



Offering Memorandum

NEWLOOK CAPITAL INDUSTRIAL SERVICES FUND II

Offering of

Series A1 Units
Series A2 Units
Series A3 Units
Series A4 Units
Series E Units
Series F Units

October 12, 2018

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. The information disclosed on this page is a summary only. Investors should read the entire Offering Memorandum for full details about the Offering. This is a risky investment. You could lose all the money you invest. See Item 8 - Risk Factors.

Private Placement

OFFERING MEMORANDUM

October 12, 2018

NEWLOOK CAPITAL INDUSTRIAL SERVICES FUND II

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Currently listed or quoted: No. These securities do not trade on any exchange or market.

Reporting Issuer: No.

SEDAR filer: Yes, to the limited extent prescribed by the Canadian Securities Administrators' National Instrument 45-106 - *Prospectus Exemptions*.

THE OFFERING

Securities Offered: The securities being offered pursuant to this offering (the "**Offering**") are units of the Newlook Capital Industrial Services Fund II (the "**Fund**"), which are comprised of:

- **Series A1 Units, Series A2 Units, Series A3 Units and Series A4 Units:** These series of units are offered to investors who are not eligible to purchase Series E Units or Series F Units.
 - Series A1 Units may be purchased prior to December 1, 2018;
 - Series A2 Units may be purchased on or after December 1, 2018 and prior to March 1, 2019;
 - Series A3 Units may be purchased on or after March 1, 2019 and prior to June 1, 2019; and
 - Series A4 Units may be purchased on or after June 1, 2019.

The Administrator has the right to modify, in its discretion, the time periods set forth above. If the Administrator determines to exercise its discretion in this respect, it will provide advance notification to that effect to each of the securities dealers through whom subscriptions for Offered Units are being solicited.

- **Series E Units:** This series of units is offered to investors who are not eligible to purchase Series F Units.
- **Series F Units:** This series of units is offered to investors who purchase such units through a dealer sponsored fee-for service or wrap program and who pay an asset-based fee to their dealer.

(collectively, the "**Offered Units**")

Price Per Security: \$100 per Offered Unit.

Maximum Offering: \$100,000,000 (an aggregate of 1,000,000 Offered Units). The Administrator may, without notice to investors, increase or decrease the Maximum Offering.

Minimum Offering: There is no minimum Offering. You may be the only Investor. Funds available under the Offering may not be sufficient to accomplish our proposed objectives. See Item 8 - Risk Factors.

Minimum Subscription Amount: The minimum investment in the Fund for Series A1 Units, Series A2 Units, Series A3 Units and Series A4 Units is \$10,000. The minimum investment in the Fund for Series E Units and Series F Units is \$100,000. These minimum amounts may be waived by the Administrator, in its sole discretion. See **Item 5.2 - Subscription Procedure**.

Payment Terms: Investors must pay the subscription price in full, by certified cheque, bank draft or such other manner as may be accepted by the Administrator at the time of delivering a fully completed and signed Subscription Agreement. See **Item 5.2 - Subscription Procedure**.

Proposed Closing Date(s): Closings will occur from time to time at the discretion of the Administrator.

Income Tax Consequences: There are important tax consequences relating to the ownership of these securities. 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 Offered Units will be qualified investments for Exempt Plans. You should consult your own professional tax advisors to obtain advice respecting any tax consequences to you. Although it is intended that the Fund qualify as a “mutual fund trust” pursuant to the Tax Act, the Fund will not be a “mutual fund” or “investment fund” under applicable securities laws. See **Item 6 - Income Tax Consequences**.

Selling Agents and Commissions: The Fund will sell Offered Units under the Offering through agents that are: (a) exempt market dealers registered under applicable securities laws in Canada; or (b) investment dealers that are registered under applicable securities laws in Canada and that are members of the Investment Industry Regulatory Organization of Canada.

The following Selling Commissions will be payable by the Fund in respect of the gross proceeds realized on the Offered Units sold under the Offering:

Series A1 Units	– up to 9%
Series A2 Units	– up to 9%
Series A3 Units	– up to 9%
Series A4 Units	– up to 9%
Series E Units	– up to 5.75%
Series F Units	– no commission

It is expected that the Selling Commissions for the Series A1 Units, Series A2 Units, Series A3 Units and Series A4 Units will include (i) an administration fee of up to 1% of the gross proceeds realized on the Offered Units payable to the selling dealers; and (ii) a lead dealer fee up of to 1% of the gross proceeds realized on the Offered Units payable to the lead selling dealer(s).

If the General Partner extends the term of the Partnership in accordance with the Partnership Agreement, then the Fund may also pay a fee per 18-month extension period to certain securities dealers of up to 1.5% of the aggregate amount that remains invested in the Fund from holders of Series A1 Units, Series A2 Units, Series A3 Units and Series A4 Units that were introduced to the Fund by such securities dealers.

In addition, Newlook Capital Inc. (“**Newlook Capital**”) has engaged experienced professionals on its staff to assist with the structuring and execution of the Offering. Newlook Capital shall pay to such individuals a base fee of up to \$13,000 per month, during the term of the Offering, which shall be reimbursed by Newlook Capital Industrial Services LP II (the “**Partnership**”) based on the proportion of time spent by such individuals on the Offering relative to other offerings by entities managed by or affiliated with Newlook Capital. In addition, during the term of the Offering, the Partnership shall pay to such individuals a fee equal to 0.75% of the gross proceeds from the sale of Offered Units.

See **Item 7 - Compensation Paid to Sellers and Finders** and **Item 2.7.3 - Partnership Agreement - Dissolution**.

RESALE RESTRICTIONS

The Offered Units are subject to restrictions on resale. You will be restricted from selling your Offered Units for an indefinite period. See Item 10 - Resale Restrictions. There is no market for the Offered Units and none is expected to develop and, therefore, it may be difficult or impossible for you to sell the Offered Units.

INVESTORS' RIGHTS

If you are purchasing Offered Units pursuant to the offering memorandum exemption contained in Section 2.9 of National Instrument 45-106 – *Prospectus Exemptions*, you have two business days to cancel your agreement to purchase these securities. If there is a misrepresentation in this Offering Memorandum, you have the right to sue either for damages or to cancel the agreement. See **Item 11 - Investors' Rights**.

REDEMPTION RIGHTS

An investment in Offered Units should be considered a long-term investment. You will not have any expected liquidity event in the short-term other than receiving cash distributions from the Fund. While the Trust Units have rights of redemption, those rights are subject to certain restrictions.

The Redemption Price payable to Investors redeeming Trust Units may be lower than the price per Trust Unit paid by the Investor for such Trust Unit, as a Trust Unitholder will receive a lower Redemption Price if such Trust Unitholders redeems his or her Offered Units within a certain period of time from the date of investment (depending on the series of Trust Unit held by the Trust Unitholder). This is intended to protect the Fund and existing Unitholders from a reduction in the value of the Fund due to the payment of Selling Commissions and offering costs.

