This Offering Memorandum constitutes an offering of securities only in those jurisdictions and to those persons where and to whom they may be lawfully offered for sale. This Offering Memorandum is not, and under no circumstances is to be construed as, a prospectus or advertisement or a public offering of these securities. This Offering Memorandum is for the confidential use of only those persons to whom it is transmitted in connection with this Offering. By their acceptance of this Offering Memorandum, recipients agree that they will not transmit, reproduce or make available to anyone, other than their professional advisors, this Offering Memorandum or any information contained herein. No person has been authorized to give any information or to make any representation not contained in this Offering Memorandum. Any such information or representation, which is given or received, must not be relied upon.

No securities regulatory authority or regulator has assessed the merits of these securities or reviewed this Offering Memorandum. Any representation to the contrary is an offence. This is a risky investment. See Item 8 "Risk Factors".

This Offering Memorandum incorporates by reference all Marketing Materials (as defined herein) delivered or made available to prospective subscribers regarding the securities offered under this Offering Memorandum.

AMENDED AND RESTATED

New Issue **OFFERING MEMORANDUM** April 15, 2017

CAPSURE HEDGED OIL AND GAS INCOME AND GROWTH TRUST

1616 - 25 Adelaide St East, Toronto, ON, M5C 3A1
Phone: 416.429.9779; Email: service@accilentcapital.com

$50,000,000
(Maximum Offering)

Refer to "Glossary of Terms" for the meanings of capitalized words and phrases that are used but not defined in this summary.

The Fund:	CapSure Hedged Oil and Gas Income and Growth Trust (the "**Fund**") is a private open-ended trust established under the laws of Ontario on August 14, 2015. The Fund is not a reporting issuer in any jurisdiction and **these securities do not and will not trade on any exchange or market**. Neither the Fund nor Accilent Capital Administration Inc., the administrator of the Fund (the "**Administrator**"), file any of its documents on SEDAR.
Securities Offered:	Class A Units of the Fund ("**Class A Units**").
Price per Security:	Price per Class A Unit will be the Net Asset Value per Unit calculated as of the most recent Valuation Period. See *the "Glossary of Terms" for definitions of Net AssetValue per Unit and Valuation Period*.
Minimum/Maximum Offering:	The Fund seeks to raise a maximum of $50,000,000 (the "**Maximum Offering**") under this Offering, in one or more closings, although the Administrator, on behalf of the Fund, may, in its sole discretion, determine to raise more than $50,000,000. **There is no minimum offering. You may be the only purchaser.**
Minimum Subscription Amount:	The minimum subscription amount is $500 (500 Class A Units). The Administrator, on behalf of the Fund, may in its sole discretion lower this minimum subscription amount.
Payment Terms:	Full payment of the subscription price will be due upon execution and delivery of the subscription agreement and related subscription documentation. Payment should be made as directed in the subscription agreement. See Item 5.4 "*Subscription Procedure*".
Capital Structure:	The Fund is authorized to issue an unlimited number of Class A Units. In addition to Class A Units, the Fund may, from time to time, also distribute other classes of units of the Fund. See Item 2.1 "*Business of the Fund – Structure*".

Income Tax Consequences:	There are important tax consequences to investors holding Trust Units. The Fund has been advised that, provided that the Fund qualifies as a "mutual fund trust" for purposes of the Tax Act at all relevant times, the Trust Units will generally be qualified investments for Tax Deferred Plans. There is no assurance that the Fund will so qualify and potential investors should consult their own tax advisors in respect to an investment in Trust Units. See Item 6 "*Canadian Federal Income Tax Considerations*".
Selling Agent:	The Fund is a connected issuer, and may be considered a related issuer, of Accilent Capital Management Inc. ("**Accilent**"). The Fund has retained Accilent, a registered exempt market dealer, as Lead Selling Agent in respect of the distribution and sale of the Trust Units for the Offering, who, along with applicable members of a selling and/or referral group formed by it and certain approved selling agents and in accordance with and as permitted by Applicable Securities Laws (as defined herein), will market and distribute the Class A Units in Ontario, Manitoba, Saskatchewan, Alberta, British Columbia, Nova Scotia, New Brunswick, PEI, Yukon and Northwest Territories on behalf of the Fund. Certain principals of Accilent are the same as those of the Administrator, Portfolio Manager and General Partner. The Fund will, pay commissions and certain fees in respect of administrative matters in connection with the Offering of up to 7% of the gross proceeds (the "Gross Proceeds") realized on the Class A Units sold directly by registered dealers, financial advisors, sales persons, wholesalers, brokers, intermediaries or other eligible persons, including Accilent (collectively, the "**Selling Agents**"), as well as, 1% of Gross Proceeds for dealer due diligence costs, platform and distribution override fees. Accilent, as the lead selling agent will also be paid 1% of the Gross Proceeds for selling group organizing and management, wholesaling, and other selling group costs. In addition, the Partnership, a subsidiary of the Fund and the entity in which the Fund will be making all of its direct investments and from which the Fund will receive all of its income, may also, at the sole discretion of the General Partner, pay an annual fee of up to 0.75% per annum of the net asset value of the Class A Partnership Units (purchased by the Fund using the subscription proceeds of the Class A Units) payable to certain Selling Agents. See Item 7 "*Compensation Paid to Sellers and Finders*" and Item 8.2 "*Risk Factors - Conflicts of Interest*".
Resale Restrictions:	You will be restricted from selling your Class A Units for an indefinite period. See Item 10 "*Resale Restrictions*".
Purchasers' Rights:	You have 2 business days to cancel your agreement to purchase these Class A Units. If there is a misrepresentation in this Offering Memorandum, you will have the right to sue either for damages or to cancel the agreement. See Item 11 "*Purchasers' Rights*".

Funds available under the Offering may not be sufficient to accomplish our proposed objectives.

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FORWARD-LOOKING STATEMENTS

Certain statements or information contained in this Offering Memorandum constitute "forward-looking statements" within the meaning of that phrase under applicable Canadian securities laws. Any statements that express, or involve discussions as to, expectations, beliefs, plans, projections, objectives, assumptions or future events or performance (often, but not always, through the words or phrases such as "will likely result, "are expected to", "expects", "anticipate", "believe", "continue", "estimate", "intend", "plan", "potential", "predict", "project", "seek" or other similar words) are not statements of historical fact and may be forward-looking statements. Forward-looking statements involve the Administrator's internal projections, estimates or beliefs concerning, among other things, future growth, results of operations, investment opportunities, future expenditures, plans for and results of investments, portfolio results, business prospects and opportunities. Although the Administrator believes that the expectations reflected in the forward-looking statements are reasonable, it cannot guarantee future results, levels of activity, performance or achievement since such expectations are inherently subject to significant business, economic, competitive, political and social uncertainties and contingencies which could cause the Fund's actual results to differ materially from those expressed or implied in any forward-looking statements made by, or on behalf of, the Fund. No assurance can be given that these expectations will prove to be correct and such forward-looking statements should not be unduly relied upon.

Forward-looking statements contained in this Offering Memorandum include, but are not limited to, statements with respect to: use of proceeds of the Offering; the business to be conducted by the Fund, the business to be conducted by the Partnership; timing and payment of distributions; payment of fees to the Administrator, Portfolio Manager, and Investment Fund Manager; the Fund's investment objectives and investment strategies; anticipated investments; treatment under governmental regulatory regimes and tax laws; financial and business prospects and financial outlook; timing of dissolution of the Fund; possibility of extension of the dissolution date of the Fund; and types of portfolio securities and results of investments, the timing thereof and the methods of funding.

In addition to other factors and assumptions which may be identified in this Offering Memorandum, assumptions have been made regarding, among other things: the Fund's qualification as a "mutual fund trust" and not a "SIFT trust" under the Tax Act; use of proceeds of the Offering; the retention of securities dealers in connection with the Offering and payment of service fees to such securities dealers; the business to be conducted by the Fund; the appointment of the Administrator; the general stability of the economic and political environment in which the Fund operates; the Fund's investment objectives and investment strategies; timing and payment of distributions; treatment under governmental regulatory regimes and tax laws; the ability of the Portfolio Manager to obtain qualified staff, equipment and services in a timely and cost efficient manner; valuation of the Fund's investments; the timing of dissolution of the Fund; the possibility of substantial redemptions of Trust Units; and currency, exchange and interest rates.

These forward-looking statements are subject to numerous risks and uncertainties, including but not limited to: ability of the Fund to achieve or continue to achieve its objectives; incorrect assessments of the value of investments; availability of investments that meet the Fund's investment objectives; concentration of investments in the portfolio of the Fund which could result in the Fund's portfolio being less diversified than anticipated; the possibility of the Fund being unable to acquire or dispose of illiquid securities; variability of the Net Asset Value, which depends on a number of factors that are not within the control of the Fund, including performance of the portfolio, and performance of equity markets generally; possibility of substantial redemptions of Trust Units; general economic, market and business conditions, retention of certain key employees of the Administrator and Portfolio Manager; conflicts of interest involving certain directors, officers or employees of the Trustee, Portfolio Manager or Administrator; the risks discussed under "*Risk Factors*" and other factors, many of which are beyond the control of the Fund, the Trustee and the Administrator. Readers are cautioned that the forgoing list of factors is not exhaustive.

Management has included the above summary of forward-looking information in order to provide Unitholders with a more complete perspective on the Fund's current and future operations and such information may not be appropriate for other purposes. These forward-looking statements are made as of the date of this Offering Memorandum and the Fund and the Administrator disclaim any intent or obligation to update publicly any forward-looking statements, whether as a result of new information, future events or results or otherwise, other than as required by applicable securities laws. Investors should read this entire Offering Memorandum and all consult with their own professional advisors to ascertain and assess the income tax, legal, risks and other aspects of their investment in the Trust Units. **The forward-looking statements contained or incorporated by reference in this offering memorandum are expressly qualified by the foregoing cautionary statements.**

GLOSSARY OF TERMS

The following terms and abbreviations used throughout this Offering Memorandum have the following meanings:

(a) "**Accilent**" means Accilent Capital Management Inc., a corporation incorporated under the laws of Ontario.

(b) "**Administration Agreement**" means the administration agreement dated effective August 14, 2015, among the Administrator, the Trustee, the Partnership and the Fund, pursuant to which the Administrator will provide certain administrative and support services to the Fund, as such agreement may be amended, supplemented, restated or replaced from time to time.

(c) "**Administrator**" means Accilent Capital Administration Inc. and its successors and assigns as Administrator of the Fund. The Administrator' address is 1616- 25 Adelaide St. East, Toronto, Ontario, M5C 3A1.

(d) "**Applicable Laws**" means all applicable provisions of law, domestic or foreign, including, without limitation, the Securities Act.

(e) "**Available Funds**" means the total amount to be raised by the issuance of Trust Units pursuant to the Offering, less expenses of the Offering, selling commission and fees.

(f) "**Business Day**" means a day which is not a Saturday, Sunday or statutory holiday in the City of Toronto, in the Province of Ontario.

(g) "**Capital Account**" means the capital account established for each Partner, with respect to each class of Partnership Units, on the books of the Partnership.

(h) "**Capital Contribution**" of a Limited Partner means the total amount of money or property paid or agreed to be paid to the Partnership by such Limited Partner in respect of Partnership Units subscribed for by such Limited Partner where subscriptions therefor have been accepted by the General Partner, and may include amounts that may be contributed by the General Partner pursuant to the Trust Indenture, as determined by the General Partner.

(i) "**Class A Partnership Unit**" means a Class A unit of the Partnership.

(j) "**Class A Pool**" means that portion of the Distributable Proceeds that is attributable to the investment by the Partnership of Investable Proceeds provided by holders of Class A Partnership Units, and accordingly available for distribution to holders of Class A Partnership Units.

(k) "**Class A Unit**" means a Class A Unit of the Fund.

(l) "**Class A Unitholder**" means a holder of a Class A Unit.

(m) "**Class NAV**" shall mean the aggregate net asset value of a particular class of Partnership Units, and shall be calculated as: (i) the aggregate Investable Proceeds of such class of Partnership Units divided by (ii) the aggregate Investable Proceeds of all classes of Partnership Units multiplied by (iii) the Net Asset Value. The Class NAV may be adjusted by class, at the sole discretion of the Portfolio Manager, for factors including, but not limited to, assets, liabilities, revenues, Commissions, costs, expenses or any transaction unique to each class of Partnership Units.

(n) "**Commissions**" means, in respect of a Class A Unit, or class of Trust Units, any commissions paid or fees paid to Selling Agents in connection with the issuance of such Trust Units.

(o) "**Committed Capital**" means: (i) in respect of any Partnership Unit, the gross subscription price of such Partnership Unit less any returns of capital paid on such Partnership Unit; and (ii) in respect of the Partnership, the aggregate gross subscription proceeds from all issuances of Partnership Units less the amount of any returns of capital paid by the Partnership.

(p) "**Distributable Proceeds**" means the amount that remains after payment and reservation of all amounts necessary for the payment of all expenses of the Partnership, including but not limited to Expenses of the General Partner, any contribution that may be made by the General Partner to the Capital Accounts and payment of the Portfolio

Management Fee, Investment Fund Management Fee, and reservation of such amounts as in the opinion of the General Partner are necessary having regard to the then current and anticipated resources of the Partnership and its commitments and anticipated commitments, distributions of cash assets or property of the Partnership or from the proceeds of the sale of all or any assets of the Partnership or consideration of non-cash items.

(q) "**Distribution Payment Date**" means the day that is 30 days following the last day of each calendar month.

(r) "**Distribution Period**" means each calendar month, or such other periods in respect of a particular class of Trust Units as may be determined from time to time by the Administrator from and including the first day thereof and to and including the last day thereof.

(s) "**Distribution Record Date**" means the last Business Day of each Distribution Period.

(t) "**DRIP**" means the distribution reinvestment plan of the Fund.

(u) "**Expenses of the General Partner**" means all costs and expenses incurred by the General Partner in the performance of its duties under the Partnership Agreement, including Offering Costs.

(v) "**Fair Market Value**" means the value of the Class A Units and the Class A Partnership Units, as applicable, determined by the Administrator, in its sole discretion, using reasonable methods of determining fair market value; fair market value may or may not be equal to the Net Asset Value of the Trust Units or the Partnership Units, depending upon the methds used by the Administrator in making a particular determination of Fair Market Value.

(w) "**Fund**" means CapSure Hedged Oil and Gas Income and Growth Trust, a private, unincorporated, open-ended, trust established under the laws of the Province of Ontario on August 14, 2015.

(x) "**General Partner**" means Accilent Capital GP Ltd., a corporation incorporated under the laws of the Province of Ontario.

(y) "**Initial Unitholder**" means Accilent Raw Materials Group Inc., a corporation incorporated under the laws of the Province of Ontario as the initial holder of Trust Units.

(z) "**Investment Fund Management Agreement**" means the Investment Fund Management Agreement between the Fund, the Partnership and the General Partner dated August 14, 2015.

(aa) "**Investment Fund Manager**" means Accilent Capital Management Inc., who is appointed as the Investment Fund Manager pursuant to the Investment Fund Management Agreement, and such other person or persons as the General Partner may appoint as Investment Fund Manager from time to time in place of Accilent in compliance with applicable securities legislation, including but not limited to the *Securities Act* (Ontario) and all regulations thereto. Accilent is also the Lead Selling Agent of this Offering and the Portfolio Manager.

(bb) "**Investment Fund Manager Fee**" means the amount payable by the Partnership to the Portfolio Manager equal to an annual rate of 0.25% of the Net Asset Value of the Partnership as at the last day of the preceding month, calculated and payable in advance.

(cc) "**Investable Proceeds**" means: (i) in respect of a Partnership Unit, the net investable proceeds raised by the Partnership from the issuance of such Partnership Unit, being the aggregate of the subscription proceeds from the issuance of such Partnership Unit less the Commissions paid on such Partnership Unit plus any amounts that are credited to the Capital Account in respect of such Partnership Unit pursuant to the Partnership Agreement; (ii) in respect of a class of Partnership Units, the aggregate Investable Proceeds of all Partnership Units of such class; and (iii) in respect of the Partnership, the aggregate of the Investable Proceeds of all classes of Partnership Units.

(dd) "**Investment Gains**" for a Valuation Period shall mean the excess, if any, of the aggregate realized and unrealized increase during such Valuation Period in the value of Investments of the Partnership as determined pursuant to the Partnership Agreement over the aggregate realized and unrealized decrease during such Valuation Period by the Partnership in the value of Investments of the Partnership as determined pursuant to the Partnership Agreement. For greater certainty, expenses incurred in the purchase and sale of Investments are considered a deduction from the Investment Gains.

(ee) "**Investment Losses**" for a Valuation Period shall mean the excess, if any, of the aggregate realized and unrealized decrease during such Valuation Period in the value of Investments of the Partnership as determined pursuant to the Partnership Agreement over the aggregate realized and unrealized increase during such Valuation Period by the Partnership in the value of Investments of the Partnership as determined pursuant to the Partnership Agreement. For greater certainty, expenses incurred in the purchase and sale of Investments are considered an addition to the Investment Losses.

(ff) "**Investments**" means any investments made by the Partnership pursuant to the terms of the Partnership Agreement.

(gg) "**Lead Selling Agent**" means Accilent Capital Management Inc.

(hh) "**Limited Partner**" means each person that has subscribed for at least one Partnership Unit and is accepted as a limited partner of the Partnership.

(ii) "**Marketing Materials**" means any written communications, other than an "OM standard term sheet" (as defined under applicable securities laws), intended for prospective subscribers regarding the distribution of the securities under this Offering Memorandum.

(jj) "**Net Asset Value**" shall mean the net asset value of the entire Partnership and, for a Valuation Period shall mean, the excess, if any, of the value of the assets of the Partnership as determined pursuant to the Partnership Agreement on the last day of such Valuation Period less the amount of liabilities of the Partnership at such time.

(kk) "**Net Asset Value per Unit**" means in respect of a particular class of Partnership Units, the quotient obtained by dividing the Class NAV by the total number of Partnership Units outstanding in such class.

(ll) "**Net Income**" or "**Net Loss**" of the Fund means: (i) for any period other than a taxation year, the actual distributions received by the Fund from the Partnership; and (ii) for any taxation year means the income or loss of the Fund for such year computed in accordance with the provisions of the Tax Act other than paragraph 82(1)(b) and subsection 104(6) of the Tax Act regarding the calculation of income for the purposes of determining the "taxable income" of the Fund thereunder; provided, however, that (i) no account shall be taken of any gain or loss, whether realized or unrealized, that would, if realized, be a capital gain or capital loss for the purposes of the Tax Act; (ii) if any amount has been designated by the Fund under subsection 104(19) of the Tax Act, such designation shall be disregarded; (iii) if such calculation results in income there shall be deducted the amount of any non-capital losses (as defined in the Tax Act) of the Fund for any preceding years, and Net Income of the Fund for any period means the income of the Fund for such period computed in accordance with the foregoing as if that period were the taxation year of the Fund.

(mm) "**Net Losses**" of the Partnership, for a Valuation Period shall mean the excess, if any, of the sum of (i) Investment Losses, if any, and (ii) Net Operating Losses, if any, over the sum of (iii) Investment Gains, if any, and (iv) Net Operating Profits, if any, for such Valuation Period.

(nn) "**Net Operating Losses**" of the Partnership, for a Valuation Period shall mean the excess, if any, of the Expenses of the General Partner incurred during such Valuation Period by the Partnership (other than expenses incurred in the sale or purchase of Investments) over the aggregate income earned during such Valuation Period by the Partnership from all sources whatsoever (other than from the sale or purchase of Investments).

(oo) "**Net Operating Profits**" of the Partnership, for a Valuation Period shall mean the excess, if any, of the aggregate income earned during such Valuation Period by the Partnership from all sources whatsoever (other than from the sale or purchase of Investments) over all Expenses of the General Partner incurred during such Valuation Period by the Partnership (other than expenses incurred in the sale or purchase of Investments).

(pp) "**Net Proceeds**" means the total amount to be raised by the issuance of Trust Units pursuant to the Offering, less expenses of the Offering, selling commission and fees.

(qq) "**Net Profits**" of the Partnership, for a Valuation Period shall mean the excess, if any, of the sum of (i) Investment Gains, if any, and (ii) Net Operating Profits, if any, over the sum of (iii) Investment Losses, if any, and (iv) Net Operating Losses, if any, for such Valuation Period.

(rr) "**Net Realized Capital Gains**" of the Fund for any taxation year of the Fund shall be determined as the amount, if any, by which the aggregate of the capital gains of the Fund for the year exceeds (i) the aggregate of the capital losses of the

Fund for the year, and (ii) the amount determined by the Trustee in respect of any net capital losses for prior taxation years which the Fund is permitted by the Tax Act to deduct in computing the taxable income of the Fund for the year.

(ss) "**Offering**" means the private placement of Trust Units pursuant to this Offering Memorandum.

(tt) "**Offering Costs**" means any fees, costs and expenses incurred by or on behalf of the Fund or Partnership in connection with the offering and sale of Trust or Partnership Units from time to time, including marketing costs, the Commission and any other commission or fee payable to a registered dealer, financial advisor or eligible sales person in connection with the sale of Partnership Units.

(uu) "**Offering Memorandum**" means this private placement Amended and Restated Offering Memorandum of the Fund as the same may be amended, supplemented or replaced from time to time.

(vv) "**Ordinary Resolution**" for the Fund or Partnership, as applicable, means:

a resolution passed by more than 50% of the votes cast by those Unitholders or holders of Partnership Units, as applicable, of the particular class or classes of Trust Units or Partnership Units, as applicable, entitled to vote on such resolution, whether cast in person or by proxy, at a meeting of Unitholders of such class or classes of Trust Units or a meeting of holders of Partnership Units of such class or classes, as applicable, at which a quorum was present, called (at least in part) for the purpose of approving such resolution, or

a resolution approved in writing, in one or more counterparts, by holders of more than 50% of the votes represented by those Trust Units or Partnership Units, as applicable, of the particular class or classes of Trust Units or Partnership Units entitled to be voted on such resolution.

(ww) "**Partner**" means a Limited Partner or General Partner of the Partnership.

(xx) "**Partnership**" means the Oil and Gas Hedged Income and Growth Trust LP, which was created on August 5, 2015 under the laws of Ontario pursuant to the Limited Partnership Act,

(yy) "**Partnership Act**" means the *Limited Partnership Act* (Ontario), as may be amended or supplemented.

(zz) "**Partnership Agreement**" means the limited partnership agreement of the Partnership dated August 5, 2015 among Accilent Capital GP Ltd., as the general partner, and the initial Limited Partner, Accilent Raw Materials Group Inc. dated August 5, 2015 and as may be amended from time to time.

(aaa) "**Partnership Units**" means limited partnership units, of any class, of the Partnership.

(bbb) "**Portfolio Agreement**" means the Portfolio Management Agreement between the Fund, the Partnership and the Portfolio Manager dated August 14, 2015.

(ccc) "**Portfolio Management Fee**" means the amount payable by the Partnership to the Portfolio Manager equal to an annual rate of 1.25% of the Net Asset Value of the Partnership as at the last day of the preceding month, calculated and payable in advance.

(ddd) "**Portfolio Manager**" means Accilent Capital Management Inc., who is appointed as the Portfolio Manager pursuant to the Portfolio Agreement, and such other person or persons as the Investment Fund Manager may appoint as Portfolio Manager from time to time in place of Accilent in compliance with applicable securities legislation, including but not limited to the *Securities Act* (Ontario) and all regulations thereto. Accilent is also the Lead Selling Agent of this Offering and the Investment Fund Manager.

(eee) "**Redemption Date**" means December 31 of each year, or, in the case of a redemption request under circumstances of financial hardship, the last Business Day of a fiscal quarter, as applicable.

(fff) "**Redemption Fee**" for the Fund means an administration fee of $100 that may be charged by the Trustee in connection with a redemption of Trust Units.

(ggg) "**Redemption Notes**" means promissory notes issued in series, or otherwise, by the Fund pursuant to a note indenture

or otherwise and issued to a redeeming Unitholder in principal amounts equal to the Redemption Price multiplied by the number of Trust Units to be redeemed and having the following terms and conditions;

(i) unsecured and bearing interest from and including the issue date of each such note at a market rate determined at the time of issuance, based on the advice of an independent financial advisor, and payable annually in arrears (with interest after as well as before maturity, default and judgement, and interest on overdue interest at such rate);

(ii) subordinated and postponed to all senior indebtedness and which may be subject to specific subordination and postponement agreements to be entered into by the Fund pursuant to the note indenture with holders of senior indebtedness;

(iii) subject to earlier prepayment, being due and payable on the fifth anniversary of the date of issuance; and

(iv) subject to such other standard terms and conditions as would be included in a note indenture for promissory notes of this kind, as may be approved by the Trustee.

(hhh) "**Redemption Notice**" means written notice delivered to the Administrator at 1616- 25 Adelaide St. East, Toronto, Ontario, M5C 3A1.

(iii) "**Redemption Notice Date**" means 60 days in advance of the Redemption Date.

(jjj) "**Redemption Price**" means, in the event of a redemption of any Trust Unit, the net redemption proceeds per Partnership Unit that are received by the Fund upon redemption by the Fund of the corresponding Partnership Units redeemed by the Fund to pay for the redemption of such Trust Unit which shall account for the allocation of any Redemption Fee charged by the Partnership in connection with the redemption of such Partnership Units, and the redemption price in respect of a Class A Partnership Unit shall be:

(i) if the Unit holder has held the Trust Units less than one (1) year, the Net Asset Value per Class A Partnership Unit less 9%;
(ii) if the Unit holder has held the Trust Units greater than one (1) year but less than two (2) years, the Net Asset Value per Class A Partnership Unit less 7%;
(iii) if the Unitholder has held the Trust Units greater than two (2) years, but less than three (3) years, the Net Asset Value per Class A Partnership Unit less 5%;
(iv) if the Unitholder has held the Trust Units greater than three (3) years, but less than four (4) years, the Net Asset Value per Class A Partnership Unit less 3%;
(v) if the Unitholder has held the Trust Units greater than four (4) years, but less than five (5) years, the Net Asset Value per Class A Partnership Unit less 1%;
(vi) if the Unitholder has held the Trust Units greater than five (5) years, the Net Asset Value per Class A Partnership Unit.

