act, Unitholders are required to provide identity and residency and other information to a Fund (and may be subject to penalties for failing to do so), which, in the case of "Specified U.S. Persons" or certain non-U.S. entities controlled by "Specified U.S. Persons", will be provided, along with certain financial information (for example, account balances), by the Fund to the CRA and from the CRA to the U.S. Internal Revenue Service. A Fund may be subject to FATCA Tax if it cannot satisfy the applicable requirements under the IGA or Part XVIII of the Tax Act, or if the Canadian government is not in compliance with the IGA and if a Fund is otherwise unable to comply with any relevant and applicable U.S. legislation. Any such FATCA Tax in respect of a Fund would reduce the Fund's distributable cash flow and net asset value.

On December 15, 2016, Part XIX of the Tax Act was enacted, which came into force on July 1, 2017, and which implements the Common Reporting Standard developed by the Organisation for Economic Co-operation and Development. Pursuant to Part XIX of the Tax Act, "Canadian financial institutions" that are not "non-reporting financial institutions" (as both terms are defined in Part XIX of the Tax Act) are required to have procedures in place to identify accounts held by residents of foreign countries (other than the U.S.) or by certain entities the "controlling persons" of which are resident in a foreign country, and to report required information to the CRA. Such information is exchanged on a reciprocal, bilateral, basis with the tax authorities of the foreign country in which the account holders or such controlling persons are resident, pursuant to the Multilateral Convention on Mutual Administrative Assistance in Tax Matters or the relevant bilateral tax treaty. Pursuant to Part XIX of the Tax Act, Unitholders are required to provide certain information regarding their investment in a Fund for the purpose of such information exchange unless the investment is held within certain Registered Plans.

SECTION 14 – ELIGIBILITY FOR INVESTMENT

Provided a Fund qualifies as a "mutual fund trust" for purposes of the Tax Act, Units of such Fund will be qualified investments for a Registered Plan. Investors should consult the Manager as to whether a Fund qualifies as a "mutual fund trust" at any particular time.

Notwithstanding the foregoing, if Units are "prohibited investments" for a TFSA, RDSP, RRSP, RRIF or RESP, a Plan Holder will be subject to a penalty tax as set out in the Tax Act. A "prohibited investment" includes (but is not limited to) a unit of a trust which does not deal at arm's length (for purposes of the Tax Act) with the Plan Holder, or in which the Plan Holder, either alone or together with persons with whom the Plan Holder does not deal at arm's length (for purposes of the Tax Act), owns Units that have a value equal to 10% or more of the value of the trust's outstanding units.

Plan Holders should consult their own tax advisors with respect to whether Units are "prohibited investments" for their TFSAs, RRSPs, RRIFs, RDSPs or RESPs and the tax consequences of Units being acquired or held by trusts governed by such accounts, plans or funds.

SECTION 15 – CERTAIN RISK FACTORS

There are certain risks associated with an investment in the Funds. Investors should consider the following risk factors in evaluating the merits and suitability of an investment in the Funds.

The Funds may invest in the Underlying Funds. Therefore, the return of each of the Funds will be affected by the risks described herein associated with an investment not only in the Funds, to the

extent applicable, but also in the Underlying Funds. In addition to each of the Funds, the following risk factors may apply to one or more, or all, of the Underlying Funds.

No Assurance of Achieving Investment Objectives

There is no assurance that a Fund will be able to accomplish its objectives. An investment in a Fund is appropriate only for investors who have the capacity to absorb a loss of some or all of their investment.

Operating History and Illiquidity of Units

Each Fund is an investment trust formed on December 31, 2005. An investment in the Funds entails a degree of risk. There is not now, and there is not likely to develop, any market for the resale of the Units of the Funds. Approval of the transfer by the Manager and satisfaction of certain requirements specified in the Trust Declaration would be required before any transfer may occur. In addition, the Units of the Funds are offered pursuant to prospectus and registration exemptions and, accordingly may not be transferred unless appropriate exemptions are available. The Units of the Funds are subject to limited redemption rights which may be suspended or postponed in certain circumstances.

General Economic and Market Conditions

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

Foreign Market Exposure

The Funds will, at any time, include securities established in jurisdictions outside Canada and the United States. Although most of such issuers will be subject to uniform accounting, auditing and financial reporting standards comparable to those applicable to similar Canadian and U.S. issuers, some issuers may not be subject to such standards and, as a result, there may be less publicly available information about such issuers than a Canadian or U.S. issuer. Other risks include the application of foreign tax law, changes in governmental administration or economic or monetary policy, and the effect of local market conditions on the availability of public information. Investments in foreign markets carry the potential exposure to the risk of political upheaval, acts of terrorism and war, all of which could have an adverse impact on the value of such securities.

Foreign Currency Exposure

Securities included in the Funds may be valued in or have exposure to currencies other than the Canadian dollar and, accordingly, each Class Net Asset Value will, when measured in Canadian dollars, be affected by fluctuations in the value of such currencies relative to the Canadian dollar. However, the Manager may hedge the Canadian dollar exposure to the foreign currency in whole or in part. There can be no assurance that gains or losses on currency hedging transactions will be matched in timing or characterization with losses and gains on the securities valued in foreign currencies in which the Fund invests.

Leverage

The Manager is generally making investment decisions for assets that exceed the Net Asset Value of a Fund. As a result, if the Manager's investment decisions are incorrect, the resulting losses will be more than if investments were made solely in an unleveraged long portfolio as is the case in most conventional equity mutual funds. In addition, leveraged investment strategies can also be expected to increase a Fund's turnover, transaction and market impact costs, interest and securities lending expenses and other costs and expenses.

Derivatives Risk

A Fund's use of derivatives involves risks different from and possibly greater than, the risks associated with investing directly in securities and other traditional investments. Derivatives are subject to a number of risks, such as liquidity risk, interest rate risk, market risk, credit risk, leveraging risk, counterparty risk and management risk. They also involve the risk of mispricing or improper valuation and the risk that changes in the value of a derivative may not correlate perfectly with the underlying asset, rate or index. When a Fund invests in a derivative instrument, it could lose more than the initial amount invested.

Risk of Short Sales

Short sales entail certain risks, including the risk that a short sale of a security may expose a Fund to losses if the value of the security increases. A short sale creates the risk of a theoretically unlimited loss, in that the price of the underlying security could theoretically increase without limit, thus increasing the cost to the Fund of buying those securities to cover the short position. In addition, a short sale by a Fund requires the Fund to borrow securities in order that the short sale may be transacted. There is no assurance that the lender of the securities will not require the security to be paid back by a Fund before the Fund wants to do so, possibly requiring the Fund to borrow the security elsewhere or purchase the security on the market at an unattractive price. Moreover, the borrowing of securities entails the payment of a borrowing fee. The borrowing fee may increase during the borrowing period, adding to the expense of the short sale strategy. There is also no guarantee that the securities sold short can be repurchased by a Fund due to supply and demand constraints in the equity markets. Finally, in order to maintain the appropriate ratios between the long portfolio and the short portfolio of a Fund, the Manager may be required to buy or sell short securities at unattractive prices.