Once the quarterly cash redemption threshold of \$50,000 is reached, redeeming Trust Unitholders may receive from the Fund (in lieu of cash), Redemption Notes. Redemption Notes will be unsecured and subordinated debt securities of the Fund. Redemption Notes will have a maturity of five years or less. There will be no market for Redemption Notes. **Redemption Notes will not be qualified investments for Exempt Plans.**

As an extraordinary measure and subject to the unanimous approval of the independent review committee of the Fund, the Trustees or the Administrator may, from time to time and for any reason so long as they are acting reasonably, suspend the redemption of Trust Units or postpone the date of payment of redeemed Trust Units. Examples of such circumstances include, without limitation, if the Trustees or the Administrator reasonably determine that: (a) the Fund's (or the Partnership's) assets are invested in such a manner so as to not reasonably permit immediate liquidation of sufficient assets; (b) there exists a state of affairs that constitutes circumstances under which liquidation by the Fund (or the Partnership) of part or all of its investments is not reasonable or practicable, or would be prejudicial to the Fund or Trust Unitholders generally; (c) not suspending redemptions would have an adverse effect on continuing Trust Unitholders; or (d) they are unable to value the assets of the Fund. The Trustees or the Administrator may also suspend the redemption of Trust Units upon an announcement by the Trustees that the Fund will be terminated. For greater certainty, the intention of this provision is not to generally restrict the ability of Trust Unitholders to redeem Trust Units, but rather to permit the Trustees or the Administrator to protect the Fund and/or its Trust Unitholders from the harm that would be caused by permitting redemptions when extraordinary and unusual circumstances are present.

See **Item 5.1.4 - Redemption of Trust Units, Item 2.7.1 - Declaration of Trust - Redemption of Trust Units and Item 8 - Risk Factors.**

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CAUTIONARY STATEMENTS

ABOUT THIS OFFERING MEMORANDUM

This Offering Memorandum constitutes an offering of securities only in those jurisdictions and only to those persons 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 is being made pursuant to certain prospectus exemptions contained in NI 45-106. Under no circumstances will the Fund accept a subscription for Offered Units if its distribution cannot be made in reliance on any such exemption. Persons resident in the province of Québec are not permitted to rely on the offering memorandum exemption contained in Section 2.9 of NI 45-106. This Offering Memorandum does not constitute an offer to sell or the solicitation of an offer to buy securities within the United States or by residents of the United States.

Prospective Investors should only rely on the information in this Offering Memorandum or any related OM Marketing Materials and should not rely on some parts of this Offering Memorandum or OM Marketing Materials to the exclusion of others. No person has been authorized to give any information or make any representation in respect of the Fund or the securities offered herein and any such information or representation that is given or received must not be relied upon.

FORWARD-LOOKING INFORMATION

This Offering Memorandum contains certain information, statements or disclosures that constitute forward-looking information under applicable securities laws (collectively, “**forward-looking information**”). All statements and disclosures, other than those of historical fact, which address activities, events, outcomes, results or developments that the Fund anticipates or expects may or will occur in the future (in whole or in part) should be considered forward-looking information. In some cases, forward-looking information can be identified by terms such as “future”, “may”, “will”, “intend”, “expect”, “anticipate”, “believe”, “potential”, “enable”, “plan”, “estimate”, “project”, “should”, “continue”, “contemplate” or other comparable terminology. Forward-looking information presented in this Offering Memorandum includes, but is not limited to:

- the expectation of distributions;
- the identification, successful negotiation and acquisition of interests in Portfolio Companies;
- the Partnership’s belief that adherence to its investment criteria can achieve returns from the Portfolio Companies;
- the realization of anticipated benefits of acquisitions of Portfolio Companies, the timing thereof and the methods of funding;
- the Fund’s intentions or expectations concerning its ability to raise capital under the Offering or otherwise, including the ability of the Fund to complete the Maximum Offering;
- intentions or expectations about the Partnership’s ability to raise capital in addition to the sale of the LP Units to the Fund;
- the incurrence of indebtedness by the Partnership;
- long-term or short-term plans and objectives of the Fund, the Partnership and the Portfolio Companies;
- the Fund’s and the Partnership’s intentions and expectations regarding payment of Selling Commissions and offering costs, the Management Fee, the Acquisition Fee and ongoing general and administrative expenses, including the fees and expenses described in **Item 3.2 - Fees and Expenses**;
- reimbursement of the Fund by the Partnership in respect of certain costs and expenses to be incurred by the Fund;
- the term of each of the Fund and the Partnership and the effects of the dissolution of the Fund and the Partnership; and

- the Fund's and the Partnership's treatment under governmental regulatory regimes, securities laws and tax laws.

Various assumptions are typically applied in drawing conclusions or making the forecasts or projections set out in forward-looking information. Those assumptions are based on information currently available to the Fund, including information obtained by the Fund from third-party industry analysts and other arm's length sources. In some instances, material assumptions are presented or discussed elsewhere in this Offering Memorandum in connection with the forward-looking information. We caution you that the following list of material assumptions is not exhaustive. The assumptions include, but are not limited to:

- expectations about general economic conditions and conditions in the industrial and commercial services sectors in which the Portfolio Companies may operate, including there being no material labour disruptions, and the ability to deploy capital in those markets and generate a profit therefrom;
- expectations about the Fund's and the Partnership's respective abilities to raise sufficient capital to complete their respective business objectives, including the advance of available funds to the Partnership and investments in the Portfolio Companies;
- intentions or expectations about the Partnership's ability or opportunity to dispose of any interest in any Portfolio Company;
- the ability of the General Partner of the Partnership to obtain qualified staff, equipment and services in a timely and cost-efficient manner;
- a stable competitive environment;
- no significant event occurring outside the ordinary course of business such as a natural disaster or other calamity;
- the Fund's qualification as a "mutual fund trust" and not a "SIFT trust" under the Tax Act;
- future currency exchange rates;
- the impact of Canadian and U.S. federal income taxes;
- the possibility of substantial redemptions of Trust Units; and
- the Fund's and the Partnership's treatment under governmental regulatory regimes, securities laws and tax laws.

