

## CONFIDENTIAL OFFERING MEMORANDUM

Continuous Offering

June 26, 2014

### **ASTON HILL OPPORTUNITIES FUND** (the “Fund”)

### **Series A Units** **and** **Series F Units** (the “Units”)

**This Confidential Offering Memorandum relates to the offering of Units by the Fund only in those jurisdictions and to those persons where and to whom they may be lawfully offered for sale. This offering is not, and under no circumstances is to be construed as, a public offering of Units or a prospectus or advertisement relating to the Units. No securities commission or similar regulatory authority in Canada has in any way passed upon the merits of the Units, nor has it reviewed this Confidential 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 in connection with the offering of Units other than those contained in this Confidential Offering Memorandum and, if given or made, any such information or representation must not be relied upon. This Confidential Offering Memorandum is confidential. By their acceptance thereof, prospective investors agree that they will not transmit, reproduce or make available to anyone this Confidential Offering Memorandum or any information contained herein, included herewith or incorporated in this document.

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

There is no market through which the Units may be sold and none is expected to develop. Transfer of the Units is subject to approval by the Manager and the Units also are subject to resale restrictions under applicable securities legislation. Persons who receive this Confidential Offering Memorandum must inform themselves of, and observe, all applicable restrictions with respect to the acquisition or disposition of Units under applicable securities legislation. Redemptions of Units may be suspended in certain circumstances. See “Redemption of Units”. There are additional risks associated with investing in Units. Investors should consult their own professional advisors to assess the income tax, legal and other aspects of an investment in Units. See the information under “Resale Restrictions” and “Risk Factors”.

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## ASTON HILL OPPORTUNITIES FUND

Aston Hill Opportunities Fund (the “**Fund**”) is an investment trust which was initially established on July 29, 2005 and currently exists under the laws of the Province of Ontario pursuant to an amended and restated master declaration of trust dated as of April 19, 2012 (as amended from time to time, the “**Declaration of Trust**”). Aston Hill Asset Management Inc. is the trustee (in such capacity, the “**Trustee**”) and the manager (in such capacity, the “**Manager**”) of the Fund.

The Fund has one class of units, issuable in series. The Fund currently offers Series A Units and Series F Units (together, the “**Units**”) for sale to investors. Although the Fund is a “mutual fund” as defined in applicable securities legislation, it is not required to (and does not) operate in accordance with the requirements of National Instrument 81-102 – *Mutual Funds* and other regulations and policies of the Canadian securities regulators that are applicable only to public mutual funds.

The head office of the Fund and the Manager is located at 77 King Street West, Suite 2110, Toronto, Ontario M5K 1G8.

### Investment Objective

The investment objective (the “**Investment Objective**”) of the Fund is to seek to achieve long-term capital growth through superior selection of securities from issuers anywhere in the world.

### Investment Strategies

The Fund currently pursues its investment objective by investing in a portfolio of securities using the investment strategies (the “**Investment Strategies**”) described below, but may use other strategies that the Manager believes will produce long-term capital appreciation:

- *Managing Long/Short Positions.* The Manager manages the relative weightings of the Fund’s long and short positions to achieve the investment objective. The Fund’s net market exposure will depend on, among other things, the Manager’s view of domestic and international economic and market trends. The total value of the Fund’s short positions at any time will not exceed the total value of the Fund’s long positions. As a result, the Fund will at no time have negative market exposure.
- *Special Situations.* The Fund may invest in securities of issuers in special situations, including event-driven situations such as corporate restructurings, mergers, hostile takeovers, bankruptcies or leveraged buyouts.
- *Short Selling Overvalued Securities.* The Fund may engage in short selling of securities which the Manager believes are overvalued based on its traditional fundamental research and analysis of such securities. These may include, in particular, securities of issuers with deteriorating fundamentals and weak balance sheets.
- *Pairs Trading.* The Fund may take a short position in securities of a particular issuer while taking a long position in securities of another issuer in an attempt to take advantage of relative valuation differences between the two issuers. The Fund will make such a “pairs trade” when the Manager believes that the fundamentals of the issuer in which the Fund

includes a long position will become increasingly attractive as compared to those of the issuer in which the Fund includes a short position.

- *Convertible Arbitrage.* The Fund may participate in convertible arbitrage situations by purchasing convertible securities of an issuer while short selling the underlying securities into which such convertible securities may be converted. In doing so, the Fund will attempt to take advantage of mispricing between the market price of the convertible securities and the underlying securities.
- *Merger Arbitrage.* The Fund may participate in merger arbitrage situations by purchasing securities of an issuer that is the target in a proposed merger and selling short the securities of the acquiror. Where the consideration offered to the securityholders of the target includes securities of the acquiror, the Fund may be able to take advantage of instances where the target's securities trade below the announced offer price, reflecting the time value of money and the possibility that the transaction may not be completed.
- *Derivatives.* The Fund may make use of options, swaps, and other derivatives in order to enhance returns or synthesize returns where direct investments are not available or tax efficient. Derivatives may also be used to hedge other long or short positions to better manage risk.
- *Securities Lending.* In order to generate additional returns, the Fund may lend its securities. When doing so, the Fund will receive a negotiated lending fee and receive compensation payments relating to any distributions received by the borrower on the securities borrowed, and the Fund will receive prescribed collateral security.

While the Manager typically attempts to minimize risk in selecting investments, it should be understood that the risk management techniques utilized by the Manager cannot provide any assurance that the Fund will not be exposed to risks of significant investment losses. See "Risk Factors".

### **Investment Restrictions**

The investment activities of the Fund are conducted in accordance with the following investment restrictions (the "**Investment Restrictions**"):

- *Indebtedness and other Leverage.* The Fund may borrow funds, which may be used for various purposes, including purchasing additional securities for the Fund, maintaining liquidity, funding redemptions, and paying expenses. In absolute terms, the ratio of total unhedged dollars invested to total dollars of gross equity will not exceed a ratio of 1.5:1. Leverage can also come in the form of purchasing securities on margin and short sales, which involve borrowed securities.
- *Illiquid Investments.* The Fund will not invest assets in the securities of issuers that cannot be readily disposed of through market facilities on which public quotations in common use are widely available if, immediately following such investment, more than 10% of the Fund's net assets would be comprised of such investments.

- *Security Concentration.* The Fund will not invest more than 20% of the aggregate value of its assets in the securities of any issuer, other than securities issued or guaranteed by the United States Government, Government of Canada or a province or territory thereof.

## **RISK FACTORS**

An investment in Units is subject to certain risks. Summarized below are the principal risks associated with investing in Units of the Fund.

### **Changes in Net Asset Value**

The NAV per Unit will change as the value of the investments held in the Fund changes. As a result, upon redemption, a Unitholder may receive less than the amount paid for the Units. Units of the Fund are not guaranteed by the Canada Deposit Insurance Corporation or any other government deposit insurer.

### **Achieving the Investment Objective**

There is no assurance that the Fund will achieve its Investment Objective. An investment in Units may not earn any positive return and an investment in the Fund is appropriate only for investors who have the capacity to absorb the loss of some or all of their investment. Investors should review closely the Investment Objective and Investment Strategies to determine whether an investment in the Fund is suitable for them.

### **General Economic and Market Conditions**

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

### **Liquidity**

Liquidity is often described as the speed and ease with which an asset can be sold and converted into cash. It is expected that the Fund will be able to sell most of the securities it owns promptly and at a fair price and therefore those securities can be described as relatively liquid. However, the Fund may also invest in securities that are illiquid. Some securities are illiquid because of legal restrictions, the nature of the investment itself, settlement terms, or for other reasons. Sometimes, there may simply be a shortage of buyers. If the Fund has difficulty selling a security, it can lose value or incur extra costs. In addition, illiquid securities may be more difficult to value accurately and may experience larger price changes. This can cause greater fluctuations in the Fund's Net Asset Value.

### **Leverage**

The Fund may use financial leverage by borrowing funds against the assets of the Fund. The use of leverage may result in capital losses or a decrease in distributions by the Fund, which would have an adverse effect on Unitholders. There can be no assurance that a borrowing strategy employed by the Fund will enhance returns or help the Fund achieve the Investment Objective, and to the extent

that the interest payable on and other expenses of the borrowings exceed the incremental returns to the Fund on the additional securities purchased thereby, the strategy may reduce returns on the Units, as compared to a situation where no financial leverage was used.

In addition, a reduction in the assets of the Fund does not change the amount that must be paid on account of amounts borrowed. Since any required payment of such amounts decreases dollar for dollar the Net Asset Value, the NAV per Unit will decrease to a proportionately greater extent, as compared to a situation where the Fund did not use financial leverage.

### **Changes in Legislation**

There can be no assurance that certain laws applicable to the Fund, including income tax laws, will not be changed in a manner which adversely affects the distributions received or to be made by the Fund.

### **Marketability and Transferability of Units**

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

### **Large Redemptions**

Substantial redemptions of Units could require the Fund to liquidate positions more rapidly than otherwise desirable to raise the necessary cash to fund redemptions of Units.

### **Not a Public Mutual Fund**

Although the Fund is a “mutual fund” as defined in the securities legislation applicable in certain provinces, it does not operate in accordance with the requirements of laws, regulations and policies and regulations of the Canadian securities regulators that are applicable only to public mutual funds. As a result, the Fund is not subject to (among other matters) the investment restrictions placed on public mutual funds to ensure diversification and liquidity of the Fund’s investments and the avoidance of financial leverage.