Counterparty Risk

A Fund may enter into customized financial instrument transactions that are subject to the risk of credit failure or the inability of, or refusal by, the counterparty to perform its obligations with respect to such customized financial instrument transactions, which could subject the Fund to substantial losses.

Use of a Prime Broker

Some or all of the assets of a Fund may be held in one or more margin accounts due to the fact that a Fund may from time to time sell securities short. The margin accounts may provide less segregation of customer assets than would be the case with a more conventional custody arrangement. The prime broker may also lend, pledge or hypothecate the assets of a Fund in such accounts, which may result in a potential loss of such assets. As a result, the assets of a Fund could be frozen and inaccessible for withdrawal or subsequent trading for an extended period of

time if the prime broker experiences financial difficulty. In such cash, a Fund may experience losses due to insufficient assets of the prime broker to satisfy the claims of its creditors. In addition, the possibility of adverse market movements while its positions cannot be traded could adversely affect the total return to a Fund. See "Custodial Arrangements".

Portfolio Turnover

The Manager adjusts the proportions of investments held in the Funds on a relatively frequent basis. In order to do so, the Manager actively trades on a frequent ongoing basis, such that the operation of a Fund may result in a high, annual portfolio turnover rate. The amount of leverage that a Fund operates at also exaggerates the turnover rate of the Fund. The Manager has not placed any limit on the rate of portfolio turnover, and portfolio securities may be sold without regard to the time that they have been held when, in the opinion of the Manager, investment considerations warrant such action. The high rate of portfolio turnover of the Funds involves correspondingly greater expenses than a lower turnover rate (e.g., greater transaction costs such as brokerage fees and market impact costs), and the greater the chance that a Unitholder receiving distributions of income or capital gains from a Fund in a year. There is not necessarily a relationship between a high turnover rate and the performance of a Fund.

Liquidity of Investments

A Fund's investments may be subject to liquidity constraints because of insufficient depth or volume on the trading markets for the securities the Fund is or has invested in, or the securities may be subject to legal or contractual restrictions on their resale. Each securities exchange typically has the right to suspend or limit trading and/or quotations in all of the securities that it lists. A Fund may not be able to trade securities when it wants to do so or to realize what it perceives to be the securities' fair market value in the event of a trade. The trading of restricted and illiquid securities often requires more time and results in higher brokerage charges or dealer discounts and other trading expenses than do trades of securities that are eligible for trading on securities exchanges or on over-the-counter markets or securities that are listed and hence more liquid. Restricted securities may sell at a price lower than similar securities that are not subject to restrictions on resale.

Class Risk

Since the Funds may have multiple Classes of Units, each Class will be charged, as a separate Class, any expenses such as management fees and servicing commissions that are specifically attributable to that Class. However, all other expenses of a Fund generally will be allocated among the Classes of Units by the Manager in a fair and equitable manner, and a creditor of a Fund may seek to satisfy its claims from the assets of a Fund as a whole, even though its claims relate only to a particular Class of Units.

Performance Fee to the Manager

To the extent described in this Offering Memorandum, the Manager receives a Performance Fee in respect of each of the Class A Units and Class F Units based upon the appreciation, if any, in the Class Net Asset Value of the Class A Units and Class F Units. However, the Performance Fee theoretically may create an incentive for the Manager to make investments that are riskier than would be the case if such fee did not exist. In addition, because the Performance Fee is calculated on a basis that includes unrealized appreciation of a Fund's assets, it may be greater than if such compensation were based solely on realized gains.

Cyber Security Risk

With the increased use of technology in the course of business, the Funds are susceptible to operational, information security and related risks. Generally, cyber security incidents can result from deliberate attacks or unintentional events that threaten the integrity, confidentiality or availability of a Fund's information resources. A cyber security incident includes, but is not limited to, gaining unauthorized access to the Funds' electronic systems (e.g., through hacking or malicious software) to corrupt data, disrupt business operations or steal confidential or sensitive information, or may involve denial of service attacks which may cause system failures and disrupt business operations. Failures or breaches of the electronic systems of the Fund, Manager, other service providers (e.g., transfer agent, custodian, sub-custodians and prime brokers) or the issuers of securities in which a Fund invests have the ability to cause disruptions and negatively impact the Fund's business operations. These disruptions could potentially result in financial losses, interference with a Fund's ability to calculate their net asset values, impediments to trading, inability of a Fund to process transactions including redeeming units, violations of applicable privacy and other laws, regulatory fines, penalties, reputational damage, reimbursement or compensation or additional compliance costs associated with corrective measures. Similar adverse consequences could result from cyber security incidents affecting the issuers of securities in which a Fund invests and counterparties with which a Fund engages in transactions. In addition, substantial costs may be incurred to prevent any cyber security incidents in the future. While the Funds have established business continuity plans and risk management systems seeking to address system breaches or failures, there are inherent limitations in such plans and systems and there is no guarantee that such efforts will succeed. Furthermore, the Funds cannot control the cyber security plans and systems of the Funds' service providers or issuers of securities in which a Fund invests.

Cease Trading of Securities Risk

If the securities held directly or indirectly by a Fund are cease-traded by order of a securities regulatory authority or halted from trading by the relevant exchanges, the Fund may halt trading in its Units or temporarily suspend the right to redeem the Units for cash, subject to applicable regulatory approval.

Lack of Management Control by Unitholders

Investors will become Unitholders of a Fund. The Unitholders will not take part in the management or control of a Fund's business, which is the sole responsibility of the Manager. The Manager will have wide latitude in making investment decisions. The Manager, in certain circumstances, also has the right to dissolve a Fund. The Unitholders have certain limited voting rights, including the right to amend the Trust Declaration under certain circumstances, but do not have any authority or power to act for or bind a Fund. The Manager may require a Unitholder, at any time, to withdraw, in whole or in part, from a Fund.

Early Termination

In the event of the early termination of a Fund, the Fund would distribute to the Unitholders *pro rata* their interest in the assets of the Fund available for such distribution, subject to the rights of the Trustee or Manager to retain monies for costs and expenses. Certain assets held by a Fund may be illiquid and might have little or no marketable value. In addition, the securities held by a Fund would have to be sold by the Fund or distributed in kind to the Unitholders. It is possible

that at the time of such sale or distribution certain securities held by a Fund would be worth less than the initial cost of such securities, resulting in a loss to the Unitholders.

Large Transaction Risk

If a Unitholder has significant holdings in a Fund, the Fund is subject to the risk that such large Unitholder may request a significant purchase or redemption of Units, which may impact the cash flow of a Fund. Substantial purchases and redemptions by Unitholders within a short period of time could require the Manager to arrange for a Fund's positions to be acquired or liquidated more rapidly than would otherwise be desirable, which could adversely affect the value of the remaining Units. Large purchases and redemptions may result in: (a) a Fund maintaining an abnormally high cash balance; (b) large sales of portfolio securities impacting market value; (c) increased transaction costs (e.g., commissions); (d) significant changes to the composition of a Fund's portfolio; (e) purchase and/or sale of investments at unfavourable prices; and/or (f) capital gains being realized which may increase taxable distributions to Unitholders. If this should occur, the returns of Unitholders that invest in the Fund may be adversely affected. In addition, regardless of the period of time in which redemptions occur, the resulting reduction in the Fund's assets could make it more difficult to generate a positive rate of return or recoup losses due to a reduced equity base.