The forward-looking information in this Offering Memorandum is based (in whole or in part) upon factors, many of which are beyond the control of the Fund, which may cause actual results, performance or achievements of the Portfolio Companies and the Partnership, and, consequently, those of the Fund, to differ materially from those contemplated (whether expressly or by implication) in the forward-looking information. Those factors are based on information currently available to the Fund including information obtained from third-party industry analysts and other third party sources. Actual results or outcomes may differ materially from those predicted by such forward-looking information. While we do not know what impact any of those differences may have, the Portfolio Companies' and the Partnership's businesses, results of operations, financial condition and credit stability, and, consequently, those of the Fund, may be materially adversely affected. Factors that could cause actual results, performance, achievements or outcomes to differ materially from the results expressed or implied by forward-looking information include, among other things:

- risks associated with the "blind pool" nature of the Offering;
- risks associated with the speculative nature of an investment in the Offered Units and the Partnership's investment in the Portfolio Companies, including the lack of any guarantee that the Fund, the Partnership or the Investors will obtain a return on their respective investments;
- risks associated with the ability of the Fund to make distributions on the Trust Units;

- risks associated with the Fund and the Partnership having no assets or operational history;
- risks associated with the Fund's and the Partnership's financing efforts, including that the Fund does not reach the Maximum Offering and that the Partnership does not raise sufficient capital to achieve its objectives or that sufficient, cost-effective financing to fund capital expenditures, Trust Unit redemptions, and ongoing general, administrative and operating costs and expenses associated or incurred in connection with the operation of the Portfolio Companies' respective businesses cannot be obtained;
- risks associated with the reliance and operational dependence of the Fund on the Partnership and the reliance of the Fund and the Partnership on Newlook Capital for the provision of certain services pursuant to the Services Agreement;
- risks associated with the relationship between the Fund, the Partnership and Newlook Capital and potential conflicts of interest involving Newlook Capital on the one hand, and the Fund, the Partnership and the Investors on the other;
- risks associated with valuing investments, including the risk of improperly assessing the value of a Portfolio Company;
- risks associated with fluctuations in foreign currency exchange rates;
- risks associated with the competition faced by the Partnership in locating and securing investments in Portfolio Companies;
- failure to realize the anticipated benefits from the acquisition of Portfolio Companies;
- risks associated with potential damage to the reputation of Newlook Capital, Fund I or the Portfolio Companies;
- risks associated with the dependence of the Fund and the Partnership on certain key personnel of the Fund, the Partnership, the Administrator, the General Partner and Newlook Capital;
- risks associated with general economic conditions;
- regulatory risks associated with industries in which Portfolio Companies may operate; and
- risks associated with potential changes in the Portfolio Companies' industries, including technological changes and the entrance of new competitors.

We caution you that the above list of risk factors is not exhaustive. Other factors which could cause actual results, performance, achievements or outcomes of the Fund to differ materially from those contemplated (whether expressly or by implication) in the forward-looking information are disclosed under **Item 8 - Risk Factors**.

Although the Fund believes that the expectations reflected in the forward-looking information are reasonable, it cannot guarantee future results. Because of the risks, uncertainties and assumptions contained herein, prospective Investors should not place undue reliance on forward-looking information. We are not obligated to update or revise any forward-looking information, whether as a result of new information, future events or otherwise, except as required by applicable laws. The foregoing statements expressly qualify any forward-looking information contained in this Offering Memorandum.

MARKETING MATERIALS

Any “**OM marketing materials**” (as such term is defined in NI 45-106) related to each distribution under this Offering Memorandum and delivered or made reasonably available to a prospective Investor before the termination of such distribution will be, and will be deemed to be, incorporated by reference into this Offering Memorandum, provided that any OM marketing materials to be incorporated by reference into this Offering Memorandum are not part of the Offering Memorandum to the extent that the contents of such OM marketing materials have been modified or superseded by a statement contained in an amended or amended and restated offering memorandum or OM marketing materials subsequently delivered or made reasonably available to a prospective Investor prior to the

execution of the Subscription Agreement by the Investor. The modifying or superseding statement need not state that it has modified or superseded a prior statement or include any other information set forth in the document that it modifies or supersedes. The making of a modifying or superseding statement is not deemed an admission for any purposes that the modified or superseded statement, when made, constituted a misrepresentation, an untrue statement of a material fact or an omission to state a material fact that is required to be stated or that is necessary to make a statement not misleading in light of the circumstances in which it was made. Any statement so modified or superseded is not deemed, except as so modified or superseded, to constitute a part of this Offering Memorandum.

MARKET AND INDUSTRY DATA

This Offering Memorandum, and OM marketing materials incorporated by reference herein, may contain statistical data, market research and industry forecasts that were obtained from government or other industry publications and reports or are based on estimates derived from such publications and reports. Government and industry publications and reports generally indicate that they have obtained their information from sources believed to be reliable, but do not guarantee the accuracy and completeness of their information. While the Fund believes this data to be reliable, market and industry data is subject to variations and cannot be verified with complete certainty due to limits on the availability and reliability of raw data, the voluntary nature of the data gathering process and other limitations and uncertainties inherent in any statistical survey. The Fund has not independently verified any of the data from independent third party sources referred to in this Offering Memorandum or ascertained the underlying assumptions relied upon by such sources.

GLOSSARY

In this Offering Memorandum (including in the face pages hereof), unless the context otherwise requires, the following words and terms have the indicated meanings:

“Acquisition Fee”	means the fee payable by the Partnership to Newlook Capital upon the acquisition of a Portfolio Company equal to 1% of the total purchase price of such Portfolio Company plus additional capital committed to such Portfolio Company, not including transaction costs. The Acquisition Fee is treated as a Common Expense of the Partnership.
“Administration Agreement”	means the administration agreement dated May 15, 2018 between the Administrator and the Fund, as may be amended or restated from time to time.
“Administrator”	means Newlook Capital Services II Inc., a corporation formed pursuant to the OBCA which is the administrator of the Fund.
“affiliate”	has the meaning given thereto in NI 45-106.
“associate”	has the meaning given thereto in NI 45-106.
“Capital Advisory Fee”	means the fees payable by Newlook Capital in respect of certain individuals on its staff engaged to assist with the structuring and execution of the Offering by Newlook Capital, which is comprised of: (a) a portion of such individual’s base fee of up to \$13,000 per month, during the term of the Offering, which shall be reimbursed by the Partnership based on the proportion of time spent by such individuals on the Offering (relative to other offerings by entities managed by or affiliated with Newlook Capital); and (b) during the term of the Offering, a fee equal to 0.75% of the gross proceeds from the sale of Offered Units.
“Capital Contribution”	means, in respect of each Partner at any time, the amount of money or the value of any property that such Limited Partner or General Partner has actually contributed to the Partnership.
“Closing”	means the respective completion of an issue and sale to Investors of Offered Units under the Offering from time to time.
“Closing Date”	means the date of a Closing. Closings will occur from time to time at the discretion of the Administrator.
“Common Expenses”	means expenses of the Partnership which are not Series Expenses, as determined by the General Partner in its sole discretion, subject to the unanimous approval of the Independent Review Committee.
“conflict of interest matter”	means a situation where a reasonable person would consider the person in question, or an entity related to such person, to have an interest which may conflict with their ability act in good faith and in the best interests of the Fund or the Partnership.
“Conflict of Interest Policy”	has the meaning given thereto in Item 2.1.6 - Conflict of Interest .
“Corresponding LP Units”	means the LP Unit that is acquired by the Fund with the net proceeds the Fund received from the issuance of a particular Trust Unit.
“Counsel”	means Norton Rose Fulbright Canada LLP, counsel to the Fund.
“CRA”	means the Canada Revenue Agency.