(kkk) "**RRIF**" means a trust governed by a registered retirement income fund, as defined in the Tax Act.

(lll) "**RRSP**" means a trust governed by a registered retirement savings plan, as defined in the Tax Act.

(mmm) "**Sharing Ratios**" with respect to any Limited Partner holding Partnership Units of a certain class, means the proportion that the number of the applicable class of Partnership Units held by such Limited Partner is of the aggregate number of Partnership Units of such class held by all Limited Partners.

(nnn) "**Securities Act**" means the *Securities Act* (Ontario), as may be amended or supplemented.

(ooo) "**Selling Agents**" means registered dealers, financial advisors, sales persons, wholesalers, brokers, intermediaries or other eligible persons.

(ppp) "**Special Resolution**" for the Fund or Partnership, as applicable, means:

1. a resolution passed by more than 66⅔% of the votes cast by those Unitholders or holders of Partnership Units, as applicable, of the particular class or classes of Trust Units or Partnership Units entitled to vote on such resolution, whether cast in person or by proxy, at a meeting of Unitholders or holders of Partnership Units, as applicable, of such class or classes of Trust Units or Partnership Units, at which a quorum was present, called (at least in part) for the purpose of approving such resolution, or
2. a resolution approved in writing, in one or more counterparts, by holders of more than 66⅔% of the votes represented by those Trust Units or Partnership Units of the particular class or classes of Units or Partnership Units entitled to be voted on such resolution.

(qqq) "**Subscriber**" means a subscriber of Class A Units under this Offering.

(rrr) "**Tax Act**" means the *Income Tax Act* (Canada), as may be amended or supplemented.

(sss) "**Tax Deferred Plan**" means a trust governed by a registered retirement savings plan, registered retirement income fund, registered education savings plan, deferred profit sharing plan, registered disability savings plan or tax-free savings account.

(ttt) "**TFSA**" means a tax-free savings account, as defined in the Tax Act.

(uuu) "**Trust Indenture**" means the trust indenture of the Fund dated August 14, 2015 among the settlor, the Initial Unitholder of the Fund, the Trustee and the Administrator including any amendments or supplemental indentures thereto.

(vvv) "**Trust Property**" at any time, means all of the money, properties and other assets of any nature or kind whatsoever, including both income and capital of the Fund, as are, at such time, held by the Fund or by the Trustee on behalf of the Fund.

(www) "**Trust Unit**" means a unit of the Fund.

(xxx) "**Trustee**" means Computershare Trust Company of Canada in its capacity as trustee of the Fund, or any successor trustee of the Fund in accordance with the provision of the Trust Indenture.

(yyy) "**Unitholder**" means a holder of Trust Units.

(zzz) "**Valuation Period**" shall mean, as applicable, either (1) the fiscal year of the Partnership, or, (2) each month of the Partnership or, if for any month of the Partnership any contribution to the capital of the Partnership shall have been made at any time other than the first day of such month or any withdrawal from the capital of the Partnership shall have been made at any time other than as of the last day of such month, then: (a) the period commencing on the first day of such month and ending on the date of such withdrawal or the day next preceding the date of any such contribution; and (b) each successive period in such month commencing on the date of any such contribution or day following the date of such withdrawal and ending on the earlier to occur of (i) the last day of such month or (ii) the date of the next such withdrawal or the day next preceding the date of the next such contribution to the capital of the Partnership during such month.

(aaaa) "**$**" or "**Cdn$**" means Canadian Dollars.

SUMMARY OF THIS OFFERING MEMORANDUM

The following is a summary of the principal features of this Offering Memorandum and should be read together with the more detailed information contained elsewhere in this Offering Memorandum. Certain terms used in this Offering Memorandum are defined in the Glossary of Terms.

Investment Objective:	The Fund was established for the purposes of investing indirectly, through the Partnership, in listed shares and other securities related primarily to the North American energy sector or other Investments in the oil and gas industry. Particular attention will be focused on mid to large capitalization, North American listed, dividend paying securities with the objective of enhancing absolute returns while protecting capital from downside risks. A variety of hedging strategies will be used to enhance returns, and reduce risk. These strategies may include the use of options, futures, short selling, pairs trading and other types of equity hedging. The Fund will seek to have a low correlation to the S&P/TSX Canadian Energy Index;The Fund may also make other similar investments that meet the Fund's strategy for security and returns.
Investment Criteria:	The Fund, indirectly through the Partnership, will invest in listed shares of mid and large cap companies related to the North American energy sector. This can include but is not limited to companies in the areas of: energy production, distribution, refining, transportation, pipelines, utilities, servicing, materials supply, drilling, and exploration. Hedging activities can include but are not limited to securities options, warrants, installment receipts and futures related to the listed shares, futures and options on crude oil and related energy products, exchange traded funds related to oil and gas share indices or oil and gas commodities. The Partnership is not restricted from investing in securities or assets based in the United States or internationally and any such investments would expose the Fund to certain currency exchange risks. The Partnership has established certain investment restrictions as set forth in the Partnership Agreement The investment restrictions may be changed only by way of a Special Resolution of the Limited Partners. The Partnership may, from time to time, in consultation with the Portfolio Manager, establish certain other investment restrictions and policies as available opportunities and market conditions may dictate. The investment restrictions for investments in listed securities are: 1. The Partnership will not purchase option premiums relating to any issuer which is in excess of 10% of the equity of the Fund. 2. The Partnership will not place more than 10% of its portfolio as measured by cost, or 25% of its portfolio as measured by market value, in any single listed long or short position. No individual investment can exceed 9.9% of the market capitalization of any security issued by the corporate entity. The Partnership may use leverage limited to the margining rules established by the Investment Industry Regulatory Association of Canada. See Item 8.2 "*Risk Factors – Use of Leverage*."
Proposed Closing Date(s):	The Administrator is proposing to complete the initial closing as soon as practicable, and further closings will occur from time to time at the discretion of the Administrator.
Income Tax Consequences:	The Fund has been advised that, provided that the Fund qualifies as a "mutual fund trust" for purposes of the Tax Act at all relevant times, the Trust Units will be qualified investments for Tax Deferred Plans. There is no assurance that the Fund will so qualify and potential investors should consult their own tax advisors in respect to an investment in Trust Units. See Item 6 "*Canadian Federal Income Tax Considerations*".

Selling Agents: The Fund is a connected issuer, and may be considered to be a related issuer, of Accilent. The Fund has retained Accilent, an exempt market dealer, as Lead Selling Agent in respect of the distribution and sale of the Trust Units and the Fund may choose to retain additional Selling Agents. Certain principals of Accilent are the same as those of the Administrator, Portfolio Manager and General Partner. It is agreed and understood by the Subscribers that Accilent is also acting as Lead Selling Agent for the Offering and may charge certain resource issuers fees from time to time, including, without limitation, commissions or finders' fees and broker's warrants in connection with the investments made by the Partnership. These fees generally range from 0-8% and may be for cash or non-cash consideration. The Partnership does not participate in such fees.

The Fund will pay commissions and certain fees in respect of administrative matters in connection with the Offering of up to 7% of the gross proceeds realized on the Class A Units sold directly by Selling Agents, including Accilent, as well as, 1% of gross proceeds for dealer due diligence costs, platform and distribution override fees. The Lead Selling Agent will also be paid 1% for selling group organizing and management, wholesaling, and other selling group costs. In addition, the Partnership may also at the sole discretion of its General Partner distribute an annual fee of up to 0.75% per annum of the net asset value of the applicable class of Partnership Units that remains invested in the Partnership to certain Selling Agents. See Item 2.3 "*Business of the Fund - Relationship Between the Fund, the Trustee, Accilent and the Portfolio Manager*", "*Compensation Paid to Sellers and Finders*" and "*Risk Factors - Conflicts of Interest*".

Conflicts of Interest: It is agreed and understood by the Subscribers that Accilent is also acting as Lead Selling Agent for the Offering and may charge certain of the resource issuers fees from time to time, including, without limitation, commissions or finders' fees and broker's warrants in connection with the investments made by the Partnership. These fees generally range from 0-8% and may be for cash or non-cash consideration. The Partnership does not participate in such fees.

Paul Crath, an officer and director of the General Partner holds executive positions, owns equity and acts as a member of the Board of Directors of several companies in the areas of structured financing, factoring, real estate, and mining.

The actions of certain directors, officers, employees and agents of the Portfolio Manager, Administrator and General Partner may from time to time be in conflict with the activities of the Fund. Such conflicts are expressly permitted by the terms of the Trust Indenture. See Item 8.2 "*Risk Factors - Conflicts of Interest*".

Distributions: Unitholders shall be entitled to receive distributions of the Net Income and the Net Realized Capital Gains of the Fund in accordance with the terms of the Trust Indenture. Such distributions to Class A Unitholders will be based upon the distributions the Fund receives from the Partnership and that are attributable to the Class A Units. Distributions to the Fund will be as follows:

a) as first priority, and calculated quarterly and paid within sixty (60) days of the end of each fiscal quarter, in the sole discretion of the General Partner, an annual fee of up to 0.75% per annum of the Class NAV of the Class A Partnership Units that remains invested in the Partnership (pro-rated for holders of Class A Partnership Units who have held the Class A Partnership Units for less than a quarter), payable to the registered dealers, financial advisors, sales persons or other eligible persons who introduced holders of Class A Partnership Units to the Partnership;

b) as second priority, and on a monthly basis, the Class A Pool attributable to such Valuation Period (whether distributed as a return of capital or otherwise), as determined by the General Partner, acting in its sole discretion, in respect of any Valuation Period will be distributed monthly in arrears to the holders of Class A Partnership Units (including, if applicable, the General Partner in its

capacity as a holder of Class A Partnership Units) in accordance with their respective Sharing Ratios until the cumulative amount distributed under this subparagraph b) for a given month equals an amount equal to one twelfth (1/12) of a cumulative six (6%) percent annual return on the capital contribution of such holder of Class A Partnership Units;

c) as third priority, and annually within one hundred twenty (120) days of the end of each fiscal year, after the maximum amount distributable under subparagraphs a) and b) above has been distributed, an amount equal to 70% of the remaining distributable proceeds will be payable pro-rata to the holder of the Class A Partnership Units as a non-cash distribution credited to the Capital Account of each holder of such Class A Partnership Units who has held the Class A Partnership Units for a minimum of one year (pro-rated for holders of Class A Partnership Units who have held the Class A Partnership Units for less than a year) and as fourth priority, and annually within one hundred twenty (120) days of the end of each fiscal year, after the maximum amount distributable under subparagraphs a), b) and c) above has been distributed any excess amounts in the Class A Pool for that fiscal year shall be distributed at the end of such period as to 100% to the General Partner.

To the extent that there is a surplus in the Class A Pool after making the monthly distributions set forth in paragraphs a), and b) above, then the General Partner may, in its sole discretion, retain any such surplus as a reserve for future expenditures, commitments or distributions of the Partnership or reinvest such surplus in any Investment. To the extent that there are no Distributable Proceeds after payment and reservation of all amounts necessary for the payment of all expenses of the Partnership, including but not limited to Expenses of the General Partner, the Portfolio Management Fee and the Investment Fund Manager Fee, the Partnership shall not be obligated to make any distributions of cash to the Partners. The principals of the General Partner are the same as those of the Trustee, Administrator and Portfolio Manager. The forgoing is a summary only and is subject to the complete terms and conditions of the Portfolio and Investment Fund Management Agreements.

Distribution Reinvestment Plan:

The Fund has adopted a DRIP that will allow eligible Unitholders to elect to have their monthly cash distributions reinvested in additional Trust Units on the Distribution Payment Date at a purchase price equal to the most recent Net Asset Value. (or such other price as may be determined by the Fund from time to time). All Unitholders resident in Canada are eligible to participate in the DRIP. Unitholders who do not enroll in the DRIP will receive their regular cash distributions. The Administrator reserves the right to limit the amount of new equity available under the DRIP on any particular Distribution Payment Date. Accordingly, participation may be prorated in certain circumstances. In the event of proration, or if for any other reason all or a portion of the distributions cannot be reinvested under the DRIP, Unitholders enrolled in the DRIP will receive their regular cash distributions.

No commissions, service charges or similar fees will be payable in connection with the purchase of Units under the DRIP. Participation in the DRIP does not relieve Unitholders of any liability for any income or other taxes that may be payable on or in respect of the distributions that are reinvested for their account under the DRIP.

An account will be maintained by the Administrator on behalf of the Fund, for each participant with respect to purchases of Trust Units made under the DRIP for the participant's account. Within 60 calendar days following the end of each calendar quarter, the Fund will mail an unaudited quarterly report to each participant. These reports are a participant's continuing record of purchases of Trust Units made for their

account under the DRIP and should be retained for tax purposes. A unit certificate representing Trust Units issued to each participant under the DRIP will be issued on an annual basis.

Redemption: A Unitholder may redeem Trust Units only (a) on December 31 of each year, or (b) in certain cases of financial hardship (which shall be determined in the sole discretion of the Administration) resulting from the Unitholder's death, death of an immediate family member, bankruptcy or insolvency on the last Business Day of that fiscal quarter end. (each, a "**Redemption Date**"), subject to certain restrictions, by providing written notice to the Trustee not less than 60 days prior to the Redemption Date. Subject to certain conditions, payment for the redeemed Trust Unit shall occur on the 30th day following the Redemption Date. Total quarterly redemptions shall not exceed 2% of the outstanding Trust Units in any one fiscal quarter, provided, however, that the yearly redemptions on December 31 shall not be so limited. The Administrator may, in its discretion, charge any Unitholder a Redemption Fee of $100 in connection with the redemption of such Trust Units, and such Redemption Fee charged shall be deducted from the Redemption Price otherwise payable to the Unitholder. The Administrator may suspend or delay redemptions if the partnership has insufficient cash available. The unit holder then has the option to withdraw their redemption notice or maintain their redemption request and receive Redemption Notes. Any unfilled redemption requests will be filled in the order received when sufficient cash becomes available. See Item 2.8 "*Summary of the Trust Indenture – Redemptions*".

Redemption Notes: If the Administrator shall advise the Unitholder in writing that the proceeds of any redemption of Trust Units payable in respect of Trust Units tendered for Redemption in the applicable calendar month shall be paid within 60 days of the Regular Redemption Date by the Trust issuing Redemption Notes to the Unitholders who exercise the right of redemption, such Redemption Notes having an aggregate principal amount equal to the Redemption Price per Trust Unit multiplied by the number of Trust Units to be redeemed less the applicable Redemption Fee. At any time in the seven (7) days following the date of the Administrator's notice set out herein, the Unitholders may rescind their applicable Notice. If a Unitholder fails to rescind the Notice in writing within the allotted seven (7) days, the Administrator shall issue Redemption Notes to the Unitholders who exercised the right of redemption having an aggregate principal amount equal to the Redemption Price per Trust Unit multiplied by the number of Trust Units to be redeemed.

Portfolio Manager: The Partnership and the Fund have retained the Portfolio Manager to, among other things, provide, portfolio management, investment advisory and investment management services, administrative and other services to the Partnership and will also provide the Partnership with office facilities, equipment and staff as required. The Portfolio Manager will identify, analyze and select investment opportunities, structure and negotiate prospective investments, make investments for the Partnership in securities, monitor the performance of such investments, and determine the timing, terms, and method of disposition of investments. The principals of the Portfolio Manager are the same as those of the Administrator and the General Partner.

Portfolio Management Fee: The Partnership will pay the Portfolio Manager a monthly fee (the "**Portfolio Management Fee**") equal to an annual rate of 1.25% of the Net Asset Value of the Partnership as at the last date of the preceding month, calculated and payable, in advance, at the beginning of each month. Any Portfolio Management Fee attributable to any period of less than one full month (whether as to the Partnership generally or to any Limited Partner) shall be pro-rated appropriately and be payable on the first day of such period. At the sole discretion of the Portfolio Manager, payment of the Portfolio Management Fee or any accrual thereof may be waived.

Investment Fund Manager: The Partnership and the Fund have retained the Investment Fund Manager to, among other things, provide, general and administrative services and other services to the Partnership and will also provide the Partnership with office facilities, equipment and staff as required. The principals of the Portfolio Manager are the same as those of the Administrator and the General Partner.

Investment Fund Management Fee: The Partnership will pay the Investment Fund Manager a monthly fee (the "**Investment Fund Management Fee**") equal to an annual rate of 0.25% of the Net Asset Value of the Partnership as at the last date of the preceding month, calculated and payable, in advance, at the beginning of each month. Any Investment Fund Management Fee attributable to any period of less than one full month (whether as to the Partnership generally or to any Limited Partner) shall be pro-rated appropriately and be payable on the first day of such period. At the sole discretion of the Investment Fund Manager, payment of the Investment Fund Management Fee or any accrual thereof may be waived.

Term of the Fund: Subject to the other provisions of the Trust Indenture, the Fund shall continue for a term ending 21 years after the date of death of the last surviving issue of Her Majesty, Queen Elizabeth II, alive on November 1, 2015. For the purpose of terminating the Fund by such date, the Trustee shall commence to wind-up the affairs of the Fund on such date as may be determined by the Trustee, being not more than two years prior to the end of the term of the Fund.

Trustee: The Trustee of the Fund is Computershare Trust Company of Canada, a trust company incorporated under the laws of Canada.

Risk Factors: The General Partner has retained Accilent as agent and Lead Selling Agent for the Offering, who, along with applicable members of a selling and/or referral group formed by it and certain approved Selling Agents (collectively, the "**Selling Agents**"), who in accordance with and as permitted by Applicable Securities Laws (as defined herein), will market and distribute the Units in all of the provinces and territories in Canada, except Quebec, on behalf of the Partnership. **It is strongly recommended that each Subscriber, in order to assess tax, legal and other aspects of an investment in Trust Units and, indirectly, underlying Partnership Units obtain independent advice with respect to the Offering and this Offering Memorandum. An investment in the Trust Units and, indirectly, underlying Partnership Units is subject to significant risk from, among other things, business risks of the investments, changing economic and market conditions.**

Following is a list of some of the most significant risk factors:

THIS IS A SPECULATIVE OFFERING AND IS A BLIND POOL OFFERING. An investment in Trust Units is appropriate only for subscribers who have the capacity to absorb a total loss of their investment. Subscribers who are not willing to rely on the sole and exclusive discretion and judgment of the Trustee, Administrator, General Partner and Portfolio Manager should not subscribe for Trust Units. **There is no market for Trust Units and the transfer of Trust Units is significantly limited and in some circumstances prohibited.** An investment in the Trust Units should only be considered by those subscribers who are able to make and bear the economic risk of a long-term investment and the possible total loss of their investment.

Qualification as a mutual fund trust. If the Fund does not or ceases to qualify as a "mutual fund trust" within the meaning of the Tax Act, the Trust Units will not be qualified investments for Tax Deferred Plans which will have adverse tax consequences to Tax Deferred Plans and their annuitants, holders or beneficiaries. In addition, if the Trust Units are or become a prohibited investment for Tax Deferred Plans, adverse tax

consequences may result to the holder, annuitant or beneficiary thereunder. See Item 6 *"Canadian Federal Income Tax considerations"*

An investment in Trust Units should only be made after consultation with independent qualified sources of investment and tax advice. An investment in the Fund is speculative and involves a high degree of risk and is not intended as a complete investment program.

There is a risk that an investment in the Fund will be lost entirely. Only investors who do not require immediate liquidity of their investment and who can afford the loss of their entire investment should consider the purchase of the Trust Units. See Item 8 **"*Risk Factors*".**

ITEM 1 - USE OF AVAILABLE FUNDS

1.1 Available Funds

The following table discloses the estimated gross proceeds of the Offering and the estimated Net Proceeds that will be available to the Fund after the Offering.

	Minimum Offering	Maximum Offering
Amount to be raised by this Offering	$0	$50,000,000
Commissions and Fees paid to Selling Agents[(1)]	$0	$4,500,000
(Estimated offering costs)[(2)]	$0	$375,000
Available funds[(3)]	$0	$45,125,000
Additional sources of funding required	$0	$0
Working capital deficiency	$0	$0
Total [(3)]	$0	$45,125,000

Notes:

Pursuant to the Administration Agreement, the Partnership shall, on behalf of the Fund and the Administrator, pay any Commissions attributable to Trust Units directly to Selling Agents to whom they are due, and shall account for the payment thereof in the Partnership's calculation of Investable Proceeds for the applicable class of Partnership Units. Assuming that all Class A Units are issued through Selling Agents and that the Partnership pays the maximum commissions and certain fees in respect of administrative matters in connection with the Offering of 7% of the gross proceeds realized on the Units by the Selling Agents, as well as, 1% of gross proceeds for dealer due diligence costs, platform and distribution override fees. The Lead Selling Agent will also be paid 1% for selling group organizing, management wholesaling, and other selling group costs. The Partnership will incur $4,500,000 in selling commissions assuming the Maximum Offering.

Pursuant to the Administration Agreement, the Partnership shall, on behalf of the Fund and the Administrator, make payment of 0.75% as payment for any and all costs and expenses attributable to the Class A Units to the Investment Fund Manager. It is anticipated that the offering costs assuming the Maximum Offering will be $375,000.

The Fund will use the gross proceeds from the Offering of $50,000,000 to acquire Class A Partnership Units. $45,125,000 represents the Available Funds and Net Proceeds that will be available to the Partnership for investment following the subscription by the Fund of Class A Partnership Units, after payment of the Commissions and offering costs assuming the Maximum Offering.

1.2 Use of Available Funds

The Fund will use the Available Funds from the Offering to subscribe for Class A Partnership Units.

The Fund was established for the purpose of investing indirectly, through the Partnership, in listed shares and other securities related to the energy sector, primarily in North American centred equities or other Investments in the area of oil and gas and energy related securities. Particular attention will be focused on mid to large capitalization, North American listed, dividend paying securities with the objective of enhancing absolute returns while protecting capital from downside risks. A variety of hedging strategies will be used to enhance returns, and reduce risk. These strategies may include the use of options, futures, short selling, pairs trading and other types of equity hedging. The fund will seek to have a low correlation to the S&P/TSX Canadian Energy Index.

The following table sets out the proposed use of Available Funds by the Fund:

	Assuming Minimum Offering	Assuming Maximum Offering
Investment in the Class A Partnership Units and indirectly making Investments in third parties[(1)]	$0	$45,125,000
Total	$0	$45,125,000

Notes:

The Partnership proposes to use the Available Funds its receives from the investment by the Fund in Class A Partnership Units to invest in securities in order to achieve the investment objectives set forth elsewhere in this Offering Memorandum. The Partnership

anticipates incurring up to $4,500,000 in selling commissions and fees paid to Selling Agents and $375,000 in associated costs and expenses in the event of the Maximum Offering and using the Available Funds it receives to invest $45,125,000 in Investments.

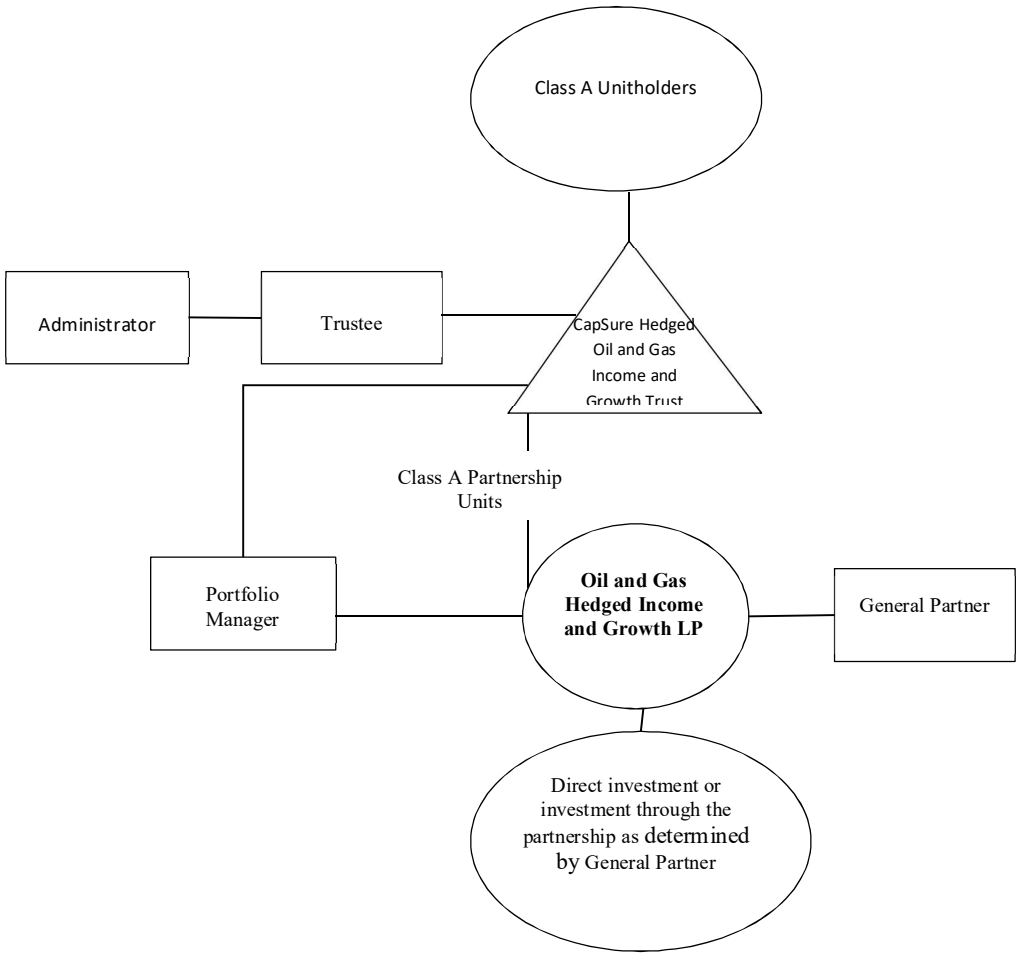
1.4 Working Capital Deficiency

As at the date of this Offering Memorandum, the Fund does not have a working capital deficiency.

ITEM 2 - BUSINESS OF THE FUND

2.1 Structure

The following diagram outlines the structure of the Fund and its various components.