Conflicts of Interest

The Manager, its directors and officers and affiliates and associates may engage in the promotion, management or investment management of any other fund or trust which invests primarily in securities to be held in a Fund, and may provide similar services to other investment funds with investment objectives and strategies similar to that of the Funds and other funds and clients and engage in other activities. Although none of the directors or officers of the Manager will devote his or her full time to the business and affairs of the Funds or the Manager, each will devote as much time as is necessary to supervise the management of (in the case of the directors) or to manage (in the case of officers) the business and affairs of the Manager and the Funds.

Liability of Unitholders

Each Fund is a unit trust and, as such, the Unitholders do not receive the protection of statutorily mandated limited liability as in the case of shareholders of most Canadian corporations. There is no guarantee therefore, that Unitholders could not be made party to legal actions in connection with the Funds. However, the Trust Declaration provides that no Unitholder, in its capacity as such, will be subject to any personal liability whatsoever, in tort, contract or otherwise, to any person in connection with a Fund's property or the obligations or the affairs of a Fund and all such persons shall look solely to a Fund's property for satisfaction of claims of any nature arising out of or in connection therewith and a Fund's property only shall be subject to levy or execution. Pursuant to the Trust Declaration, a Fund will indemnify and hold harmless out of the Fund's assets each Unitholder from any costs, damages, liabilities, expenses, charges and losses suffered by a Unitholder resulting from or arising out of such Unitholder not having limited liability.

In any event, it is considered that the risk of any personal liability of Unitholders is minimal and remote in the circumstances, in view of the anticipated equity of the Funds, and the nature of its activities , and the Manager intends to conduct the Fund's operations in such a way to minimize any such risk. In the event that a Unitholder should be required to satisfy any obligation of a Fund, such Unitholder will be entitled to reimbursement from any available assets of the Fund.

The prime brokerage agreement between a Fund and its prime broker(s) provides that no unitholder shall be held to have any personal liability under the prime brokerage agreement and that no recourse shall be had to such unitholder's private property for any obligations of the Fund under the prime brokerage agreement.

Taxation of the Funds

If a Fund ceases to qualify as a mutual fund trust under the Tax Act, the income tax considerations described under the heading "Certain Canadian Federal Income Tax Considerations" would be materially and adversely different in certain respects. There can be no assurance that Canadian federal income tax laws and the administrative policies and assessing practices of the CRA respecting the treatment of mutual fund trusts will not be changed in a manner which adversely affects Unitholders.

Under special rules contained in the Tax Act, trusts that constitute "SIFT trusts" (as defined in the Tax Act) will generally be precluded from deducting certain amounts that would otherwise be deducted for tax purposes if they were paid or became payable to Unitholders in a particular taxation year. If a Fund were found to be a "SIFT trust", the amounts available to be distributed by such Fund to its Unitholders could be materially reduced and the income tax considerations described under the heading "Certain Canadian Federal Income Tax Considerations" would be materially and adversely different in certain respects.

Trust Loss Restriction Rule Risk

A Fund may be subject to loss restriction rules contained in the Tax Act (the "Loss Restriction Rules"). If a Fund experiences a "loss restriction event" (i) the Fund will be deemed to have a year-end for tax purposes (which would result in an allocation of the Fund's net income and net realized capital gains at such time to Unitholders so that the Fund is not liable for income tax on such amounts), and (ii) the Fund will be deemed to realize any unrealized capital losses and its ability to carry forward losses will be restricted. Generally, a Fund will have a loss restriction event when a person becomes a "majority-interest beneficiary" of the Fund or a group of persons becomes a "majority-interest group of beneficiaries" of the Fund, as those terms are defined in the Loss Restriction Rules.

US FATCA Compliance

Under U.S. tax rules, Unitholders of a Fund may be required to provide identity and residency information to such Fund, which may be provided by the Fund to U.S. tax authorities, in order to avoid the 30% FATCA Tax being imposed on certain U.S. source income and on sale proceeds received by the Fund. In certain circumstances, the Fund may be required to withhold a 30% tax from distributions it pays to Unitholders who have not provided the required information.

In March 2010, the U.S. enacted FATCA, which imposes certain reporting requirements on non-U.S. financial institutions. The governments of Canada and the United States have entered into the IGA which establishes a framework for cooperation and information sharing between the two countries and may provide relief from the FATCA Tax for Canadian entities, such as the Funds, provided that (i) each of the Funds complies with the terms of the IGA and the Canadian legislation implementing the IGA in Part XVIII of the Tax Act, and (ii) the government of Canada complies with the terms of the IGA. Each of the Funds will endeavour to comply with the requirements imposed under the IGA and Part XVIII of the Tax Act. Under Part XVIII of the Tax Act, Unitholders are required to provide identity and residency and other information to the

applicable Fund (and may be subject to penalties for failing to do so), which, in the case of "Specified U.S. Persons" or certain non-U.S. entities controlled by "Specified U.S. Persons", will be provided, along with certain financial information (for example, account balances), by the Funds to the CRA and from the CRA to the U.S. Internal Revenue Service. A Fund may be subject to FATCA Tax if it cannot satisfy the applicable requirements under the IGA or Part XVIII of the Tax Act, or if the Canadian government is not in compliance with the IGA and if the Fund is otherwise unable to comply with any relevant and applicable U.S. legislation. Any such FATCA Tax in respect of a Fund would reduce the Fund's distributable cash flow and NAV.

Changes in Legislation

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

THE FOREGOING LIST OF "CERTAIN RISK FACTORS" DOES NOT PURPORT TO BE A COMPLETE ENUMERATION OR EXPLANATION OF THE RISKS INVOLVED IN AN INVESTMENT IN THE FUNDS. PROSPECTIVE UNITHOLDERS SHOULD READ THE ENTIRE OFFERING MEMORANDUM AND CONSULT WITH THEIR OWN ADVISORS BEFORE DECIDING TO SUBSCRIBE.

SECTION 16 –INVESTMENT RISK RATINGS OF THE FUNDS

The methodology used to determine the investment risk level of the Market Neutral Fund as an additional guide to help prospective investors decide whether the Market Neutral Fund is right for the investor. The Manager's determination of the investment risk rating for the Market Neutral Fund is based on historical volatility risk as measured by the standard deviation of fund performance, which is the standard methodology outlined in Appendix F – *Investment Risk Classification Methodology* to National Instrument 81-102 – *Investment Funds*.

The investment risk level for a fund with at least 10 years of performance history will be based on such fund's historical volatility, as measured by its 10-year standard deviation of performance. The investment risk level for a fund with less than 10 years of performance history will be based on the historical volatility of a reference index that reasonably approximates such fund's historical performance, as measured by the reference index's 10-year standard deviation of performance.