### **Short Selling**

As one of its investment strategies, the Fund may engage in short selling securities. A short sale of a security may expose the Fund to losses if the price of the security sold short increases since the Fund may be required to purchase such securities in order to cover its short position at a higher price than the price at which such securities were sold short. The potential loss on the short sale of securities is unlimited, since there is no limit on how much the price of a security will appreciate before the short position is closed out. In addition, a short sale entails the borrowing of the security in order that the short sale may be transacted. There is no assurance that the lender of the security will not require the security to be repaid before the Fund wishes to do so, thereby requiring the Fund to borrow the security elsewhere or purchase the security in the market at an unattractive price. In the event that numerous lenders of the security in the market simultaneously recall the same security, a “short-squeeze” may occur, whereby the market price of the borrowed security may increase significantly. In addition, the borrowing of securities entails the payment of a

borrowing fee. There is no assurance that a borrowing fee will not increase during the borrowing period, adding to the expense of the short sale strategy. In addition, there is no assurance that the security sold short can be repurchased due to supply and demand constraints in the marketplace.

### **Securities Lending**

The Fund may enter into securities lending transactions to generate additional income from securities held in the Fund. If the other party to the transaction becomes insolvent or otherwise cannot fulfill its agreement, the Fund may suffer losses.

### **Derivatives**

A derivative is a contract whose value is based on, or derived from, the value or performance of another investment. Examples of derivatives include options, futures, swaps and forward contracts. Derivative contracts require or allow the holder to purchase or sell assets such as stocks, currencies or commodities at a certain price now or in the future. Some of the most common risks associated with derivatives are the following:

- Derivatives may not prevent changes in the market value of the Fund's investments or prevent losses if the market value of the investments falls.
- The Fund may not be able to purchase or sell a derivative to make a profit or limit a loss.
- Derivatives can limit the Fund's ability to benefit from increases in the stock markets.
- There is no guarantee that the counterparty in a derivative contract will meet its obligations.
- If the counterparty in a derivative, or a third party holding assets of the Fund in connection with a derivative, goes bankrupt, the Fund could lose all or any part of a deposit or collateral it deposited and any gains made on the derivative.
- Some derivatives traded on foreign markets may be harder to trade and have higher credit risk than derivatives traded in North America.

### **Options**

The Fund may write call and put options. Selling call and put options is a highly specialized activity and entails greater than ordinary investment risk. The risk of loss when purchasing an option is limited to the amount of the purchase price of the option. However, investment in an option may be subject to greater fluctuation than an investment in the underlying security. In the case of the sale of an uncovered option there can be potential for an unlimited loss. To some extent this risk may be hedged by the purchase or sale of the underlying security.

### **Trading Costs**

The Fund may engage in a high rate of trading activity resulting in correspondingly high costs being borne by the Fund.

### **Interest Rate Hedging**

Interest rate hedges will be used by the Fund only to the extent that the Manager considers appropriate. The use of interest rate hedges involves special risks, including the possible default by the other party to the transaction, illiquidity and, to the extent the Manager's assessment of certain market movements is incorrect, the risk that the use of interest rate hedges could result in losses greater than if the hedging had not been used.

### **Foreign Currency Exposure**

Certain of the investments in the Fund, at any time, may consist of securities denominated in currencies other than the Canadian dollar. Accordingly, the Net Asset Value will, when measured in Canadian dollars, be affected by fluctuations in the value of the Canadian dollar relative to the foreign currency in which the Fund's investments are denominated.

### **Foreign Market Exposure**

The Fund may, at any time, hold securities of issuers 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 Canadian and the United States companies, 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 United States company. Volume and liquidity in some foreign markets may be less than in Canada and the United States and, at times, volatility of price may be greater than in Canada or the United States. As a result, the price of such securities may be affected by conditions in the market of the jurisdiction in which the issuer is located or its securities are traded. 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.

### **Calculation of Net Asset Value**

While the Fund is independently audited by its auditors on an annual basis in order to ensure as fair and accurate a pricing as possible, valuation of the Fund's securities and other investments may involve uncertainties and judgmental determination and, if such valuation should prove to be incorrect, the Net Asset Value of the Fund could be adversely affected. Independent pricing information may not at times be available regarding certain of the Fund's securities and other investments. Valuation determination will be made by the Manager in good faith.

To the extent that the value assigned to any such investment differs from the actual value, the NAV per Unit may be understated or overstated, as the case may be. In light of the foregoing, there is a risk that a Unitholder who redeems all or part of his or her Units while the Fund holds such investments will be paid an amount less than such Unitholder would otherwise be paid if the actual value of such investments is higher than the Net Asset Value used for determining the redemption price of the Units redeemed. Similarly, there is a risk that such Unitholder might, in effect, be overpaid if the actual value of such investments is lower than the redemption price. In addition, there is risk that an investment in the Fund by a new Unitholder (or an additional investment by an existing Unitholder) could dilute the value of such investments for the other Unitholder if the actual value of such investments is higher than the NAV per Unit used for determining the subscription price of the new Units. Further, there is risk that a new Unitholder (or an existing Unitholder that makes an additional investment) could pay more than it might otherwise if the actual value of such investments is lower than the subscription price.

## **U.S. Withholding Tax and Reporting Requirements**

The United States *Foreign Account Tax Compliance Act* (“**FATCA**”), enacted in 2010, generally imposes a 30% withholding tax on certain “withholdable payments” and “passthru payments” made to foreign (i.e., non-U.S.) financial institutions (“**FFIs**”) that do not either (i) enter into agreements (“**FFI Agreements**”) with the U.S. Internal Revenue Service (the “**IRS**”), under which the FFIs agree to identify and report information to the IRS regarding the FFI’s accounts held by U.S. persons (or specified U.S. owned non-U.S. persons), or (ii) otherwise comply with FATCA, including pursuant to an IGA (as described below). The Fund is likely an FFI and is, therefore, likely subject to FATCA. “Withholdable payments” generally will include certain U.S. source income received by the Fund on or after July 1, 2014 and gross proceeds from the sale of assets of a type that could give rise to U.S. source dividend or interest income received by the Fund on or after January 1, 2017. “Passthru payments” are defined for purposes of FATCA to generally include payments made by the Fund that are withholdable payments or that are attributable to withholdable payments received by the Fund, and FATCA withholding will apply (under current administrative guidance) to passthru payments made by the Fund on or after January 1, 2017. The first reporting deadline for FFIs that have entered into an FFI Agreement will be March 31, 2015 with respect to the 2014 calendar year.

The governments of Canada and the United States entered into an Intergovernmental Agreement (the “**IGA**”) on February 5, 2014. The IGA establishes a framework for cooperation and information sharing between the two countries and provides an alternative for FFIs in Canada, including the Fund, to comply with FATCA without entering into an FFI Agreement. Pursuant to the IGA, the Fund will identify any Unitholders that are U.S. persons or specified U.S.-owned non-U.S. persons and report certain information with respect to such Unitholders to the Canada Revenue Agency (the “**CRA**”) which, in turn, will report such information to the IRS. The first report to the CRA is in 2015 with respect to the 2014 calendar year. The Fund will generally be relieved from the obligation to enter into an FFI Agreement and will generally not be subject to FACTA withholding on payments received by the Fund, provided (i) the Fund complies with the terms of the IGA and the Canadian legislation implementing the IGA (the “**Canadian IGA Legislation**”) and (ii) the government of Canada complies with the terms of the IGA.

The Fund will endeavor to comply with the requirements imposed under the IGA and the Canadian IGA Legislation. Accordingly, the Fund anticipates that Unitholders will be required to provide identity and residency and other information to the Fund which (in the case of specified U.S. persons or specified U.S.-owned non-U.S. persons) will be provided by the Fund to the CRA and from the CRA to the IRS. However, if the Fund receives payments covered by FATCA, the Fund may be subject to FACTA withholdings if it cannot satisfy the applicable requirements under the IGA or the Canadian IGA Legislation or if the Canadian government is not in compliance with the IGA, and if the Fund is otherwise unable to comply with the requirements of FATCA. Any such withholding tax would reduce the Fund’s NAV.

## **VALUATION OF THE FUND AND UNITS**

The net asset value (“**Net Asset Value**” or “**NAV**”) of the Fund is calculated by the Manager as of 4:00 p.m. on each Valuation Date. A “**Business Day**” is each day on which there is a regular trading session of the Toronto Stock Exchange. A “**Valuation Date**” is the 15<sup>th</sup> day (or, if the 15<sup>th</sup> day is not a Business Day, the Business Day immediately preceding the 15<sup>th</sup> day) and the last Business Day of each calendar month. The NAV is equal to the fair value of the assets of the Fund

less the fair value of the liabilities of the Fund. The net asset value for each series of Units of the Fund (“NAV per Series”) also is calculated as of 4:00 p.m. on each Valuation Date as (a) the fair value of the assets of the Fund attributable to such series, less (b) the fair value of (i) the portion of the Fund’s liabilities not attributable to any particular series and (ii) all liabilities referable to that particular series.