2.2 Development of the Fund

The Fund

The Fund is intended to be an unincorporated, open-ended, limited purpose mutual fund trust formed under the laws of the Province of Ontario on August 14, 2015 pursuant to the Trust Indenture. The principal place of business of the Fund is 1616-25 Adelaide St East, Toronto, ON M5C 3A1.

The Initial Unitholder is Accilent Raw Materials Group Inc. The President, Daniel Pembleton, and 50% owner of Accilent Raw Materials Group Inc. is the Chief Executive Officer and a director of the Administrator and the Portfolio Manager. The rights and obligations of the Unitholders, holders of Class A Units and the Trustee are governed by the Trust Indenture and the laws of the Province of Ontario and Canada applicable thereto. A subscriber will become a Unitholder of the Fund upon the acceptance by the Administrator of such subscriber's subscription.

The Trustee

Computershare Trust Company of Canada is the Trustee of the Trust. The principal place of business of the Trustee in Ontario is located at 11th Floor, 100 University Ave. Toronto, Ontario, M5J 2Y1. See computershare.com for information regarding Computershare Trust Company of Canada. The Trustee is responsible for the management and control of business and affairs of the Trust on a day-to-day basis in accordance with the terms of the Declaration of Trust. Pursuant to the terms of the Declaration of Trust and the Administration Agreement, the Trustee has assigned the management and control of the business and affairs of the Trust to Accilent Capital Administration Inc.

The Administrator

Accilent Capital Administration Inc., the Administrator, was incorporated on May 29, 2015 under the *Business Corporations Act* (Ontario) and will manage, along with the Trustee, the affairs of the Fund. The Administrator will provide certain administrative and support services to the Fund pursuant to the terms of the Administration Agreement. See Item 2.4 – "*Administration Agreement*."

The head office of the Administrator is 1616-25 Adelaide St East, Toronto, ON M5C 3A1.

The Partnership

The Partnership was formed in the Province of Ontario on August 5, 2015 pursuant to the Partnership Act, by the filing of the certificate of limited partnership in accordance with the Partnership Act. The Partnership was formed for the purposes of investing in securities or other investments that provide a high level of current income by investing primarily in high-yielding investments in a diversified manner. The Partnership is authorized to issue an unlimited number of Partnership Units, each having the rights, privileges, restrictions and conditions referred to in the Partnership Agreement. The Partnership Units may be issued in multiple classes, and upon issuance of each class of Partnership Units, the General Partner shall determine the Commissions, voting rights, entitlement to distributions, and other attributes of such class of Partnership Units, provided that: (i) the General Partner will, at all times be required to keep track of, and account for the different Capital Accounts and amounts of Investable Proceeds and corresponding entitlement to distributions of each class of Partnership Units; and (ii) no class of Partnership Units shall be entitled to any distributions or other payments in respect of Investable Proceeds not attributable to the issuance of such class of Partnership Units.

The Partnership's intention is to generate dividend income, interest income, capital gains, fees and other income through its Investments and to distribute the Partnership's Net Profits derived from such Investments in accordance with the terms and provisions of the Partnership Agreement. See item 2.9 – "*Partnership Agreement*."

The head office of the Administrator is 1616-25 Adelaide St East, Toronto, ON M5C 3A1.

The General Partner

Accilent Capital GP Ltd., the General Partner, was incorporated on May 29, 2015 under the *Business Corporations Act* (Ontario) and is the general partner of the Partnership. Subject to the delegation of certain powers to the Portfolio Manager, the General Partner will control and have responsibility for the business of the Partnership, to bind the Partnership and to admit Limited Partners and do or cause to be done in a prudent and reasonable manner any and all acts necessary, appropriate or incidental to the business of the Partnership. The General Partner has exclusive authority to manage and control the activities of the Partnership and is liable by law, as a general partner, for the debts of the Partnership.

The head office of the General Partner is 1616-25 Adelaide St East, Toronto, Ontario, M5C 3A1.

The Portfolio Manager

Accilent Capital Management Inc., the Portfolio Manager, was incorporated on February 8th, 2002 under the *Business Corporations Act* (Ontario) and will manage, along with the Administrator, certain affairs of the Fund. The Portfolio Manager will receive the Portfolio Management Fee pursuant to the provisions of the Partnership Agreement and the Portfolio Management Agreement to provide, among other things, portfolio management, investment advisory and investment management services, administrative and other services to the Partnership and will also provide the Partnership with office facilities, equipment and staff as required. The Portfolio Manager will identify, analyze and select Investment opportunities, structure and negotiate prospective Investments, make Investments for the Partnership in securities, monitor the performance of such Investments, and determine the timing, terms, and method of disposition of Investments. The Portfolio Manager will

not be liable in any way for any default, failure or defect in any of the securities comprising the Investment portfolio of the Partnership if it has satisfied the duties and the degree of care, diligence, and skill that a reasonably prudent person in comparable circumstances. The head office of the Portfolio Manager is located at 1616-25 Adelaide St East, Toronto, Ontario, M5C 3A1. The Portfolio Manager is not at arm's length to the General Partner. The principal of the Portfolio Manager is Dan Pembleton, who is also a principal of the Trustee, Administrator and General Partner.

Either the Portfolio Manager or the General Partner may terminate the Portfolio Management Agreement in accordance with the terms set out in the Portfolio Management Agreement. In the event that the Portfolio Management Agreement is terminated with the Portfolio Manager as provided above, the General Partner shall appoint a successor portfolio manager to carry out the activities of the Portfolio Manager.

The Investment Fund Manager

Accilent Capital Management Inc., the Investment Fund Manager, was incorporated on February 8th, 2002 under the *Business Corporations Act* (Ontario) and will manage, along with the Administrator, certain affairs of the Fund. The Investment Fund Manager will receive the Investment Fund Management Fee pursuant to the provisions of the Partnership Agreement and the Investment Fund Management Agreement to provide, among other things, general administrative and support services, and other services to the Partnership and will also provide the Partnership with office facilities, equipment and staff as required. The Investment Fund Manager will not be liable in any way for any default, failure or defect in any of the securities comprising the Investment portfolio of the Partnership if it has satisfied the duties and the degree of care, diligence, and skill that a reasonably prudent person in comparable circumstances. The head office of the Investment Fund Manager is located at 1616-25 Adelaide St East, Toronto, Ontario, M5C 3A1. The Investment Fund Manager is not at arm's length to the General Partner. The principal of the Investment Fund Manager is Dan Pembleton, who is also a principal of the Trustee, Administrator and General Partner.

Either the Investment Fund Manager or the General Partner may terminate the Investment Fund Management Agreement in accordance with the terms set out in the Investment Fund Management Agreement. In the event that the Investment Fund Management Agreement is terminated with the Investment Fund Manager as provided above, the General Partner shall appoint a successor investment fund manager to carry out the activities of the Investment Fund Manager.

2.3 Relationship between the Fund, the Trustee, Accilent and the Portfolio Manager

The Fund is a connected issuer, and may be considered to be a related issuer, of Accilent. The Fund has retained Accilent, a registered exempt market dealer, as a Selling Agent in respect of the sale and distribution of the Trust Units. The Fund is a connected issuer of Accilent due to various factors, including the fact that Daniel Pembleton is the President of the Trustee, Administrator, Accilent and the Portfolio Manager. The Fund will pay commissions and certain fees in respect of administrative matters in connection with the Offering to Selling Agents, including Accilent.

The Fund may be considered to be a related issuer of Accilent as Daniel Pembleton owns 91.3% of the shares of Accilent and the Portfolio Manager, 100% of the shares of the Administrator and 50% of the shares of the General Partner.

The sole director and officer of Accilent and the Portfolio Manager is Daniel Pembleton. The directors and officers of the Administrator are Daniel Pembleton and Paul Crath. Daniel Pembleton and Paul Crath are also directors and officers of the General Partner.

The services of the officers and directors of the Administrator and Portfolio Manager are not exclusive to the Fund. The officers and directors of the Trustee, Administrator and Portfolio Manager are engaged in the promotion, management and investment management of other investment funds.

2.4 Development of the Fund

The Portfolio Manager created the Fund as an investment vehicle to focus on providing investors with a return in the form of a monthly income payment which also maintains the ability for invested capital to grow in value. In creating the Fund, the Portfolio Manager has focused on listed shares of mid and large cap, dividend paying, North American energy securities and companies related to energy. A variety of hedging strategies will be used to enhance returns, and reduce risk. These strategies may include the use of options, futures, short selling, pairs trading and other types of equity hedging. The fund will seek to

have a low correlation to the S&P/TSX Canadian Energy Index. The Fund is intended to be a private, unincorporated open-ended mutual fund trust (within the definition of the Tax Act).

See Item 8.2 "*Risk Factors - Conflicts of Interest*".

2.4.1 Long Term Objectives

The Fund's intention is to profit from the revenues derived from the dividend income, interest income, capital gains, fees and other income from the Partnership's Investments. The Portfolio Manager will manage the investment strategy of the Partnership and together with the General Partner, will also manage the day-to-day affairs of the Partnership.

More specifically the Fund's long term objectives are:

1. to complete its short-term objectives described below under Item 2.4.2, being the completion of this Offering;

2. to use all of the Available Funds of the Offering will be used to acquire Investments in the targeted sectors as described in Item 2.5 "Our Business". See Item 8 "Risk Factors";

3. to earn, allocate and distribute to Trust Unitholders the Distributable Proceeds in accordance with the Trust Indenture. See Item 2.8 "Summary of the Trust Indenture";

4. to reinvest the proceeds from any matured or liquidated Investment to continue to achieve long term objective 3.

5. to preserve the value of the Trust Units;

6. to make Investments that also provide capital appreciation in addition to income.; and

7. to potentially borrow funds for the purpose of purchasing Investments when the total expected return of the investment exceeds the cost of borrowing by at minimum 3.00% at the time of the investment or the average portfolio return is expected to be greater than the borrowing costs by 3.00% or more or the borrowed funds is temporary financing to be replaced with the sale of Trust Units or to fund redemptions that would otherwise go unfilled if the Portfolio Manager deems it prudent to do so. The leverage must not exceed the margining rules established by the Investment Industry Regulatory Association of Canada.

The time or cost to complete these events cannot be known until the Portfolio Manager identifies specific suitable Investments to acquire. There is no assurance that any of these events will occur. This is a Blind Pool Offering.

The Portfolio Manager will regularly review the Partnership's Investment portfolio and continually re-evaluate its short and long-term strategy that ultimately provides the best returns for the Partnership. The Partnership will rely on the Portfolio Manager's experience to determine the strategy that maximizes the benefits to the Partnership. The overall strategy is subject to change and the variables used to determine the course of action are based upon the market conditions that cannot be controlled by the Portfolio Manager. See Item 8 "Risk Factors".

2.4.2 Short Term Objectives

The Fund's objectives for the next 12 months are to complete the Maximum Offering and for the Fund to indirectly invest in Investments which have been sourced and evaluated by the Portfolio Manager to balance risk and return. The following outlines the costs associated with the achievement of the Fund's short-term objectives:

What we must do and how we will do it	Target completion date or, if not known, number of months to complete	Our cost to complete
Completion and Marketing of the Offering	Ongoing throughout the next 12 months	$4,875,000 (1)
Make Investments through the Partnership	Ongoing throughout the next 12 months	Up to an amount equal to the Available Funds

Notes:

This amount assumes the Maximum Offering. Pursuant to the Administration Agreement, all costs incurred by the Fund will be paid by the Partnership directly from the gross proceeds of the Offering. See Item 1.2 "*Use of Available Funds*".

2.5 Our Business

The Fund was established for the purpose of investing indirectly, through the Partnership, in listed shares and other securities related to the energy sector, primarily in North American centred equities or other Investments in the area of oil and gas and energy related securities. Particular attention will be focused on mid to large capitalization, North American listed, dividend paying securities with the objective of enhancing absolute returns while protecting capital from downside risks. A variety of hedging strategies will be used to enhance returns and reduce risk. These strategies may include the use of options, futures, short selling, pairs trading and other types of equity hedging. The fund will seek to have a low correlation to the S&P/TSX Canadian Energy Index.

2.6 Investment Strategy

The Partnership intends to employ the following strategies which are applicable to all of its investment activities:

a) consider a variety of sectors in the North American energy industry, including but not limited to: energy production, distribution, refining, transportation, pipelines, servicing, materials supply, drilling, and exploration. Hedging activities can include but are not limited to securities options warrants, installment receipts and futures related to the listed shares, futures and options on crude oil and energy related products, exchange traded funds related to the oil and gas share indices or oil and gas commodities.
b) consider Investments that have acceptable leverage, well defined capital and working capital expenditure requirements, cash flow, dividends, growth prospects, market liquidity, quality management, and the ability to use one or more hedging techniques alongside the Investments to enhance the absolute returns or reduces risks or both.;
c) consider Investments that have a potential total return target in excess of a 10% annualized return; and
d) have financial reporting, as well as such other reporting of information that is deemed prudent and necessary to monitor an investee company's performance. The General Partner will actively source potential Investments and with input and approval from the Portfolio Manager, will evaluate and assess prospective investees and will determine what proportion of investments by the Fund will produce the most profitable net revenue for the Partnership. The General Partner, through its Portfolio Manager and advisors, will determine whether investees meet the Partnership's investment criteria and perform due diligence required to make such a determination. The General Partner and its advisors, with the input and approval of the Portfolio Manager, will continually monitor and evaluate the financial performance of such investees and the allocation of the Partnership's assets among such investees to consider ongoing asset allocation decisions.

Through the Partnership, the General Partner, with the input and approval of the Portfolio Manager, intends to allocate its investments in listed mid and large cap North American energy industry entities that have a demonstrated track record. Through an asset allocation and hedging strategy the Partnership intends to have a diversified set of high yield based opportunities across a number of entities in the energy industry.

The Partnership has established certain investment restrictions as set forth in the Partnership Agreement. The investment restrictions may be changed only by way of a Special Resolution of the Limited Partners. The Partnership may, from time to time, in consultation with the Portfolio Manager, establish certain other investment restrictions and policies as available opportunities and market conditions may dictate.

The investment restrictions for investments in listed securities are:

1. The Partnership will not purchase option premium relating to any issuer which is in excess of 10% of the equity of the fund.

2. The Partnership will not place more than 10% of its portfolio as measured by cost, or 25% of its portfolio as measured by market value in any single listed long or short position.

3. No individual Investment name can exceed 9.9% of the market capitalization of any security issued by the corporate entity.

The Partnership may use leverage limited to the margining rules established by the Investment Industry Regulatory Association of Canada. See item 8.3 – "*Risks Associated with the Fund - Use of Leverage*."

As of the date hereof, the Net Asset Value of the Partnership is less than $3,000,000. The Partnership may, from time to time, in consultation with the Portfolio Manager, establish certain other investment restrictions and policies as available opportunities and market conditions may dictate. The Partnership is not restricted from investing in securities of United States or international issuers, and any such investments would expose the Fund to certain currency exchange risks. See item 8.3 – "*Risk Factors – Currency Risk*"

The Partnership Agreement sets forth certain investment restrictions by which the investment activities of the Partnership are to be governed. The Portfolio Manager must approve all Investments of the Partnership. See Item 2.9 "*Material Agreements – Summary of the Partnership Agreement*" and "*Directors, Management and Principal Holders*".

There can be no guarantee that losses will not be realized from investing in Trust Units and there can be no assurance that the Partnership's strategy will be successful or that the objective of earning a profit from such Investments will be achieved. There can be no assurances that the Investments which the Partnership provides will earn dividends, interest, capital gains or that the Partnership will make a profit or even recoup all or a portion of its investment. There can be no assurance that there will be sufficient Distributable Proceeds by the Partnership to make any future distributions to the Fund. The success of the Partnership in these objectives will depend to a certain extent on the efforts and abilities of the Portfolio Manager and on a number of other external factors such as, among other things, oil and gas commodity prices, bank interest rates and the general economic conditions that may prevail from time to time, which factors are beyond the control of the Portfolio Manager. See Item 8.2 "*Risk Factors*".

2.7 Insufficient Proceeds

The proceeds of this Offering may not be sufficient to accomplish all of the Fund's proposed objectives and there is no assurance that alternative financing will be available or, if available, may be obtained by the Fund on reasonable terms.

2.8 SUMMARY OF THE TRUST INDENTURE

The Trustee, the Initial Unitholder and the Administrator entered into the Trust Indenture on August 14, 2015. The following is a summary of the amended Trust Indenture this is a summary only and is subject to the complete terms and conditions which was subsequently amended on April 15, 2016 of the Trust Indenture.

The Fund

The Fund is an unincorporated open-ended, limited purpose trust formed in the Province of Ontario pursuant to the Declaration of Trust dated August 14, 2015. A Trust Indenture was entered into August 14, 2015 creating the Class A Units. **Computershare Trust Company of Canada,** a trust company incorporated under the laws of Canada, is the Trustee of the Fund. The Fund intends to elect in its first tax return to be a mutual fund trust from the beginning of its first taxation year under the provisions of subsection 132(6.1) of the Tax Act, when it has met all requirements necessary to make such election. The legal ownership of the trust property and the right to conduct affairs of the Fund are vested in the Trustee.

Powers and Duties of Trustee and Administrator

The Trustee was appointed as the initial Trustee of the Fund pursuant to the Declaration of Trust, and such trustee may be removed by way of Ordinary Resolution of the Unitholders. Pursuant to the terms of the Trust Indenture, the Trustee has the full control and authority over the Trust Property and to manage the affairs of the Fund. The Trustee may delegate its powers and duties to third parties where, in the sole discretion of the Trustee, it would be desirable to effect the management or administration of the Fund. The Trustee has delegated certain powers to the Administrator such as the power and authority to supervise the activities and manage the investments and affairs of the Fund, determine the allocations of Trust Property, Net Income and Net Losses of the Fund, effect distributions and make determinations as to the amounts and character of such distributions and all other powers and responsibilities to manage the affairs of the Fund. The Trustee is required to exercise its powers and carry out its functions honestly, in good faith and to exercise the care, diligence and skill of a reasonably prudent trustee in comparable circumstances. Among its other powers, the Trustee may handle and manage the funds of the Issuer,

manage all Trust Property, determine the amount of distributable income and to invest in and hold securities in any person or corporation necessary or useful to carry out its purpose.

The Unitholders are permitted to pass resolutions in regards to certain matters that will bind the Trustee, either by way of Ordinary Resolution or Special Resolution. This includes: (i) the election or removal of the Trustee; (ii) the appointment or removal of the auditor; (iii) amendments to the Trust Indenture; (iv) the termination or winding-up of the Fund; and (v) the voting of its Partnership Units in the Partnership to change certain fundamental elements of the Partnership, such as its investment objectives and the calculation of fees or expenses.

Units

All of the beneficial interest in the Fund shall be divided into interests of multiple classes of Trust Units. There shall be no limit on the number of classes or, except as designated in the rights, restrictions and conditions of that class, on the number of any Trust Units in any class. All Trust Units of a class outstanding from time to time shall be entitled to equal shares in any such class distribution by the Fund and, in the event of termination or winding-up of the Fund, in the net assets of the Fund relating to that class of Units. All Trust Units of a class shall rank among themselves equally and rateably without discrimination, preference or priority. The Administrator, on behalf of the Trustee, may, in its discretion, determine the designation and attributes of a class, which may include, among other things: the initial closing date and offering price for the first issuance of Trust Units, any minimum initial or subsequent investment thresholds, minimum aggregate net asset value balances to be maintained by Unitholders, and procedures in connection therewith (including a requirement to redeem Units), the fees payable to the Administrator, if any, as management, performance, or other fees and the convertibility among classes. The Administrator, on behalf of the Trustee, may prescribe in its discretion the maximum number of Trust Units or maximum dollar amount of Trust Units that may be sold in the Fund. Class attributes may be prescribed by the Administrator, on behalf of the Trustee, from time to time in a supplemental indenture.

Trust Units shall be issued only as fully paid and once issued, shall be non-assessable. There shall be no limit to the number of Trust Units that may be issued, subject to any determination to the contrary made by the Trustee, or the Administrator acting on behalf of the Trustee, in its sole discretion. No Trust Unit of the same class shall have any rights, preference or priorities over any other Trust Unit of the same class and each Trust Unit of the same class will represent an equal undivided interest in the net assets of the Fund attributable to that class of Trust Unit. Each Trust Unit shall entitle the holder or holders thereof to one vote at a meeting of the Unitholders in respect of any vote upon which the applicable class of Trust Units is entitled to vote and represents an equal fractional undivided beneficial interest in any class distribution from the Fund (whether of Net Income, Net Realized Capital Gains or other amounts) and in any class net assets of the Fund in the event of termination or winding-up of the Fund. The Trust Units shall not be listed or traded on a stock exchange or a public market.

Compulsory Acquisition of Units on a Take Over bid thereof

The Trust Indenture contains provisions to the effect that if a take-over bid is made for Trust Units and the bid is accepted by holders holding Trust Units representing 90% or more of the market value of the Trust Property (other than Trust Units held at the date of the take-over bid by or on behalf of the offeror or associates or affiliates of the offeror), the offeror shall be entitled to acquire the Trust Units held by Unitholders who did not accept the offer on the terms offered by the offeror, subject to compliance with the relevant provisions of the Trust Indenture.

Conflict of Interest

The Unitholders consent and agree to such activities by the Trustee or the Administrator, pursuant to the terms of the Trust Indenture, where (i) the Trustee, the Administrator and their respective affiliates may act as the investment adviser or in a similar capacity for other entities with responsibility for the management of the assets of those other entities at the same time as acting as Trustee; (ii) the Trustee, the Administrator and their respective affiliates are permitted to be engaged in and continue in the private investment business and other businesses in which the Fund may or may not have an interest and which may be competitive with the activities of the Fund and are permitted to act as a partner, shareholder, officer, director, joint venture, advisor or similar capacity with, or to, other entities; and (iii) Fund activities may lead to incidental results of providing additional information with respect to, or augmenting the value of, assets or properties in which the Trustee or other parties not at arm's length with the Trustee or the Administrator, as applicable, have or subsequently acquire either a direct or indirect interest. The Unitholders agree that these instances shall not constitute a conflict of interest or a breach of fiduciary duty to the Unitholders. Further, the Unitholders agree that neither the Trustee nor the Administrator will not be required to account to the Fund or and Unitholders for any benefit or profit derived from any such activities unless such activity is contrary to the express terms of the Trust Indenture.

Distributions

The Trustee or the Administrator, as the case may be, shall, on a Distribution Record Date, declare payable to the holders of each class of Trust Units, an amount equal to the Net Income of the Fund attributable to such class of Trust Units for the Distribution Period. In addition, the Trustee or the Administrator shall declare payable to the holders of each class of Units on a Distribution Record Date, an amount equal to the Net Realized Capital Gains of the Fund attributable to such class of Trust Units for the Distribution Period. Distributions that have been declared to be payable to such holders of each class of Trust Units in respect of a Distribution Period shall be paid in cash to the holders of each class of Units on the Distribution Payment Date in respect of such Distribution Period pro-rata in accordance with the number of such class of Trust Units then held (before giving effect to any issuances of Trust Units of such class on such date). On the last day of each fiscal year, an amount equal to the Net Income of the Fund for the taxation year of the Fund ending in such fiscal year not previously paid or made payable in the fiscal year, shall be payable to Unitholders of record on such day, which amount shall be allocated between the classes of Trust Units in accordance with the entitlement of each class of Trust Units to Net Income, and distributed among the Trust Units of each class pro-rata. In addition, on the last day of each fiscal year, an amount equal to the Net Realized Capital Gains of the Fund for the taxation year of the Fund ending in such fiscal year not previously paid or made payable in the fiscal year shall be payable to Unitholders of record on such date, which amount shall be allocated between the classes of Trust Units in accordance with the entitlement of each class of Trust Units to Net Realized Capital Gains, and distributed among the Trust Units of each class pro-rata, except to the extent of Net Realized Capital Gains in respect of which the tax payable by the Fund would be refunded as a "capital gains refund" as defined in the Tax Act (and in applicable provincial tax legislation) for the taxation year of the Fund ending in such fiscal year.

Redemptions

Subject to the terms and conditions set forth in any supplemental indenture applicable thereto, Trust Units of any class may only be surrendered for redemption either (a) annually on December 31 of each year, or (b) in certain cases of financial hardship (which hardship shall be determined in the sole discretion of the Administrator) resulting from the Unitholder's death, death of an immediate family member, bankruptcy or insolvency of the Unitholder (which hardship shall be determined in the sole discretion of the Administrator), or, on the last Business Day of each fiscal quarter at the demand of the Unitholder or his estate, as applicable, and the Fund will agree to redeem the applicable Trust Units at the Redemption Price as determined and payable in accordance with the Trust Indenture. Total quarterly redemption shall not exceed 2% of the outstanding Trust Units in any one fiscal quarter, provided, however, that the yearly redemptions on December 31 shall not be so limited. On a Redemption Date, Trust Units that have been surrendered by a Unitholder upon giving prior written notice to the Administrator will be redeemed for the Redemption Price multiplied by the number of Trust Units redeemed less the applicable Redemption Fee. Any Unitholder seeking a redemption must give written notice to the Administrator stating its intention to redeem and the number and class of Trust Units to be redeemed. This notice must be given at least sixty (60) days in advance of a Redemption Date, and if sixty (60) days' notice is not given, such notice shall be effective on the last Business Day of the next following Redemption Date. Any redemption must be in increments of one hundred (100) whole Trust Units of each applicable class (unless redeeming all Trust Units of the applicable class held by a Unitholder), provided however that any partial redemption, (i.e. not a redemption of all of Trust Units of the applicable class held by a Unitholder), must result in a Unitholder holding not less than one hundred (100) Trust Units of the applicable class in the Fund. The Administrator may suspend or delay redemptions if the Partnership has insufficient cash available. The Unit Holder then has the option to withdraw their redemption notice or maintain their redemption request and receive Redemption Notes.