However, the Manager recognizes that other types of risk, both measurable and non-measurable, may exist and we remind you that the historical performance of a fund (or a reference index used as its proxy) may not be indicative of future returns and that the historical volatility of such fund (or a reference index used as its proxy) may not be indicative of its future volatility.

The risk rating categories of this methodology are:

Low (standard deviation range of 0 to less than 6) – for funds with a level of risk that is typically associated with investments in Canadian fixed-income funds and in money market funds;

Low to Medium (standard deviation range of 6 to less than 11) – for funds with a level of risk that is typically associated with investments in balanced funds and global and/or corporate fixed-income funds;

Medium (standard deviation range of 11 to less than 16) – for funds with a level of risk that is typically associated with investments in equity portfolios that are diversified among a number of large-capitalization Canadian and/ or international equity securities;

Medium to High (standard deviation range of 16 to less than 20) – for funds with a level of risk that is typically associated with investments in equity funds that may concentrate their investments in specific regions or in specific sectors of the economy; and

High (standard deviation range of 20 or greater) – for funds with a level of risk that is typically associated with investment in equity portfolios that may concentrate their investments in specific regions or in specific sectors of the economy where there is a substantial risk of loss (e.g., emerging markets, precious metals).

The investment risk level of each Fund is reviewed periodically.

Additionally, just as historical performance may not be indicative of future returns, the historical volatility of each Fund may not be indicative of its future volatility.

In accordance with the methodology described above, the Manager has rated the Market Neutral Fund's investment risk as Low and the Long Short Fund's investment risk as Low to Medium.

SECTION 17 – REPORTING TO UNITHOLDERS AND MEETINGS OF UNITHOLDERS

17.1 Reporting to Unitholders

The fiscal year end of the Funds is December 31st. Unitholders will be sent audited annual financial statements within 90 days of the Fund's fiscal year end and unaudited semi-annual financial statements within 60 days of June 30th, or as otherwise required by law. Additional interim reporting to Unitholders will be at the discretion of the Manager. The Funds may enter into other agreements with certain Unitholders which may entitle such Unitholders to receive additional reporting. Unitholders will receive the applicable required tax form(s) within the time required by applicable law to assist Unitholders in making the necessary tax filings.

17.2 Meetings of Unitholders

The Funds will not hold regular meetings; however, the Manager may convene a meeting of Unitholders, or a Class of Unitholders, as it considers appropriate or advisable from time to time. The Trustee must also call a meeting of Unitholders or of a Class of Unitholders on the written request of Unitholders holding not less than 50% of the outstanding Units of a Fund (or Units of a Class with respect to a Class meeting) in accordance with the Trust Declaration, provided that in the event of a request to call a meeting of Unitholders made by such Unitholders, the Trustee shall not be obliged to call any such meeting until it has been satisfactorily indemnified by such Unitholders against all costs of calling and holding such meeting.

Units of a Class shall vote separately as a Class if the notice calling the meeting so provides.

Not less than 21 days' notice will be given of any meeting of Unitholders. The quorum at any meeting is two or more Unitholders present in person or by proxy representing not less than 10% of the Units, or Units of a Class, as applicable, then outstanding. If no quorum is present at such meeting when called, the meeting will be adjourned by the Manager to a date and time determined by the Manager, and at the adjourned meeting the Unitholders then present in person or represented by proxy will form the necessary quorum, if notice of the adjourned meeting is given.

Any consent of Unitholders under the Trust Declaration must be given by not less than 50% of the Units or Units of a Class, as applicable.

SECTION 18 – AMENDMENT OF THE TRUST DECLARATION

The Trust Declaration may be amended by the Manager, if the amendment is not a material change, is not one of the matters specified in the Trust Declaration as requiring Unitholder approval, does not adversely affect the pecuniary value of the interest of any Unitholder or restrict any protection provided for the Trustee or increase the responsibilities of the Trustee. In addition, certain amendments which are necessary or desirable to bring the Trust Declaration into conformity with current practice, to comply with any law, regulation or policy requirement applicable to the Fund, to correct any ambiguity, error or omission in the Trust Declaration, or to enhance the rights of or protect the interests of the Unitholders, may be made by the Manager and the Trustee without any prior notice to or approval of Unitholders. Without limiting the generality of the foregoing, the Manager and the Trustee may agree to amend the Trust Declaration to enhance rights of redemption or to adopt more stringent investment restrictions or make any other change required such that the Fund may be a qualified investment under any applicable legislative or regulatory requirements, if the Manager deems such qualification to be desirable.

The Class attributes set by the Manager may be amended without notice to Unitholders if the amendment, in the opinion of the Manager, is for the protection of or benefit to Unitholders of that Class.

Any amendment which cannot be made in accordance with the above may be made, at any time, by the Manager and the Trustee to take effect after not less than 90 days' written notice of such amendment to the Unitholders, or earlier with the consent of Unitholders as provided for in the Trust Declaration.

The Funds may be terminated on the occurrence of certain events stipulated in the Trust Declaration. The Manager may resign as manager of the Funds, and if no successor is appointed, the Funds will be terminated. On termination of the Funds, the Trustee will distribute the assets of the Funds in cash or in kind in accordance with the Trust Declaration.

SECTION 19 – AUDITORS

The auditors of the Funds are PricewaterhouseCoopers LLP, or such other party as the Manager may retain.

SECTION 20 – ADMINISTRATOR – VALUATION AGENT, RECORD KEEPER, TRANSFER AGENT AND REGISTRAR

RBC Investor & Treasury Services Trust, or such other party as the Manager may retain, will act as the Administrator and Valuation Agent of the Funds**.**

SECTION 21 – PRIME BROKERS

21.1 Prime Brokers

Scotia Capital Inc. and RBC Dominion Securities Inc., or such other party as the Manager may retain, will hold the assets of each of the Market Neutral Fund and the Long Short Fund.

None of the prime brokers has any responsibility for the preparation or accuracy of this Offering Memorandum.

21.2 Custodial Arrangements

The assets of the Funds are held in the custody of the Funds' prime brokers (See "Prime Brokers") in Toronto. Each of the prime brokers is a "qualified custodian" under National Instrument 31-103 – *Registration Requirements, Exemptions and Ongoing Registration Exemptions*.

The Manager has entered into a prime brokerage agreement with each prime broker in respect of each Fund which contains provisions governing the relationship between the parties, such as where the assets of each Fund will be held, the manner in which a Fund's assets will be held, the standard of care of each prime broker, the responsibility for loss of a Fund's assets and the appointment of sub-custodians, where applicable.
In selecting the prime brokers of the Funds to act as custodians of the assets of each of the Funds, the Manager considered such factors as: (i) ease of execution and speed of access to the markets on which the assets of the applicable Fund are traded; (ii) the size, financial stability and strength of the prime broker; (iii) the reduction in the risk of loss to the Fund's assets through the selection of more than one prime broker to act as custodian; and (iv) the laws and regulations to which each prime broker is subject in its principal jurisdiction.