The net asset value per Unit of each Series (“NAV per Unit”) is calculated by the Manager as of 4:00 p.m. on each Valuation Date as the amount determined by dividing the Net Asset Value per Series of that series of Units by the number of Units of that series outstanding on the Valuation Date, before giving effect to any subscriptions or redemptions of Units on that Valuation Date.

## **DESCRIPTION OF UNITS**

The Fund is authorized to issue an unlimited number of Units, issuable in series, on a continuous basis. Each Unit represents an equal interest in the assets of the series of such Unit without distinction, preference or priority. The proportionate interest of each Unitholder is expressed by the number of Units and fractions thereof held by and registered in the name of each Unitholder.

Currently, the Fund offers prospective investors the opportunity to purchase Series A Units and Series F Units. Series A Units are available to all qualified investors. Series F Units are intended for qualified investors who participate in fee-based programs through their dealer. These investors pay their dealer an annual investment advisory fee (which the investor negotiates with his or her dealer) for ongoing services. Since the Manager pays no trailer fees to dealers in these circumstances and the Fund’s servicing costs are lower, the Manager charges a lower management fee to the Fund in respect of Series F Units than for Series A Units.

Additional information concerning the attributes of the Units is provided under “Amendment of Declaration of Trust and Termination of the Fund”.

## **PURCHASE OF UNITS**

### **Subscription Procedure**

Prospective investors who wish to subscribe for Units must complete, execute and deliver to the Manager a completed version of the subscription agreement which accompanies this Confidential Offering Memorandum, together with a cheque (or other form of funds transfer acceptable to the Manager, including through the facilities of FundSERV) representing payment of the subscription price. Subscriptions received by 4:00 p.m. (Toronto time) on a Valuation Date will be processed on such Valuation Date. Subscriptions received after that time will be processed on the next Valuation Date.

Subscriptions for Units are subject to acceptance or rejection in whole or in part by the Manager in its sole discretion. In the event a subscription for Units is rejected, any subscription funds forwarded by the subscriber will be returned, without interest or deduction.

### **Minimum Investment**

Units will be issued at the applicable NAV per Unit on the applicable Valuation Date. See “Valuation of the Fund and Units”. The minimum initial investment in Units by a prospective investor who qualifies as an accredited investor is \$5,000. The minimum investment by a

prospective investor who does not qualify as an accredited investor is \$150,000. See the representations, warranties and certifications contained in the subscription agreement which accompanies this Confidential Offering Memorandum for the criteria to qualify as an “accredited investor”. Each subsequent investment in the Fund must be for an amount not less than \$5,000. The Manager may, in its discretion, waive these minimum amounts from time to time.

### **Sales Commissions and Trailer Fees**

There is no commission payable to the Manager in respect of Units purchased directly by a prospective investor. A prospective investor may pay a commission to his or her dealer that is negotiated between the prospective investor and his or her dealer. The minimum subscription amounts described above are net of such commissions.

The Manager pays dealers a trailer fee on Series A Units. The trailer fee is equal to 1% per and is calculated monthly and payable monthly or quarterly based on the total client assets invested in Series A Units held by all of the dealer’s clients throughout the month. The Manager may change or cancel trailer fees at any time. The Manager also may, from time to time, pay up to 10% of its Performance Fee to dealers as additional trailer fee.

### **REDEMPTION OF UNITS**

Subject to the provisions of applicable law and to the provisions set out in the Declaration of Trust, each Unitholder is entitled on each Valuation Date to require the Fund to redeem any or all Units registered in the name of such Unitholder at a price per Unit equal to the Redemption Price (as defined below) on such Valuation Date (the “**Redemption Date**”). Redemption requests must be in writing not later than 4:00 p.m. (Toronto time) at least 5 Business Days prior to the Redemption Date, otherwise the redemption will be processed on the next following Valuation Date.

A Unitholder who surrenders a Unit for redemption will be entitled to receive an amount (the “**Redemption Price**”) equal to the applicable NAV per Unit determined as of the Redemption Date (a) plus all declared and unpaid distributions thereon, and (b) less (i) any costs of funding the redemption, including commissions, and (ii) any accrued Performance Fee applicable to the Unit calculated as if the Redemption Date was the last Business Day of the fiscal year of the Fund. Such Unitholder will receive payment of the Redemption Price on or before the 10<sup>th</sup> Business Day following the Redemption Date.

If the Manager has received requests to redeem 10% or more of the outstanding Units on any Redemption Date, the Manager may, in its sole discretion, defer the payment of the Redemption Price for some or all of the Units in respect of which redemption has been requested in order to permit an orderly liquidation of the Fund’s assets in connection with such redemption. The Fund will pay any deferred Redemption Price on one or more dates, as determined by the Manager, during the period not exceeding 120 days after such Redemption Date.

The Manager may suspend the redemption of Units or payment of redemption proceeds, for any period not exceeding 120 days, during which the Manager determines that conditions exist which render impractical the sale of assets of the Fund or which impair the ability of the Manager to determine the Net Asset Value. The suspension shall 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 such requests will be advised that they have the right to withdraw their requests for redemption. The suspension will terminate in

any event on the first day on which the condition giving rise to the suspension has ceased to exist provided that no other condition under which a suspension is authorized then exists. Redemptions following the termination of a suspension of redemptions will be made utilizing the applicable NAV per Unit at the next scheduled Valuation Date, and payment to the redeeming Unitholders will be made within 10 Business Days thereafter.

A holder of a Unit surrendered to the Fund by way of a redemption request by such holder for redemption on a Redemption Date which is not redeemed shall continue to be entitled to exercise all of the rights of a Unitholder in respect of such Units. Redemption requests are irrevocable unless they are not honoured on a Redemption Date, in which case they may be withdrawn at any time before such Unit is redeemed.

The Manager has the right to redeem some or all of the Units owned by a Unitholder on a Valuation Date at the applicable NAV per Unit thereof, by providing written notice to the Unitholder at least 20 days before any Valuation Date, which right may be exercised by the Manager in its absolute discretion.

### **TRUSTEE AND MANAGER**

Pursuant to the Declaration of Trust, Aston Hill Asset Management Inc., as Trustee, holds title to the Fund's investments on behalf of the Unitholders.

Pursuant to an amended and restated management agreement (the "**Management Agreement**") dated as of April 19, 2012, Aston Hill Asset Management Inc. is the Manager of the Fund and has exclusive authority to manage the operations and activities of the Fund. The Manager may delegate certain of its powers to third parties where, in the discretion of the Manager, it would be in the best interests of the Fund and the Unitholders to do so. In accordance with the requirements of the *Securities Act* (Ontario), the Manager is required to act honestly, in good faith and in the best interests of the Fund and to exercise the degree of care, diligence and skill that a reasonably prudent person would exercise in the same circumstances.

The following persons are the directors of the Manager and the officers of the Manager who are involved in the management of the Fund.

<b>Name and Municipality of Residence</b>	<b>Office</b>
ERIC TREMBLAY Calgary, Alberta	Director and Chief Executive Officer
BENEDICT G. CHENG Toronto, Ontario	Director and Chief Investment Officer
MICHAEL J. KILLEEN Toronto, Ontario	Director and President
LARRY W. TITLEY Airdrie, Alberta	Director and Chief Financial Officer
JEFFREY J. BURCHELL Toronto, Ontario	Vice President and Portfolio Manager

The Manager also is the portfolio advisor to the Fund. Mr. Jeffrey J. Burchell acts as lead portfolio manager for the Fund.

Mr. Benedict Cheng acts as a portfolio manager exclusively to investment funds managed by IA Clarington Investments Inc., and for two other investment funds, not including the Fund. See [www.astonhill.ca](http://www.astonhill.ca) for details.

## **FEES AND EXPENSES**

### **Management Fees**

As compensation for its management services rendered to the Fund, the Manager is entitled to receive annual management fees (the “**Management Fees**”) calculated as a percentage of the Net Asset Value per Series for each series of Units. For Series A Units, the annual Management Fee percentage is 2% (out of which the Manager will be responsible for paying trailer fees to dealers whose clients hold Series A Units), and Series F Units the annual Management Fee percentage is 1%. The Management Fees are calculated and paid monthly in arrears.

### **Performance Fees**

In addition, the Fund will pay to the Manager, on the last Business Day of each fiscal year of the Fund, a performance fee (the “**Performance Fees**”) for each Unit in an amount equal to 20% of the amount by which the NAV per Unit of such Unit on such Business Day (excluding any accrued Performance Fee, but adding the aggregate amount of all distributions declared on such Unit during such fiscal year) exceeds the Performance Threshold. The “**Performance Threshold**” is the sum of the Starting NAV per Unit and the Hurdle Rate. The “**Starting NAV per Unit**” is (a) if the Unit was outstanding on the last Business Day of the previous fiscal year of the Fund, the NAV per Unit on such Business Day after deduction for any Performance Fees payable on such day, and (b) if the Unit was not outstanding on the last Business Day of the previous fiscal year of the Fund, the NAV per Unit on the subscription date for such Unit. The “**Hurdle Rate**” is 5% (or, for any Unit not outstanding for the full fiscal year, a proportionate amount of 5%) of the High Water Mark. The Performance Fee will be accrued monthly or for such other period as the Manager may determine, and paid yearly in arrears.