Redemption Notes

If the Administrator shall advise the Unitholder in writing that the proceeds of any redemption of Trust Units payable in respect of Trust Units tendered for Redemption in the applicable calendar month shall be paid within 60 days of the Regular Redemption Date by the Trust issuing Redemption Notes to the Unitholders who exercise the right of redemption, such Redemption Notes having an aggregate principal amount equal to the Redemption Price per Trust Unit multiplied by the number of Trust Units to be redeemed less the applicable Redemption Fee. At any time in the seven (7) days following the date of the Administrator's notice set out herein, the Unitholders may rescind their applicable Notice. If a Unitholder fails to rescind the Notice in writing within the seven (7) days the Administrator shall issue Redemption Notes to the Unitholders who exercised the right of redemption having an aggregate principal amount equal to the Redemption Price per Trust Unit multiplied by the number of Trust Units to be redeemed.

Redemption Fee

The Administrator may, in its discretion, charge any Unitholder a redemption fee of $100 in connection with the redemption of such Trust Units, and such redemption fee charged shall be deducted from the redemption amount otherwise payable to the Unitholder.

Fiscal Year

The fiscal year of the Fund shall end on December 31 of each year.

Fees and Expenses of Trustee and the Administrator

The Trustee and the Administrator shall be entitled to receive for their services as trustee and administrator, as applicable, reasonable compensation and fair and reasonable remuneration for services rendered in any other capacity including, without limitation, services as transfer agent. The Trustee and the Administrator shall have priority over distributions to holders of Trust Units in respect of amounts payable or reimbursable to the Trustee and the Administrator.

Resignation or Removal of the Trustee and Appointment/Election of Trustee

The Trustee shall continue to be the Trustee for the term of the Fund unless the Trustee resigns or is removed by the Unitholders or the Administrator in accordance with the terms of the Declaration of Trust. At all times, the Trustee must be a resident of Canada for income tax purposes. The Trustee may resign as Trustee by giving 60 days' prior written notice of such resignation to the Administrator. The Trustee may also be removed at any time or without cause by way of an Ordinary Resolution passed by the Unitholders. The removal or resignation of the Trustee shall take effect upon the earliest of (i) 60 days after the date of notice of such resignation is given, such Ordinary Resolution is approved, or such notice of the Administrator is given, as applicable; or (ii) until a successor trustee has been elected or appointed pursuant to the terms of the Trust Indenture.

Upon the resignation or removal of the Trustee, the Trustee shall cease to have right, privileges and powers of a Trustee, except for its rights to be compensated and indemnified as pursuant to the terms of the Declaration of Trust, and shall execute and deliver all documents reasonably required to transfer any Trust Property held in the Trustee's name and to provide for the transition of the Fund's activities and affairs to the successor trustee.

The departing Trustee shall continue to be entitled to payment of any amounts owing by the Fund to the Trustee which accrued prior to its departure. The departing Trustee shall continue to be liable in respect of or in any way arising out of the Trust Indenture which accrued prior to the resignation or removal of the Trustee; however, the departing Trustee shall continue to benefit from any indemnity and limitation of liability provisions set out in the Trust Indenture.

Liability of Unitholders

The Trust Indenture provides that no Unitholder shall be liable in connection with the ownership or use of the Trust Property, the obligations or activities of the Fund, any acts or omissions of the Trustee, the Administrator, or any other person in respect of the activities or affairs of the Fund or any taxes or fines payable by the Fund or the Trustee or Administrator, provided that each Unitholder remain responsible for taxes assessed against them by reason of or arising out of their ownership of Trust Units. Further, if a Unitholder is held to be liable in circumstances for which the Trust Indenture provides that there is to be no liability to the Unitholder. The Unitholder will be entitled to be indemnified and reimbursed out of the Trust Property for the full extent of any such costs and liability to the Unitholder.

Liability of Trustee, Administrator and Beneficiary

Subject to the standard of care, diligence and skill to which the Trustee and the Administrator are held, neither the Trustee nor the Administrator shall be liable in certain circumstances, such as acting, or failing to act, in good faith, where such act, or failure to act, was in reliance on an expert, including any liability in respect of loss or diminution in value of any assets of the Fund. No assets of the Trustee owned in its personal capacity shall be subject to any such liability.

Each of the Trustee, the Administrator and their respective directors, officers and employees shall be entitled to be indemnified in respect of any and all taxes, penalties or interest in respect of unpaid taxes or other governmental charges imposed upon such party as a result of his or her role pursuant to the Trust Indenture and the Administration Agreement and in respect of all

amount, costs, charges and expenses, including litigation costs, unless any such costs or amounts arise out of a result of such party's gross negligence, willful misconduct or fraud.

The Fund shall have no liability to reimburse any person for transfer or other taxes or fees payable on the transfer of Trust Units or any income or other taxes assessed against any person by reason of ownership or disposition of Trust Units.

Indemnification

The Trustee, each former Trustee, the Administrator and each officer of the Fund and each former officer of the Fund is entitled to indemnification and reimbursement out of the Trust Property, except under certain circumstances, from the Fund. Such indemnification obligations could decrease the returns which would otherwise be available to the Unitholders of the Fund.

Records and Reporting

The Administrator shall prepare and maintain or cause to be prepared and maintained, records containing (a) the Trust Indenture; (b) minutes of meetings and resolutions of Unitholders; (c) minutes of meetings and resolutions of the Administrator and the Trustee; and (d) the registers of the Fund. The Fund shall also prepare and maintain adequate accounting records.

The Fund will send to all Unitholders the audited statements of the Fund together with comparative audited financial statements for the preceding fiscal year, if any, and the report of the auditor thereon, within 120 days of the end of the fiscal year of the Fund. Such financial statements are to be prepared in accordance with generally accepted accounting principles or international financial reporting standards.

On or before the day that is 90 days following the end of each fiscal year for the Fund, or such other date as may be required under applicable law, the Fund shall provide to Unitholders who received distributions from the Fund in the prior calendar year, such information regarding the Fund required by Canadian law to be submitted to Unitholders for income tax purposes to enable Unitholders to complete their tax returns in respect of the prior calendar year.

The Trustee shall satisfy, perform, and discharge all obligations and responsibilities of the Trustee under the Tax Act and neither the Fund nor the Trustee shall be accountable or liable to any Unitholder by reason of any act or acts of the Trustee consistent, or carried out in intended compliance, with any such obligations or responsibilities.

The Administrator

The Trustee is empowered to delegate to the Administrator such authority as the Trustee may in its sole discretion deem necessary or desirable to effect the actual administration of the duties of the Trustee under the Trust Indenture, without regard to whether such authority is normally granted or delegated by trustees.

The Trustee shall not have any liability or responsibility in respect of prospectuses, offering memoranda, rights offering circulars, financial statements, management's discussion and analysis, annual information forms, proxy or information circulars, takeover bid or issuer bid circulars, material change reports, press releases or other public disclosures or non-public disclosures to Unitholders or potential purchasers of Trust Units, or filings required by law or the rules or policies of securities regulatory authorities, or any agreements related thereto, including pursuant to this Offering.

Acknowledgment of Indenture

Each Unitholder irrevocably appoints the Trustee, with full power of substitution, as its lawful attorney to act on the Unitholder's behalf with full power and authority in the Unitholder's name, place and stead to execute, swear to, acknowledge, deliver, make, file or record certain necessary documents. Such power is coupled with an interest, shall survive the death, mental incompetence, disability or legal incapacity of a Unitholder and shall survive the assignment by the Unitholder, of its interest in the Fund. Under the Trust Indenture, each Unitholder agrees to be bound by any representations or actions made or taken by the Trustee pursuant to the power of attorney and waives any and all defences which may be available to contest, negate or disaffirm any actions taken by the Trustee in good faith under such power of attorney.

Auditor

The Trustee has appointed an auditor of the Fund. The auditor will be elected at each meeting of the Unitholders. The auditor will receive such remuneration as approved by the Trustee. The auditor shall audit the accounts of the Fund at least once each year and a report of the auditor with respect to annual financial statements of the Fund shall be provided to each Unitholder.

Amendments

The Trustee may make amendments to the Trust Indenture, without the consent of the Unitholders, in certain limited circumstances such as ensuring compliance by the Fund with applicable laws, providing additional protection for Unitholders or to obtain, preserve or clarify desirable tax treatment to Unitholders, making minor corrections or cure inconsistencies within the Trust Indenture, making amendments as the Trust Indenture as may be required for a reorganization involving the Fund and the Trust Property and any other amendments which do not materially prejudice the Unitholders. All other amendments are required to be made by a Special Resolution of the Unitholders, which are to be consented to by the Administrator.

Termination of Fund

The Fund may be wound up or terminated if resolved by a Special Resolution of the Unitholders. Upon being required to wind-up or terminate the affairs of the Fund, the Trustee shall give notice of such wind-up or termination to the Unitholders and the Unitholders shall surrender their Trust Units for cancellation. The Trustee shall sell and convert the Trust Property into money and do all other acts to liquidate the Fund, and shall distribute the remaining proceeds of sale or the undivided interests in the remaining Trust Property directly to the Unitholders in accordance with their entitlements.

Other

For other information with respect to the terms of the Trust Indenture dealing with Capital Contributions, distributions of income or loss of the Fund, redemption of Trust Units and voting at meetings of Unitholders. See Item 2.8 "*Material Agreements – Summary of the Trust Indenture - Securities Offered*".

2.9 SUMMARY OF THE PARTNERSHIP AGREEMENT

The Partnership Agreement creates the Partnership and is the agreement that, in conjunction with the Partnership Act, governs the Partnership and the relationship among the Partnership, the General Partner and the Fund and other limited partners. The Partnership Agreement was entered into on August 5, 2015 between the General Partner and the Initial Limited Partner. The following is a summary only and is subject to the complete terms and conditions of the Partnership Agreement. The Certificate for the Partnership was filed August 5, 2015 under the Partnership Act.

Limited Partners

A subscriber for Partnership Units will become a Limited Partner upon the acceptance by the General Partner of the subscriber's subscription agreement and other documentation and payment of such Limited Partner's Capital Contribution. The Limited Partner may, by way of a special resolution of the Limited Partner, (i) with the consent of the General Partner, amend the business and investment objectives of the Partnership, (ii) amend the Partnership Agreement; (iii) replace or remove the General Partner; (iv) amend the investment restrictions imposed on the Partnership; (v) dissolve the Partnership; (vi) extend the date for dissolution of the Partnership; (vii) appoint a receiver in the event the General partner is unable or unwilling to act as the receiver of the Partnership; and (viii) amend, modify, alter or repeal any special resolution of the Limited Partner, all in accordance with the terms of the Partnership Agreement.

Investment Activities of the Partnership and Power of the General Partner

The Partnership was formed for the purposes of investing in listed shares and other securities related to the energy sector, primarily in North American centred equities or other Investments in the area of oil and gas, including royalties. Particular attention will be focused on mid to large capitalization, North American listed, dividend paying securities with the objective of enhancing absolute returns while protecting capital from downside risks. A variety of hedging strategies will be used to enhance returns, reduce risk, or both. These strategies may include the use of options, futures, short selling, pairs trading and other types of equity hedging. The Fund will seek to have a low correlation to the S&P/TSX Canadian Energy Index. Subject to the delegation of activities under the Partnership Agreement, and subject to the powers of the Limited Partners, the General Partner

has the full and exclusive right, power and authority to manage and control the activities and business of the Partnership and to make decisions regarding the undertaking and business of the Partnership.

The Portfolio Manager shall, pursuant to the Portfolio and Investment Fund Management Agreements, be responsible to undertake any matters required by the terms of the Partnership Agreement to be performed by the General Partner, including being responsible for making all investment decisions for the Partnership and for managing the Partnership's assets in accordance with the Partnership's investment objectives. The Portfolio Manager shall also be responsible for valuation of the Net Asset Value of the Partnership, the valuation of Investment Gains and Investment Losses, Net Operating Profits and Losses, the allocation of the Partnership's Net Profits and the Partnership's Net Losses among the Partners, the allocation of related Partnership tax items among the Partners, all in accordance with the terms and provisions of the Partnership Agreement.

The General Partner has covenanted that it will exercise its powers and discharge its duties under the Partnership Agreement honestly and in good faith and that it will exercise the care and diligence of a reasonably prudent Person in comparable circumstances. Certain restrictions are imposed on the General Partner and certain acts may not be taken by it without the approval of the Limited Partner by way of an ordinary or special resolution. The General Partner may retain advisors, experts or consultants to assist it in the exercise of its powers and the performance of its duties as General Partner.

Under the terms of the Partnership Agreement, the General Partner agrees, among other things, that the funds of the Partnership will not be commingled with any other funds or assets of the General Partner or any other Person.

Capital Accounts

A Capital Account shall be established for each Partner and shall be adjusted in accordance with the terms of the Partnership Agreement. A Partner's Capital Account shall be credited with such Partner's Capital Contributions and any of the Partnership's Net Profits allocated to such Partner and shall be debited with any of the Partnership's Net Losses allocated to such Partner, the amount of any capital redemptions and the amount of any distributions made to the Limited Partner.

Competing Interests

Each Partner is entitled, without the consent of the other Partners, to carry on any business of the same nature as, or competing with those activities of, the Partnership, and is not liable to account to the other Partners or the Partnership. See Item 8.2 "*Risk Factors - Conflicts of Interest*".

Fiscal Year

The Partnership will use the December 31 in each year, or such other date as the General Partner may determine, as its fiscal year.

Partnership Units

The Partnership is authorized to issue an unlimited number of Partnership Units, each having the rights, privileges, restrictions and conditions referred to in the Partnership Agreement. The Partnership Units may be issued in multiple classes, and upon issuance of each class of Partnership Units, the General Partner shall determine the Commissions, voting rights, entitlement to distributions, and other attributes of such class of Partnership Units, provided that: (i) the General Partner will, at all times be required to keep track of, and account for the different Capital Accounts and amounts of Investable Proceeds and corresponding entitlement to distributions of each class of Partnership Units; and (ii) no class of Partnership Units shall be entitled to any distributions or other payments in respect of Investable Proceeds not attributable to the issuance of such class of Partnership Units.

Except as otherwise expressly provided in the Partnership Agreement, each outstanding Partnership Unit of a particular class shall be equal to each other outstanding Partnership Unit of such class with respect to all matters including the right to receive distributions from the Partnership, and no Partnership Unit of a particular class shall have any preference or right in any circumstances over any other Partnership Unit of such class. Subject to certain restrictions noted in the Partnership Agreement, each Limited Partner shall be entitled to one (1) vote for each whole Partnership Unit held by him in respect of all matters to be decided by holders of the units of the particular class. Except as otherwise expressly provided, each Partnership Unit represents the right to receive a pro-rata share of allocations and distributions from the Partnership allocated to such class of Units as provided for herein.

Transfer of Partnership Units

Partnership Units may be transferred, subject to compliance with the provisions of the Partnership Agreement and all applicable securities legislation. No transfer shall be effective unless, among other things, the General Partner has given its written consent approving the transfer. Partnership Units may be transferred by the Limited Partner or its agent duly authorized in writing to any Person by delivering to the General Partner a duly completed instrument of transfer in the approved form together with such evidence of genuineness of each such endorsement, execution and authorization and other matters as may be reasonably required by the General Partner. The transferee must execute a counterpart to the Partnership Agreement or otherwise agree to be bound by its terms and must become responsible for all obligations of the transferor to the Partnership.

A transferee must also meet certain criteria as set out in the Partnership Agreement. A transferee must (i) not be a "non-resident" of Canada within the meaning of the Tax Act (ii) not be a "non-Canadian" within the meaning of the *Investment Canada Act* (Canada); (iii) if an individual, have the capacity and competence to be bound by the Partnership Agreement and, if a corporation, partnership, unincorporated association or other entity, have full power and authority to execute and be bound by the partnership Agreement; (iv) have duly authorized, executed and delivered the Partnership Agreement and be bound by it; (v) act with the utmost fairness and good faith towards the other Partners; and (vi) provide evidence of its status as may be required by the General Partner.

Distributions and Allocations

Distributions of the Class A Pool will be distributed as follows:

(a) as first priority, and calculated quarterly and paid within sixty (60) days of the end of each fiscal quarter, in the sole discretion of the General Partner, an annual fee of up to 0.75% per annum of the Class NAV of the Class A Partnership Units that remains invested in the Partnership (pro-rated for holders of Class A Partnership Units who have held the Class A Partnership Units for less than a quarter), payable to the Selling Agents, registered dealers, financial advisors, sales persons or other eligible persons who introduced holders of Class A Partnership Units to the Partnership;

(b) as second priority, and on a monthly basis, the Class A Pool attributable to such Valuation Period (whether distributed as a return of capital or otherwise), as determined by the General Partner, acting in its sole discretion, in respect of any Valuation Period will be distributed monthly in arrears to the holders of Class A Partnership Units (including, if applicable, the General Partner in its capacity as a holder of Class A Partnership Units) in accordance with their respective Sharing Ratios until the cumulative amount distributed under this subparagraph b) for a given month equals an amount equal to one twelfth (1/12) of a cumulative six (6%) percent annual return on the Capital Contribution of such holder of Class A Partnership Units;

(c) as third priority, and annually within one hundred twenty (120) days of the end of each fiscal year, after the maximum amount distributable under subparagraphs a) and b) above has been distributed, an amount equal to 70% of the remaining distributable proceeds will be payable to each pro-rata holder of Class A Partnership Units as a non-cash distribution credited to the Capital Account of each holder of such Class A Partnership Units who has held the Class A Partnership Units for a minimum of one year (pro-rated for holders of Class A Partnership Units who have held the Class A Partnership Units for less than a year), and

(d) as fourth priority, and annually within one hundred twenty (120) days of the end of each fiscal year, after the maximum amount distributable under subparagraphs a), b) and c) above has been distributed any excess amounts in the Class A Pool for that fiscal year shall be distributed at the end of such period as to 100% to the General Partner.

To the extent that there is a surplus in the Class A Pool after making the monthly distributions set forth in paragraphs (a), (b) and (c) above, then the General Partner may, in its sole discretion, retain any such surplus as a reserve for future expenditures, commitments or distributions of the Partnership or reinvest such surplus in any Investment. To the extent that there are no Distributable Proceeds after payment and reservation of all amounts necessary for the payment of all expenses of the Partnership, including but not limited to Expenses of the General Partner, the Portfolio Management Fee and the Investment Fund Management Fee, the Partnership shall not be obligated to make any distributions of cash to the Partners.

Redemption

There is no general right of redemption by a Limited Partner and all redemptions are subject to the approval of the General Partner, in its sole discretion. Upon approval by the General Partner, a Limited Partner may surrender Partnership Units for redemption on the last business date of a fiscal quarter, for a the redemption price per Partnership Unit calculated as at the applicable date.

Notwithstanding the foregoing, in the event that a Limited Partner that is a mutual fund trust for the purposes of the Tax Act, including the Fund, makes a demand for redemption of any Partnership Units held by it, then the General Partner shall approve such redemption of Partnership Units in accordance with the Partnership Agreement.

Fees and Expenses of the General Partner

The General Partner shall be reimbursed by the Partnership for all costs and expenses incurred by the General Partner in the performance of its duties as General Partner as well as, all direct general and administrative expenses that may be incurred by the Portfolio Manager.

Transfer of Interest of General Partner and Resignation or Removal of the General Partner

Except as otherwise provided in the Partnership Agreement, the General Partner may not sell, assign, transfer or otherwise dispose of its interest in the Partnership as General Partner without the prior approval of the Limited Partners given by Special Resolution.

The General Partner will continue as General Partner of the Partnership until termination of the Partnership unless the General Partner is removed or has resigned in accordance with the Partnership Agreement. The General Partner may voluntarily withdraw as general partner by giving 120 days' notice, such notice to be effective immediately following the admission of the successor general partner. Upon the bankruptcy, dissolution, or winding-up of the General Partner, the appointment of a trustee or permanent receiver of the General Partner, the General Partner will be deemed to have resigned upon the earlier of an appointment of a replacement general partner by the Limited Partner or 180 days following the appointment of such trustee or permanent receiver. Failing which, the General Partner may only be replaced for fraudulent actions or gross negligence in performing its duties as General Partner, pursuant to a special resolution by the Limited Partner.

Upon the removal of the General Partner, the Partnership and the Limited Partner shall release and hold harmless the General Partner from all actions, claims, costs, demands, losses, damages and expenses with respect to events which occur in relation to the Partnership after the effective time of such removal.

Liability of the General Partner

The General Partner is not personally liable for the return of any Capital Contribution made by the Limited Partner. The General Partner has unlimited liability for the debt, liabilities and obligations of the Partnership.

The General Partner shall bear no responsibility to the Partnership and bears no liability to the Partnership or the Limited Partners for any loss suffered by the Partnership unless caused by the gross negligence or willful misconduct of the General Partner. The General Partner shall be indemnified by the Partnership for all liabilities, costs and expenses incurred in connection with any action, suit or proceeding made against the General Partner in the exercise of the performance by the General Partner of its duties as general partner of the Partnership, except those resulting from willful misconduct or gross negligence.

The General Partner will indemnify and hold harmless the Limited Partners from and against all costs, damages, liabilities or losses incurred resulting from not having limited liability, other than the loss of limited liability caused by any act or omission of the Limited Partners. Further, the General Partner shall indemnify the Partnership for any costs, damages, liabilities or losses incurred by the Partnership or the Limited Partners as a result of gross negligence or willful misconduct by the General Partner.

Limitation on Authority of Limited Partners

While Limited Partners have voting rights with respect to certain matters, including the termination of the Partnership, no Limited Partner, in its capacity as such, may take part in the operation or management of the activities of the Partnership nor may any Limited Partner, in its capacity as such, have the power to sign for or to bind the Partnership. No Limited Partner

shall be entitled to bring any action for partition or sale or otherwise in connection with any interest in any property of the Partnership, whether real or personal, or register, or permit to be filed or registered or remain undischarged, against any property of the Partnership any lien or charge in respect of the interest of such Limited Partner in the Partnership or to compel a partition, judicial or otherwise, of any of the property of the Partnership distributed to the Limited Partners in kind. Limited Partners shall comply with the provisions of the Partnership Act in force or in effect from time to time and shall not take any action which will jeopardize or eliminate the status of the Partnership as a limited partnership.

Limited Liability of Limited Partners

Subject to the Partnership Act, and any specific assumption of liability, the liability of a Limited Partner for the debts of the Partnership is limited to the amount of its Capital Contribution made or agreed to be made to the Partnership plus its pro-rata share of the undistributed income of the Partnership and a Limited Partner shall have no further personal liability for such debts and, after making the full amount of its Capital Contribution to the Partnership, a Limited Partner shall not be subject to, nor be liable for, any further calls or assessments or further contributions to the Partnership.

Representations of Limited Partners under the Partnership Agreement

Under the terms of the Partnership Agreement, a Limited Partner represents and warrants and covenants, as applicable, to each with each other Partner that it: (i) is not a "non-resident" of Canada within the meaning of the *Income Tax Act* (Canada); (ii) is not a "non-Canadian" within the meaning of the *Investment Canada Act*; (iii) if an individual, has the capacity and competence to enter into and be bound by the Partnership Agreement and all other agreements contemplated hereby; (iv) if a corporation, partnership, unincorporated association or other entity, has full power and authority to execute the Partnership Agreement and all other agreements contemplated hereby required to be signed by it and to take all actions required pursuant hereto, and has obtained all necessary approvals of directors, shareholders, partners, members or others; (v) has duly authorized, executed and delivered the Partnership Agreement and that the Partnership Agreement constitutes a legal, valid and binding obligation of it enforceable against it in accordance with its terms, subject to applicable bankruptcy, insolvency and other laws affecting the enforcement of creditor's rights generally and general principles of equity; (vi) shall act with the utmost fairness and good faith towards the other Partners in the business and affairs of the Partnership; and (vii) shall from time to time promptly provide to the General Partner such evidence of its status as the General Partner may reasonably request.

Each Limited Partner covenants and agrees that it will not transfer or purport to transfer its Partnership Units to any person who is or would be unable to make the representations and warranties as stated above.

Accounting and Reporting

The General Partner will forward to each Limited Partner within 120 days of the end of each fiscal year of the Partnership, a copy of the annual financial statements of the Partnership and any necessary tax information. Within 90 days of the end of each quarter, the General Partner will provide quarterly financial statements and a schedule of Net Asset Value per Unit and a short written commentary outlining highlights of the Partnership's activities.

The General Partner will keep appropriate books and records with respect to the Partnership's business reflecting the assets, liabilities, income and expenditures of the partnership and register listing all Limited Partners and the Partnership Units held by such Limited Partners.

Power of Attorney

The Limited Partner irrevocably nominates, constitutes and appoints the General Partner, with full power of substitution, as its true and lawful attorney and agent, with full power and authority in the Limited Partner's name, place and stead to execute, under seal or otherwise, swear to, acknowledge, deliver, make, record and file when, as and where required or appropriate, certain necessary documents. Such power is coupled with an interest, shall survive the death or disability of the Limited Partner and shall survive the transfer or assignment by the Limited Partner, of the interest of the Limited Partner in the Partnership. Under the Partnership Agreement, the Limited Partner agrees to be bound by any representation or action made or taken by the General Partner pursuant to the power of attorney in accordance with the terms thereof and waives any and all defences which may be available to contest, negate or disaffirm any action of the General Partner taken in good faith under such power of attorney.

Auditor

The General Partner may select the auditor on behalf of the Partnership to review and report to the Limited Partners upon the financial statements of the Partnership for each fiscal year and to advise upon and make determinations with regard to financial questions relating to the Partnership or as required by the Partnership Agreement to be determined by the auditor. The General Partner has selected BDO Canada LLP as the auditor on behalf of the Partnership.

Amendments

The Partnership Agreement may generally only be amended on the initiative of the General Partner with the consent of the Limited Partners given by Special Resolution. However: (i) no amendment can be made which would have the effect of changing the liability of any Limited Partner, allowing any Limited Partner to participate in the control of the business of the Partnership, or of the Limited Partnership as a group to vote at any meeting or changing the Partnership from a limited partnership to a general partnership; and (ii) no amendment can be made which would have the effect of reducing the interest in the Partnership of holders of any particular class of Partnership Units, changing the rights of holders of any particular class of Partnership Units in a manner confined to such class of Partnership Units, without the holders of the applicable class of Partnership Units approving such amendment by voting as a single class.