Although the Manager believes that the selection of large, financially sound and regulated prime brokers to act as custodians of the assets of each of the Funds substantially reduces the risk of loss or misappropriation of a Fund's assets is in the best interests of each Fund, the assets of the Funds could nevertheless potentially be at risk of loss in the event of (i) the insolvency of a prime broker or (ii) an error or negligence on the part of a prime broker resulting in a loss to a Fund which is not reimbursable to the Fund under the terms of the applicable prime brokerage agreement.

The Manager monitors its custodial arrangements with the prime brokers of the Funds and may in the future appoint additional or different custodians if the Manager feels this is in the best interests of the Funds and will further reduce the risk of loss or misappropriation of the assets of the Funds.

SECTION 22 – LEGAL COUNSEL

McMillan LLP, or such other party as the Manager may retain, will act as the legal counsel of the Funds.

SECTION 23 – MATERIAL CONTRACTS

The only material contract of the Funds is the Trust Declaration. A copy of the Trust Declaration will be made available to Unitholders upon request and may be inspected at the principal office of the Funds during normal business hours.

SECTION 24 – STATUTORY AND CONTRACTUAL RIGHTS OF ACTION

Securities legislation in certain of the Canadian provinces provides purchasers of securities pursuant to an offering memorandum with a remedy for damages or rescission, or both, in addition to any other rights they may have at law, if this Offering Memorandum and any amendment to it contains a "misrepresentation". However, these remedies, or notice with respect to these remedies, must be exercised within the time limits prescribed by applicable securities legislation. The following summaries of rights of action and/or rescission are subject to the express conditions of the applicable legislative provisions, which may be subject to change after the date of this Offering Memorandum, and purchasers should refer to the applicable legislative provisions for the complete text of these rights and/or consult with a legal advisor.

Rights of Purchasers in Ontario

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

(a) if the purchaser exercises its right of rescission, it shall cease to have a right of action for damages as against the issuer and the selling security holders, if any;

(b) the issuer and the selling security holders, if any, will not be liable if they prove that the purchaser purchased the securities with knowledge of the misrepresentation;

(c) the issuer and the selling security holders, if any, will not be liable for all or any portion of damages that it proves do not represent the depreciation in value of the securities as a result of the misrepresentation relied upon; and

(d) in no case shall the amount recoverable exceed the price at which the securities were offered.

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

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

(b) in the case of an action for damages, the earlier of:

(i) 180 days after the date that the purchaser first had knowledge of the facts giving rise to the cause of action; or

(ii) three years after the date of the transaction that gave rise to the cause of action.

This Offering Memorandum is being delivered in reliance on the exemption from the prospectus requirements contained under section 2.3 (the "accredited investor exemption") and section 2.10 (the "minimum amount exemption") of National Instrument 45-106 – *Prospectus Exemptions* ("NI 45-106"). The rights referred to in section 130.1 of the *Securities Act* (Ontario) do not apply in respect of an offering memorandum (such as this Offering Memorandum) delivered to a prospective purchaser in connection with a distribution made in reliance on the accredited investor exemption if the prospective purchaser is:

(a) a Canadian financial institution or a Schedule III bank (each as defined in NI 45-106);

(b) the Business Development Bank of Canada incorporated under the *Business Development Bank of Canada Act* (Canada); or

(c) a subsidiary of any person referred to in paragraphs (a) and (b), if the person owns all of the voting securities of the subsidiary, except the voting securities required by law to be owned by directors of that subsidiary.

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

Rights for Purchasers in Alberta

Securities legislation in Alberta provides that every purchaser of securities in reliance on the exemption set forth in section 2.10 (the "minimum amount exemption") of NI 45-106 pursuant to an offering memorandum (such as this Offering Memorandum) shall have, in addition to any other rights they may have at law, a right of action for damages or rescission against the issuer and certain other persons if the offering memorandum or any amendment thereto contains a misrepresentation (as defined in the *Securities Act* (Alberta) (the "Alberta Act")). However, such rights must be exercised within prescribed time limits.

Section 204 of the Alberta Act provides that where an offering memorandum (such as this Offering Memorandum), or any amendment to it, contains a misrepresentation, a purchaser who purchases securities offered by the offering memorandum or any amendment will be deemed to have relied upon the misrepresentation, if it was a misrepresentation at the time of purchase, and has a right of action for damages against the issuer, every director of the issuer at the date of the offering memorandum, and every person or company who signed the offering memorandum or, alternatively, for rescission against the issuer, provided that if the purchaser exercises its right of

rescission against the issuer, the purchaser will not have a right of action for damages against the issuer or against any aforementioned person or company.

In Alberta, no action shall be commenced to enforce these rights of action more than:

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

(b) in the case of any action other than an action for rescission, the earlier of:

(i) 180 days from the day that the purchaser first had knowledge of the facts giving rise to the cause of action, or

(ii) three years from the day of the transaction that gave rise to the cause of action.

In addition, no person or company referred to above is liable if the person or company proves that the purchaser had knowledge of the misrepresentation. In an action for damages, the defendant will not be liable for all or any part of the damages that it proves do not represent the depreciation in value of the Units as a result of the misrepresentation relied upon. The amount recoverable under this right of action will not exceed the price at which the Units were offered under this Offering Memorandum. The rights of action for rescission or damages are in addition to and without derogation from any other right the purchaser may have at law.

The foregoing summary is subject to the express conditions of the Alberta Act and the regulations promulgated thereunder and specific reference should be made to same. The rights of action for rescission or damages are in addition to and do not derogate from any other right that the purchaser may have at law.

Rights for Purchasers in Saskatchewan

Section 138 of *The Securities Act, 1988* (Saskatchewan), as amended (the "Saskatchewan Act") provides that in the event that an offering memorandum (such as this Offering Memorandum) or any amendment to it is sent or delivered to a purchaser contains a misrepresentation (as defined in the Saskatchewan Act), a purchaser who purchases Units covered by the offering memorandum or any amendment to it has a right of action against the issuer or a selling security holder on whose behalf the distribution is made or has a right of action for damages against:

(a) the issuer or a selling security holder on whose behalf the distribution is made;

(b) every promoter and director of the issuer or the selling security holder, as the case may be, at the time the offering memorandum or any amendment to it was sent or delivered;

(c) every person or company whose consent has been filed respecting the offering, but only with respect to reports, opinions or statements that have been made by them;

(d) every person who or company that, in addition to the persons or companies mentioned in (a) to (c) above, signed the offering memorandum or the amendment to the offering memorandum; and

(e) every person who or company that sells securities on behalf of the issuer or selling security holder under the offering memorandum or amendment to the offering memorandum.

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

(a) if the purchaser elects to exercise its right of rescission against the issuer or selling security holder, it shall have no right of action for damages against that party;

(b) in an action for damages, a defendant will not be liable for all or any portion of the damages that he, she or it proves do not represent the depreciation in value of the securities resulting from the misrepresentation relied on;

(c) no person or company, other than the issuer or a selling security holder, will be liable for any part of the offering memorandum or any amendment to it not purporting to be made on the authority of an expert and not purporting to be a copy of, or an extract from, a report, opinion or statement of an expert, unless the person or company failed to conduct a reasonable investigation sufficient to provide reasonable grounds for a belief that there had been no misrepresentation or believed that there had been a misrepresentation;

(d) in no case shall the amount recoverable exceed the price at which the securities were offered; and

(e) no person or company is liable in an action for rescission or damages if that person or company proves that the purchaser purchased the securities with knowledge of the misrepresentation.