“Declaration of Trust”	means the amended and restated declaration of trust dated October 12, 2018 governing the Fund, as it may further be supplemented, amended or amended and restated at any time and from time to time in accordance with its terms. See Item 2.7.1 - Declaration of Trust .
“Distributable Proceeds”	has the meaning given thereto in Item 5.1.1 - Distributions - Partnership Distributions .
“DPSP”	means a trust governed by a deferred profit sharing plan.
“DRIP”	means the distribution reinvestment plan adopted by the Fund.
“Exempt Plans”	means an RRSP, an RESP, an RRIF, a DPSP, a TFSA or an RDSP.
“Fund”	means Newlook Capital Industrial Services Fund II, a trust formed under the laws of Ontario pursuant to the Declaration of Trust.
“Fund I”	means Newlook Capital Industrial Services Trust.
“General Partner”	means Newlook Industrial Services GP II Inc., a corporation formed pursuant to the OBCA which is the general partner of the Partnership.
“Gross Proceeds”	has the meaning given thereto in Item 5.1.1 - Distributions - Partnership Distributions .
“IFRS”	means international financial reporting standards.
“Independent Review Committee”	has the meaning given thereto in Item 2.1.6 - Conflict of Interest - Independent Review Committee .
“Investor”	means a person subscribing for and purchasing Offered Units pursuant to the Offering.
“Limited Partners”	means the limited partners of the Partnership from time to time (including the Special Limited Partner).
“Limited Partnerships Act”	means the <i>Limited Partnerships Act</i> (Ontario).
“LP Units”	means limited partnership units of the Partnership, including the Corresponding LP Units.
“Management Fee”	<p>means a monthly fee payable by the Partnership to Newlook Capital equal to an annual rate of 2% of the gross purchase price paid by investors to the Fund and the Partnership for each of the outstanding Series A1, Series A2, Series A3, Series A4, Series E and Series F units of each of the Fund and the Partnership (excluding for greater certainty, the purchase price of LP Units purchased by the Fund), as at the last date of the preceding month, calculated and payable in advance at the beginning of each month. See Item 3.2 - Fees and Expenses and also Item 3.1 - Compensation and Securities Held.</p> <p>The Management Fee may vary for other series of Trust Units and LP Units and is treated as a Series Expense attributed to a particular series of LP Units.</p>

“Marketable Securities”

means, as defined in the Partnership Agreement:

- (a) debt securities, including commercial paper, government obligations, money market instruments, certificates of deposit and other similar obligations and securities, that the General Partner has reasonably determined could be promptly disposed of; or
- (b) securities of a publicly traded company which securities:
 - (i) are listed on an established nationally recognized U.S. or Canadian stock or securities exchange,
 - (ii) do not represent in excess of 20% of such company’s outstanding securities of the same class (if applicable, on an as if converted basis), and
 - (iii) are freely tradeable under applicable securities laws; or
- (c) securities that are otherwise determined by the General Partner to be Marketable Securities.

“Freely tradeable” for the purposes of this definition shall mean securities that are not subject to (a) contractual or securities exchange imposed escrow restrictions, (b) “hold periods” under applicable securities legislation or (c) other restrictions on the transferability of such securities.

“Market Value”

has the same meaning as the term “Appraised Value” in the Partnership Agreement and means, with respect to a LP Unit, a price equal to the value of such LP Unit, such price to be determined on the assumption that each of the Partnership’s investments was on the date of determination sold for its fair market value determined in accordance with the Partnership Agreement and the proceeds therefrom were on the date of determination distributed to the Partners in accordance with the Partnership Agreement, after credit or debit, as the case may be, for the amount of the Partnership’s other assets and liabilities determined in accordance with IFRS.

In the Partnership Agreement, the **“fair market value”** for all assets other than Marketable Securities shall: (a) be determined by the General Partner on the basis of reasonable valuation methods in accordance with IFRS, and (b) be unanimously approved by the Independent Review Committee.

“Maximum Offering”

means offering proceeds of up to \$100,000,000, to be achieved through the issue and sale of up to 1,000,000 Offered Units under the Offering. The Administrator may, without notice to investors, increase or decrease the Maximum Offering.

“Net Capital Contribution”

means, with respect to a series of LP Units:

- (a) the aggregate purchase price paid for the LP Units of such series, net of any commission or other fees paid by the Partnership (but not, for greater certainty, any commission or other fees paid by the Fund) to a dealer or a wholesaler with respect to the sale of the LP Units (including, for greater certainty, the Capital Advisory Fee) and offering costs; plus
- (b) any Reinvested Amounts with respect to such series of LP Units; minus
- (c) the aggregate Redemption Price paid by the Partnership in respect of LP units of such series that have been redeemed.

The Net Capital Contribution of the General Partner and the Special Limited Partner, in their capacities as the General Partner and the Special Limited Partner, are \$100 and \$10,000 respectively.

“Net Proceeds”	has the meaning given thereto in Item 5.1.1 - Distributions - Partnership Distributions .
“Net Series Proceeds”	has the meaning given thereto in Item 5.1.1 - Distributions - Partnership Distributions .
“Newlook Capital”	means Newlook Capital Inc., a corporation formed pursuant to the OBCA.
“NI 45-106”	means National Instrument 45-106 - <i>Prospectus Exemptions</i> of the Canadian Securities Administrators.
“NI 81-107”	means National Instrument 81-107 - <i>Independent Review Committee for Investment Funds</i> of the Canadian Securities Administrators.
“Non-Resident”	means: (a) a person (within the meaning of the Tax Act but, for greater certainty, not including a partnership) who is not resident in Canada for the purposes of the Tax Act; or (b) a partnership that is not a “Canadian partnership” as defined in the Tax Act.
“OBCA”	means the <i>Business Corporations Act</i> (Ontario), as amended, including the regulations promulgated thereunder.
“Offered Units”	means, collectively, the Series A1 Units, Series A2 Units, Series A3 Units, Series A4 Units, Series E Units and Series F Units offered under the Offering.
“Offering”	means the Fund’s offering, issue and sale of Offered Units on a private placement basis, as more particularly described in this Offering Memorandum.
“Offering Jurisdictions”	means the provinces and territories of Canada.
“Offering Memorandum”	means this offering memorandum pertaining to the Offering, including any amendment, restatement or update to this offering memorandum.
“Partner”	means the General Partner, the Special Limited Partner and each of the Limited Partners of the Partnership.
“Partnership”	means Newlook Capital Industrial Services LP II, a limited partnership formed under the laws of Ontario governed by the Partnership Agreement, whose partners will be the General Partner and the Limited Partners, including the Fund.
“Partnership Agreement”	means the limited partnership agreement dated May 15, 2018 governing the Partnership, as may be amended or restated from time to time. See Item 2.7.3 - Partnership Agreement .