The General Partner may, without prior notice to or consent from any Limited Partner, amend any provision of the Partnership Agreement from time to time: (i) for the purpose of adding to the Partnership Agreement any further covenants, restrictions, deletions or provisions which, in the opinion of the General Partner, acting reasonably in consultation with its financial and legal advisors, are necessary for the protection of the Limited Partners; (ii) to cure any ambiguity or to correct or supplement any provisions contained herein which in the opinion of the General Partner, acting reasonably in consultation with its financial and legal advisors, may be defective or inconsistent with any other provisions contained in the Partnership Agreement provided that such cure, correction or supplemental provision does not and will not adversely affect the interests of the Limited Partners or of the holder of any particular class of Partnership Units; or (iii) to make such other provisions in this regard to matters or questions arising under the Partnership Agreement which, in the opinion of the General Partner, acting reasonably in consultation with its financial and legal advisors, do not and will not adversely affect the interests of holders of any particular class of Partnership Units, or of the Limited Partners; or (iv) creating one or more new classes of Partnership Units, provided that the creation of such new class of Partnership Units does not adversely affect holders of any other class of Partnership Units, in terms of the calculation of the Class Pool and voting rights.

Meetings of Limited Partners

Meetings of the Limited Partners may be called at any time by the General Partner and shall (i) in respect of matters affecting a specific class or specific classes of Partnership Units be called upon written request of Limited Partners holding in the aggregate not less than 33⅓% of the outstanding Partnership Units of such class or classes, as applicable, or (ii) in respect of matters affecting holders of all classes of Partnership Units, be called upon written request of Limited Partners holding in the aggregate not less than 33⅓% of the outstanding Partnership Units.

The presence in person or by proxy and entitled to vote of one (1) or more Limited Partners holding at least 10% of the Partnership Units or the Partnership Units of the affected class outstanding as applicable, (except for purposes of (i) passing a Special Resolution in which case such persons must hold at least 20% of the Partnership Units outstanding and entitled to vote thereon; and (ii) passing a Special Resolution to remove the General Partner, in which case such persons must hold at least 50% of the Partnership Units or the Partnership Units of the affected class outstanding and entitled to vote thereon), shall be necessary to constitute a quorum for the transaction of business at any meetings of Limited Partners.

Term and Termination of the Partnership

The Partnership was formed upon the filing and recording of the Certificate under the Partnership Act and will continue until terminated upon the earlier of the dissolution or termination of the Partnership in accordance with the terms of the Partnership Agreement or December 31, 2038.

On the date of the approval of the dissolution by the Partnership by way of a special resolution, the General Partner shall act as a receiver and liquidator of the assets of the Partnership and shall dispose of the assets of the Partnership, pay the debts and liabilities of the Partnership, distribute any remaining assets to the Limited Partner and file the notice of dissolution and satisfy all applicable formalities as may be required by law.

2.10 SUMMARY OF OTHER MATERIAL AGREEMENTS

2.11 Administration Agreement

The Fund, the Administrator and the Partnership have entered into an Administration Agreement dated August 14, 2015, where under which the Administrator has agreed to be responsible for the management and general administration of the affairs of the Fund. Further, the Partnership has agreed to reimburse the Administrator for all expenses incurred by the Administrator in carrying out its duties under the Administration Agreement. The Administration Agreement shall remain in full force until the termination of the Fund or removal of the Administrator pursuant to the Trust Indenture. The foregoing is a summary only and is subject to the complete terms and conditions of the Administration Agreement.

2.12.1 The Portfolio Management Agreement

Pursuant to the Portfolio Management Agreement, Accilent Capital Management Inc. (the "**Portfolio Manager**") was appointed as portfolio manager to the Fund and the Partnership. The Portfolio Manager performs certain management and administrative functions of the Partnership in exchange for compensation in the amount of the Portfolio Management Fee. In addition to providing general administrative and support services, the Portfolio Manager will identify, analyze and select investment opportunities; structure and negotiate prospective investments and make investments for the Partnership in securities; monitor the performance of resource companies; and determine the timing, terms and method of disposing of investments. Daniel Pembleton acts as portfolio manager on behalf of the Portfolio Manager.

The Portfolio Management Agreement, unless terminated as described below, will continue until the dissolution of the Partnership. Pursuant to the Portfolio Management Agreement, the Portfolio Manager agrees to act honestly and in good faith with a view to the best interests of the Partnership, and in connection therewith, to exercise the degree of care, diligence and skill that a diligent Portfolio Manager would exercise in similar circumstances. The Portfolio Manager will not be liable in connection with the performance of its activities, except in cases where the activities are in material breach of the Portfolio Management Agreement or in cases of gross negligence or wilful misconduct by the Portfolio Manager.

The Portfolio Manager may terminate the Portfolio Management Agreement if (a) the General Partner commits any act constituting fraud, wilful misconduct, negligence or a wilful and material violation of applicable laws; (b) there is a material breach of the Portfolio Management Agreement that is not cured within the time provided; or (c) there is a dissolution, liquidation, bankruptcy, insolvency or winding-up of the General Partner.

The General Partner may terminate the Portfolio Management Agreement if (a) there is a material breach of the Portfolio Management Agreement by the Portfolio Manager that is not cured within the time provided; (b) the General Partner is removed as General Partner pursuant to the Partnership Agreement; (c) there is a dissolution, liquidation, bankruptcy, insolvency or winding-up of the Portfolio Manager; (d) the Portfolio Manager commits any act constituting fraud, wilful misconduct, negligence or a wilful and material violation of applicable laws; (e) the Portfolio Manager's registration as such is suspended or adversely modified, revoked or terminated and such status is not cured within the time provided.

2.12.2 The Investment Fund Management Agreement

Pursuant to the Investment Fund Management Agreement, Accilent Capital Management Inc. (the "**Investment Fund Manager**") was appointed as investment fund manager to the Fund and the Partnership. The Investment Fund Manager performs certain management and administrative functions of the Partnership in exchange for compensation in the amount of the Investment Fund Management Fee. Daniel Pembleton is President of the Investment Fund Manager.

The Investment Fund Management Agreement, unless terminated as described below, will continue until the dissolution of the Partnership. Pursuant to the Investment Fund Management Agreement, the Investment Fund Manager agrees to act honestly and in good faith with a view to the best interests of the Partnership, and in connection therewith, to exercise the degree of care, diligence and skill that a diligent Investment Fund Manager would exercise in similar circumstances. The Investment Fund Manager will not be liable in connection with the performance of its activities, except in cases where the activities are in material breach of the Investment Fund Management Agreement or in cases of gross negligence or wilful misconduct by the Investment Fund Manager.

The Investment Fund Manager may terminate the Investment Fund Management Agreement if (a) the General Partner commits any act constituting fraud, wilful misconduct, negligence or a wilful and material violation of applicable laws; (b) there is a material breach of the Investment Fund Management Agreement that is not cured within the time provided; or (c) there is a dissolution, liquidation, bankruptcy, insolvency or winding-up of the General Partner.

The General Partner may terminate the Investment Fund Management Agreement if (a) there is a material breach of the Investment Fund Management Agreement by the Investment Fund Manager that is not cured within the time provided; (b) the General Partner is removed as General Partner pursuant to the Partnership Agreement; (c) there is a dissolution, liquidation, bankruptcy, insolvency or winding-up of the Investment Fund Manager; (d) the Investment Fund Manager commits any act constituting fraud, wilful misconduct, negligence or a wilful and material violation of applicable laws; (e) the Investment Fund Manager's registration as such is suspended or adversely modified, revoked or terminated and such status is not cured within the time provided.

Dividend Re-Investment Plan

The forgoing is a summary only and is subject to the complete terms and conditions of the Portfolio and Investment Fund Management Agreements. The Fund has adopted a DRIP that will allow eligible Unitholders to elect to have their monthly cash distributions reinvested in additional Trust Units on the Distribution Payment Date at a purchase price equal to the most recent Net Asset Value. (or such other price as may be determined by the Fund from time to time). All Unitholders resident in Canada are eligible to participate in the DRIP. Unitholders who do not enroll in the DRIP will receive their regular cash distributions. The Administrator reserves the right to limit the amount of new equity available under the DRIP on any particular Distribution Payment Date. Accordingly, participation may be prorated in certain circumstances. In the event of proration, or if for any other reason all or a portion of the distributions cannot be reinvested under the DRIP, Unitholders enrolled in the DRIP will receive their regular cash distributions.

No commissions, service charges or similar fees will be payable in connection with the purchase of Units under the DRIP. Participation in the DRIP does not relieve Unitholders of any liability for any income or other taxes that may be payable on or in respect of the distributions that are reinvested for their account under the DRIP.

An account will be maintained by the Administrator on behalf of the Fund, for each participant with respect to purchases of Trust Units made under the DRIP for the participant's account. Within 60 calendar days following the end of each calendar quarter, the Fund will mail an unaudited quarterly report to each participant. These reports are a participant's continuing record of purchases of Trust Units made for their account under the DRIP and should be retained for tax purposes. A unit certificate representing Trust Units issued to each participant under the DRIP will be issued on an annual basis.

ITEM 3 - INTERESTS OF THE DIRECTORS, MANAGEMENT, PROMOTERS AND PRINCIPAL HOLDERS

3.1 Compensation and Securities Held

The following table provides information about each director and officer of Accilent Capital Management Inc., the Administrator, and the Portfolio Manager. At the first closing of the issuance of Trust Units, the interest of the Initial Unitholder was redeemed by the Fund in return and the General Partner for their initial Capital Contribution of $10.00.

Compensation					
Name and Municipality of Principal Residence	**Position Held Since Inception**	**Most Recently Completed Financial Year**	**Anticipated for Current Financial Year**	**Units Held After Completion of Minimum Offering[3]**	**Units Held After Completion of Maximum Offering[3]**
Dan Pembleton Toronto, Ontario	President and director of the Administrator and the Portfolio Manager	Nil	Nil[1][2]	Nil	Nil
Paul Crath Toronto, Ontario	Vice President and Director of the General Partner	Nil	Nil[2]	Nil	Nil

Notes:

1. Daniel Pembleton is not compensated directly for the services provided by him to the Fund or the Administrator.

2. The Administrator, the Investment Fund Manager and the Portfolio Manager are owned by Daniel Pembleton and the General Partner is owned by both Daniel Pembleton and Paul Crath. Daniel Pembleton is the sole Director and officer of the Portfolio Manager. The Portfolio Manager is entitled to the Portfolio Management Fee. The Investment Fund Manager is entitled to the Investment Fund Manager

Fee. The General Partner is entitled to participate in the distributions of the Partnership. See Item 2.9 "*Summary of the Partnership Agreement – Distributions and Allocations*". The Trustee and the Administrator shall have priority over distributions to holders of Trust Units in respect of amounts payable or reimbursable to the Trustee and the Administrator. The Portfolio Manager is also the Lead Selling Agent and is entitled to commissions and fees.

3. Daniel Pembleton and Paul Crath may purchase Trust Units pursuant to the Offering; however, the amounts of such purchases are not known at this time.

3.2 Management Experience

The names, municipalities of residence, offices held, and principal occupations of the directors, officers and advisors of the Administrator and the Portfolio Manager for the past 5 years are as follows:

Name	Office Held	Principal Occupation and Related Experience
Daniel Pembleton Toronto, Ontario	President and Chief Executive Officer and Director of the Trustee, the Administrator the Portfolio Manager, and the General Partner	Daniel Pembleton MBA, CFA, founded Accilent Capital Management Inc. in 2002 to provide investment advisory services for third party and proprietary funds, individual managed accounts, and structured investments. He has been working in the financial industry as a trader and portfolio manager for 20 years. Nearly a decade of this time was spent with RBC Dominion Securities in institutional fixed income where he rose to the level of Vice-President Global Money Markets. Mr. Pembleton is a Commodity Trading Manager (CTM). Mr. Pembleton is Director of West Red Lake Gold Inc. a junior gold exploration company. Mr. Pembleton's education includes an Honours BA from Brock University, an MBA from Western's Ivey School of Business and a Chartered Financial Analyst (CFA) designation in 1998 from the CFA institute.
Paul Crath Toronto, Ontario	Vice President and Director of the General Partner	Mr. Crath has extensive experience as a merchant banking and mergers and acquisitions executive providing, finance, business development, legal and strategic advisory service to shareholders, directors and management of growth companies and fund management companies. In such role, Mr. Crath acts a Senior Managing Consultant to Accilent Capital Management Inc. and is an officer of several general partnerships associated with financial products managed by Accilent Capital Management Inc. Alongside Mr. Gerald McCarvill, a royalty investment pioneer and prominent resource investor, Mr. Crath is the co-founder and acts as the President and Chief Operating Officer of Norvista Science & Technology Inc. a private merchant bank specializing in healthcare, biotechnology, technology, and specialty lending investments. Recent specialty finance investments made by Mr. McCarvill, Mr. Crath and their referrals include investment in a cloud-based IT finance business and a medical factoring business. Mr. Crath acts as a member of the board of directors and plays corporate development roles at each company.

Mr. Crath is also acts as investment principal and/or provides certain advisory services in various private merchant banking companies in the areas of commodities, real estate, infrastructure and private equity. Until recently, Mr. Crath was a Managing Director actively involved in finance, origination and corporate development for Norvista Resources Corporation, a mining merchant bank formed by Gerry McCarvill. Mr. Crath was also a Managing Director of Norvista Capital Corporation (TSXV: NVV), a public resource merchant bank he helped structure and develop. He provides on-going advisory services for both companies.

Mr. Crath began his career as a corporate lawyer at White & Case, LLP in New York City, specializing in acquisition financings. He has a Juris Doctor Degree (JD) from Osgoode Hall Law School at York University and maintains his membership in the New York State Bar Association.

Mr. Crath is a non-executive director of McLaren Resources Corporation (CSE: MCL) and Nebu Resources Inc. (TSXV: NBU). He is the President and Chief Executive Officer and Director of Highvista Gold Inc. (TSXV: HVV) and is a director of Marquest Asset Management Inc., a private asset management and fund company.

3.3 Penalties, Sanctions and Bankruptcy

No director, executive officer or control person of the Trustee, the Fund, the Administrator or the Portfolio Manager has been a director, executive officer or control person of any issuer (including the Fund) that, while such person was acting in that capacity, was subject to any penalty or sanction or cease trade order or any declaration of bankruptcy, voluntary assignment in bankruptcy, proposal under any bankruptcy or insolvency legislation, proceedings, arrangement or compromise with creditors or appointment of a receiver or trustee to hold assets, that has been in effect during the last 10 years, whether currently in effect or not.

3.4 Interest of Management and Others in Material Transactions

The General Partner has retained Accilent Capital Management Inc. ("**Accilent**") as agent and distribution agent for the Offering, who, along with applicable members of a selling and/or referral group formed by it and certain approved selling agents (collectively, the "**Selling Agents**"), who in accordance with and as permitted by Applicable Securities Laws (as defined herein), will market and distribute the Units in Ontario, Manitoba, Saskatchewan, Alberta, British Columbia, Nova Scotia, New Brunswick and Northwest Territories on behalf of the Partnership.

The Trustee, the Administrator, the Portfolio Manager and other partnerships or corporations managed by the directors, officers, employees, subcontractors and consultants of the Administrator or in which the directors, officers, employees, subcontractors and consultants of the Administrator play a role (directly or indirectly) may own securities of certain entities in which the Fund is considering investing. In addition, certain directors, officers and consultants of the Administrator and Portfolio Manager may be or may become directors of certain entities in which the Fund invests. It is the intention of the Portfolio Manager to seek representation, either directly or through appointment, on the board of directors of every company in which the Fund has an investment interest. In addition, the Portfolio Manager is entitled to certain fees and interests relating to the operations of the Fund, as more particularly disclosed herein.

ITEM 4 - CAPITAL STRUCTURE

4.1 Fund's Capital

The following table sets out the capitalization of the Fund as at April 15, 2017, both before and after giving effect to this Offering.

Description of Security	Number Authorized to be Issued	Number Outstanding as at April 15, 2017	Price per Security	Number Outstanding Assuming Minimum Offering	Number Outstanding Assuming Maximum Offering
Class A Units	Unlimited	1,786,006.46	$1.00(1)	1,786,006.46	50,000,000

Note (1) – Price of a Class A Unit on the initial closing of the Offering. Thereafter the price per Class A Unit is be the Net Asset Value per Unit.

4.2 Long-Term Debt

The Fund does not have any long-term debt as of the date of this Offering Memorandum. The Fund may use leverage limited to the margining rules established by the Investment Industry Regulatory Association of Canada.

4.3 Prior Sales

Since inception of the Fund, the following Trust Units have been issued:

Date of Issuance	Type of Security Issued	Number of Securities Issued	Price per Security	Total Funds Received
December 31, 2015	Class A Unit	229,500	$1.00	$229,500.00
February 29, 2016	Class A Unit	123,900	$1.00	$123,900.00
March 31, 2016	Class A Unit	1,132,835.82	$1.00	$1,132,835.82
May 31, 2016	Class A Unit	4,000	$1.00	$4,000
June 30, 2016	Class A Unit	124,896	$1.00	$124,896
July 31, 2016	Class A Unit	64,000	$1.00	$64,000
August 31, 2016	Class A Unit	33,200	$1.00	$33,200
October 31, 2016	Class A Unit	10,000	$1.00	$10,000
November 30, 2016	Class A Unit	21,052.63	$0.95	$20,000
December 31, 2016	Class A Unit	26,315.80	$0.95	$25,000
February 28, 2017	Class A Unit	42,105.26	$0.95	$40,000

ITEM 5 - UNITS OFFERED

5.1 The Investment

The securities being offered pursuant to this Offering Memorandum are Class A Units of the Fund. The Fund is authorized to issue an unlimited number of Trust Units of any class and there is no restriction as to how many classes of Units may be created. Each Unit has attached thereto the same rights and obligations as, and rank equally with, each other Unit of such class with respect to voting, allocations, distributions and participation on dissolution of the Fund. Each Class A Unit shall entitle the holder thereof to one vote at a meeting of Unitholders at which Class A Unitholders are entitled to vote and each Class A Unit represent an equal fractional undivided beneficial interest in any distribution of the Class A Pool and in any net assets of the Fund in the event of termination or winding-up of the Fund attributable to the investment by holders of Class A Units. The Administrator may determine the designation and attributes of a class of Units.

5.2 Capital Contribution

In connection with the subscription of the Trust Units under this Offering, each Unitholder will contribute to the capital of the Fund the purchase price per Trust Unit for each Trust Unit subscribed for. No Unitholder will be required to make any contribution to the capital of the Fund in excess of that amount.

5.3 Distributions

The Trustee may, and is required to in certain circumstances, declare to be payable and make distributions to Unitholders and the holders of Class A Units. See Item 2.8 "*Summary of the Trust Indenture – Distributions*".

The Fund has adopted a DRIP that will allow eligible Unitholders to elect to have their monthly cash distributions reinvested in additional Trust Units on the Distribution Payment Date at a purchase price equal to the most recent Net Asset Value. (or such

other price as may be determined by the Fund from time to time). See Item 2.14 "*Material Agreements – Distribution Reinvestment Plan*".

5.4 Subscription Procedure

An investor who wishes to subscribe for Class A Units must:

1. complete and execute the subscription form which accompanies this Offering Memorandum, including all applicable Schedules thereto;
2. pay the subscription price by certified cheque or bank draft dated the date of the subscription made payable as directed in the subscription agreement (in the case of subscriptions by Tax Deferred Plans, payment will likely be made directly to the applicable plan administrator (i.e. Computershare Trust Company of Canada)), or as the Administrator may otherwise direct; and
3. complete and execute any other documents deemed necessary by the Trustee or Administrator to comply with applicable securities laws; and

deliver the foregoing to the offices of the Trustee, or such other location which the Trustee or Administrator may specify. If the conditions of closing are not satisfied within the required time, all documents and subscription funds will be returned to the subscribers without interest or deduction. A subscriber will become a Unitholder following the acceptance of a subscription by the Trustee or Administrator. If a subscription is withdrawn or is not accepted by the Trustee or Administrator, all documents will be returned to the subscriber within thirty (30) days following such withdrawal or rejection without interest or deduction. The Initial Closing Date is expected to be on or before November 1, 2017 and subsequent closings may occur from time to time and at any time on such other dates as the Administrator determines.

The consideration tendered by each subscriber will be held in trust for a period of two days during which period the subscriber may request a return of the tendered consideration by delivering a notice to the Fund not later than midnight on the second Business Day after the subscriber signs the subscription agreement.

Neither the Fund, the Trustee nor the Administrator is responsible for, and undertakes no obligation to, determine the general investment needs and objectives of a potential investor and the suitability of the Class A Units having regard to any such investment needs and objectives of the potential investor.

ITEM 6 - CANADIAN FEDERAL INCOME TAX CONSIDERATIONS

You should consult your own professional advisors to obtain advice on the tax consequences that apply to you.

6.1 General

The following is a summary prepared by **Blaney McMurtry LLP.** The following summary fairly describes the principal Canadian federal income tax considerations under the Tax Act generally applicable to a Unitholder who is an individual (other than a trust), who acquires Trust Units pursuant to this Offering and who, for purposes of the Tax Act, is resident in Canada, deals at arm's length with, and is not affiliated with, the Fund and the Partnership and holds the Trust Units as capital property. Generally, Trust Units will be capital property of a Unitholder provided the Unitholder does not hold the Trust Units in the course of carrying on a business of trading or dealing in securities and has not acquired them in one or more transactions considered to be an adventure in the nature of trade. Certain persons who might not otherwise be considered to hold their Trust Units as capital property may be, in certain circumstances, entitled to have them treated as capital property by making the election permitted by subsection 39(4) of the Tax Act.

This summary is not applicable to a Unitholder: (i) that is a "financial institution" for purposes of the mark-to-market rules; (ii) that is a "specified financial institution"; (iii) an interest in which is a "tax shelter investment"; (iv) which has elected to compute its income in a "functional currency" other than the Canadian dollar; or (v) that has entered or will into a "derivative forward agreement" with respect to the Trust Units, all within the meaning of the Tax Act. Such Unitholders should contact their own tax advisors having regard to their own particular circumstances.

This summary is based on the information set out in this Offering Memorandum, the provisions of the Tax Act in force as of the date hereof, the current published administrative policies and assessing practices of the Canada Revenue Agency (the "CRA") that have been made publicly available as of the date hereof and all specific proposals to amend the Tax Act publicly announced by or on behalf of the Minister of Finance (Canada) prior to the date hereof (the "**Proposed Amendments**"). There

is no certainty that the Proposed Amendments will be enacted in the form proposed, or at all. This summary is not exhaustive of all possible Canadian federal income tax considerations applicable to the Offering and, except for the Proposed Amendments, does not take into account or anticipate any changes in the law, whether by legislative, governmental or judicial action or changes in the administrative policies or assessing practices of the CRA. This summary does not take into account provincial, territorial or foreign tax considerations, which may differ significantly from those discussed herein.

This summary is of a general nature only and is not intended to be relied on as legal or tax advice or representations to any particular Unitholder. Consequently, prospective Unitholders are urged to seek independent tax advice regarding the consequences to them of investing in the Trust Units, in their own particular circumstances.

6.2 Status of the Fund

This summary assumes that the Fund qualifies as a "mutual fund trust" for purposes of the Tax Act at all relevant times. No opinion is expressed herein on whether or not the Fund will so qualify.

If the Fund were to not qualify as a mutual fund trust at any particular time, the income tax considerations for the Fund and the Unitholders would be materially different from those contained herein.

This summary assumes that "investments", within the meaning of the Tax Act, in the Fund are not, and will not be, listed or traded on a stock exchange or other public market. If investments in the Fund are listed or traded on a stock exchange or other public market the Fund may be taxable as a "SIFT trust" under the Tax Act and the Canadian federal tax considerations will be materially different from those described herein.

6.3 Taxation of the Fund

The Fund is subject to tax on its income for each taxation year, including net realized taxable capital gains, dividends, accrued interest and other income paid or payable to it, less the portion thereof that is paid or payable in the year to Unitholders and which is deducted by the Fund in computing its income for purposes of the Tax Act. An amount will be considered to be payable to a Unitholder in a taxation year if it is paid in the year by the Fund or the Unitholder is entitled in that year to enforce payment of the amount.

The Fund generally intends to deduct, in computing its income, the full amount available for deduction in each taxation year to the extent of its taxable income for the year otherwise determined and to make payable to Unitholders an amount equal to its remaining taxable income so that the Fund will not be liable for any material amount of tax under Part I of the Tax Act in any taxation year of the Fund. However, Counsel can provide no assurance in this regard. Losses incurred by the Fund in a taxation year cannot be allocated to Unitholders but may be deducted by the Fund in future years, subject to certain loss suspension rules contained in the Tax Act which may restrict the Fund's ability to deduct certain losses in certain circumstances.

6.4 Taxation of the Partnership

The Partnership is not itself liable for income tax. However, the income or loss of the Partnership will be computed for each fiscal period as if the Partnership was a separate person resident in Canada.

The income or loss of the Partnership for each fiscal period will be allocated among those persons who are partners, including the Fund, at the end of the Partnership's fiscal period, in accordance with the provisions of the Partnership Agreement.

6.5 Taxation of Unitholders

Fund Distributions

A Unitholder will generally be required to include in computing income for a particular taxation year of the Unitholder all net income and net realized taxable capital gains, that is paid or payable to the Unitholder in that particular taxation year, whether that amount is paid in cash, additional Trust Units, Trust Property or otherwise.

Provided that appropriate designations are made by the Fund, the portion of its taxable capital gains and taxable dividends received from taxable Canadian corporations that are paid or payable to a Unitholder will retain their character as taxable capital

gains and taxable dividends to the Unitholder for purposes of the Tax Act. Such dividends, when designated to a Unitholder that is an individual, will be subject to the gross-up and dividend tax credit provisions normally applicable to taxable dividends received from taxable Canadian corporations, including the enhanced gross-up and dividend tax credit rules for eligible dividends. Income of the Fund that is designated as taxable dividends from taxable Canadian corporations or as net realized capital gains may increase an individual Unitholder's liability for alternative minimum tax.