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

(a) the offering memorandum or any amendment to it was sent or delivered without the person's or company's knowledge or consent and that, on becoming aware of it being sent or delivered, that person or company gave reasonable general notice that it was so sent or delivered; or

(b) with respect to any part of the offering memorandum or any amendment to it purporting to be made on the authority of an expert, or purporting to be a copy of, or an extract from, a report, an opinion or a statement of an expert, that person or company had no reasonable grounds to believe and did not believe that there had been a misrepresentation, the part of the offering memorandum or any amendment to it did not fairly represent the report, opinion or statement of the expert, or was not a fair copy of, or an extract from, the report, opinion or statement of the expert.

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

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

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

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

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

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

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

(b) in the case of any other action, other than an action for rescission, the earlier of:

  (i) one year after the plaintiff first had knowledge of the facts giving rise to the cause of action; or

  (ii) six years after the date of the transaction that gave rise to the cause of action.

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

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

Rights for Purchasers in Manitoba

Section 141.1 of the *Securities Act* (Manitoba), as amended (the "Manitoba Act") provides that where an offering memorandum (such as this Offering Memorandum) or any amendment to it contains a misrepresentation, a purchaser who purchases a security offered by the offering memorandum is deemed to have relied on the representation if it was a misrepresentation at the time of purchase and has a right of rescission against the issuer or has a right of action for

damages against (i) the issuer, (ii) every director of the issuer at the date of the offering memorandum, and (iii) every person or company who signed the offering memorandum.

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

(a) if the purchaser chooses to exercise a right of rescission against the issuer, the purchaser shall have no right of action for damages against the parties (i), (ii) and (iii) listed above;

(b) in an action for damages, a defendant will not be liable for all or any part of the damages that he or she proves do not represent the depreciation in value of the security as a result of the misrepresentation;

(c) in no case shall the amount recoverable exceed the price at which the securities were offered under the offering memorandum; and

(d) no person or company is liable in an action for rescission or damages if that person or company proves that the purchaser had knowledge of the misrepresentation.

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

(a) the offering memorandum was sent to the purchaser without the person's or company's knowledge or consent, and that, after becoming aware that it was sent, the person or company promptly gave reasonable notice to the issuer that it was sent without the person's or company's knowledge and consent;

(b) with respect to any part of the offering memorandum purporting to be made on the authority of an expert or to be a copy of, or an extract from, an expert's report, opinion or statement, the person or company proves that the person or company did not have any reasonable grounds to believe and did not believe that (i) there had been a misrepresentation, or (ii) the relevant part of the offering memorandum (A) did not fairly represent the expert's report, opinion or statement, or (B) was not a fair copy of, or an extract from, the expert's report, opinion or statement; or

(c) with respect to any part of the offering memorandum not purporting to be made on an expert's authority and not purporting to be a copy of, or an extract from, an expert's report, opinion or statement, unless the person or company (i) did not conduct an investigation sufficient to provide reasonable grounds for a belief that there had been no misrepresentation, or (ii) believed there had been a misrepresentation.

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

Section 141.2 of the Manitoba Act provides that a purchaser of a security to whom an offering memorandum was required to be sent in compliance with Manitoba securities legislation, but was not sent within the prescribed time has a right of action for rescission or damages against the dealer, offeror or issuer who did not comply with the requirement.

Section 141.3 of the Manitoba Act also provides that a purchaser of a security to whom an offering memorandum is required to be sent may rescind the contract to purchase the security by sending a written notice of rescission to the issuer not later than midnight on the second day, excluding Saturdays and holidays, after the purchaser signs the agreement to purchase the securities.

Section 141.4 of the Manitoba Act provides that no action may be commenced to enforce any of the foregoing rights:

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

(b) in the case of any other action, other than an action for rescission, the earlier of:

  (i) 180 days after the day that the plaintiff first had knowledge of the facts giving rise to the cause of action, or

  (ii) two years after the day of the transaction that gave rise to the cause of action.

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

Rights for Purchasers in Nova Scotia

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

(a) no action shall be commenced to enforce any of the foregoing rights more than 120 days after the date on which the initial payment was made for the securities;

(b) no person will be liable if it proves that the purchaser purchased the securities with knowledge of the misrepresentation;

(c) in the case of an action for damages, no person will be liable for all or any portion of the damages that it proves do not represent the depreciation in value of the securities as a result of the misrepresentation relied upon; and

(d) in no case will the amount recoverable in any action exceed the price at which the securities were offered to the purchaser.

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

(a) the offering memorandum or amendment to the offering memorandum was sent or delivered to the purchaser without the person's or company's knowledge or consent and that, on becoming aware of its delivery, the person or company gave reasonable general notice that it was delivered without the person's or company's knowledge or consent;

(b) after delivery of the offering memorandum or amendment to the offering memorandum and before the purchase of the securities by the purchaser, on becoming aware of any misrepresentation in the offering memorandum or amendment to the offering memorandum the person or company withdrew the person's or company's consent to the offering memorandum or amendment to the offering memorandum, and gave reasonable general notice of the withdrawal and the reason for it; or

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

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

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

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

Rights for Purchasers in New Brunswick

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

(a) the purchaser has a right of action for damages against the issuer and any selling security holder(s) on whose behalf the distribution is made, or

(b) where the purchaser purchased the securities from a person referred to in paragraph (a), the purchaser may elect to exercise a right of rescission against the person, in which case the purchaser shall have no right of action for damages against the person.

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

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

(a) one year after the purchaser first had knowledge of the facts giving rise to the cause of action; or

(b) six years after the date of the transaction that gave rise to the cause of action.

The foregoing summary is subject to the express conditions of the New Brunswick Act and the regulations promulgated thereunder and specific reference should be made to same. The rights of action for rescission or damages under the New Brunswick Act are in addition to and do not derogate from any other right the purchaser may have at law.

Rights for Purchasers in Prince Edward Island

Section 112 of the *Securities Act* (Prince Edward Island) (the "PEI Act") provides to a purchaser who purchases, during the distribution period, a security offered by an offering memorandum (such as this Offering Memorandum) containing a misrepresentation, without regard to whether he or she relied on the misrepresentation, a right of action for damages against (a) the issuer, (b) the selling security holder on whose behalf the distribution is made, (c) every director of the issuer at the date of the offering memorandum, and (d) every person who signed the offering memorandum.

If an offering memorandum contains a misrepresentation, a purchaser, as described above, has a right of action for rescission against the issuer or the selling security holder on whose behalf the distribution is made. If the purchaser elects to exercise a right of action for rescission, the purchaser shall have no right of action for damages.