### **Operating Expenses**

The Fund pays its own operating expenses. These expenses include legal, audit and custodial safekeeping fees, taxes, interest, operating and administrative costs, investor servicing costs and the costs for reports and offering documentation. The Fund also reimburses the Manager for all expenses incurred on behalf of the Fund in connection with its duties as Manager.

## **DISTRIBUTION POLICY**

The current distribution policy of the Fund is to distribute or allocate annually to its Unitholders sufficient investment income and capital gains (net of applicable losses) so that it effectively will not pay any Canadian federal income tax under Part I of the *Income Tax Act* (Canada) (the “**Tax Act**”).

Distributions generally are paid, or made payable, on the last Business Day of each year. All distributions will be automatically reinvested in additional Units of the same series, without charge,

at their NAV per Unit determined as of the date of distribution. Distributions may include distributions out of capital. A distribution of capital is a non-taxable return of part of the Unitholder's original capital investment.

## **INCOME TAX CONSIDERATIONS**

The following is a summary as of the date hereof of the principal Canadian federal income tax considerations with respect to acquiring, owning and disposing of Units of the Fund. This summary only applies to an investor who is an individual (other than a trust) that deals at arm's length and is not affiliated with the Fund, who is resident in Canada and who holds Units of a Fund as capital property for the purposes of the Tax Act.

This summary is based on the current provisions of the Tax Act and regulations thereunder, specific proposals to amend the Tax Act and regulations that have been publicly announced by the Minister of Finance (Canada) prior to the date hereof and the published administrative practices and policies of Canada Revenue Agency. It has been assumed that such practices and policies will continue to be applied in a consistent manner. This summary does not take into account or anticipate any other changes in law whether by legislative, regulatory, administrative, governmental or judicial action.

The Fund intends at all material times to be a "unit trust" and a "registered investment" within the meaning of such terms under the Tax Act. The Fund may or may not qualify as a mutual fund trust for purposes of the Tax Act and this summary assumes that the Fund will not qualify as mutual fund trust. This summary assumes that less than 50% of the fair market value of Units of the Fund are held by "financial institutions" as defined for the purposes of the "mark-to-market" rules in the Tax Act.

This summary is of a general nature only, it is not exhaustive of all possible income tax considerations and does not take into account or consider the tax laws of any province or territory or of any jurisdiction outside of Canada.

**This summary is not intended to be nor should it be construed to be legal or tax advice to a Unit holder or any prospective Unitholder. Prospective investors are advised to seek independent advice regarding the tax consequences to investments in Units based upon their own particular circumstances.**

### **Taxation of the Fund**

In each taxation year, the Fund is subject to tax under Part I of the Tax Act on the amount of its income for tax purposes for that taxation year, including net taxable capital gains, less the portion thereof that it claims in respect of amounts paid or payable to its Unitholders in the year. An amount will be considered to be payable to a Unitholder in a taxation year if it is paid in the year by a Fund or the Unitholder is entitled in that year to enforce payment of the amount.

In computing its income, the Fund will include interest that accrues to it to the end of the year, or becomes receivable or is received by it before the end of the year (except to the extent such interest was included in completing its income for a prior year), and dividends received in the year. Generally, gains and losses from using derivatives will be realized on income account rather than on capital account.

The portfolio of the Funds will include securities that are not denominated in Canadian dollars. Cost, proceeds of disposition of securities, distributions, interest and all other amounts will be determined for the purposes of the Tax Act in Canadian dollars at the exchange rate determined in accordance with the detailed rules in the Tax Act in that regard. The Funds may realize gains or losses by virtue of the fluctuation in the value of foreign currencies relative to Canadian dollars. The Funds will derive income (including gains) from investments in countries other than Canada and, as a result, may be liable to pay income or profits tax to such countries. To the extent that such foreign tax paid does not exceed 15% of such income and has not been deducted in computing the 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. To the extent that such foreign tax paid by the 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 the purposes of the Tax Act.

All of the Fund's deductible expenses, including expenses common to all series of the Fund and management fees and other expenses specific to a particular series of the Fund, will be taken into account in determining the income or loss of the Fund as a whole.

Losses incurred by the Fund can not be allocated to Unitholders but may be carried forward and deducted by the Fund in future years.

The "suspended loss" rules in the Tax Act may prevent the Fund from recognizing capital losses on the disposition of securities in certain circumstances which may increase the amount of net realized capital gains of the Fund to be paid to Unitholders.

The Tax Act was recently amended to include "loss restriction event" ("**LRE**") rules that could potentially apply to certain trusts including the Fund. In general, a LRE occurs to the Fund if a person (or group of persons) acquires more than 50% of the units of the Fund. If a LRE occurs (i) the Fund will be deemed to have a year-end for tax purposes, (ii) any net income and net realized capital gains of the Fund at such year-end will be distributed to Unitholders of the Fund, and (iii) the Fund will be restricted in its ability to use tax losses (including any unrealized capital losses) on going forward basis.

The Fund is a "registered investment" under the Tax Act. As long as the Fund is a "registered investment" but not a "mutual fund trust" for tax purposes, the Fund may be liable for tax under Part XI of the Tax Act if it invests in investments that are not qualified investments for Registered Plans (as defined below). The Fund will restrict its investments so that they will not be liable for a material amount of tax under Part XI of the Tax Act.

Part XII.2 of the Tax Act provides that certain trusts that have a unitholder who is a "designated beneficiary" under the Tax Act at any time in the taxation year are subject to a special tax under Part XII.2 of the Tax Act on the trust's "designated income" under the Tax Act. "Designated beneficiaries" generally include non-resident persons, non-resident owned investment corporations, certain trusts, certain partnerships and certain tax-exempt persons in certain circumstances where the tax-exempt person acquires units from another beneficiary. "Designated income" generally includes income from businesses carried on in Canada (including from derivatives) and from Canadian real estate, timber resource properties and Canadian resource properties, and taxable capital gains from dispositions of "taxable Canadian property." While the Fund may become liable

for tax under these rules, the Fund expects that the amount of such tax will not be significant because the Fund does not anticipate having material designated income. In any event, Unitholders resident in Canada who are subject to tax under the Tax Act will be eligible for a tax credit in respect of their proportionate amount of any Part XII.2 tax.

The Fund may, in certain circumstances be subject to alternative minimum tax under the Tax Act for that year. This could occur, for example, in years in which the Fund has losses on income account, as well as capital gains. Any alternative minimum tax payable by the Fund may be carried forward to offset net income tax liability of the Fund in a subsequent year, subject to the rules in the Tax Act.

### **Units Held Inside a Registered Plan**

Provided that the Fund is a “registered investment” within the meaning of the Tax Act, Units of the Fund will be “qualified investments” under the Tax Act for a trust governed by a registered retirement savings plan (“RRSP”), deferred profit sharing plan (“DPSP”), registered retirement income fund (“RRIF”), registered education savings plan (“RESP”), registered disability savings plan (“RDSP”) or tax-free savings account (“TFSA”) (collectively “Registered Plans”).

If Units are held in a Registered Plan, distributions from the Fund and capital gains from a disposition of the Units are generally not subject to tax under the Tax Act. Any withdrawals from the Registered Plan (other than from a TFSA and certain withdrawals from a RESP or RDSP) will generally be subject to tax at the Unitholder’s personal rate. Units will not be a “prohibited investment” for a trust governed by a TFSA, RRSP or RRIF provided the holder of the TFSA or annuitant of the RRSP or RRIF deals at arm’s length with the Fund for purposes of the Tax Act and does not have a significant interest (within the meaning of the Tax Act) in the Fund. A holder of a TFSA or annuitant of an RRSP or RRIF will have a “significant interest” in the Fund if the holder or annuitant, together with persons who do not deal at arm’s length with the holder or annuitant (such as the holder’s or annuitant’s spouse), hold 10% or more of the outstanding Units of the Fund. The Fund will endeavour not to accept a subscription for units of the Fund through a TFSA, RRSP or RRIF or directly by the holder or annuitant, if the subscription would result in the holder or annuitant holding (together with the TFSA, RRSP or RRIF) 10% or more of the Units of the Fund. This may not preclude Units from being a prohibited investment for a TFSA, RRSP or RRIF by other means. Prospective investors should seek independent advice before subscribing for Units of a Fund through a TFSA, RRSP or RRIF.

U.S. or other foreign withholding taxes may apply to investments made by the Fund. Such taxes are not recoverable by Registered Plans.

### **Units Held Outside a Registered Plan**

If a Unitholder hold Units outside of a Registered Plan, the Unitholder must include in computing his or her income for tax purposes the amount of the net income and the taxable portion of net capital gains paid or payable to the Unitholder by the Fund in the year, whether the Unitholder receives these distributions in cash or they are reinvested in additional Units.

The Fund intends to make appropriate designations so that distributions of net taxable capital gains, taxable dividends on shares of taxable Canadian corporations (including “eligible dividends”) and foreign source income of the Fund paid or payable to Unitholders by the Fund will effectively

retain their character in the Unitholder's hands and be subject to the special tax treatment applicable to income of that character.