“Permitted Investments”	<p>means, as defined in the Partnership Agreement, permitted investments by the Partnership pending intended uses of funds, including:</p> <ul style="list-style-type: none"> (a) obligations issued or guaranteed by the Government of Canada or any province of Canada or any agency or instrumentality thereof; (b) commercial paper or other short-term debt of a person whose commercial paper or other short-term debt have a rating of R-2 (or higher) by DBRS Limited or A-3 (or higher) by Standard and Poor’s Rating Services, or an equivalent rating by a “designated rating organization” (as defined under applicable securities laws); (c) interest-bearing accounts, term deposits, guaranteed investment certificates, certificates of deposit or bankers’ acceptances of or guaranteed or accepted by any Canadian chartered bank or other financial institution, the long-term debt or deposits of which have a rating of BBB (or higher) by DBRS Limited or BBB (or higher) by Standard and Poor’s Rating Services, or an equivalent rating by a “designated rating organization” (as defined under applicable securities laws); or (d) any combination thereof. <p>For the purpose of this definition of Permitted Investments, “short-term” means having a date of maturity or call for payment that is one year or less from the date on which the investment is made.</p>
“person”	<p>means any individual, general partnership, limited partnership, joint venture, syndicate, sole proprietorship, company, corporation or other body corporate with or without share capital, joint stock company, association, trust, trust company, bank, pension fund, trustee, executor, administrator or other legal personal representative, regulatory body or agency, government or governmental agency, authority, department or political subdivision thereof, or other organization or entity, whether or not a legal entity, however designated or constituted.</p>
“Portfolio Company”	<p>means the industrial and commercial services companies to be acquired by the Partnership in accordance with its investment objectives and strategies, in which the Fund will have an indirect interest by way of its investment in the LP Units.</p>
“Preferred Return”	<p>means, in respect of the Series A1 LP Units, Series A2 LP Units, Series A3 LP Units, Series A4 LP Units, Series E LP Units and Series F LP Units, a cumulative, non-compounding fixed distribution at the rate of \$8 per LP Unit per year, which begins to accrue in respect of the applicable LP Unit beginning on the issuance date of such LP Unit.</p> <p>The Preferred Return may vary for other series of LP Units.</p>
“Quarterly Limit”	<p>means \$50,000, being the total amount of cash payable by the Fund in respect of Trust Units tendered for redemption in a calendar quarter, which limit may be increased or waived by the Trustees or the Administrator. See Item 2.7.1 - Declaration of Trust – Redemption of Trust Units.</p>
“RDSP”	<p>means a trust governed by a registered disability savings plan.</p>
“Redemption Note Interest Rate”	<p>means 2% plus the yield to maturity on five year marketable bonds issued by the Government of Canada in Canadian Dollars, based on the mid-market closing yields of such bonds as published by the Bank of Canada on the business day preceding the day on which the notice of redemption of a Trust Unit is given.</p>

“Redemption Notes”

means debt securities of the Fund that may be created and issued from time to time, that are subordinated and unsecured, have a maturity of five years or less, are pre-payable at any time at the option of the Fund prior to maturity, without notice, bonus or penalty and pay an annual rate of interest equal to the Redemption Note Interest Rate, which interest is payable quarterly in arrears.

“Redemption Price”

means the price per Trust Unit that a Trust Unitholder whose Trust Units are being redeemed shall be entitled to receive, which shall be equal to the redemption proceeds received by the Fund from the Partnership with respect to the Fund’s redemption of the Corresponding LP Unit, which shall be the lesser of: (a) \$100 multiplied by the percentage set out below, minus any amount distributed in respect of such Trust Unit in respect of the Series A1 Return of Capital, Series A2 Return of Capital, Series A3 Return of Capital, Series A4 Return of Capital, Series E Return of Capital, or Series F Return of Capital of the Corresponding LP Unit, as applicable; and (b) the Market Value of the Corresponding LP Unit of such Trust Unit.

The percentages are as follows:

Period of time between the issuance date of the LP Unit being redeemed and the date the notice of redemption is provided	Series A1/A2/A3/A4	Series E	Series F
< 1 year	89%	92%	95%
1 year to < 2 years	91%	94%	97%
2 years to < 3 years	93%	96%	99%
3 years to < 4 years	95%	98%	100%
4 years to < 5 years	97%	100%	100%
5 years and greater	100%	100%	100%

Pursuant to the foregoing table, a Trust Unitholder will receive a lower Redemption Price if such Trust Unitholders redeems his or her Offered Units within a certain period of time from the date of investment (depending on the series of Trust Unit held by the Trust Unitholder). This is intended to protect the Fund and existing Unitholders from a reduction in the value of the Fund due to the payment of Selling Commissions and offering costs.

“Reimbursement Agreement”

means the reimbursement agreement dated May 15, 2018 among the Fund, the Administrator and the Partnership, as may be amended or restated from time to time.

“Reinvested Amounts”

has the meaning given thereto in **Item 5.1.1 - Distributions - Partnership Distributions**.

“RESP”

means a trust governed by a registered education savings plan.

“RRIF”

means a trust governed by a registered retirement income fund.

“RRSP”

means a trust governed by a registered retirement savings plan.

“Selling Commission”

means, in respect of a Trust Unit, any commissions paid or fees paid to brokers or intermediaries in connection with the issuance of such Trust Units.

“Series A1 LP Units”

means series A1 units of the Partnership.

“Series A1 Return of Capital”

has the meaning given thereto in **Item 5.1.1 - Distributions - Partnership Distributions**.

“Series A1 Units”	means series A1 units of the Fund.
“Series A2 LP Units”	means series A2 units of the Partnership.
“Series A2 Return of Capital”	has the meaning given thereto in Item 5.1.1 - Distributions - Partnership Distributions.
“Series A2 Units”	means series A2 units of the Fund.
“Series A3 LP Units”	means series A3 units of the Partnership.
“Series A3 Return of Capital”	has the meaning given thereto in Item 5.1.1 - Distributions - Partnership Distributions.
“Series A3 Units”	means series A3 units of the Fund.
“Series A4 LP Units”	means series A4 units of the Partnership.
“Series A4 Return of Capital”	has the meaning given thereto in Item 5.1.1 - Distributions - Partnership Distributions.
“Series A4 Units”	means series A4 units of the Fund.
“Series E LP Units”	means series E units of the Partnership.
“Series E Return of Capital”	has the meaning given thereto in Item 5.1.1 - Distributions - Partnership Distributions.
“Series E Units”	means series E units of the Fund.
“Series Expenses”	means expenses of the Partnership referable to a specific series of LP Units, as determined by the General Partner in its sole discretion. For greater certainty, the Management Fee may vary for each series of LP Units and is treated as a Series Expense attributed to a particular series of LP Units.
“Series F LP Units”	means series F units of the Partnership.
“Series F Return of Capital”	has the meaning given thereto in Item 5.1.1 - Distributions - Partnership Distributions.
“Series F Units”	means series F units of the Fund.
“Series Proceeds”	has the meaning given thereto in Item 5.1.1 - Distributions - Partnership Distributions.
“Service Provider”	has the meaning given thereto in Item 2.7.3 – Partnership Agreement – Service Provider.
“Services Agreement”	means the amended and restated services agreement dated October 12, 2018 among the Fund, the Administrator, the Partnership, the General Partner and Newlook Capital, as may be further amended or restated from time to time.
“Special Limited Partner”	means Newlook Capital.