The non-taxable portion of net realized capital gains of the Fund that is paid or payable to a Unitholder in a taxation year will not be included in computing the Unitholder's income for the year and will not reduce the adjusted cost base of the Unitholder's Trust Units. Any other amount in excess of the Net Income of the Fund that is paid or payable by the Fund to a Unitholder in a year will generally not be included in the Unitholder's income for the year but will reduce the adjusted cost base of the Trust Units held by such Unitholder. To the extent that the adjusted cost base to a Unitholder of a Trust Unit is less than zero at any time in a taxation year, such negative amount will be deemed to be a capital gain of the Unitholder from the disposition of the Trust Unit in that year. The amount of such capital gain will be added to the adjusted cost base of such Trust Unit.

The adjusted cost base of a Trust Unit to a Unitholder will include all amounts paid or payable by the Unitholder for the Trust Unit, with certain adjustments. Trust Units issued to a Unitholder as a non-cash distribution of income will have a cost amount equal to the amount of such income. A Unitholder will generally be required to average the cost of all newly-acquired Trust Units with the adjusted cost base of Trust Units held by the Unitholder as capital property in order to determine the adjusted cost base of the Unitholder's Trust Units at any particular time.

Disposition of Trust Units

On the disposition or deemed disposition of Trust Units, a Unitholder will generally realize a capital gain (or a capital loss) equal to the amount by which the Unitholder's proceeds of disposition are greater (or less) than the aggregate of the Unitholder's adjusted cost base of the Trust Units and any reasonable costs incurred by the Unitholder in connection with the disposition. The taxation of capital gains or capital losses is described below under "*Capital Gains and Capital Losses*".

Redemption of Trust Units

The redemption of Trust Units in consideration for cash, Trust Property or Redemption Notes, as the case may be, will be a disposition of such Trust Units for proceeds equal to the amount of such cash or the fair market value of such Trust Property or the amount of the Redemption Notes, as the case may be, less any portion thereof that is considered to be a distribution of the income of the Fund. Redeeming Unitholders will consequently realize a capital gain (or a capital loss) equal to the amount by which the proceeds of disposition (less any portion thereof that is considered a distribution of the Fund's income) is greater (or less) than the Unitholder's aggregate adjusted cost base of the Trust Units so redeemed and any reasonable costs of disposition. A subsequent payment of the Redemption Notes by the Fund will not be taxable to the Unitholder.

Capital Gains and Capital Losses

Generally, one-half of any capital gain realized or deemed to be realized by a Unitholder in a taxation year will be included in the Unitholder's income for the year as a taxable capital gain. Subject to specific rules in the Tax Act, one-half of any capital loss realized or deemed to be realized by a Unitholder in a taxation year is an allowable capital loss which must be deducted from any taxable capital gain realized by the holder in the year of disposition. Allowable capital losses for a taxation year in excess of taxable capital gains for that year generally may be carried back and deducted in any of the three preceding taxation years or carried forward and deducted in any subsequent taxation year against net taxable capital gains realized in such years to the extent and under the circumstances provided for in the Tax Act. Capital gains realized by a Unitholder who is an individual (other than certain trusts) may give rise to a liability for alternative minimum tax.

If a Unitholder disposes of Trust Units, and the Unitholder, the Unitholder's spouse or another person affiliated with the Unitholder (including a corporation controlled by the Unitholder) has also acquired Trust Units of any series within 30 days before or after the Unitholder disposes of the Unitholder's Trust Units (such newly acquired Trust Units being considered "substituted property"), the Unitholder's capital loss may be deemed to be a "superficial loss". If so, the Unitholder's loss will be deemed to be nil and the amount of the loss will instead be added to the adjusted cost base of the Trust Units which are "substituted property".

6.6 Eligibility for Investment by Tax Deferred Plans

Provided the Fund qualifies as a "mutual fund trust" within the meaning of the Tax Act, the Trust Units, when issued, will be a qualified investment under the Tax Act for Tax Deferred Plans. There is no assurance that the Fund will so qualify.

Provided that the annuitant or holder of the RRSP, RRIF or TFSA (i) deals at arm's length with the Fund, and (ii) does not hold a "significant interest" (as defined in the Tax Act) in the Fund, the Units of the Fund will not be a prohibited investment for a RRSP, RRIF or TFSA. Prospective Investors should consult with their tax advisors regarding whether an investment in the Fund will be a prohibited investment for their RRSP, RRIF or TFSA.

Trust Property or Redemption Notes received as a result of a distribution or redemption of Trust Units will not be a qualified investment for Tax Deferred Plans, which may give rise to adverse consequences to a Tax Deferred Plan or the annuitant, holder or beneficiary thereunder. Unitholders holding Units in Tax Deferred Plan should consult with their own tax advisors prior to redeeming their Units to determine the tax consequences to them of a redemption satisfied by Trust Property or Redemption Notes.

ITEM 7 - COMPENSATION PAID TO SELLERS AND FINDERS

The Fund is a connected issuer, and may be considered a related issuer, of Accilent Capital Management Inc. ("Accilent"). The Fund has retained Accilent, a registered exempt market dealer, as Lead Selling Agent "Lead Selling Agent" in respect of the distribution and sale of the Trust Units for the Offering, who, along with applicable members of a selling and/or referral group formed by it and certain approved selling agents and in accordance with and as permitted by Applicable Securities Laws (as defined herein), will market and distribute the Units in Ontario, Manitoba, Saskatchewan, Alberta, British Columbia, Nova Scotia, New Brunswick and Northwest Territories on behalf of the Fund. Certain principals of Accilent are the same as those of the Administrator, Trustee, Portfolio Manager and General Partner. The Fund will pay commissions and certain fees in respect of administrative matters in connection with the Offering of up to 7% of the gross proceeds realized on the Class A Units sold directly by registered dealers, financial advisors, sales persons, wholesalers, brokers, intermediaries or other eligible persons, including Accilent (collectively, the "Selling Agents"), as well as, 1% of gross proceeds for dealer due diligence costs, platform and distribution override fees. Accilent, as the lead selling agent will also be paid 1% for selling group organizing and management, wholesaling, and other selling group costs. In addition, the Partnership, a subsidiary of the Fund and the entity in which the Fund will be making all of its direct investments and from which the Fund will receive all of its income, may also, at the sole discretion of the General Partner, pay an annual fee of up to 0.75% per annum of the net asset value of the Class A Partnership Units (purchased by the Fund using the subscription proceeds of the Class A Units) payable to certain Selling Agents. See Item 3.1 "*Compensation Paid to Sellers and Finders*" and Item 8.2"*Risk Factors - Conflicts of Interest*".

ITEM 8 - RISK FACTORS

An investment in the Fund is speculative and contains certain risks. Prospective investors should carefully consider, among other factors, the matters described below, each of which could have an adverse effect on the value of the Trust Units. As a result of these factors, as well as other risks inherent in any investment, there can be no assurance that the Fund will qualify as a mutual fund trust, will meet its investment objectives or will otherwise be able to successfully carry out its investment program. The Fund's returns may be unpredictable and, accordingly, the Fund's investment program is not suitable as the sole investment vehicle for an investor or for an investor that is looking for a predictable source of cash flow. An investor should only invest in the Fund as part of an overall investment strategy. Based on, among others, the factors described below, the possibility of partial or total loss of capital will exist and investors should not subscribe unless they can readily bear the consequences of such loss.

8.1 Risks Associated with the Offering

Speculative Offering

THIS IS A SPECULATIVE OFFERING. The purchase of Trust Units involves a number of risk factors. There is no assurance that Unitholders will receive any return or repayment of their Capital Contributions to the Fund. An investment in Class A Units is appropriate only for Subscribers who have the capacity to absorb a total loss of their investment. Subscribers who are not willing to rely on the sole and exclusive discretion and judgment of the Administrator and the Portfolio Manager should not subscribe for Trust Units.

Liquidity

THERE IS NO MARKET FOR THESE SECURITIES AND THE TRANSFER OF TRUST UNITS IS SIGNIFICANTLY LIMITED AND IN SOME CIRCUMSTANCES PROHIBITED. An investment in the Trust Units should only be considered by those Unitholders who are able to make and bear the economic risk of a long-term investment and the possible total loss of their investment.

8.2 Risks Associated with the Trust Units

Restrictions on Redemption and Transfer; Illiquidity of Units

Unitholders should be aware that redemption rights in their favour are subject to significant limitations and restrictions. For example, if the Trustee determines that the Fund does not have sufficient cash reserves to pay the amounts payable on the redemption of Trust Units, the Trustee may advise the Unitholder that the proceeds of any redemption of Trust Units payable in respect of Trust Units tendered for redemption in the applicable calendar month shall be paid by issuance of Redemption Notes.

There will be no public market for the Trust Units and an application for listing of the Trust Units on a stock exchange will not be made. Trust Units in the Fund are highly illiquid investments and should only be acquired by investors able to bear the economic risk of an investment in the Trust Units for an indefinite period of time. The Trust Units are being sold on a "private placement" basis in reliance upon exemptions from prospectus and registration requirements of applicable securities laws and therefore are subject to significant statutory restrictions on transfer or sale. The Trust Units will be subject to "hold periods" under applicable securities legislation and, as the Fund is currently not a "reporting issuer" in any province or territory, the "hold periods" may never expire. Additionally, Unitholders will not be permitted to transfer or sell their Trust Units without the consent of the Trustee, which may be withheld in the Trustee's sole discretion, and the satisfaction of certain other conditions, including the provision of an opinion of counsel that such a transfer would not subject the Fund or the Unitholders to any regulatory or tax burdens or result in violation of any applicable law or governmental regulation.

Issuance of Additional Trust Units will Result in Dilution

The number of Trust Units the Fund is authorized to issue is unlimited. The Fund may, in the Fund's sole discretion, issue additional Trust Units from time to time. Any issuance of Trust Units will have a dilutive effect on existing Unitholders.

Nature of Trust Units

Each Trust Unit represents an equal undivided beneficial interest in the assets of the Fund attributable for investment by holders of such Trust Units. The Trust Units do not represent debt instruments and there is no principal amount owing to Unitholders under the Trust Units. The Trust Units do not represent shares in the Trustee, the Administrator, the Portfolio Manager or their affiliates or any other entity.

Unitholders Do Not Have the Same Rights as Shareholders

Unitholders do not have all the statutory rights normally associated with ownership of shares of a company including, for example, the right to bring "oppression" or "derivative" actions against the Fund. The Trust Units are not "deposits" within the meaning of the *Canada Deposit Insurance Corporation Act* and are not insured under the provisions of that Act or any other legislation.

Mutual Fund Trust Status

To qualify as a mutual fund trust, the sole undertaking of the Fund must be the investing of its funds in property (other than certain real property or interests in real property), and the Fund must comply on a continuous basis with certain requirements, including those relating to the qualification of the Trust Units for distribution to the public, the number of Unitholders and the dispersal of ownership of Trust Units. As well, the Fund must not be reasonably considered to have been established or maintained primarily for the benefit of Non-Residents. If the Fund fails or ceases to qualify as a "mutual fund trust", there may be adverse tax consequences to the Fund and Unitholders, and the tax consequences would be materially different than those described herein.

Eligibility of Units for Investment by Tax Deferred Plans

If the Fund fails or ceases to qualify as a "mutual fund trust" the Trust Units will not be qualified investments for Tax Deferred Plans which will have adverse tax consequences to Tax Deferred Plans and their annuitants, holders or beneficiaries. Trust Assets or Redemption Notes received as a result of a distribution or redemption of Trust Units may not be a qualified investment for Tax Deferred Plans, which may give rise to adverse consequences to a Tax Deferred Plan and the annuitant, holder or beneficiary thereunder.

Tax Treatment of Trust Units and Unitholders

Canadian federal or provincial income tax legislation may be amended, or their interpretation changed, so as to alter fundamentally the tax consequences of holding or disposing of Trust Units or the investments held by the Fund. Moreover, the alternative minimum tax could limit tax benefits available to Unitholders.

There is no assurance that income tax laws or administrative practices of tax officials in the various jurisdictions of Canada will not be changed in a manner which will adversely alter the tax treatment of Unitholders.

Tax characterization of Fund Income and Fund Capital Gains

The designation of income or gains realized by the Fund to Unitholders, including the designation of gains realized by the Partnership on the disposition of investments as capital gains will depend largely on factual considerations. Management will endeavor to make appropriate characterizations of income or gains realized by the Fund for purposes of designating such income or gains to Unitholders based on information reasonably available to it. However, there is no certainty that the manner in which the Fund characterizes such income or gains will be accepted by the CRA. If it is subsequently determined that the Fund's characterization of a particular amount was incorrect, Unitholders might suffer material adverse tax consequences as a result. Losses incurred by the Fund in a taxation year cannot be allocated to Unitholders but may be deducted by the Fund in future years, subject to certain loss suspension rules contained in the Tax Act which my restrict the Fund's ability to deduct certain losses in certain circumstances.

SIFT Status

If investments in the Fund are listed or traded on a stock exchange or other public market, the Fund may be taxable as a "SIFT trust" under the Tax Act, which will have adverse tax consequences to the Unitholders and the Fund and the Canadian federal income tax considerations of investing in the Fund will be materially different from those described herein.

8.3 Risks Associated with the Fund

Nature of Investment

An investment in the Fund requires a long-term commitment, with no certainty of return. Investments made by the Fund, indirectly through the Partnership, may not generate current income. Therefore, the return of capital and the realization of gains, if any, from an investment generally will occur upon the partial or complete realization or disposition of such investment. While an investment may be realized or disposed of at any time, it is generally expected that the ultimate realization or disposition of most of the Fund's indirect investments will not occur for a number of years after such investments are made. The Fund expects to invest, indirectly through the Partnership, primarily in securities that are illiquid and subject to resale restrictions. These investments are subject to various risks, particularly the risk that the Fund, indirectly through the Partnership, will be unable to realize its investment objectives by sale or other disposition at attractive prices or otherwise be unable to complete any exit strategy. In some cases, the Fund, indirectly through the Partnership, may be prohibited or limited by contract from selling certain securities for a period of time, and as a result, may not be permitted to dispose of an investment at a time it might otherwise desire to do so. Furthermore, the types of investments made may require a substantial length of time to liquidate. There can be no assurance that a public market will develop for any of the Fund's indirect investments or that the Fund, indirectly through the Partnership, will otherwise be able to realize such investments. While the Fund maintains sufficient cash balances to cover general and operating expenses, the illiquidity of the Fund's investments may cause deficiencies if substantial unexpected expenses become due. The Fund is not a reporting issuer or the equivalent thereof under the securities legislation in any jurisdiction in Canada and it is not currently anticipated that the Fund will become a reporting issuer or the equivalent thereof under such securities legislation.

No Assurance of Investment Return

The success of the Fund will depend on the ability of the Portfolio Manager to identify, select, close, grow and exit appropriate investments. The task of identifying investment opportunities, monitoring such investments and realizing a significant return for Unitholders is difficult. Many organizations operated by individuals of competence and integrity have been unable to make, manage and realize on such investments successfully. There is no assurance that the Administrator and the Portfolio Manager will be able to generate returns for Unitholders or that returns will be at levels currently anticipated by the Portfolio Manager. The expenses of the Fund may exceed its investment returns, and the Unitholders could lose the entire amount of their Capital Contribution.

This is a Blind Pool Offering.

The Fund does not currently hold any investments therefore you will not be able to evaluate the investments before purchasing Units.

No Assurance in Achieving Investment Objectives or Distributions

There is no assurance that the Fund will be able to achieve its investment objectives. Furthermore, there is no assurance that the Fund will be able to pay distributions in the short or long term, nor is there any assurance that the Net Asset Value will be preserved. Changes in the relative weightings between the various types in investment vehicles making up the Partnership portfolio can affect the overall yield to Unitholders. The funds available for distribution to Unitholders will vary according to, among other things, the return on its investments and the value of the Trust Assets, including Partnership Units. Accordingly, cash distributions are not guaranteed and cannot be assured.

Performance of the Portfolio

The Net Asset Value per Unit of each class will vary as the value of the Investments varies. The Fund has no control over the factors that affect the value of the Investments, including factors that affect the debt and equity markets generally such as general economic and political conditions and fluctuations in interest rates, foreign currency exchange rates and factors unique to each issuer included in the portfolio, such as commodity prices or the performance of emerging market economies generally. The Fund's indirect holdings through the Partnership in particular Investments may be insufficient to give it control or influence over changes in management, changes in strategic direction, achievement of strategic goals, mergers, acquisitions and divestitures, changes in distribution policies and other events that may affect the value of its securities.

Portfolio turnover rate

The Portfolio Manager may, from time to time, engage in trading which results in a portfolio turnover rate greater than 70%. The larger trading costs associated with a high portfolio turnover rate would reduce its performance.

Use of leverage

The Partnership may use leverage limited to the margining rules established by the Investment Industry Regulatory Association of Canada. The use of leverage can magnify investment losses because the borrowed funds must be repaid regardless of the performance of an investment or the Fund.

Asset Allocation

Investments will be allocated among Investments based on judgements by the Portfolio Manager. There is a risk that the Fund may allocate assets to an asset class that underperforms the other asset classes.

Valuation of the Fund's Investments

The valuation of the Fund's and the Partnership's securities and other investments by the Portfolio Manager may involve uncertainties and judgmental determinations and, if such valuations should prove to be incorrect, the Net Asset Value could be adversely affected. Independent pricing information may not at times be available regarding certain of the Fund and the Partnership's securities and other investments. Valuation determinations will be made in good faith in accordance with the Trust Indenture. The Fund, indirectly through the Partnership, may have some of its assets in investments, including private companies or asset-backed securities, which by their very nature may be extremely difficult to value accurately and may depend

significantly on assumptions. To the extent that the value assigned by the Administrator to any such investment differs from the actual value, the Net Asset Value may be understated or overstated, as the case may be. The Portfolio Manager does not intend to adjust the Net Asset Value retroactively.

Reliance on the Trustee Administrator and Portfolio Manager

All decisions with respect to the Trust Property and the operations of the Fund are expected to be made exclusively by the Administrator and the Portfolio Manager. Unitholders will have no right to make any decisions with respect to the management, disposition or other realization of any investment, or other decisions regarding the Fund's business and affairs. No prospective investor should purchase a Trust Unit in the Fund unless such prospective investor is willing to entrust all aspects of the management of the Fund to the Administrator and/or the Trustee and the Portfolio Manager. Certain personnel of the Administrator and Portfolio Manager, and their respective affiliates may work on other projects and, therefore, conflicts may arise in the allocation of management resources.

Dependence on Investment Professionals

The success of the Fund will depend in large part upon the skill and expertise of the investment professionals and other personnel employed by the Administrator and the Portfolio Manager. There can be no assurance that such personnel will remain with the Administrator and the Portfolio Manager. The loss of one or more of these individuals could have a significant adverse impact on the business of the Fund.

Conflicts of Interest

The Fund may be subject to various conflicts of interest because certain directors and officers of the Trustee and the Administrator are also directors or officers of the Portfolio Manager and the Partnership. The Fund may become involved in transactions which conflict with the interests of one or more of the foregoing entities or individuals.

Paul Crath, an officer and director of the Trustee, the Administrator and the General Partner holds executive positions, owns equity and acts as a member of the Board of Directors of several companies in the areas of structured financing, factoring, real estate, and mining. Accordingly, there may be conflicts of interest in connection with the Fund's and the Partnership's investment activities.

The Portfolio Manager's services are not exclusive to the Fund. The Portfolio Manager and the directors and officers of the Portfolio Manager are each engaged in a wide range of investment and other business activities. There may be occasions when the officers and directors of the Administrator and the Portfolio Manager encounter conflicts of interest in connection with the Fund's activities, including where the Portfolio Manager is providing advisory (or other business) services to other entities, have another business relationship with regards to an investment or are engaged in other investment management business activities. There may be conflicts in allocating investment opportunities among the Fund and other funds managed by the Portfolio Manager.

It is the intention of the Portfolio Manager to seek representation either directly or through appointment on the board of directors of every company in which the Fund has an investment interest.

Risks Relating to Redemption

If holders of a substantial number of Trust Units exercise their redemption rights, the number of Trust Units outstanding and the Net Asset Value could be significantly reduced. In any such circumstance, the Trustee may at any time terminate the Fund without the approval of the Unitholders if, in the opinion of the Trustee, it is no longer economically feasible to continue the Fund or the Trustee determines that it would be in the best interests of Unitholders to terminate the Fund.

Lack of Independent Counsel Representing Unitholders

The Fund, the Trustee, and the Administrator have consulted with and retained for their benefit legal counsel to advise them in connection with the formation and terms of the Fund and the offering of Trust Units. Unitholders have not, however, as a group been represented by independent legal counsel or independent tax and financial advisors regarding the desirability of purchasing Trust Units and the suitability of investing in the Fund. Therefore, to the extent that the Unitholders could benefit by further independent review, such benefit will not be available unless individual Unitholders retain their own legal counsel.

Unitholder Liability

There is a risk that Unitholders could become subject to liability. The Trust Indenture provides that no Unitholder shall be liable in connection with the ownership or use of the Trust Property, the obligations or activities of the Fund, any acts or omissions of the Trustee, the Administrator or any other person in respective of the activities or affairs of the Fund or any taxes or fines payable by the Fund or the Trustee or Administrator, provided that each Unitholder remain responsible for taxes assessed against them by reason of or arising out of their ownership of Trust Units. Further, if a Unitholder is held to be liable in circumstances for which the Trust Indenture provides that there is to be no liability to the Unitholder. The Unitholder will be entitled to be indemnified and reimbursed out of the Trust Property for the full extent of any such costs and liability to the Unitholder. The Trust Indenture provides that every contract entered into by or on behalf of the Fund, whether by the Trustee, the Administrator or otherwise, shall include a provision to the effect that such obligation will not be binding upon Unitholders personally.

Certain provinces have legislation relating to unitholder liability protection, including British Columbia, Alberta, Saskatchewan, Manitoba, Ontario and Quebec. To the Fund's knowledge, certain of these statutes have not yet been judicially considered and it is possible that reliance on such statute by a Unitholder could be successfully challenged on jurisdictional or other grounds.

Recourse to the Fund's Assets

The Trust Property, including any investments made by the Fund and any capital held by the Fund, are available to satisfy all liabilities and other obligations of the Fund. If the Fund itself becomes subject to a liability, parties seeking to have the liability satisfied may have recourse to the Fund's assets generally and not be limited to any particular asset, such as the investment giving rise to the liability.

Indemnification

The Trustee, each former Trustee, the Administrator and each officer of the Fund and each former officer of the Fund is entitled to indemnification and reimbursement out of the Trust Property, except under certain circumstances, from the Fund. Such indemnification obligations could decrease the returns which would otherwise be available to the Unitholders of the Fund.

Effect of Expenses on Returns

The Fund will bear all expenses related to its operations and such expenses will reduce the actual returns to the Unitholders. Most of the expenses will be paid regardless of whether the Fund produces positive investment returns. If the Fund does not produce significant positive investment returns, these expenses could result in a Unitholder incurring a net loss in its investment. The Trust Units of the Fund are available in more than one class. If the Fund cannot pay the expenses of one class using its proportionate share of the Trust Property, the Fund will be required to pay those expenses out of the other class's proportionate share of the Fund's assets. This may lower the investment returns of the other class of Trust Units.

Lack of Regulatory Oversight

The Fund is not a "reporting issuer" or the equivalent under securities legislation and is not subject to the same level of regulatory oversight as applicable to "reporting issuers" (or the equivalent).

8.4 Risks Associated with the Business

General Economic Conditions

The current general economic conditions, including in Canada and the U.S. and a worldwide economic slowdown, together with market disruptions to the credit and financial markets in Canada, the U.S. and the rest of the world may adversely affect the Partnership's activities and its investments. Interest rates, changes in currency exchange rates, general levels of economic activity, the price of securities and participation by other investors in the financial markets may affect the value of investments made by the Partnership or considered for prospective investment.

Competitive Marketplace

The Partnership will be competing for investment opportunities with a significant number of other entities offering sources of equity and debt capital, including banks, private equity funds, institutional investors, strategic investors, as well as the public equity markets. As a result of this competition, there can be no assurance that the Partnership will be able to locate suitable investment opportunities, acquire them for an appropriate level of consideration, achieve its targeted rate of return or fully invest its Capital Contributions. In addition, if the Partnership makes only a limited number of investments, the aggregate returns realized by the Fund could be adversely affected in a material manner by the unfavourable performance of even one such investment.

Interest Rate Risk

Interest rate risk is the risk that the market value of the Fund's and the Partnership's interest-bearing investments will fluctuate due to changes in market interest rates. Generally, interest-bearing investments will decrease in value when interest rates rise and increase in value when interest rates decline. The Net Asset Value of the Partnership will fluctuate with interest rate changes and the corresponding changes in the value of the Investments.

Currency Risk

Currency risk is the risk that the value of investments denominated in foreign currencies will fluctuate due to changes in exchange rates. The assets and liabilities of the Fund are held in the functional currency of the Fund, which is the Canadian dollar. The Fund currently only invests and makes distributions denominated in Canadian dollars; however, the underlying Partnership may at times have exposures to more than one currency and in this case fluctuation in the value of the U.S. dollar could devalue the Partnership's investments.

Foreign Market Risk

The Partnership may, at any time, include securities of an issuer established in jurisdictions outside Canada and the U.S. Although most of such issuers will be subject to uniform accounting, auditing and financial reporting standards comparable to applicable Canadian and U.S. 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 Canadian or U.S. companies. Volume and liquidity in some foreign markets may be less than in Canada and the U.S. and, at times, volatility of price may be greater than in Canada or the U.S. 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 may 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.

Emerging market risk

In emerging market countries, securities markets may be smaller than in more developed countries, making it more difficult for the Fund to sell securities in order to take profits or avoid losses. The value of these investments of the Fund may rise and fall substantially and fluctuate greatly from time to time.

Liquidity of Investments

In certain circumstances, such as where securities of private issuers are involved or the disruption of the orderly markets for equity securities, currencies, commodities, derivatives and/or financial instruments in which the Fund indirectly invests, the Fund, indirectly through the Partnership, may not be able to dispose of certain holdings quickly or at prices that represent true market value.

Competitive Marketplace

The Partnership will be competing for investment opportunities with a significant number of other entities investing in the oil and gas industry. As a result of this competition, there can be no assurance that the Partnership will be able to locate suitable investment opportunities, acquire them for an appropriate level of consideration, achieve its targeted rate of return or fully invest its Capital Contributions. In addition, if the Partnership makes only a limited number of investments, the aggregate returns realized by the Fund could be adversely affected in a material manner by the unfavourable performance of even one such investment.