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

(a) the offering memorandum was sent to the purchaser without the person's knowledge or consent and that, on becoming aware of its being sent, the person had promptly given reasonable notice to the issuer that it had been sent without the knowledge and consent of the person;

(b) the person, on becoming aware of the misrepresentation in the offering memorandum, had withdrawn the person's consent to the offering memorandum and had given reasonable notice to the issuer of the withdrawal and the reason for it; or

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

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

In an action for damages, the defendant is not liable for any damages that he or she proves do not represent the depreciation in value of the security resulting from the misrepresentation. In addition, the amount recoverable must not exceed the price at which the securities purchased by the purchaser were offered.

Section 121 of the PEI Act provides that no action may be commenced to enforce any of the foregoing rights more than:

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

(b) in the case of any action other than an action for rescission, the earlier of:

(i) 180 days after the plaintiff first had knowledge of the facts giving rise to the cause of action, or

(ii) three years after the date of the transaction giving rise to the cause of action.

The rights of action for rescission or damages conferred are in addition to and do not derogate from any other right that the purchaser may have at law.

Rights for Purchasers in Newfoundland and Labrador

In the event that an offering memorandum (such as this Offering Memorandum), or a record incorporated by reference in or deemed incorporated into the offering memorandum contains a misrepresentation when a person or company resident in Newfoundland and Labrador purchases securities offered by the offering memorandum, the purchaser has, without regard to whether the purchaser relied on the misrepresentation, a right of action for damages against the issuer, every director of the issuer at the date of the offering memorandum and every person who signed the

offering memorandum or, alternatively, a right of rescission against the issuer, in which case the purchaser shall have no right of action for damages against the issuer, directors of the issuer or persons who have signed the offering memorandum, provided that, among other limitations:

(a) no person or company shall be liable if the person or company proves that the purchaser had knowledge of the misrepresentation;

(b) the amount recoverable under the above provisions shall not exceed the price at which the securities were offered under the offering memorandum; and

(c) in an action for damages, the defendant is not liable for all or any part of the damages that the defendant proves do not represent the depreciation in value of the security as a result of the misrepresentation.

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

(a) the offering memorandum was sent to the purchaser without the person's or company's knowledge or consent and that, on becoming aware of its being sent, the person or company promptly gave reasonable general notice to the issuer that it was sent without the person's or company's knowledge or consent;

(b) on becoming aware of any misrepresentation in the offering memorandum the person or company withdrew the person's or company's consent to the offering memorandum and gave reasonable notice to the issuer of the withdrawal and the reason for it; or

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

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

No action shall be commenced to enforce these rights more than:

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

(b) in the case of an action, other than an action for rescission, the earlier of:

(i) 180 days after the plaintiff first had knowledge of the facts giving rise to the cause of action, or

(ii) three years after the date of the transaction that gave rise to the cause of action.

Rights for Purchasers in Yukon

Securities legislation in the Yukon provides that if an offering memorandum (such as this Offering Memorandum) contains a misrepresentation, a purchaser who purchases a security offered by the offering memorandum during the period of distribution has, without regard to whether the purchaser relied on the misrepresentation:

(a) a right of action for damages against:

(i) the issuer;

(ii) the selling security holder on whose behalf the distribution is made;

(iii) every director of the issuer at the date of the offering memorandum, and

(iv) every person who signed the offering memorandum; and

(b) a right of rescission against:

(i) the issuer; or

(ii) the selling security holder on whose behalf the distribution is made.

If the purchaser chooses to exercise a right of rescission against the issuer, the purchaser has no right of action for damages against a person or company referred to above.

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

If a misrepresentation is contained in the offering memorandum, no person is liable if the person proves that the purchaser purchased the securities with knowledge of the misrepresentation.

A person, other than the issuer or selling security holder, is not liable in an action for damages if the person proves that:

(a) the offering memorandum was sent to the purchaser without the person's knowledge or consent, and that, on becoming aware of its being sent, the person had promptly given reasonable notice to the issuer that it had been sent without the person's knowledge and consent;

(b) the person, on becoming aware of the misrepresentation, had withdrawn the person's consent to the offering memorandum and had given reasonable notice to the issuer of the withdrawal and the reason for it; or

(c) with respect to any part of the offering memorandum purporting to be made on the authority of an expert or to be a copy of, or an extract from, a report, opinion or statement of an expert, the person had no reasonable grounds to believe and did not believe that:

(i) there had been a misrepresentation, or

(ii) the relevant part of the offering memorandum

(A) did not fairly represent the report, opinion or statement of the expert, or

(B) was not a fair copy of, or an extract from, the report, opinion or statement of the expert.

A person, other than the issuer or selling security holder, is not liable in an action for damages with respect to any part of the offering memorandum not purporting to be made on the authority of an expert and not purporting to be a copy of, or an extract from, a report, opinion or statement of an expert, unless the person

(a) failed to conduct a reasonable investigation to provide reasonable grounds for a belief that there had been no misrepresentation, or

(b) believed there had been a misrepresentation.

The amount recoverable shall not exceed the price at which the securities were offered under the offering memorandum. In an action for damages, the defendant is not liable for all or any part of the damages that the defendant proves do not represent the depreciation in value of the security as a result of the misrepresentation.

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

The issuer, and every director of the issuer at the date of the offering memorandum who is not a selling security holder, is not liable if the issuer does not receive any proceeds from the distribution of the securities and the misrepresentation was not based on information provided by the issuer, unless the misrepresentation

(a) was based on information previously publicly disclosed by the issuer;

(b) was a misrepresentation at the time of its previous public disclosure; and

(c) was not subsequently publicly corrected or superseded by the issuer before completion of the distribution of the securities being distributed.

No action may be commenced to enforce a right more than,

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

(b) in the case of any action other than an action for rescission,

(i) 180 days after the plaintiff first had knowledge of the facts giving rise to the cause of action, or

(ii) three years after the date of the transaction giving rise to the cause of action,

whichever period expires first.

The rights of action for rescission or damages conferred are in addition to and do not derogate from any other right that the purchaser may have at law.

Rights for Purchasers in Northwest Territories

Securities legislation in the Northwest Territories provides that if an offering memorandum (such as this Offering Memorandum) contains a misrepresentation, a purchaser who purchases a security offered by the offering memorandum during the period of distribution has, without regard to whether the purchaser relied on the misrepresentation:

(a) a right of action for damages against

(i) the issuer;

(ii) the selling security holder on whose behalf the distribution is made;

(iii) every director of the issuer at the date of the offering memorandum, and

(iv) every person who signed the offering memorandum; and

(b) a right of rescission against:

(i) the issuer; or

(ii) the selling security holder on whose behalf the distribution is made.

If the purchaser chooses to exercise a right of rescission against the issuer, the purchaser has no right of action for damages against a person or company referred to above.

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

If a misrepresentation is contained in the offering memorandum, no person is liable if the person proves that the purchaser purchased the securities with knowledge of the misrepresentation.