“Special Resolution”	means, with respect to the Fund: <ul style="list-style-type: none"> (a) a resolution proposed to be passed as a special resolution at a meeting of Trust Unitholders (including an adjourned meeting) duly convened for that purpose and held in accordance with the Declaration of Trust and passed by more than 66⅔% of the votes cast on such resolution by Trust Unitholders present or represented by proxy at the meeting; or (b) notwithstanding any other provision of the Declaration of Trust, a resolution in writing executed by Trust Unitholders holding more than 66⅔% of the votes attached to outstanding Trust Units at any time. and with respect to the Partnership: <ul style="list-style-type: none"> (a) a resolution of Limited Partners approved by more than 66⅔% of the votes cast by Limited Partners, in person or by proxy, at a meeting of the Limited Partners (or any adjournment thereof) called in accordance with the Partnership Agreement, or (b) a written resolution signed by Limited Partners holding more than 66⅔% of the votes attached to all of the LP Units that would have been entitled to vote on such resolution at a meeting of the Limited Partners called in accordance with the Partnership Agreement.
“Subscription Agreement”	means a subscription agreement to be executed by each Investor providing for the purchase of Offered Units in the form provided by the Administrator.
“subsidiary”	has the meaning given thereto in NI 45-106.
“Tax Act”	means the <i>Income Tax Act</i> (Canada) and the regulations thereunder, as amended from time to time.
“TFSA”	means a trust governed by a tax-free savings account.
“Trust Unit”	means trust units of the Fund, including the Offered Units.
“Trust Unitholder”	means a registered holder of Trust Units at any time and from time to time, as shown on the register maintained by or on behalf of the Fund for outstanding Trust Units.
“Trustees”	means, at any time, the trustees of the Fund, which currently are Elroy Gust, Tony Diab, Abbas Osman and Gavin Treanor. See Item 3 - Directors, Trustees, Management, Promoters and Principal Holders .

In this Offering Memorandum, unless the context otherwise requires, grammatical variations of the words and terms in this Glossary have meanings corresponding to the meanings given in this Glossary. Without limiting the generality of the foregoing, words and terms in the Glossary importing the singular include the plural and vice versa, and words and terms importing the masculine, feminine or neuter gender include the other genders.

In this Offering Memorandum, references to “**dollars**” and “**\$**” are to the currency of Canada, unless otherwise indicated.

In this Offering Memorandum, unless the context otherwise requires, terms such as “**we**”, “**us**” and “**our**” are meant to refer to the Fund, the Partnership and any of their respective subsidiary entities; “**you**” is meant to refer to Investors who purchase Trust Units under the Offering, thereupon becoming Trust Unitholders.

In this Offering Memorandum, unless expressly modified by the words “**only**” or “**solely**”, the words “**include**”, “**includes**” or “**including**”, when following any general term or statement, are not to be construed as limiting the general term or statement to the specific items or matters set forth or to similar items or matters but rather, are to be construed as meaning “**include without limitation**”, “**includes without limitation**” or “**including without limitation**” (as the context requires) and as permitting such general term or statement to refer to all other items or matters that could reasonably fall within its broadest possible scope.

SUMMARY OF THIS OFFERING MEMORANDUM

The Fund and the Partnership

The Fund is an unincorporated open-ended trust, governed by the laws of the Province of Ontario and the federal laws of Canada applicable thereto. The Fund was created on May 15, 2018, pursuant to the Declaration of Trust. The Administrator acts as the administrator of the Fund. The Administrator was incorporated on April 26, 2018 pursuant to the OBCA and will manage, along with the Trustees, the affairs of the Fund. See **Item 2.1.2 - The Fund and the Administrator** and **Item 2.7.1 - Declaration of Trust**.

Although it is intended that the Fund qualify as a “mutual fund trust” pursuant to the Tax Act, the Fund will not be a “mutual fund” or “investment fund” under applicable securities laws.

The Partnership is a limited partnership formed on May 16, 2018, pursuant to the Limited Partnerships Act. The General Partner was incorporated on April 26, 2018 pursuant to the OBCA. See **Item 2.1.3 - The Partnership and the General Partner** and **Item 2.7.3 - Partnership Agreement**.

Elroy Gust, Tony Diab, Abbas Osman and Gavin Treanor are the Trustees of the Fund and the directors and officers of the Administrator and the General Partner. See **Item 3 - Directors, Trustees, Management, Promoters and Principal Holders**.

The Administrator and the General Partner are subsidiaries of Newlook Capital. Newlook Capital will provide certain management and administration services pursuant to the Services Agreement. See **Item 2.1.4 - Newlook Capital**, **Item 2.1.5 - Relationship with Newlook Capital** and **Item 2.7.4 - Services Agreement**.

Investment Objectives and Strategies

The Fund will invest the proceeds of the Offering in LP Units of the Partnership, which will in turn seek to acquire controlling interests in, or make strategic debt investments in, industrial and commercial services companies located in Canada and the United States.

The Partnership seeks Portfolio Companies that: (a) have a component of their revenue arising from a recurring service requirement, such as assuring regulatory compliance (e.g. building codes, elevator maintenance codes, gas detection system codes etc.); (b) have a sustainable competitive position; (c) have a history of generating positive cash flow; and (d) the Partnership sees an opportunity to enhance value by driving operational improvements.

Examples of Portfolio Companies in which the Partnership seeks to invest include, but are not limited to, companies that provide gas detection system calibration and service, elevator maintenance and service, or fire suppression inspection service.

The Partnership will seek to invest in such Portfolio Companies at attractive prices and eventually divest of its investments at values higher than those paid at acquisition, after growing them into larger and more professionally-managed businesses that are strategically relevant for corporate buyers or larger private equity groups who are willing to pay a premium for such assets.

The Fund and the Partnership have no operating history. The Partnership is a “blind pool”, meaning that the investments to be made by the Partnership, indirectly with the proceeds of the Offering have not yet been identified. See **Item 8 - Risk Factors**.

The Partnership will invest for the purpose of exercising, or seeking to exercise, control of businesses or assets or will, through the General Partner, participate actively in the management of the businesses or assets in which it invests.

See **Item 2.2 - Our Business**.