To the extent that the distributions to a Unitholder by the Fund in any year exceed the Unitholder's share of the net income and net capital gains of the Fund allocated to the Unitholder for the year, those distributions (except to the extent that they are proceeds of disposition) will generally be a return of capital and will not be taxable to the Unitholder, but will reduce the adjusted cost base of Unitholder's Units in the Fund. To the extent that the adjusted cost base of a Unit would otherwise 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

Unitholders will be taxable on distributions of income and capital gains, even if the income and capital gains accrued or were realized by the Fund before the Unitholder acquired the Units and were reflected in the purchase price of the Units.

If a Unitholder disposes of Units (including by a redemption), the Unitholder will realize a capital gain (or a capital loss) to the extent that the proceeds of disposition, less any costs of disposition, are greater (or less) than the adjusted cost base of the Units. Generally, one-half of a capital gain is included in the Unitholder's income and the allowable portion of a capital loss may be used to offset taxable capital gains in accordance with the provisions of the Tax Act. For the purpose of determining the adjusted cost base of Units, when a Unit is acquired, the cost of the newly-acquired Unit will be averaged with the adjusted cost base of all the Units of the same series that the Unitholder owned as capital property immediately before that time. The cost to the Unitholder of Units received on the reinvestment of a distribution of the Fund will be equal to the amount reinvested.

In general, the adjusted cost base of a Unitholder's Units of a series in the Fund equals:

- the Unitholder's initial investment in Units of that series of the Fund (including any sales charges paid)
- plus the cost of any additional investments in Units of that series of the Fund (including any sales charges paid)
- plus reinvested distributions paid on that series of Units (included in the Unitholder's income)
- minus the capital returned in any distributions paid on that series of Units
- minus the adjusted cost base of any previous redemptions of Units of that series.

If a Unitholder disposes of Units and the Unitholder, the Unitholder's spouse or another person affiliated with the Unitholder (including a corporation controlled by the Unitholder) has acquired Units of the same series within 30 days before or after the Unitholder disposed of such Units (such newly acquired Units being considered "substituted property"), the Unitholder's capital loss, if any, from the disposition may be deemed to be a "superficial loss". If so, the Unitholder will not be able to recognize the loss and it would be added to the adjusted cost base to the owner of the Units which are "substituted property".

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

## **REPORTING TO UNITHOLDERS**

The fiscal year end of the Fund is December 31. Unitholders will be sent annual audited financial statements and semi-annual unaudited financial statements of the Fund in accordance with the requirements of applicable legislation.

## **CONFLICTS OF INTEREST**

The services of the Manager are not, subject to certain exceptions, exclusive to the Fund. The Manager may in the future act as the manager of or portfolio advisor to other investment funds and clients which invest primarily in the same securities or which employ the same investment strategies and which could be considered competitors of the Fund. In addition, the directors and officers of the Manager may be directors, officers or securityholders of one or more issuers from which the Fund may acquire securities.

Since the Manager, in its capacity as the portfolio advisor to the Fund will continue to manage the investments of its other clients, the Manager may acquire or dispose of the same investment for the Fund and one or more of its other clients. However, because of different investment policies, the Manager may be selling an investment for one client and buying the same investment for another client. Under the Management Agreement, the Manager has agreed, in accordance with its policies and procedures, to allocate opportunities to acquire and dispose of investments fairly among the Fund and its other clients that have similar investment objectives.

The Manager is entitled to receive from the Management Fees, Performance Fees (if any) and reimbursement of expenses as described under the heading "Fees and Expenses".

## **BROKERAGE SERVICES**

The Manager determines the brokerage arrangements of the Fund. The decisions of the Manager as to the purchase and sale of portfolio securities and the execution of portfolio transactions for the Fund, including the selection of markets and dealers and the negotiation of commissions, are based on elements such as price, speed of execution, certainty of execution and total transaction costs.

The Manager may receive research and order execution goods and services in return for directing brokerage transactions for the Fund to registered dealers. When the Manager does so, the Manager ensures that the goods or services are used by the Fund to assist with investment or trading decisions, or with effecting securities transactions, on behalf of the Fund. The Manager also makes a good faith determination that the Fund receives a reasonable benefit considering both the use of the goods and services and the amount of brokerage commissions paid.

Since January 1, 2013, dealers or third parties provided research and order execution goods and services that included advice, analyses and reports regarding various subject matter relating to investments (including portfolio strategy, economic analysis, and statistic data about capital markets and securities). These reports and advice were provided either directly or through publications or writings, including electronic publications, telephone contacts and personal

meetings with security analysts, economists and corporate and industry spokespersons, and included analysis and reports concerning issuers, industries, securities, economic factors and trends, accounting and tax law interpretations and political developments. The research and order execution goods and services also included trading software, market data, and custody, clearing and settlement services that were directly related to executed orders, as well as databases and software that supported these goods and services. Dealers and third parties may provide the same or similar goods and services in the future.

### **CUSTODIAN AND AUDITOR**

RBC Investor Services Trust serves as custodian for the Fund and is responsible for the safekeeping of the Fund's portfolio securities. The address of the custodian is 155 Wellington Street West, Toronto, Ontario M5V 3L3.

PricewaterhouseCoopers LLP, Calgary, Alberta, is the auditor of the Fund.

### **AMENDMENT OF DECLARATION OF TRUST AND TERMINATION OF THE FUND**

No change will be made to the Investment Objective or the Investment Restrictions unless (a) a resolution is passed by the affirmative vote of at least 50% of the votes cast, either in person or by proxy, at a meeting of Unitholders called for the purpose of approving such change; or (b) such change is necessary to ensure compliance with applicable laws, regulations or other requirements imposed by applicable regulatory authorities from time to time.

Except as described above, the Trustee may amend the Declaration of Trust at any time provided that, in the opinion of the Trustee, (a) the amendment does not materially and adversely affect the pecuniary value of the interest of any Unitholder of the Fund to which the amendment relates, or (b) the amendment is necessary to ensure compliance with applicable laws, regulations or other requirements imposed by applicable regulatory authorities from time to time. Other amendments will be made upon 30 days' prior written notice to Unitholders.

The Trustee may terminate the Fund on not less than 30 days' prior written notice to Unitholders. On termination of the Fund, the Trustee will distribute to Unitholders the net assets of the Fund, in cash or in kind, after paying all known liabilities of the Fund in accordance with the Declaration of Trust.

### **RESALE RESTRICTIONS**

The Units offered by this Confidential Offering Memorandum are being distributed pursuant to exemptions from the prospectus and registration requirements of applicable securities laws; consequently the resale of these securities by investors is subject to restrictions. An investor should refer to applicable provisions in consultation with a legal advisor. Furthermore, no transfer of Units may be effected unless the Manager, in its sole discretion, approves the transfer and the proposed transferee. There is no market for these Units and no market is expected to develop; therefore may be it difficult or even impossible for the purchaser to sell the Units.

### **REPRESENTATIONS OF PURCHASERS**

Each prospective purchaser who purchases Units will be deemed to have represented to the Fund and any dealer who sells the Units to such prospective purchaser that: (a) the offering of the Unit

was made exclusively through the Confidential Offering Memorandum and such purchaser is basing his or her investment decision solely upon the information contained in the Confidential Offering Memorandum; (b) such purchaser is purchasing as principal for its own account and not as agent or, if it is not purchasing as principal, it is deemed to be purchasing such Units as principal for accounts fully managed by it pursuant to a statutory exemption or an exemption order from relevant securities regulatory authorities in the applicable jurisdictions permitting such purchase; and (c) such Purchaser is entitled under applicable Canadian securities laws to purchase such Units without the benefit of a prospectus qualified under such securities laws. See the form of subscription agreement which accompanies this Confidential Offering Memorandum for additional representations, warranties and certifications to be made by a purchaser of Units.

#### **PURCHASERS' RIGHTS OF ACTION**

The rights of action and rescission required to be offered by securities legislation in the provinces and territories of Ontario, Alberta, Manitoba, Saskatchewan, Nova Scotia, New Brunswick, Newfoundland and Labrador, Prince Edward Island, Nunavut, Northwest Territories and Yukon are described in Schedule A hereto.

## **SCHEDULE A**

### **STATUTORY RIGHTS OF ACTION FOR DAMAGES OR RESCISSION**

Securities legislation in certain provinces and territories of Canada provides purchasers (“**Purchasers**”) of the units which are offered under the attached Confidential Offering Memorandum (the “**Units**”) with, in addition to any other right they may have at law, rights of rescission or damages, or both, where this Confidential Offering Memorandum, any amendment thereto and, in some cases, advertising, and sales literature used in connection with the offering of Units, contains a misrepresentation. For the purposes of this section, “misrepresentation” means:

- (a) an untrue statement of a fact that significantly affects, or would reasonably be expected to have a significant effect, on the market price or the value of Units (a “material fact”); or
- (b) an omission to state a material fact that is required to be stated or that is necessary to make a statement not misleading in the light of the circumstances in which it was made.

In addition, securities legislation in certain provinces of Canada provides Purchasers with, in addition to any other right they may have at law, the right to withdraw their subscription for Units.

These rights must be exercised by Purchasers within the prescribed time limits under applicable securities legislation. Purchasers should refer to the applicable provisions of the securities legislation of their province or territory for the full particulars of these rights or consult with their legal advisor.

The rights of action for rescission or damages provided under such securities legislation are in addition to and do not derogate from any other right that Purchasers may have at law.