Reliance on Key Employees

The success of the Fund, the Partnership, the Administrator and the Portfolio Manager depends in large measure on certain key executive personnel. The loss of the services of such key personnel could have a material adverse effect on the Fund, the Partnership, the Administrator and the Portfolio Manager. The contributions of these individuals to the immediate operations are likely to be of central importance. In addition, competition for qualified personnel in the industry is intense, and there can be no assurance that the Fund will be able to continue to attract and retain all personnel necessary for the development and operation of its business. Investors must rely upon the ability, expertise, judgment, discretion, integrity and good faith of the management of the Portfolio Manager.

Investments in Early Stage Companies

The Partnership's strategy may include investing in issuers at an early stage. Early stage issuers may be more volatile due to their limited operating and financial history, relative lack of financial resources or their susceptibility to major setbacks or downturns.

Litigation Risks

In the normal course of the Partnership's operations, whether directly or indirectly, it may become involved in, named as a part to or the subject of, various legal proceedings, including regulatory proceedings, tax proceedings and legal actions relation to personal injuries, property damage, property taxes, land rights, the environment and contract disputes. The outcome with respect to outstanding, pending or future proceedings cannot be predicted with certainty and may be determined in a manner adverse to the Partnership and as a result, could have a material adverse effect of the Partnership's investments, liabilities, business, financial condition and results of operations. Even if the Partnership prevails in any such legal proceedings, the proceedings could be costly and time-consuming and may divert the attention of management and key personnel from the Partnership's business operations, which could have a material adverse effect on the Partnership's business, cash flow, financial condition and results of operations and ability to make distributions to Unitholders. This risk may be heightened for the Partnership as compared to other Canadian investment trusts without investments in the U.S. because the legal climate in the U.S., in comparison to that in Canada, tend to give rise to a greater number of claims and larger damages awards.

Uninsured and Underinsured Losses

The Partnership uses its discretion in determining amounts, coverage and limits and deductibility provisions of insurance for its operations and assets, with a view to maintaining appropriate insurance coverage on its assets at a commercially reasonable cost and on suitable terms. This may result in insurance coverage that, in the event of a substantial loss, would not be sufficient to pay the full current market value or current replacement cost of its assets. Further, in many cases certain types of losses (generally of a catastrophic nature) are either uninsurable or not economically insurable. A judgment against the Partnership in excess of available insurance or in respect of which insurance is not available could have a material adverse effect on our business and financial condition. A substantial loss without adequate insurance coverage could have a material adverse effect on the business, financial condition, liquidity and results of operation for the Partnership.

No Assurance in Achieving Investment Objectives or Monthly Distributions

There is no assurance that the Fund will be able to achieve its investment objectives. Furthermore, there is no assurance that the Trust will be able to pay distributions in the short or long term, nor is there any assurance that the Net Asset Value will be preserved. Changes in the relative weightings between the various types of investment vehicles making up the Partnership portfolio can affect the overall yield to Unitholders. The distributions received by the Fund from issuers whose securities are held as investments may vary from month to month and certain of these issuers may pay distributions less frequently than monthly, with the result that revenue generated by the portfolio and available for distribution to Unitholders of the Trust could vary substantially.

Income Tax Risk

The Fund intends to file all required income tax returns and believes that it will be in full compliance with the provisions of the Tax Act and all applicable provincial tax legislation. However, such returns are subject to reassessment by the applicable taxation authority which may have an impact on current and future taxes payable.

Composition of Investments

The composition of the Investments taken as a whole may vary widely from time to time and will be concentrated by type of security, commodity, industry or geography, resulting in the Investments being less diversified than anticipated. This Fund is focused on energy related Investments and will have a concentration in those Investments. Overweighting investments in certain sectors or industries involves risk that the Fund will suffer a loss because of declines in the prices of securities in those sectors or industries.

8.4 Risks Associated with the resource industry and energy sector

Resource industry risk

1. **The Fund invests in resource companies and therefore is subject to the risks of the resource industry. For example, a resource company's ability to maintain or increase production in the future depends not only on its ability to exploit existing properties, but also on its ability to select and acquire suitable properties or prospects for exploitation.**

2. **Commodity prices are unstable and subject to fluctuation. The price of most commodities are affected by numerous factors beyond the control of resource companies. Any material decline in commodity prices could result in a reduction of a resource company's production revenue. The economics of certain properties and facilities may change as a result of lower commodity prices. All these factors could result in a material decrease in the business activities of any single resource company, or resource companies generally.**

3. **The business activities of resource companies involved primarily in oil and gas or renewable energy exploration and development are speculative and may be adversely affected by factors outside the control of those companies.**

4. **Resource activities are subject to extensive controls and regulations imposed by various levels of government around the world that may be amended from time to time. A resource company's operations may require licences and permits from various governmental authorities. There can be no assurance that resource companies will be able to obtain all necessary licences and permits or obtain them in a timely manner.**

5. **Most resource activities involve making substantial capital expenditures for the acquisition, exploration, development and production of commodities. If a resource company's revenues decline, it may have limited ability to expend the capital necessary to undertake or complete future activities.**

6. **There are numerous uncertainties inherent in estimating quantities of commodity reserves and cash flows to be derived therefrom, many of which are beyond the control of resource companies. Actual production and cash flows derived therefrom will vary from a resource company's expectations and such variations could be material.**

7. **The business of exploration for energy, metals and minerals involves a high degree of risk. Few properties that are explored are ultimately developed into producing mines or wells. Unusual or unexpected formations, formation pressures, fires, explosions, power outages, labour disruptions, flooding, cave-ins, landslide and the inability of the resource company to obtain suitable machinery, equipment or labour are all risks which may occur during exploration for and development of oil, gas and mineral deposits. While a resource company may have registered its mineral exploration and mining rights or oil and gas interests with the appropriate authorities and filed all pertinent information to industry standards, this cannot be construed as a guarantee of title. In addition, the precise boundaries and locations of a resource company's properties may be challenged or subject to prior agreements and other undetected defects. The economics of developing resource properties is affected by many factors including the cost of operations, variations in the grade of ore mined, fluctuations in commodity prices, the cost and commercial utility of processing equipment and such other factors as aboriginal land claims and government regulations,**

including regulations relating to royalties, allowable production, importing and exporting and environmental protection.

8. The resource company may become subject to liability for risks for which it cannot insure or against which it may elect not to insure.

8.5 Risks Associated with Hedging Activities

Concentration

To the extent the fund takes more concentrated positions than a typical fund, there is less diversification and therefore potentially greater risk.

Short Sales

The possible losses to the Fund from short sales of a security differ from losses that could be incurred from a long position in the security. The former may be unlimited, whereas the latter is limited to the total amount of the investment.

Writing Uncovered Options

When uncovered options are written the Fund collects a premium (fee) for doing this. However, the Fund is obligated to either buy or sell the underlying stock at the agreed price of the option. The loss on an uncovered sale of a call option may be unlimited similar to a short sale of a stock. The loss on an uncovered sale of a put option is limited to the difference between zero and the strike price of the put less the premium received for selling the put option.

Derivatives risk

- hedging with derivatives may not always work and it could restrict the ability of the Fund to increase in value;
- there is no guarantee that the Fund will be able to obtain a derivative when it needs to, and this could prevent the Fund from making a profit or limiting a loss;
- a securities exchange could impose limits on trading of derivatives, making it difficult to complete a derivatives trade;
- the other party in the derivative might not be able to honour the terms of the derivative;
- the price of the derivative might not reflect the true value of the underlying interest;
- the price of a derivative based on a stock index could be distorted if some or all of the stocks that make up the index temporarily stop trading;
- derivatives traded on foreign markets may be harder to close than those traded in Canada; and
- in some circumstances, investment dealers, futures brokers and counterparties may hold some or all of the assets of the Fund on deposit as collateral in a derivative. That increases risk because another party is responsible for the safekeeping of the assets.

The foregoing list of risk factors does not purport to be a complete enumeration or explanation of the risks involved in an investment in the Fund. Prospective investors should read this entire Offering Memorandum and consult their own counsel and financial advisors before deciding to invest in the Fund.

Neither the Fund, the Trustee, the Administrator, the General Partner, nor the Portfolio Manager is responsible for, and undertakes no obligation to, determine the general investment needs and objectives of a potential investor and the suitability of the Trust Units having regard to any such investment needs and objectives of the potential investor.

ITEM 9 - REPORTING OBLIGATIONS

The Fund will send to Unitholders within 120 days of the Fund's fiscal year end, and in any event, on or before any earlier date prescribed by Applicable Laws, annual audited financial statements of the Fund, together with comparative audited financial statements for the preceding fiscal year, and the auditor's report thereof. The Trustee or Administrator will, within the time frame required under the Tax Act, forward to each Unitholder who received distributions from the Fund in the prior calendar

year, such information and forms as may be needed by the Unitholder in order to complete its income tax return in respect of the prior calendar year under the Tax Act and equivalent provincial legislation in Canada.

The Fund is not a "reporting issuer" or equivalent under the securities legislation of any jurisdiction. Accordingly, the Fund is not subject to the "continuous disclosure" requirements of any securities legislation and there is therefore no requirement that the Fund make ongoing disclosure of its affairs including, without limitation, the disclosure of financial information on a quarterly basis or the disclosure of material changes in the business or affairs of the Fund. The Fund will deliver to prospective investors certain documents, including this Offering Memorandum, a subscription agreement and any updates or amendments to the Offering Memorandum, from time to time by way of facsimile or e-mail. In accordance with the terms of the subscription agreement provided to prospective investors, delivery of such documents by email or facsimile shall constitute valid and effective delivery of such documents unless the Fund receives actual notice that such electronic delivery failed. Unless the Fund receives actual notice that the electronic delivery failed, the Fund is entitled assume that the facsimile or e-mail and the attached documents were actually received by the prospective investor and the Fund will have no obligation to verify actual receipt of such electronic delivery by the prospective investor.

ITEM 10 - RESALE RESTRICTIONS

10.1 General

The Class A Units will be subject to a number of resale restrictions, including restrictions on trading. Until the restriction on trading expires, you will not be able to trade the Class A Units unless you comply with an exemption from the prospectus and registration requirements under securities legislation. Additionally, Unitholders will not be permitted to transfer their securities without the consent of the Trustee or the Administrator. See Item 2.8 "*Summary of the Trust Indenture - Transfer of Units and Restrictions on Ownership*".

10.2 Restricted Period

Unless permitted under securities legislation, you cannot trade the securities before the date that is four (4) months and a day after the date the Fund becomes a reporting issuer in any province or territory of Canada.

For trades in Manitoba, unless permitted under securities legislation, you must not trade the securities without the prior written consent of the regulator in Manitoba unless:

(a) the Fund has filed a prospectus with the regulator in Manitoba with respect to the securities you have purchased and the regulator in Manitoba has issued a receipt for that prospectus; or
(b) you have held these securities for at least twelve months.

The regulator in Manitoba will consent to your trade if the regulator is of the opinion that to do so is not prejudicial to the public interest.

Since the Fund is not a reporting issuer in any province or territory, the applicable hold period for subscribers may never expire, and if no further exemption may be relied upon and if no discretionary order is obtained, this could result in a subscriber having to hold the Class A Units acquired under the Offering for an indefinite period of time.

The Trustee or Administrator must approve of any proposed disposition. It is the responsibility of each individual subscriber to ensure that all forms required by the applicable securities legislation are filed as required upon disposition of the Class A Units acquired pursuant to this Offering.

The foregoing is a summary only of resale restrictions relevant to a purchaser of the securities offered hereunder. It is not intended to be exhaustive. All subscribers under this Offering should consult with their legal advisors to determine the applicable restrictions governing resale of the securities purchased hereunder including the extent of the applicable hold period and the possibilities of utilizing any further statutory exemptions or obtaining a discretionary order.

ITEM 11 - PURCHASERS' RIGHTS

If you purchase these Class A Units you will have certain rights, some of which are described below. These rights may not be available to you if you purchase the Class A Units pursuant to a prospectus exemption other than the offering memorandum

exemption in section 2.9 of National Instrument 45-106 Prospectus and Registration Exemptions. For information about your rights you should consult a lawyer.

11.1 Two Day Cancellation Right

You can cancel your agreement to purchase these Class A Units. To do so, you must send a notice to us by midnight on the second (2nd) business day after you sign the agreement to buy the Class A Units.

11.2 Statutory and Contractual Rights of Action in the Event of a Misrepresentation

Securities legislation in certain of the provinces of Canada provides purchasers with a statutory right of action for damages or rescission in cases where an offering memorandum, or any amendment thereto or any Marketing Materials, contains an untrue statement of a material fact or omits to state a material fact that is required to be stated or is necessary to make any statement contained therein not misleading in light of the circumstances in which it was made (a "**misrepresentation**"). These rights, or notice with respect thereto, must be exercised or delivered, as the case may be, by purchasers within the time limits prescribed and are subject to the defences and limitations contained under the applicable securities legislation. Purchasers of Class A Units resident in provinces of Canada that do not provide for such statutory rights will be granted a contractual right similar to the statutory right of action and rescission described below for purchasers resident in Ontario and such right will form part of the subscription agreement to be entered into between each such purchaser and the Fund in connection with this Offering.

The following summaries are subject to the express provisions of the securities legislation applicable in each of the provinces of Canada and the regulations, rules and policy statements thereunder. Purchasers should refer to the securities legislation applicable in their province along with the regulations, rules and policy statements thereunder for the complete text of these provisions or should consult with their legal advisor. The contractual and statutory rights of action described in this Offering Memorandum are in addition to and without derogation from any other right or remedy that purchasers may have at law.

Rights of Purchasers in Alberta

If you are a resident of Alberta, and if there is a misrepresentation in this Offering Memorandum, you have a statutory right to sue:

(i) the Fund to cancel your agreement to buy these securities, or

(ii), for damages against the Fund, every person who was a director of the Administrator at the date of this Offering Memorandum and every person or company who signed this Offering Memorandum.

If you elect to exercise a right to cancel your agreement to buy these securities against the Fund, you will have no right of action against the persons described in (i) above.

This statutory right to sue is available to you whether or not you relied on the misrepresentation. However, there are various defences available to the persons or companies that you have a right to sue. In particular, they have a defence if you knew of the misrepresentation when you purchased the securities. In an action for damages, the amount recoverable shall not exceed the price at which the securities were offered and the defendant will not be liable for all or any portion of such damages that the defendant proves does not represent the depreciation in value of the securities as a result of the misrepresentation.

If you intend to rely on the rights described in (i) or (ii) above, you must do so within strict time limitations. You must commence your action to cancel the agreement within 180 days after the date that you purchased the securities. You must commence your action for damages within the earlier of 180 days after you first had knowledge of the facts giving rise to the cause of action and three years after the date you purchased the securities.

Rights of Purchasers in British Columbia

If you are a resident of British Columbia, and if there is a misrepresentation in this Offering Memorandum, you have a statutory right to sue:

(i) the Fund to cancel your agreement to buy these securities, or

(ii) for damages against the Fund, every person who was a director of the Administrator at the date of this Offering Memorandum and every person who signed this Offering Memorandum.

If you elect to exercise a right to cancel your agreement to buy these securities against the Fund, you will have no right of action against the Fund.

This statutory right to sue is available to you whether or not you relied on the misrepresentation. However, there are various defences available to the persons or companies that you have a right to sue. In particular, they have a defence if you knew of the misrepresentation when you purchased the securities. In an action for damages, the amount recoverable shall not exceed the price at which the securities were offered and the defendant will not be liable for all or any portion of such damages that the defendant proves does not represent the depreciation in value of the securities as a result of the misrepresentation.

If you intend to rely on the rights described in (i) or (ii) above, you must do so within strict time limitations. You must commence your action to cancel the agreement within 180 days after the date that you purchased the securities. You must commence your action for damages within the earlier of 180 days after you first had knowledge of the facts giving rise to the cause of action and three years after the date you purchased the securities.

Rights of Purchasers in Saskatchewan

If you are a resident of Saskatchewan and if there is a misrepresentation in this Offering Memorandum, you have a statutory right to sue:

(i) the Fund to cancel your agreement to buy these securities, or

(ii) for damages against the Fund, every promoter of the Fund, every person who was a director of the Administrator at the date of this Offering Memorandum, every person whose consent has been filed respecting the offering but only with respect to reports, opinions or statements that have been made by them, every person who or company that signed this Offering Memorandum and every person who or company that sells securities on behalf of the Fund under this Offering Memorandum.

If you elect to exercise a right to cancel your agreement to buy these securities against the Fund, you will have no right of action against the Fund.

This statutory right to sue is available to you whether or not you relied on the misrepresentation. However, there are various defences available to the persons or companies that you have a right to sue. In particular, they have a defence if you knew of the misrepresentation when you purchased the securities. In an action for damages, the amount recoverable shall not exceed the price at which the securities were offered and the defendant will not be liable for all or any portion of such damages that the defendant proves does not represent the depreciation in value of the securities as a result of the misrepresentation.

If you intend to rely on the rights described in (i) or (ii) above, you must do so within strict time limitations. You must commence your action to cancel the agreement within 180 days after the date that you purchased the securities. You must commence your action for damages within the earlier of one year after you first had knowledge of the facts giving rise to the cause of action and six years after the date you purchased the securities.

Rights of Purchasers in Manitoba

If you are a resident of Manitoba, and if there is a misrepresentation in this Offering Memorandum, you have a statutory right to sue:

(i) the Fund to cancel your agreement to buy these securities, or

(ii) for damages against the Fund, every person who was a director of the Administrator at the date of this Offering Memorandum and every person or company who signed this Offering Memorandum.

If you elect to exercise a right to cancel your agreement to buy these securities against the Fund, you will have no right of action against the persons described in (i) above.

This statutory right to sue is available to you whether or not you relied on the misrepresentation. However, there are various defences available to the persons or companies that you have a right to sue. In particular, they have a defence if you knew of the misrepresentation when you purchased the securities. In an action for damages, the amount recoverable shall not exceed the price at which the securities were offered and the defendant will not be liable for all or any portion of such damages that the defendant proves does not represent the depreciation in value of the securities as a result of the misrepresentation.

If you intend to rely on the rights described in (i) or (ii) above, you must do so within strict time limitations. You must commence your action to cancel the agreement within 180 days after the date that you purchased the securities. You must commence your action for damages within the earlier of 180 days after you first had knowledge of the facts giving rise to the cause of action or two years after the date you purchased the securities.

Rights of Purchasers in Ontario

If you are a resident of Ontario, and if there is a misrepresentation in this Offering Memorandum, you have a right to sue:

(i) the Fund to cancel your agreement to buy these securities, or

for damages against the Fund.

If you elect to exercise a right to cancel your agreement to buy these securities against the Fund, you will have no right of action against the Fund.

This statutory right to sue is available to you whether or not you relied on the misrepresentation. However, there are various defences available to the persons or companies that you have a right to sue. In particular, they have a defence if you knew of the misrepresentation when you purchased the securities. In an action for damages, the amount recoverable shall not exceed the price at which the securities were offered and the defendant will not be liable for all or any portion of such damages that the defendant proves does not represent the depreciation in value of the securities as a result of the misrepresentation.

If you intend to rely on the rights described in (i) or (ii) above, you must do so within strict time limitations. You must commence your action to cancel the agreement within 180 days after the date that you purchased the securities. You must commence your action for damages within the earlier of 180 days after you first had knowledge of the facts giving rise to the cause of action and three years after the date you purchased the securities.

Securities legislation in Ontario does not extend the statutory rights of action for damages or rescission to a purchaser who is purchasing the securities in reliance on the "accredited investor" exemption set out in section 2.3 of National Instrument 45-106 if the purchaser is: (a) a "Canadian financial institution" or a "Schedule III Bank" (each as defined under applicable securities laws); (b) the Business Development Bank of Canada; or (c) a subsidiary of any person referred to in (a) or (b), if the person owns all the voting securities of the subsidiary, except the voting securities required by law to be owned by the directors of that subsidiary (collectively, the "**Excluded Ontario Purchasers**"). The Excluded Ontario Purchasers will be entitled to a contractual right of action for damages or rescission that is equivalent to the statutory right of action for damages or rescission available to purchasers' resident in Ontario as described above (including insofar as such rights may be subject to the defences and limitations provided for under the *Securities Act* (Ontario)).

Rights of Purchasers in Nova Scotia

If you are a resident of Nova Scotia and if there is a misrepresentation in this Offering Memorandum, you have a statutory right to sue:

(i) the Fund to cancel your agreement to buy these securities, or

(ii) for damages against the Fund, every person who was a director of the Administrator at the date of this Offering Memorandum and every person who signed this Offering Memorandum.

If you elect to exercise a right to cancel your agreement to buy these securities against the Fund, you will have no right of action against the persons described in (i) above.

This statutory right to sue is available to you whether or not you relied on the misrepresentation. However, there are various defences available to the persons or companies that you have a right to sue. In particular, they have a defence if you knew of

the misrepresentation when you purchased the securities. In an action for damages, the amount recoverable shall not exceed the price at which the securities were offered and the defendant will not be liable for all or any portion of such damages that the defendant proves does not represent the depreciation in value of the securities as a result of the misrepresentation.

If you intend to rely on the rights described in (i) or (ii) above, you must do so within strict time limitations. You must commence your action to cancel the agreement within 180 days after the date that you purchased the securities. You must commence your action for damages within the earlier of 180 days after you first had knowledge of the facts giving rise to the cause of action and three years after the date you purchased the securities.

Rights of Purchasers in New Brunswick

If you are a resident of New Brunswick and if there is a misrepresentation in this Offering Memorandum, you have a statutory right to sue:

(i) the Fund to cancel your agreement to buy these securities, or

(ii) for damages against the Fund, every person who was a director of the Administrator at the date of this Offering Memorandum and every person who signed this Offering Memorandum.

If you elect to exercise a right to cancel your agreement to buy these securities against the Fund, you will have no right of action against the Fund.

This statutory right to sue is available to you whether or not you relied on the misrepresentation. However, there are various defences available to the persons or companies that you have a right to sue. In particular, they have a defence if you knew of the misrepresentation when you purchased the securities. In an action for damages, the amount recoverable shall not exceed the price at which the securities were offered and the defendant will not be liable for all or any portion of such damages that the defendant proves does not represent the depreciation in value of the securities as a result of the misrepresentation.

If you intend to rely on the rights described in (i) or (ii) above, you must do so within strict time limitations. You must commence your action to cancel the agreement within 180 days after the date that you purchased the securities. You must commence your action for damages within the earlier of one year after you first had knowledge of the facts giving rise to the cause of action and six years after the date you purchased the securities.

Rights of Purchasers in Newfoundland and Labrador

If you are a resident of Newfoundland and Labrador and if there is a misrepresentation in this Offering Memorandum, you have a statutory right to sue:

(i) the Fund to cancel your agreement to buy these securities, or

(ii) for damages against the Fund, every person who was a director of the Administrator at the date of this Offering Memorandum and every person or company who signed this Offering Memorandum.

If you elect to exercise a right to cancel your agreement to buy these securities against the Fund, you will have no right of action against the persons described in (i) above.

This statutory right to sue is available to you whether or not you relied on the misrepresentation. However, there are various defences available to the persons or companies that you have a right to sue. In particular, they have a defence if you knew of the misrepresentation when you purchased the securities. In an action for damages, the amount recoverable shall not exceed the price at which the securities were offered and the defendant will not be liable for all or any portion of such damages that the defendant proves does not represent the depreciation in value of the securities as a result of the misrepresentation.

If you intend to rely on the rights described in (i) or (ii) above, you must do so within strict time limitations. You must commence your action to cancel the agreement within 180 days after the date that you purchased the securities. You must commence your action for damages within the earlier of 180 days after you first had knowledge of the facts giving rise to the cause of action and three years after the date you purchased the securities.

Rights of Purchasers in Prince Edward Island, Northwest Territories, Yukon and Nunavut

If you are a resident of Prince Edward Island, Northwest Territories, Yukon or Nunavut and if there is a misrepresentation in this Offering Memorandum, you have a statutory right to sue:

(i) the Fund to cancel your agreement to buy these securities, or

(ii) for damages against the Fund, every person who was a director of the Administrator at the date of this Offering Memorandum and every person who signed this Offering Memorandum.

If you elect to exercise a right to cancel your agreement to buy these securities against the Fund, you will have no right of action against the persons described in (i) above.

This statutory right to sue is available to you whether or not you relied on the misrepresentation. However, there are various defences available to the persons or companies that you have a right to sue. In particular, they have a defence if you knew of the misrepresentation when you purchased the securities. In an action for damages, the amount recoverable shall not exceed the price at which the securities were offered and the defendant will not be liable for all or any portion of such damages that the defendant proves does not represent the depreciation in value of the securities as a result of the misrepresentation.

If you intend to rely on the rights described in (i) or (ii) above, you must do so within strict time limitations. You must commence your action to cancel the agreement within 180 days after the date that you purchased the securities. You must commence your action for damages within the earlier of 180 days after you first had knowledge of the facts giving rise to the cause of action and three years after the date you purchased the securities.

THE FOREGOING IS A SUMMARY ONLY AND SUBJECT TO INTERPRETATION. REFERENCE SHOULD BE MADE TO THE APPLICABLE SECURITIES LEGISLATION, THE REGULATIONS AND THE RULES THEREUNDER FOR THE COMPLETE TEXT OF THE PROVISIONS UNDER WHICH THE FOREGOING RIGHTS ARE CONFERRED. THE FOREGOING SUMMARY IS SUBJECT TO THE EXPRESS PROVISIONS THEREOF.

ITEM 12 - INDEPENDENT AUDITORS

The auditors of the Fund are BDO Canada LLP, Chartered Accountants, located at 1 City Centre Drive, Suite 1700 Mississauga Ontario L5B 1M2 Canada.