The Offering	<p>The Offered Units are offered to persons resident in the Offering Jurisdictions pursuant to certain exemptions from the prospectus requirements contained in the securities legislation in the Offering Jurisdictions. Under no circumstances will the Fund accept a subscription for Trust Units if its distribution cannot be made in reliance on any such exemption. Persons resident in the province of Québec are not permitted to rely on the offering memorandum exemption contained in Section 2.9 of NI 45-106.</p> <p>Any monies received with a rejected order will be promptly refunded without any interest. See Item 5.2 - Subscription Procedure.</p>
The Offered Units	<p>Investments in the Fund are represented by Trust Units. The Fund is permitted to have an unlimited number of series of Trust Units, which may be created and issued by the Trustees in their sole discretion from time to time, having such attributes as determined by the Trustees.</p> <p>The Offered Units are comprised of the following:</p> <ul style="list-style-type: none"> • Series A1 Units, Series A2 Units, Series A3 Units and Series A4 Units: These series of units are offered to investors who are not eligible to purchase Series E Units or Series F Units. <ul style="list-style-type: none"> • Series A1 Units may be purchased prior to December 1, 2018; • Series A2 Units may be purchased on or after December 1, 2018 and prior to March 1, 2019; • Series A3 Units may be purchased on or after March 1, 2019 and prior to June 1, 2019; and • Series A4 Units may be purchased on or after June 1, 2019. <p>The Administrator has the right to modify, in its discretion, the time periods set forth above. If the Administrator determines to exercise its discretion in this respect, it will provide advance notification to that effect to each of the securities dealers through whom subscriptions for Offered Units are being solicited.</p> <ul style="list-style-type: none"> • Series E Units: This series of units is offered to Investors who are not eligible to purchase Series F Units. • Series F Units: This series of units is offered to Investors who purchase such units through a dealer sponsored fee-for-service or wrap program and who pay an asset-based fee to their dealer.
Price Per Security	\$100 per Offered Unit.
Maximum Offering	\$100,000,000 (an aggregate of 1,000,000 Offered Units). The Administrator may, without notice to Investors, increase or decrease the Maximum Offering.
Minimum Offering	There is no minimum Offering. You may be the only Investor. Funds available under the Offering may not be sufficient to accomplish our proposed objectives. See Item 8 - Risk Factors.
Minimum Subscription Amount	The minimum investment in the Fund for Series A1 Units, Series A2 Units, Series A3 Units and Series A4 Units is \$10,000. The minimum investment in the Fund for Series E Units and Series F Units is \$100,000. These minimum amounts may be waived by the Administrator, in its sole discretion. See Item 5.2 - Subscription Procedure .

Payment Terms	Investors must pay the subscription price in full, by certified cheque, bank draft or such other manner as may be accepted by the Administrator at the time of delivering a fully completed and signed Subscription Agreement. See Item 5.2 - Subscription Procedure .
Proposed Closing Date(s)	Closings will occur from time to time at the discretion of the Administrator.
Purchase of Partnership Units	The Fund will use the proceeds of the Offering of Series A1 Units, Series A2 Units, Series A3 Units, Series A4 Units, Series E Units and Series F Units to purchase, respectively, Series A1 LP Units, Series A2 LP Units, Series A3 LP Units, Series A4 LP Units, Series E LP Units and Series F LP Units of the Partnership. The LP Unit that is acquired by the Fund with the proceeds the Fund received from the issuance of a particular Trust Unit is referred to herein as that Trust Unit's " Corresponding LP Unit ".
Partnership Distributions	<p>The Partnership will seek to make distributions to its Limited Partners (including the Fund) on a regular basis, with the amount of any such distributions determined by the General Partner in its sole discretion. Such distributions, if any, will generally be made on a quarterly basis, however, the General Partner reserves the right to make more frequent distributions in its sole discretion. Distributions will be paid to Limited Partners of record as of the distribution date and will be paid on or before the 30th day following the distribution date.</p> <p>When determining amounts available for distribution, the General Partner will:</p> <ul style="list-style-type: none"> (a) first, ascertain the sum of all cash amounts received by the Partnership since the previous distribution was declared by the Partnership (such aggregate amount being the "Gross Proceeds"); (b) second, subtract from the Gross Proceeds (i) amounts necessary for the payment of all outstanding Common Expenses (including the Acquisition Fee) for which reserves have not previously been made, (ii) amounts reasonably reserved for future Common Expenses, and (iii) amounts reasonably reserved having regard to current and anticipated commitments of the Partnership (the Gross Proceeds less the aggregate amounts in (i), (ii) and (iii) being the "Net Proceeds"); (c) third, divide the Net Proceeds among the various series of LP Units and the General Partner and the Special Limited Partner based on the aggregate Net Capital Contributions made by each such series, the General Partner and the Special Limited Partner, respectively to the Partnership, with the Net Proceeds allocated to each series being the "Series Proceeds"; and (d) fourth, subtract from the Series Proceeds of each series of LP Units (i) amounts necessary for the payment of all outstanding Series Expenses (including the Management Fee) with respect to the applicable series of LP Units for which reserves have not previously been made, and (ii) amounts reasonably reserved for future Series Expenses of the series of LP Units (the Series Proceeds less the aggregate amounts in (i) and (ii) being the "Net Series Proceeds"). <p>For greater certainty, amounts paid to Trust Unitholders in connection with redemptions of Trust Units will reduce the aggregate Net Capital Contributions made by the applicable series of Trust Units being redeemed. Once the Net Series Proceeds of a particular series of LP Units has been determined, then the General Partner will, to the extent possible based on the amount of such Net Series Proceeds, pay to the holder of each LP Unit of such series of LP Units an amount equal to the outstanding and accrued Preferred Return with respect to such LP Unit (or, to the extent such Net Series Proceeds are not sufficient to pay the outstanding and accrued Preferred Returns</p>

of all LP Units of such series of LP Units, an amount equal to such LP Unit's *pro rata* amount of the Net Series Proceeds based on the outstanding and accrued Preferred Return owed to such LP Unit relative to the aggregate outstanding and accrued Preferred Returns owed to all LP Units of such series (with the Net Series Proceeds less such aggregate amounts paid with respect to such series of LP Units being the "**Distributable Proceeds**").

The Distributable Proceeds with respect to a particular series of LP Units will then be apportioned equally among the LP Units of such series. Following such apportionment, the Distributable Proceeds, in the sole discretion of the General Partner, will be either (a) reinvested in the Partnership and allocated on the books and records of the Partnership to such series of LP Units (with such amounts being referred to as "**Reinvested Amounts**") or (b) distributed in the following amounts and order of priority:

Series A1 LP Units

- (a) first, 100% to the holder of the LP Unit until the holder has received aggregate distributions in an amount equal to \$100 with respect to such LP Unit (excluding, for greater certainty, any Preferred Return distributions received by such holder with respect to such LP Unit but including, for greater certainty, any other previous distributions received by the holder with respect to such LP Unit) (the distributions pursuant to this section are referred to as the "**Series A1 Return of Capital**");
- (b) second, 100% to the Special Limited Partner until the Special Limited Partner has received aggregate distributions under this paragraph (b) equal to 25% of the total distributions made pursuant to the Preferred Return and this paragraph (b) (for illustrative purposes if \$75 is distributed pursuant to the Preferred Return and \$25 is distributed under this paragraph (b) then the total distribution would be \$100); and
- (c) thereafter, 25% to the Special Limited Partner and 75% to the holder of the LP Unit.