The following is a summary of the rights of withdrawal and the rights of action provided under the applicable securities laws. Reference should be made to the full text of the provisions summarized below relating to statutory rights of withdrawal and rights of action. Prospective Purchasers should consult their own legal advisers with respect to their rights and the remedies available to them.

#### **Alberta**

If this Confidential Offering Memorandum contains a misrepresentation when a Purchaser resident in Alberta buys Units, securities legislation in Alberta provides that every such Purchaser has, without regard to whether the Purchaser relied on the misrepresentation, a right of action for damages against (i) the Fund, (ii) every director of the Fund at the date of this Confidential Offering Memorandum, and (iii) every person or company who signed this Confidential Offering Memorandum, but may elect (while still the owner of any of the Units that such Purchaser purchased) to exercise a right of rescission against the Fund, in which case the Purchaser shall have no right of action for damages, provided that:

- (a) neither the Fund nor any other person or company will be liable if the Fund or such person or company proves that the Purchaser purchased the Units with knowledge of the misrepresentation;
- (b) in an action for damages, neither the Fund nor any other person or company will be liable for all or any portion of such damages if the Fund or such person or company proves that

- they do not represent the depreciation in value of the Units as a result of the misrepresentation relied on; and
- (c) in no case will the amount recoverable under this right of action exceed the price at which the Units were sold to the Purchaser.

No person or company, other than the Fund, is liable:

- (a) if the person or company proves that this Confidential Offering Memorandum was sent to the Purchaser without the person's or company's knowledge or consent, and that, on becoming aware of its being sent, the person or company promptly gave reasonable notice to the Fund that it was sent without the knowledge and consent of the person or company;
- (b) if the person or company proves that the person or company, on becoming aware of the misrepresentation, withdrew the person's or company's consent to this Confidential Offering Memorandum and gave reasonable notice to the Fund of the withdrawal and the reason for it; or
- (c) with respect to any part of this Confidential Offering Memorandum not purporting to be made on the authority of an expert and not purporting to be a copy of, or an extract from, a report, opinion or statement of an expert, unless the person or company (i) did not conduct an investigation sufficient to provide reasonable grounds for a belief that there had been no misrepresentation, or (ii) believed there had been a misrepresentation.

In Alberta, no action may be commenced to enforce such right of action described above unless the right is exercised:

- (a) in the case of action for rescission, not later than 180 days from the date the Purchaser purchased the Units; or
- (b) in the case of any action, other than an action for rescission, not later than 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 (3) years from the day the Purchaser purchased the Units.

### **Saskatchewan**

If this Confidential Offering Memorandum or any amendment thereto or any advertising or sales literature used in connection therewith contains a misrepresentation, every Purchaser of Units of the Fund resident in Saskatchewan has, without regard to whether the Purchaser relied on the misrepresentation, a right of action, in addition to any other rights they may have at law, for damages against:

- (a) the Fund;
- (b) every promoter and director of the Fund at the time this Confidential Offering Memorandum or any amendment thereto was sent or delivered or at the time the advertising or sales literature was disseminated, as the case may be;

- (c) every person or company that signed this Confidential Offering Memorandum or any amendments thereto (if there was a misrepresentation in this Confidential Offering Memorandum); and
- (d) every person or company that sells Units on behalf of the Fund under this Confidential Offering Memorandum or amendment thereto or in respect of which the advertising or sales literature was disseminated, as the case may be.

Alternatively, where the Purchaser purchased the Units from the Fund, the Purchaser may elect to exercise a right of rescission against the Fund and, when the Purchaser so elects, the Purchaser shall have no right of action for damages against the Fund.

No person or company, other than the Fund, is liable:

- (a) if the person or company proves that this Confidential Offering Memorandum, or any advertising, or sales literature was sent or delivered, or disseminated, as the case may be, to the Purchaser without the person's or company's knowledge or consent and that, on becoming aware that it was sent and delivered or disseminated, the person or company promptly gave reasonable general notice that it was so sent and delivered or disseminated;
- (b) if the person or company proves that after the filing of this Confidential Offering Memorandum, or after the dissemination of the advertising or sales literature, and before the purchase of the Units by the Purchaser, on becoming aware of any misrepresentation, the person or company withdrew the person's or company's consent to this Confidential Offering Memorandum, or to the advertising or sales literature and gave reasonable general notice of the withdrawal and the reason for it; or
- (c) with respect to any part of this Confidential Offering Memorandum, or any advertising or sales literature not purporting to be made on the authority of an expert and not purporting to be a copy of, or an extract from, a report, opinion or statement of an expert, unless the person or company (i) failed to conduct a reasonable investigation sufficient to provide reasonable grounds for a belief that there had been no misrepresentation, or (ii) believed there had been a misrepresentation.

In addition, where an individual makes a verbal statement to a Purchaser that contains a misrepresentation relating to the Units and the verbal statement is made either before or contemporaneously with the purchase of the Units, the Purchaser has, without regard to whether the Purchaser relied on the misrepresentation, a right of action for damages against the individual who made the verbal statement. No such individual will be liable if:

- (a) that individual can establish that he or she cannot reasonably be expected to have known that his or her statement contained a misrepresentation (this defence is also available to every person or company that sells Units on behalf of the Fund where there is a misrepresentation in the advertising or sales literature used in connection with the offering of Units under this Confidential Offering Memorandum); or
- (b) prior to the purchase of the Units by the Purchaser, that individual notified the Purchaser that the individual's statement contained a misrepresentation.

Neither the Fund nor any other person or company will be liable, whether for misrepresentations in this Confidential Offering Memorandum, advertising or sales literature or in a verbal statement:

- (a) if the Fund or such person or company proves that the Purchaser purchased the Units with knowledge of the misrepresentation; or
- (b) in an action for damages, for all or any portion of the damages that the Fund or such person or company proves do not represent the depreciation in value of the Units as a result of the misrepresentation relied on.

In no case will the amount recoverable by a Purchaser for a misrepresentation in this Confidential Offering Memorandum, advertising and sales literature, or a verbal misrepresentation exceed the price at which Units were sold to the Purchaser.

In Saskatchewan, no action may be commenced to enforce a right of action for rescission or damages more than:

- (a) in the case of an action for rescission, 180 days after the date the Purchaser purchased the Units Fund; and
- (b) in the case of any action, other than an action for rescission, the earlier of (i) one (1) year after the Purchaser first had knowledge of the facts giving rise to the cause of action or (ii) six (6) years after the date the Purchaser purchased the Units.

### **Manitoba**

If this Confidential Offering Memorandum contains a misrepresentation, a Purchaser resident in Manitoba who purchases Units of the Fund offered by this Confidential Offering Memorandum is deemed to have relied on the representation if it was a misrepresentation at the time of purchase and has (a) a right of action for damages against (i) the Fund, (ii) every director of the Fund at the date of this Confidential Offering Memorandum, and (iii) every person or company who signed this Confidential Offering Memorandum; and (b) a right of rescission against the Fund. If the Purchaser chooses to exercise a right of rescission against the Fund, the Purchaser has no right of action for damages.

No person or company is liable if the person or company proves that the Purchaser had knowledge of the misrepresentation.

No person or company, other than the Fund, is liable:

- (a) if the person or company proves that this Confidential 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 Fund that it was sent without the person's or company's knowledge and consent;
- (b) if the person or company proves that, after becoming aware of the misrepresentation, the person or company withdrew the person's or company's consent to this Confidential 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 this Confidential 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.

The amount recoverable under the right of action for damages may not exceed the price at which the Units were offered under this Confidential 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 Units as a result of the misrepresentation.

No action may be commenced to enforce the foregoing rights more than:

- (a) in the case of an action for rescission, 180 days after the day on which the Purchaser purchases the Units; or
- (b) in any other case, the earlier of (i) 180 days after the day that the Purchaser first had knowledge of the facts giving rise to the cause of action, or (ii) two years after the day on which the Purchaser purchased the Units, whichever occurs earlier.

## **Ontario**

A Purchaser of Units of the Fund who is resident in Ontario and to whom this Confidential Offering Memorandum was delivered may, if the amount of the purchase does not exceed the sum of \$50,000, rescind the contract to purchase such Units by sending written notice to the Fund within 48 hours from the time the Purchaser received the confirmation for the purchase of the Units. The amount the Purchaser is entitled to recover on exercise of the right to rescind may not exceed the net asset value of the Units purchased at the time the right to rescind is exercised, but will be entitled to reimbursement from every registered dealer through whom such Units were purchased (if any) for the amount of sales charges and fees relevant to the investment of the Purchaser in the Fund in respect of the Units for which the notice of rescission was given.

In the event that this Confidential Offering Memorandum contains a misrepresentation, a Purchaser resident in Ontario who purchases Units of the Fund offered by this Confidential Offering Memorandum during the period of distribution has, without regard to whether the Purchaser relied upon the misrepresentation, a right of action for damages against the Fund or, alternatively, while still the owner of the Units, for rescission against the Fund 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 Fund;
- (b) the Fund will not be liable if it proves that the Purchaser purchased the Units with knowledge of the misrepresentation;
- (c) the Fund will not be liable for all or any portion of damages that it proves do not represent the depreciation in value of the Units as a result of the misrepresentation relied upon; and

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

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 the Purchaser purchased the Units; 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 (3) years after the date the Purchaser purchased the Units.