A person, other than the issuer or selling security holder, is not liable in an action for damages if the person proves that:

(a) the offering memorandum was sent to the purchaser without the person's knowledge or consent, and that, on becoming aware of its being sent, the person had promptly given reasonable notice to the issuer that it had been sent without the person's knowledge and consent;

(b) the person, on becoming aware of the misrepresentation, had withdrawn the person's consent to the offering memorandum and had given reasonable notice to the issuer of the withdrawal and the reason for it; or

(c) with respect to any part of the offering memorandum purporting to be made on the authority of an expert or to be a copy of, or an extract from, a report, opinion or statement of an expert, the person had no reasonable grounds to believe and did not believe that

(i) there had been a misrepresentation, or

(ii) the relevant part of the offering memorandum

(A) did not fairly represent the report, opinion or statement of the expert, or

(B) was not a fair copy of, or an extract from, the report, opinion or statement of the expert.

A person, other than the issuer or selling security holder, is not liable in an action for damages with respect to any part of the offering memorandum not purporting to be made on the authority of an expert and not purporting to be a copy of, or an extract from, a report, opinion or statement of an expert, unless the person

(a) failed to conduct a reasonable investigation to provide reasonable grounds for a belief that there had been no misrepresentation; or

(b) believed there had been a misrepresentation.

The amount recoverable shall not exceed the price at which the securities were offered under the offering memorandum. In an action for damages, the defendant is not liable for all or any part of the damages that the defendant proves do not represent the depreciation in value of the security as a result of the misrepresentation.

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

The issuer, and every director of the issuer at the date of the offering memorandum who is not a selling security holder, is not liable if the issuer does not receive any proceeds from the distribution of the securities and the misrepresentation was not based on information provided by the issuer, unless the misrepresentation

(a) was based on information previously publicly disclosed by the issuer;

(b) was a misrepresentation at the time of its previous public disclosure; and

(c) was not subsequently publicly corrected or superseded by the issuer before completion of the distribution of the securities being distributed.

No action may be commenced to enforce a right more than,

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

(b) in the case of any action other than an action for rescission,

(i) 180 days after the plaintiff first had knowledge of the facts giving rise to the cause of action, or

(ii) three years after the date of the transaction giving rise to the cause of action,

whichever period expires first.

The rights of action for rescission or damages conferred are in addition to and do not derogate from any other right that the purchaser may have at law.

Rights for Purchasers in Nunavut

Securities legislation in Nunavut provides that if an offering memorandum (such as this Offering Memorandum) contains a misrepresentation, a purchaser who purchases a security offered by the offering memorandum during the period of distribution has, without regard to whether the purchaser relied on the misrepresentation:

(a) a right of action for damages against

(i) the issuer;

(ii) the selling security holder on whose behalf the distribution is made;

(iii) every director of the issuer at the date of the offering memorandum, and

(iv) every person who signed the offering memorandum; and

(b) a right of rescission against:

(i) the issuer; or

(ii) the selling security holder on whose behalf the distribution is made.

If the purchaser chooses to exercise a right of rescission against the issuer, the purchaser has no right of action for damages against a person or company referred to above.

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

If a misrepresentation is contained in the offering memorandum, no person is liable if the person proves that the purchaser purchased the securities with knowledge of the misrepresentation.

A person, other than the issuer or selling security holder, is not liable in an action for damages if the person proves that:

(a) the offering memorandum was sent to the purchaser without the person's knowledge or consent, and that, on becoming aware of its being sent, the person had promptly given reasonable notice to the issuer that it had been sent without the person's knowledge and consent;

(b) the person, on becoming aware of the misrepresentation, had withdrawn the person's consent to the offering memorandum and had given reasonable notice to the issuer of the withdrawal and the reason for it; or

(c) with respect to any part of the offering memorandum purporting to be made on the authority of an expert or to be a copy of, or an extract from, a report, opinion or statement of an expert, the person had no reasonable grounds to believe and did not believe that

(i) there had been a misrepresentation, or

(ii) the relevant part of the offering memorandum

(A) did not fairly represent the report, opinion or statement of the expert, or

(B) was not a fair copy of, or an extract from, the report, opinion or statement of the expert.

A person, other than the issuer or selling security holder, is not liable in an action for damages with respect to any part of the offering memorandum not purporting to be made on the authority of an expert and not purporting to be a copy of, or an extract from, a report, opinion or statement of an expert, unless the person

(a) failed to conduct a reasonable investigation to provide reasonable grounds for a belief that there had been no misrepresentation, or

(b) believed there had been a misrepresentation.

The amount recoverable shall not exceed the price at which the securities were offered under the offering memorandum. In an action for damages, the defendant is not liable for all or any part of the damages that the defendant proves do not represent the depreciation in value of the security as a result of the misrepresentation.

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

The issuer, and every director of the issuer at the date of the offering memorandum who is not a selling security holder, is not liable if the issuer does not receive any proceeds from the

distribution of the securities and the misrepresentation was not based on information provided by the issuer, unless the misrepresentation

(a) was based on information previously publicly disclosed by the issuer;

(b) was a misrepresentation at the time of its previous public disclosure; and

(c) was not subsequently publicly corrected or superseded by the issuer before completion of the distribution of the securities being distributed.

No action may be commenced to enforce a right more than,

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

(b) in the case of any action other than an action for rescission,

(i) 180 days after the plaintiff first had knowledge of the facts giving rise to the cause of action, or

(ii) three years after the date of the transaction giving rise to the cause of action,

whichever period expires first.

The rights of action for rescission or damages conferred are in addition to and do not derogate from any other right that the purchaser may have at law.

Rights of Purchasers in British Columbia, Alberta and Québec

Notwithstanding that the *Securities Act* (British Columbia), the *Securities Act* (Alberta) and the *Securities Act* (Québec) do not provide, or require the issuer to provide to purchasers resident in the Province of Alberta purchasing under the exemption contained in section 2.3 (the "accredited investor exemption") of NI 45-106 and to purchasers resident in British Columbia and Québec any rights of action in circumstances where this Offering Memorandum or an amendment hereto contains a misrepresentation, the issuer hereby grants to such purchasers contractual rights of action that are equivalent to the statutory rights of action set forth above with respect to purchasers resident in Ontario.

The rights summarized above are in addition to and without derogation from any other rights or remedy which investors may have at law.

SECTION 25 – DIRECTORY

Additional information as to the Funds and its advisors and agents:

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Manager and Trustee: Picton Mahoney Asset Management
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Toronto, Ontario M5J 2T3

TO ALBERTA RESIDENTS PURCHASING UNITS IN RELIANCE ON THE EXEMPTION IN SECTION 2.10 OF NATIONAL INSTRUMENT 45-106 PROSPECTUS AND REGISTRATION EXEMPTIONS

Date: June 3, 2019

CERTIFICATE

This offering memorandum does not contain a misrepresentation.

PICTON MAHONEY MARKET NEUTRAL EQUITY FUND
AND
PICTON MAHONEY LONG SHORT EQUITY FUND,
by their Manager,
PICTON MAHONEY ASSET MANAGEMENT

By: "*David Picton*"
David Picton
President

By: "*Arthur Galloway*"
Arthur Galloway
Chief Financial Officer

c/o RBC Investor & Treasury Services
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