2.1 FINANCIAL STATEMENTS

CapSure Hedged Oil and Gas Income and Growth Trust

Financial Statements

For the year ended December 31, 2016

Contents

Tel: 905 270 7700
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www.bdo.ca

BDO Canada LLP
1 City Centre Drive, Suite 1700
Mississauga ON L5B 1M2 Canada

Independent Auditor's Report

To the Unitholders of
CapSure Hedged Oil and Gas Income and Growth Trust

We have audited the accompanying financial statements of CapSure Hedged Oil and Gas Income and Growth Trust (the "Trust"), which comprise the statement of financial position as at December 31, 2016, and the statements of comprehensive loss, changes in net assets attributable to holders of redeemable units and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independent Auditor's Report (continued)

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Trust as at December 31, 2016, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

BDO Canada LLP

Chartered Professional Accountants, Licensed Public Accountants

Mississauga, Ontario
March 31, 2017

CapSure Hedged Oil and Gas Income and Growth Trust

Statement of Financial Position

As at December 31		2016		2015
Assets				
Current assets				
Investments, at fair value (cost: $40,170, 2015 - $nil) (Note 3)	**$**	**33,940**	$	-
Cash		**1,394,216**		90,613
Accounts receivable (Note 11)		**37,333**		115,485
		1,465,489		206,098
Liabilities				
Current liabilities				
Accounts payable and accrued liabilities (Note 11)	**$**	**23,800**	$	295
Total liabilities (excluding net assets attributable to holders of redeemable units)		**23,800**		295
Net assets attributed to holders of redeemable units – Class A	**$**	**1,441,689**	$	205,803
Class A units outstanding (Note 4)		**1,757,078**		229,500
Net asset value per Class A unit	**$**	**0.82**	$	0.90

Approved on behalf of Accilent Capital Administration Inc., appointed by the Trustee, Computershare Trust Company of Canada.

Daniel Pembleton

Director

The accompanying notes are an integral part of these financial statements.

CapSure Hedged Oil and Gas Income and Growth Trust

Statement of Comprehensive Loss

For the year ended December 31	**2016**	2015
(with comparative figures for the period from June 12, 2015 to December 31, 2015)		
Income		
Realized gains on sale of investments	**$ 25,532**	$ -
Change in unrealized depreciation in investments	**(6,230)**	
	19,302	-
Expenses		
Administrative and other expenses	**56,301**	2,774
Professional fees	**46,246**	85
	102,547	2,859
Decrease in net assets attributable to holders of redeemable units – Class A	**$ (83,245)**	$ (2,859)
Weighted average units outstanding during the period	**1,389,585**	51,000
Decrease in net assets attributable to holders of redeemable units per unit – Class A (Note 4)	**$ (0.06)**	$ (0.06)

The accompanying notes are an integral part of these financial statements.

CapSure Hedged Oil and Gas Income and Growth Trust

Statement of Changes in Net Assets Attributable to Holders of Redeemable Units

For the year ended December 31	2016	2015
(with comparative figures for the period from August 14, 2015 to December 31, 2015)		
Net assets attributable to holders of redeemable units, beginning of period	**$ 205,803**	$ -
Decrease in net assets attributable to holders of redeemable units	**(83,245)**	(2,859)
Redeemable unit transactions		
Proceeds from issuance of redeemable units	**1,509,789**	229,500
Costs of issuance	**(128,872)**	(20,715)
Distributions paid to unitholders	**(79,575)**	(123)
Redemptions	**(4,977)**	-
Amount received from reinvestment of distributions	**22,766**	-
	1,319,131	208,662
Increase in net assets attributable to holders of redeemable units	**1,235,886**	205,803
Net assets attributable to holders of redeemable units, end of period	**$ 1,441,689**	$ 205,803
Cash provided by (used in)		
Operating activities		
Decrease in net assets attributable to holders of redeemable units	**$ (83,245)**	$ (2,859)
Adjustments for:		
Purchase of investments	**(40,170)**	-
Change in unrealized depreciation of investments	**6,230**	-
Accounts receivable	**78,152**	-
Accounts payable and accrued liabilities	**23,505**	295
Net cash used in operating activities	**(15,528)**	(2,564)

The accompanying notes are an integral part of these financial statements.

CapSure Hedged Oil and Gas Income and Growth Trust

Statement of Changes in Net Assets Attributable to Holders of Redeemable Units

For the year ended December 31	**2016**	2015
(with comparative figures for the period from August 14, 2015 to December 31, 2015)		
Financing activities		
Proceeds from issuance of redeemable units	**1,509,789**	114,015
Costs of issuance	**(128,872)**	(20,715)
Distributions paid to unitholders, net of dividend reinvestment	**(56,809)**	(123)
Redemptions	**(4,977)**	-
Net cash from financing activities	**1,319,131**	93,177
Increase in cash during the period	**1,303,603**	90,613
Cash, beginning of period	**90,613**	-
Cash, end of period	**$ 1,394,216**	$ 90,613

The accompanying notes are an integral part of these financial statements.

1. Nature of Business

CapSure Hedged Oil and Gas Income and Growth Trust (the "Trust") is an unincorporated, open-ended limited purpose mutual fund trust formed under the laws of Ontario on August 14, 2015. The Trust was established for the purposes of investing indirectly, through a Partnership, Oil and Gas Hedged Income and Growth Trust LP, in listed shares and other securities related primarily to the North American energy sector or other investments in the oil and gas industry. Particular attention will be focused on mid to large capitalization, North American listed, dividend paying securities with the objective of enhancing absolute returns while protecting capital from downside risks. A variety of hedging strategies will be used to enhance returns, and reduce risk. These strategies may include the use of options, futures, short selling, pairs trading and other types of equity hedging. The Trust will seek to have a low correlation to the S&P/TSX Canadian Energy Index. The Trust's registered office is located at 25 Adelaide Street East, Suite 1616, Toronto, Ontario, Canada.

The Administrator of the Trust is Accilent Capital Administration Inc., an affiliated company of Accilent Capital Management Inc., which acts as Lead Selling Agent of the Trust in connection with the offering of the units of the Trust (the "Units"). Accilent Capital Management Inc. has been retained to act as the Portfolio Manager and Investment Fund Manager.

The Trust is a continuous, open-ended offering of redeemable Class A units (see Note 4).

The Trust is not a reporting issuer under securities legislation and therefore is relying on Part 2.11 of National Instrument 81-106 for exemption from the requirement to file financial statements with the applicable securities regulatory authorities.

The Trust is subject to tax on its income for each taxation year, including net realized taxable capital gains, dividends, accrued interest and other income paid or payable to it, less the portion thereof that is paid or payable in the year to Unitholders and which is deducted by the Trust in computing its income for purposes of the Tax Act. An amount will be considered to be payable to a Unitholder in a taxation year if it is paid in the year by the Trust or the Unitholder is entitled in that year to enforce payment of the amount.

The Trust generally intends to deduct, in computing its income, the full amount available for deduction in each taxation year to the extent of its taxable income for the year otherwise determined and to make payable to Unitholders an amount equal to its remaining taxable income so that the Trust will not be liable for any material amount of tax under Part I of the Tax Act in any taxation year of the Trust. However, Counsel can provide no assurance in this regard. Losses incurred by the Trust in a taxation year cannot be allocated to Unitholders but may be deducted by the Trust in future years, subject to certain loss suspension rules contained in the Tax Act which may restrict the Trust's ability to deduct certain losses in certain circumstances.

2. Summary of Significant Accounting Policies

Basis of Presentation and Statement of Compliance

These financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (the IASB).

These financial statements have been prepared under the historical cost convention, as modified by the revaluation of financial assets and financial liabilities at fair value through profit or loss.

The financial statements are presented in Canadian dollars, which is the Trust's functional currency.

These audited annual financial statements for the year ended December 31, 2016 were approved for issuance by Accilent Capital Management Inc. (the "Manager") on March 31, 2017.

Financial Instruments

The Trust recognizes financial instruments at fair value upon initial recognition, plus transaction costs in the case of financial instruments measured at amortized cost. The Trust's investments are measured at fair value through profit or loss. All other financial assets and liabilities are measured at amortized cost.

The Trust classifies its investment in equity securities as financial assets at fair value through profit or loss.

This category has two sub-categories: financial assets or financial liabilities held for trading; and those designated at fair value through profit or loss at inception.

Financial assets held for trading:

A financial asset is classified as held for trading if it is acquired or incurred principally for the purpose of selling or repurchasing in the near term or if on initial recognition is part of a portfolio of identifiable financial investments that are managed together and for which there is evidence of a recent actual pattern of short-term profit taking.

Financial assets designated at fair value through profit or loss at inception:

Financial assets and financial liabilities designated at fair value through profit or loss ("FVTPL") at inception are financial instruments that are not classified as held for trading but are managed, and their performance is evaluated on a fair value basis in accordance with the Trust's documented investment strategy.

2. Summary of Significant Accounting Policies (continued)

The Trust classifies financial assets and financial liabilities other than its investments as follows:

Financial assets that are classified as loans and receivables are measured at amortized cost and include cash and accounts receivable. Financial liabilities that are not at fair value through profit or loss are measured at amortized cost and consist of accounts payable and accrued liabilities. The Trust's investments have been designated at fair value through profit or loss.

Financial liabilities arising from the redeemable units issued by the Trust are presented at the redemption amount representing the investor's right to a residual interest in the Trust's assets.

Offsetting Financial Instruments

Financial assets and liabilities are offset, and the net amount reported in the statement of financial position, when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously.

Impairment of Financial Assets

At each reporting date, the Trust assess whether there is objective evidence that a financial asset at amortized cost is impaired. If such evidence exists, the Trust recognizes an impairment loss as the difference between the amortized cost of the financial asset and the present value of the estimated future cash flows, discounted using the instrument's original effective interest rate. Impairment losses on financial assets at amortized cost are reversed in subsequent periods if the amount of the loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized.

Investments

Investments in publicly traded securities are valued based on quoted bid price. The Trust follows IFRS 13 with respect to the fair value measurement of its investments.

Investments in securities not listed on any stock exchange or not having a quoted market value are valued at estimated fair market value. Estimated fair market value is determined on the basis of the expected realizable value of the investments if they were disposed of in an orderly manner over a reasonable period of time. The Investment Manager determines the fair value of these investments on the basis of policies and procedures established by the Investment Manager. Investments in private companies are originally valued at cost and will generally be carried at cost until such time as an arm's length transaction occurs that establishes a different value or there has been a material and permanent diminution in the value of the investment below cost in which case the investment is written down or a provision is made against it.

2. Summary of Significant Accounting Policies (continued)

An arm's length transaction would be defined as a subsequent financing, or a liquidity transaction in the form of an Initial Public Offering, Reverse Take-over, acquisition or other market event providing liquidity for the holding. Due to the inherent uncertainty of valuations, these estimated values may differ significantly from the values that would have been used had a ready market for securities existed, and the differences could be material.

The Trust uses the last traded market price for both financial assets and financial liabilities where the last traded price falls within that day's bid-ask spread. In circumstances where the last traded price is not within the bid-ask spread, the Manager determines the point within the bid-ask spread that is most representative of fair value based on the specific facts and circumstances.

The quoted market values of those securities that are subject to a hold period have not been adjusted for the potential impact of such hold periods.

The difference between market value and average cost, as recorded in the accounts, is described as unrealized appreciation (depreciation) of investments. Realized gains and losses from the investment transactions are calculated as the difference between fair value and average cost of the investments.

Investment Transactions and Income Recognition

Investment transactions are accounted for as of the trade date. Income and expenses are recorded on an accrual basis. Dividends are recorded on the ex-dividend date. Realized gains and losses from security transactions are calculated using the average cost basis.

Increase (decrease) in net assets attributable to holders of redeemable units per unit

Increase (decrease) in net assets attributable to holders of redeemable units per unit in the Statement of Comprehensive Loss is calculated by dividing the increase (decrease) in net assets attributed to the holders of redeemable units by the weighted average number of units outstanding during the year. Refer to Note 3 for the weighted average number of units.

Income Taxes

The Trust is a unit trust for the purposes of the Income Tax Act (Canada) (the "Tax Act"). The Trust's policy is to distribute all of its net income and net realized gains to its participants each year. Net income and net realized gains of the Trust will be paid in the form of reinvested units in each year so that the Trust will not have a Canadian income tax liability.

Issuance Costs

Expenses related to the offering of Units have been accounted for as a reduction of the value of Trust units.

2. Summary of Significant Accounting Policies (continued)

Critical Accounting Estimates and Judgments

The preparation of financial statements in conformity with International Financial Reporting Standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to the accounting estimates are recognized in the period in which the estimate is revised if the revision affects the period or in the period of the revision and future periods if the revision affects both the current and future periods.

The following discusses the most significant accounting judgments and estimates that the Trust has made in preparing the financial statements:

Fair value measurement of securities and derivatives not quoted in an active market

The Trust may hold financial instruments that are not quoted in active markets, including derivatives. Fair values of such instruments are determined using valuation techniques and may be determined using reputable pricing sources (such as pricing agencies) or indicative prices from market makers. Where no market data is available, the Trust may value positions using its own models, which are usually based on valuation methods and techniques generally recognized as standard within the industry. The models used to determine fair values are validated and periodically reviewed by experienced personnel of the Manager, independent of the party that created them. The models used for private equity securities are based mainly on information provided by the issuer. Models use observable data, to the extent practicable. However, areas such as credit risk (both own and counterparty), volatilities and correlations require the Manager to make estimates. Changes in assumptions about these factors could affect the reported fair values of financial instruments. The Trust considers observable data to be market data that is readily available, regularly distributed and updated, reliable and verifiable, not proprietary, and provided by independent sources that are actively involved in the relevant market. Refer to Note 9 for further information about the fair value measurement of the Trust's financial instruments.

3. Investments

The investments held by the Trust at December 31, 2016 are invested in the following:

Securities	Shares	Average Cost	Fair Value
Common Shares - Public			
Inplay Oil Corp	17,000	$ 34,224	$ 33,660

Warrants	Expiry	Number	Strike Price (per unit)	Average Cost	Fair Value
Canadian Natural Resources Ltd.	Jan 20, 2017	4,000	0.10	2,579	280
Vermilion Energy Inc.	Jan 20, 2017	3,000	0.15	1,546	-
Whitecap Resources Inc.	Jan 20, 2017	5,000	0.10	1,821	-
Total Warrants				5,946	280
Total Portfolio of Investments				$ 40,170	**$** 33,940

4. Redeemable Units

According to the terms of the Trust Agreement, all Units are of the same class with equal rights and privileges, including equal participation in any distribution made by the Trust and the right to one vote at any meeting of the partners. Trust units are presented net of $128,872 (2015 - $20,715) of issuance costs.

The Trustee is authorized to issue a maximum of 50,000,000 Class A units at $1 per unit. Class A units are redeemable annually with 60 days' notice to the Administrator. A discount to the Unit Net Asset Value may apply to units held for less than 5 years as set out in the Offering Memorandum.

3. Redeemable Units (continued)

Units of the Trust, which are redeemable at the option of the holder in accordance with the provisions of the Trust Agreement, do not have any nominal or par value and the number of units which may be issued is unlimited. Each unit of each class of the Trust represents an interest in the assets of that class of the Trust. All units of a class of the Trust generally have the same rights and privileges. Each unit of each class of the Trust is entitled to one vote at any meeting of unitholders of the Trust. Each unit of each class of the Trust is also entitled, subject to any management fee distributions, to participate equally in any distributions by the Trust. Fractional units of a class of the Trust are proportionately entitled to all the same rights as other units of that class of the Trust, except that they are non-voting. All units of each class of the Trust are fully paid when issued, and are generally not transferable. Units of each class of the Trust are redeemable at the option of the unitholder owning such unit. The units of the Trust are issued monthly or redeemed annually at the net assets attributable to holders of redeemable units per unit which is determined as of the close of business on the final business day of the month. The net assets attributable to holders of redeemable units per unit are calculated by dividing the net assets attributable to holders of redeemable units of the Trust by the total number of units outstanding.

During the year ended December 31, 2016, the number of units issued and outstanding was as follows:

	2016	**2015**
Outstanding, beginning of year	**229,500**	-
Units issued during the year	**1,509,789**	229,500
Units reinvested	**22,766**	-
Units redeemed	**(4,977)**	-
Outstanding, end of year	**1,757,078**	229,500

The weighted average number of units outstanding during the year was 1,389,585 (2015 – 51,000).

4. Payments to the Administrator

As at December 31, 2016, the Administrator held no Units in the Trust. The Administrator is reimbursed for reasonable costs related to the operation of the Trust. Expenses of the Administrator mean all costs and expenses incurred by the Administrator in the performance of its duties under the Administration Agreement, including Offering Costs. See Note 11 for total amounts charged during the year.

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5. Management Fees

The Trust will pay the Investment Fund Manager a monthly fee (the "Investment Fund Management Fee") equal to an annual rate of 0.25% of the Net Asset Value of the Trust as at the last date of the preceding month, calculated and payable, in advance, at the beginning of each month. Any Investment Trust Management Fee attributable to any period of less than one full month shall be pro-rated appropriately and be payable on the first day of such period.

6. Management Fees (continued)

At the sole discretion of the Investment Fund Manager, payment of the Investment Fund Management Fee or any accrual thereof may be waived.

The Trust will pay the Portfolio Manager a monthly fee (the "Portfolio Management Fee") equal to an annual rate of 1.25% of the Net Asset Value of the Trust as at the last date of the preceding month, calculated and payable, in advance, at the beginning of each month. Any Portfolio Management Fee attributable to any period of less than one full month shall be pro-rated appropriately and be payable on the first day of such period. At the sole discretion of the Portfolio Manager, payment of the Portfolio Management Fee or any accrual thereof may be waived.

See Note 11 for total amounts charged during the year.

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6. Agent's Fees and Expenses of the Offering

The Trust is a connected issuer, and may be considered a related issuer, of Accilent Capital Management Inc. ("Accilent"). The Trust has retained Accilent, a registered exempt market dealer, as Lead Selling Agent in respect of the distribution and sale of the Trust Units for the Offering, who, along with applicable members of a selling and/or referral group formed by it and certain approved selling agents and in accordance with and as permitted by Applicable Securities Laws (as defined herein), will market and distribute the Units in Ontario, Manitoba, Saskatchewan, Alberta, British Columbia, Nova Scotia, New Brunswick, Newfoundland and Labrador, Prince Edward Island, Yukon, Nunavut and Northwest Territories on behalf of the Trust. Certain principals of Accilent are the same as those of the Administrator, Trustee, Portfolio Manager and General Partner. The Trust will, pay commissions and certain fees in respect of administrative matters in connection with the Offering of up to 7% of the gross proceeds realized on the Class A Units sold directly by registered dealers, financial advisors, sales persons, wholesalers, brokers, intermediaries or other eligible persons, including Accilent (collectively, the "Selling Agents"), as well as, 1% of gross proceeds for dealer due diligence costs, platform and distribution override fees. Accilent, as the Lead Selling Agent will also be paid 1% for selling group organizing and management, wholesaling, and other selling group costs. In addition, the Trust may also pay an annual fee of up to 0.75% per annum of the Net Asset Value of the Class A Units payable to certain Selling Agents. See Note 11 for total amounts charged during the year.

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7. Tax Loss Carryforwards

Capital losses for income tax purposes may be carried forward indefinitely and applied against capital gains realized in future years. Non-capital loss carryforwards may be applied against future years' taxable income. Non-capital losses that are realized in the current taxation year may be carried forward for 20 years. Since the Trust does not record income taxes, the tax benefit of capital and non-capital losses has not been reflected in the statement of financial position as a deferred income tax asset.

8. Tax Loss Carryforwards (continued)

As at December 31, 2016 taxation year end, the Trust has the following capital and non-capital loss carryforwards:

Capital Losses	Non-Capital Losses	Expiry
$ -	$ 134,109	2026
-	4,539	2025
$ -	$ 138,648	

9. Financial Instruments Risk Management

The Trust may be exposed to a variety of financial risks including credit and counterparty risk, liquidity risk, interest rate risk, market price risk and currency risk. The value of investments within the Trust's portfolio can fluctuate on a daily basis as a result of changes in interest rates, economic conditions and market and company news related to specific securities within the Trust.

The level of risk depends on the Trust's investment objectives and the type of securities it invests in. The following is a summary of the most significant risks:

a) Credit and Counterparty Risk

Financial instruments which potentially expose the Trust to credit and counterparty risk consists principally of cash held with broker or amounts due from broker. Credit and counterparty risk is the risk that certain parties with whom the Trust transacts will fail to discharge the obligation to repay. The Trust seeks to mitigate its exposure to credit and counterparty risk by placing its cash and amounts due from broker with reputable financial institutions.

As at December 31, 2016, the Trust had no investments in debt securities.

b) Liquidity Risk

Liquidity risk is defined as the risk that the Trust may not be able to settle or meet its obligation on time or at a reasonable price. A large portion of the Trust's assets may be invested in securities that are traded in the public markets and so can be disposed of to provide liquidity.

9. Financial Instruments Risk Management (continued)

b) Liquidity Risk (continued)

The Trust will mainly invest in a portfolio of mid-capitalization public and private securities and warrants. As such, one of the more significant risk exposures in the portfolio is related to the marketability of the holdings in the Trust. No liquid market exists for the private securities in the portfolio, so the value of these holdings is not available for distribution until a liquidity event occurs. The public market holdings in the portfolio are subject to variability in their liquidity although they generally provide sufficient liquidity to meet the ongoing obligations of the Trust.

Financial liabilities subject to liquidity risk include accounts payable and accrued liabilities. These liabilities are payable within a year.

c) Interest Rate Risk

Interest rate risk arises from the possibility that changes in interest rates will affect future cash flows or the fair value of financial instruments. Interest rate risk arises when the Trust invests in interest-bearing financial instruments. The Trust is exposed to the risk that the value of such financial instruments will fluctuate due to changes in the prevailing levels of market interest rates. There is minimal sensitivity to interest rate fluctuations on cash held by the Trust.

d) Market Price Risk

Market price risk is the risk that the market value or future cash flows of financial instruments will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk). All investments represent a risk of capital loss. The Investment Manager of the Trust

moderates this risk through the selection and diversification of securities and other financial instruments within the limits of the Trust's investment objectives and strategy. Maximum risk resulting from financial instruments is determined by the fair value of the financial instruments. The Investment Manager monitors the Trust's overall market positions on a daily basis. Financial instruments held by the Trust are susceptible to market price risk arising from uncertainties about future prices of the instruments.

As at December 31, 2016, the Trust had no investments in marketable securities.

e) Currency Risk

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates.

As at December 31, 2016, the Trust had no foreign investments so no currency exposure exists.

9. Financial Instruments Risk Management (continued)

f) Fair value measurement

The Trust is required to classify fair value measurements using a three-level fair value hierarchy framework (the "Framework") that reflects the relative reliability of the inputs used in making the measurements (Level 1, Level 2, and Level 3 inputs as defined below). The inputs and methodology used for valuing securities may not be an indication of the risk associated with investing in those securities.

The Framework used is summarized as follows:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2: Inputs other than quoted prices in Level 1 that are observable for the assets of liabilities, either directly (i.e. as prices) or indirectly (i.e. derived from prices), and
- Level 3: Inputs for the assets or liabilities that are not based on observable market data

During the year and at the end of the year, the Trust held investments in level 1 investments

10. Capital Management

The capital of the Trust is represented by issued non-redeemable units with no par value. They are entitled to distribution, if any, and to payment of a proportionate share based on the Trust's Net Asset Value per unit upon redemption. The relevant movements are shown on the Statement of Changes in Net Assets Attributable to Holders of Redeemable Units. The units are redeemable for cash based on a pro rata share of the Trust's Net Asset Value (NAV).

In accordance with its investment objectives and strategies, and the risk management practices outlined in Note 9, the Trust endeavors to invest the subscriptions received in appropriate investments.

11. Related Party Transactions

During the year, the following amounts were charged by the administrator:

		2016		2015
Agent's fee on issuance of redeemable units	**$**	**128,872**	$	20,715
Annual fee		**13,027**		1,721
Management fees		**16,846**		-
Administrator expenses		**670**		387
	$	**159,415**	$	22,823

Included in accounts receivable is $37,333 (2015 - $172) owing from the Administrator. Included in accounts payable is $6,390 (2015 - $285) owed to the Administrator.

12. Standards, Amendments and Interpretations Not Yet Effective

A number of new standards, amendments to standards and interpretations have been issued but are not yet effective for the year ended December 31, 2016, and have not been applied in preparing these financial statements. None of these are expected to have an effect on the financial statements of the Trust, with the exception of:

IFRS 9, Financial Instruments ("IFRS 9") was issued by the International Accounting Standards Board ("IASB") in July 2014, and will replace IAS 39, Financial Instruments: Recognition and Measurement ("IAS 39"). IFRS 9 uses a single approach and IFRS 9 is based on how an entity manages its financial instruments

in the context of its business model and the contractual cash flow characteristics of the financial assets. IFRS 9 is effective for annual periods beginning on or after January 1, 2018. The Trust is currently evaluating the impact of IFRS 9 on its financial statements.

IFRS 15, Revenue from Contracts with Customers ("IFRS 15") was issued in May 2014 and sets out the requirements for recognizing revenue that apply to all contracts with customers (except for contracts that are within the scope of the Standards on leases, insurance contracts and financial instruments). IFRS 15 replaces the previous revenue standards: IAS 18, Revenue and IAS 11, Construction Contracts, and the related interpretations on revenue recognition: IFRIC 13, Customer Loyalty Programs, IFRIC 25, Agreements for the Construction of Real Estate, IFRIC 18, Transfers of Assets from Customers and SIC 31 Revenue - Barter Transactions Involving Advertising Services. This standard is effective from January 1, 2018. Earlier application is permitted. The Trust is currently evaluating the impact of IFRS 15 on its financial statements.

ITEM 13 - CERTIFICATE

Dated this 15th day of April, 2017.

This Amended and Restated Offering Memorandum does not contain a misrepresentation.

CAPSURE HEDGED OIL AND GAS INCOME AND GROWTH TRUST
by its Administrator, Accilent Capital Administration Inc.,

"Daniel Pembleton"
President and Director

On behalf of the Administrator, Accilent Capital Administration Inc.

"Daniel Pembleton"
President and Director

On behalf of the Board

"Daniel Pembleton"
President and Director

On behalf of the Promoter, Accilent Capital Management Inc.

"Daniel Pembleton"
Chief Executive Officer,
President and Director