This Confidential Offering Memorandum is being delivered in connection with a distribution made in Ontario in reliance on the exemption from the prospectus requirements contained under section 2.3 of NI 45-106 (the “accredited investor exemption”). The rights referred to above do not apply if this Confidential Offering Memorandum is delivered to a prospective Purchaser in Ontario in connection with a distribution made in Ontario 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 OSC Rule 45-501 *Ontario Prospectus and Registration Exemptions*);
- (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.

### **Newfoundland and Labrador**

In the event that this Confidential Offering Memorandum and any amendment thereto contains a misrepresentation, an investor resident in Newfoundland and Labrador who purchases the Units of the Fund, has, without regard to whether the investor relied on the misrepresentation, a right of action for damages against (i) the Fund, (ii) every director of the Fund at the date of this Confidential Offering Memorandum, and (iii) every person or company who signed this Confidential Offering Memorandum, and a right of action for rescission against the Fund. Where the Purchaser elects to exercise a right of rescission against the Fund, the Purchaser shall have no right of action for damages.

Neither the Fund nor any other person or company will be liable when the Fund or such person or company proves that the Purchaser had knowledge of the misrepresentation.

No person or company, except the Fund, shall be liable:

- (a) where the person or company proves that this Confidential Offering Memorandum was sent to the Purchaser without the person's or company's knowledge or consent, and that, on becoming aware of its being sent, the person or company promptly gave reasonable notice to the Fund that it was sent without the person's or company's knowledge and consent;
- (b) if the person or company proves that, on becoming aware of the misrepresentation, the person or company withdrew the person's or company's consent to this Confidential Offering Memorandum and gave reasonable notice to the Fund of the withdrawal and the reason for it; or
- (c) with respect to any part of this Confidential 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 such 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.

In an action for damages, neither the Fund nor any other person or company will be liable for all or any portion of the damages that it proves do not represent the depreciation in value of the Units as a result of the misrepresentation;

In no case shall the amount recoverable under the right of action described herein exceed the price at which Units were offered in this Confidential Offering Memorandum;

In Newfoundland and Labrador, no action shall be commenced to enforce such right of action more than:

- (a) in the case of an action for rescission, 180 days after the date the Purchaser purchased the Units; and
- (b) in the case of any action, other than an action for rescission, the earlier of (i) 180 days after the Purchaser first had knowledge of the facts giving rise to the cause of action or (ii) three (3) years after the date the Purchaser purchased the Units.

### **New Brunswick**

If this Confidential Offering Memorandum or any information relating to the offering provided to the Purchaser of the Units thereto or any advertising or sales literature used in connection therewith contains a misrepresentation, every Purchaser of Units of the Fund resident in New Brunswick purchasing Units of the Fund pursuant to this Confidential Offering Memorandum shall be deemed to have relied on the misrepresentation, if it was a misrepresentation at the time of purchase, and will have a right of action, in addition to any other rights they may have at law, for damages against the Fund. Alternatively, where the Purchaser purchased the Units from the Fund, the Purchaser may elect to exercise a right of rescission against the Fund, in which case the Purchaser shall have no right of action for damages against the Fund.

In addition, if advertising or sales literature is relied upon by a Purchaser in connection with a purchase of Units, the Purchaser shall also have a right of action for damages or rescission against every promoter or director of the Fund at the time the advertising or sales literature was disseminated.

In addition, where an individual makes a verbal statement to a prospective Purchaser that contains a misrepresentation relating to the Units and the verbal statement is made either before or contemporaneously with the purchase of the Units, the Purchaser shall be deemed to have relied upon the misrepresentation if it was a misrepresentation at the time of purchase, and has a right of action for damages against the individual who made the verbal statement. No such individual will be liable if:

- (a) that individual can establish that he or she cannot reasonably be expected to have known that his or her statement contained a misrepresentation; or
- (b) no individual is liable if, prior to the purchase of the Units by the Purchaser, that individual notified the Purchaser that the individual's statement contained a misrepresentation.

Neither the Fund nor any other person referred to above will be liable, whether for misrepresentations in this Confidential Offering Memorandum, any advertising or sales literature or in a verbal statement:

- (a) if the Fund or such other person proves that the Purchaser purchased the Units with knowledge of the misrepresentation; or
- (b) in an action for damages, for all or any portion of the damages that the Fund or such other person proves do not represent the depreciation in value of the Units as a result of the misrepresentation relied on.

No person, other than the Fund, is liable for misrepresentations in any advertising or sales literature if the person proves:

- (a) that the advertising or sales literature was disseminated without the person's knowledge or consent and that, on becoming aware of its dissemination, the person gave reasonable general notice that it was so disseminated,
- (b) that, after the dissemination of the advertising or sales literature and before the purchase of the Units by the Purchaser, on becoming aware of any misrepresentation in the advertising or sales literature the person withdrew the person's consent to it and gave reasonable general notice of the withdrawal and the reason for the withdrawal, or
- (c) that, with respect to a false statement purporting to be a statement made by an official person or contained in what purports to be a copy of, or an extract from, a public official document, it was a correct and fair representation of the statement or copy of, or extract from, the document, and the person had reasonable grounds to believe and did believe that the statement was true.

No person, other than the Fund, is liable with respect to any part of the advertising or sales literature not purporting to be made on the authority of an expert and not purporting to be a copy of or, an extract from, a report, opinion or statement of an expert unless the person:

- (a) failed to conduct such reasonable investigation as to provide reasonable grounds for a belief that there had been no misrepresentation, or
- (b) believed there had been a misrepresentation.

Any person who at the time the advertising or sales literature was disseminated, sells Units on behalf of the Fund with respect to which the advertising or sales literature was disseminated is not liable if that person can establish that the person cannot reasonably be expected to have had knowledge that the advertising or sales literature was disseminated or contained a misrepresentation.

In no case will the amount recoverable by a Purchaser exceed the price at which Units were sold to the Purchaser.

In New Brunswick, no action may be commenced to enforce such right of action more than:

- (a) in the case of an action for rescission, 180 days after the date the Purchaser purchased the Units; or
- (b) in the case of any action, other than an action for rescission, the earlier of (i) one (1) year after the Purchaser first had knowledge of the facts giving rise to the cause of action or (ii) six (6) years after the date the Purchaser purchased the Units.

### **Nova Scotia**

If this Confidential Offering Memorandum or any amendment thereto or any advertising or sales literature (as defined in the *Securities act* (Nova Scotia)) used in connection therewith contains a misrepresentation, every Purchaser resident in Nova Scotia of Units of the Fund in reliance on an exemption under the *Securities Act* (Nova Scotia), the regulations thereunder or a decision of the Nova Scotia Securities Commission pursuant to this Confidential Offering Memorandum shall be deemed to have relied on the representation, if it was a misrepresentation at the time of purchase, and has a right of action, in addition to any other rights they may have at law, for damages against (i) the Fund, (ii) every director of the Fund at the date of this Confidential Offering Memorandum, and (iii) every person who signed this Confidential Offering Memorandum, but may elect (while still the owner of any of the Units of the Fund that such Purchaser purchased) to exercise a right of rescission against the Fund, in which case such Purchaser shall have no right of action for damages.

Neither the Fund nor any other person or company will be liable if the Fund or such person or company proves that the Purchaser purchased the Units with knowledge of the misrepresentation.

No person or company, other than the Fund, is liable:

- (a) if the person or company proves that this Confidential 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 promptly gave reasonable general notice that it was delivered without the person's or company's knowledge and consent;
- (b) if the person or company proves that after delivery of this Confidential Offering Memorandum, and before the purchase of the Units by the Purchaser, on becoming aware of any misrepresentation, the person or company withdrew the person's or company's consent to this Confidential Offering Memorandum and gave reasonable general notice of the withdrawal and the reason for it; or

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

In an action for damages, neither the Fund nor any other person or company will be liable for all or any portion of the damages that it proves do not represent the depreciation in value of the Units as a result of the misrepresentation relied upon.

In no case shall the amount recoverable under the right of action described herein exceed the price at which the Units were sold to the Purchaser.

No action shall be commenced to enforce these rights more than 120 days after the date on which payment was made for the Units.

### **Prince Edward Island**

If this Confidential Offering Memorandum contains a misrepresentation, a Purchaser resident in Prince Edward Island who buys Units of the Fund during the period of distribution, has, without regard to whether the Purchaser relied on the misrepresentation, a right of action for damages against (i) the Fund, (ii) every director of the Fund at the date of this Confidential Offering Memorandum, and (iii) every person or company who signed this Confidential Offering Memorandum, but may elect (while still the owner of any of the Units of the Fund that it purchased) to exercise a right of rescission against the Fund, in which case the Purchaser shall have no right of action for damages, provided that:

- (a) neither the Fund nor any other person or company will be liable if the Fund or such person or company proves that the Purchaser purchased the Units with knowledge of the misrepresentation;
- (b) in an action for damages, neither the Fund nor any other person or company will be liable for all or any portion of such damages if the Fund or such person or company proves that they do not represent the depreciation in value of the Units as a result of the misrepresentation relied on; and
- (c) the amount recoverable under this right of action must not exceed the price at which the Units purchased by the Purchaser were offered.

In an action for damages, no person or company, other than the Fund, is liable:

- (a) if the person or company proves that this Confidential Offering Memorandum was sent to the Purchaser without the person's or company's knowledge or consent, and that, on becoming aware that it was sent, the person or company had promptly given reasonable notice to the Fund that it was sent without the person's or company's knowledge and consent;
- (b) if the person or company proves that on becoming aware of the misrepresentation, the person or company had withdrawn the person's or company's consent to this Confidential

Offering Memorandum and had given reasonable notice to the Fund of the withdrawal and the reason for it; or

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

In Prince Edward Island, no action may be commenced to enforce such right of action described above more than:

- (a) in the case of action for rescission, 180 days from the date the Purchaser purchased the Units; or
- (b) in the case of any action, other than an action for rescission: (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 (3) years from the day the Purchaser purchased the Units, whichever period expires first.

### **Northwest Territories**

If this Confidential Offering Memorandum contains a misrepresentation, a Purchaser resident in the Northwest Territories who buys Units of the Fund during the period of distribution, has, without regard to whether the Purchaser relied on the misrepresentation, a right of action for damages against (i) the Fund, (ii) every director of the Fund at the date of this Confidential Offering Memorandum, and (iii) every person or company who signed this Confidential Offering Memorandum, but may elect (while still the owner of any of the Units of the Fund that such Purchaser purchased) to exercise a right of rescission against the Fund, in which case the Purchaser shall have no right of action for damages, provided that:

- (a) neither the Fund nor any other person will be liable if the Fund or such person proves that the Purchaser purchased the Units with knowledge of the misrepresentation;
- (b) in an action for damages, neither the Fund nor any other person will be liable for all or any portion of such damages if the Fund or such person proves that they do not represent the depreciation in value of the Units as a result of the misrepresentation relied on; and
- (c) the amount recoverable under this right of action must not exceed the price at which the Units purchased by the Purchaser were offered.

In an action for damages, no person, other than the Fund, is liable:

- (a) if the person proves that this Confidential 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 had promptly given reasonable notice to the Fund that it was sent without the person's knowledge and consent;
- (b) if the person proves that, on becoming aware of the misrepresentation, the person had withdrawn the person's consent to this Confidential Offering Memorandum and had given reasonable notice to the Fund of the withdrawal and the reason for it; or

- (c) with respect to any part of this Confidential 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 (i) failed to conduct a reasonable investigation to provide reasonable grounds for a belief that there had been no misrepresentation, or (ii) believed there had been a misrepresentation.

In the Northwest Territories, no action may be commenced to enforce such right of action described above more than:

- (a) in the case of action for rescission, 180 days from the date the Purchaser purchased the Units; or
- (b) in the case of any action, other than an action for rescission, the later 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 (3) years from the day the Purchaser purchased the Units, whichever period expires first.

### **Nunavut Territory**

If this Confidential Offering Memorandum contains a misrepresentation, a Purchaser resident in the Nunavut Territory who buys Units of the Fund during the period of distribution, has, without regard to whether the Purchaser relied on the misrepresentation, a right of action for damages against (i) the Fund, (ii) every director of the Fund at the date of the Confidential Offering Memorandum, and (iii) every person or company who signed this Confidential Offering Memorandum, but may elect (while still the owner of any of the Units that such Purchaser purchased) to exercise a right of rescission against the Fund, in which case the Purchaser shall have no right of action for damages, provided that:

- (a) neither the Fund nor any other person will be liable if the Fund or such person proves that the Purchaser purchased the Units with knowledge of the misrepresentation;
- (b) in an action for damages, neither the Fund nor any other person will be liable for all or any portion of such damages if the Fund or such person proves that they do not represent the depreciation in value of the Units as a result of the misrepresentation relied on; and
- (c) the amount recoverable under this right of action must not exceed the price at which the Units purchased by the Purchaser were offered.

In an action for damages, no person, other than the Fund, is liable:

- (a) if the person proves that this Confidential 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 had promptly given reasonable notice to the Fund that it was sent without the person's knowledge and consent;
- (b) if the person proves that, on becoming aware of the misrepresentation, the person had withdrawn the person's consent to this Confidential Offering Memorandum and had given reasonable notice to the Fund of the withdrawal and the reason for it; or

- (c) with respect to any part of this Confidential 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 (i) failed to conduct a reasonable investigation to provide reasonable grounds for a belief that there had been no misrepresentation, or (ii) believed there had been a misrepresentation.

In the Nunavut Territory, no action may be commenced to enforce such right of action described above more than:

- (a) in the case of action for rescission, 180 days from the date the Purchaser purchased the Units; or
- (b) in the case of any action, other than an action for rescission, the later 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 (3) years from the day the Purchaser purchased the Units, whichever period expires first.

### **Yukon Territory**

If this Confidential Offering Memorandum contains a misrepresentation when a Purchaser resident in the Yukon Territory who buys Units of the Fund during the period of distribution, has, without regard to whether the Purchaser relied on the misrepresentation, a right of action for damages against (i) the Fund, (ii) every director of the Fund at the date of this Confidential Offering Memorandum, and (iii) every person or company who signed this Confidential Offering Memorandum, but may elect (while still the owner of any of the Units of the Fund that such Purchaser purchased) to exercise a right of rescission against the Fund, in which case the Purchaser shall have no right of action for damages, provided that:

- (a) neither the Fund nor any other person will be liable if the Fund or such person proves that the Purchaser purchased the Units with knowledge of the misrepresentation;
- (b) in an action for damages, neither the Fund nor any other person will be liable for all or any portion of such damages if the Fund or such person proves that they do not represent the depreciation in value of the Units as a result of the misrepresentation relied on; and
- (c) the amount recoverable under this right of action must not exceed the price at which the Units purchased by the Purchaser were offered.

In an action for damages, no person, other than the Fund, is liable:

- (a) if the person proves that this Confidential 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 Fund that it was sent without the person's knowledge and consent;
- (b) if the person proves that, on becoming aware of the misrepresentation, the person had withdrawn the person's consent to this Confidential Offering Memorandum and had given reasonable notice to the Fund of the withdrawal and the reason for it; or

- (c) with respect to any part of this Confidential 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 (i) failed to conduct an investigation to provide reasonable grounds for a belief that there had been no misrepresentation, or (ii) believed there had been a misrepresentation.

In the Yukon Territory, no action may be commenced to enforce such right of action described above more than:

- (a) in the case of action for rescission, 180 days from the date the Purchaser purchased the Units; or
- (b) in the case of any action, other than an action for rescission, the later 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 (3) years from the day the Purchaser purchased the Units, whichever period expires first.

## GLOSSARY OF TERMS

“**Aston Hill**” means Aston Hill Asset Management Inc..

“**Borrowings**” means funds the Manager may borrow on behalf of the Fund, which may be used for various purposes, including purchasing additional securities for the Portfolio, maintaining liquidity, funding redemptions and paying expenses.

“**Business Day**” means each day on which there is a regular trading session of the Toronto Stock Exchange.

“**Declaration of Trust**” means the amended and restated declaration of trust of the Fund dated as of April 19, 2012, as amended from time to time.

“**Fund**” means Aston Hill Opportunities Fund.

“**High Water Mark**” means, for a Unit: (i) if such Unit has been issued for not more than 12 months, the net asset value per Unit on the subscription date for such Unit; or (ii) if such Unit has been issued for more than 12 months, the greater of: (A) the net asset value per Unit on the subscription date for such Unit; and (B) the highest of the net asset value per Unit on the last business day of any preceding fiscal year.

“**Investment Objective**” means the investment objective of the Fund.

“**Investment Restrictions**” means the investment restrictions of the Fund.

“**Investment Strategies**” means the investment strategies of the Fund.

“**Management Agreement**” means the amended and restated fund management agreement of the Fund dated as of the 14<sup>th</sup> day of May 2010, as further amended and restated from time to time.

“**Management Fees**” has the meaning ascribed herein under the heading “Fees and Expenses”.

“**Manager**” means Aston Hill in its capacity as manager of the Fund.

“**Net Asset Value**” or “**NAV**” means the net asset value per Unit.

“**NI 81-102**” means National Instrument 81-102 – Mutual Funds.

“**Performance Fee**” has the meaning ascribed herein under the heading “Fees and Expenses”.

“**Portfolio**” means the portfolio of securities in which the Fund invests.

“**Purchaser**” means an investor in the Fund.

“**Redemption Date**” has the meaning ascribed herein under the heading “Redemption of Units”.

“**Redemption Price**” means the applicable NAV per Unit, determined as of the Redemption Date less any costs of funding the redemption, including commissions, plus all declared and unpaid dividends thereon.

“**Securities Lending Agreement**” means a securities lending agreement between the Fund and a borrower acceptable to the Fund.

“**Tax Act**” means the *Income Tax Act* (Canada).

“**Tax Proposals**” means all specific proposals to amend the Tax Act and the regulations that have been publicly announced by the Minister of Finance (Canada) prior to the date hereof.

“**Trustee**” means Aston Hill in its capacity as trustee of the Fund.

“**Unitholder**” means a holder of one or more Units of the Fund.

“**Units**” means units of the Fund.

“**Valuation Date**” means is the 15<sup>th</sup> day (or, if the 15<sup>th</sup> day is not a Business Day, the Business Day immediately preceding the 15<sup>th</sup> day) and the last Business Day of each calendar month.