Series A2 LP Units

- (a) first, 100% to the holder of the LP Unit until the holder has received aggregate distributions in an amount equal to \$100 with respect to such LP Unit (excluding, for greater certainty, any Preferred Return distributions received by such holder with respect to such LP Unit but including, for greater certainty, any other previous distributions received by the holder with respect to such LP Unit) (the distributions pursuant to this section are referred to as the "**Series A2 Return of Capital**");
- (b) second, 100% to the Special Limited Partner until the Special Limited Partner has received aggregate distributions under this paragraph (b) equal to 30% of the total distributions made pursuant to the Preferred Return and this paragraph (b) (for illustrative purposes if \$70 is distributed pursuant to the Preferred Return and \$30 is distributed under this paragraph (b) then the total distribution would be \$100); and
- (c) thereafter, 30% to the Special Limited Partner and 70% to the holder of the LP Unit.

Series A3 LP Units

- (a) first, 100% to the holder of the LP Unit until the holder has received aggregate distributions in an amount equal to \$100 with respect to such LP Unit (excluding, for greater certainty, any Preferred Return distributions received by such holder with respect to such LP Unit but including, for

greater certainty, any other previous distributions received by the holder with respect to such LP Unit) (the distributions pursuant to this section are referred to as the “**Series A3 Return of Capital**”);

- (b) second, 100% to the Special Limited Partner until the Special Limited Partner has received aggregate distributions under this paragraph (b) equal to 35% of the total distributions made pursuant to the Preferred Return and this paragraph (b) (for illustrative purposes if \$65 is distributed pursuant to the Preferred Return and \$35 is distributed under this paragraph (b) then the total distribution would be \$100); and
- (c) thereafter, 35% to the Special Limited Partner and 65% to the holder of the LP Unit.

Series A4 LP Units

- (a) first, 100% to the holder of the LP Unit until the holder has received aggregate distributions in an amount equal to \$100 with respect to such LP Unit (excluding, for greater certainty, any Preferred Return distributions received by such holder with respect to such LP Unit but including, for greater certainty, any other previous distributions received by the holder with respect to such LP Unit) (the distributions pursuant to this section are referred to as the “**Series A4 Return of Capital**”);
- (b) second, 100% to the Special Limited Partner until the Special Limited Partner has received aggregate distributions under this paragraph (b) equal to 40% of the total distributions made pursuant to the Preferred Return and this paragraph (b) (for illustrative purposes if \$60 is distributed pursuant to the Preferred Return and \$40 is distributed under this paragraph (b) then the total distribution would be \$100); and
- (c) thereafter, 40% to the Special Limited Partner and 60% to the holder of the LP Unit.

Series E LP Units

- (a) first, 100% to the holder of the LP Unit until the holder has received aggregate distributions in an amount equal to \$100 with respect to such LP Unit (excluding, for greater certainty, any Preferred Return distributions received by such holder with respect to such LP Unit but including, for greater certainty, any other previous distributions received by the holder with respect to such LP Unit) (the distributions pursuant to this section are referred to as the “**Series E Return of Capital**”);
- (b) second, 100% to the Special Limited Partner until the Special Limited Partner has received aggregate distributions under this paragraph (b) equal to 20% of the total distributions made pursuant to the Preferred Return and this paragraph (b) (for illustrative purposes if \$80 is distributed pursuant to the Preferred Return and \$20 is distributed under this paragraph (b) then the total distribution would be \$100); and
- (c) thereafter, 20% to the Special Limited Partner and 80% to the holder of the LP Unit.

Series F LP Units

- (a) first, 100% to the holder of the LP Unit until the holder has received aggregate distributions in an amount equal to \$100 with respect to such LP Unit (excluding, for greater certainty, any Preferred Return distributions received by such holder with respect to such LP Unit but including, for greater certainty, any other previous distributions received by the holder with

respect to such LP Unit) (the distributions pursuant to this section are referred to as the “**Series F Return of Capital**”);

- (b) second, 100% to the Special Limited Partner until the Special Limited Partner has received aggregate distributions under this paragraph (b) equal to 20% of the total distributions made pursuant to the Preferred Return and this paragraph (b) (for illustrative purposes if \$80 is distributed pursuant to the Preferred Return and \$20 is distributed under this paragraph (b) then the total distribution would be \$100); and
- (c) thereafter, 20% to the Special Limited Partner and 80% to the holder of the LP Unit.

Investors holding Trust Units of series offered earlier in the investment period, when the Fund is a fully-blind pool, are entitled to receive a greater percentage of the Distributable Proceeds with respect to their particular series of Trust Units following the return of capital for such series of Trust Unit.

Any Net Proceeds allocated to the General Partner and the Special Limited Partner as described above shall be distributed to the General Partner and the Special Limited Partner, respectively.

For greater certainty, no additional LP Units will be issued with respect to any Reinvested Amounts.

Any and all distributions made to the Limited Partners (including, without limitation, upon dissolution or liquidation of the Partnership) shall be in the form of cash or Marketable Securities valued in accordance with the Partnership Agreement.

See **Item 5.1.1 - Distributions - Partnership Distributions.**

Fund Distributions

When the Fund receives a distribution from the Partnership with respect to a Corresponding LP Unit (as described above), the Fund will promptly declare and pay a distribution to the holder of record of the applicable Trust Unit in an amount equal to the distribution received with respect to the Corresponding LP Unit (less amounts the Fund estimates will be required for expenses of the Fund and other obligations of the Fund to fund liabilities, expenses, any tax liability and any reserves established by the Administrator, in its sole discretion).

See **Item 5.1.1 - Distributions - Fund Distributions.**

Distribution Policy

The General Partner’s objective is to make quarterly cash distributions at a target annual rate of equal to the Preferred Return (\$8 per LP Unit per year), provided that the General Partner expects that the initial target annual cash distribution rate will be \$4 per LP Unit until June 30, 2019. For greater certainty, to the extent that cash distributions are lower than the Preferred Return, the difference between the Preferred Return and actual cash distributions will accrue in respect of such LP Unit. Distributions from the Partnership are not guaranteed.

The Fund intends to distribute amounts received from the Partnership to Trust Unitholders in accordance with the Declaration of Trust. Although it is the Partnership’s intention that distributions on the LP Units be primarily paid from cash flow from the Partnership’s investments, in certain circumstances, payments and distributions may exceed the cash flow of the Partnership for any particular distribution period (including the period prior to the Partnership investing in any Portfolio Companies). In such circumstances, distributions to the Fund (and in turn the Trust Unitholders) may consist, directly or indirectly, of the proceeds from the sale of securities by the Fund (including this Offering).

The return on an investment in the Offered Units is not comparable to the return on an investment in fixed-income securities. Cash distributions to Trust Unitholders

are not guaranteed and are not fixed obligations of the Fund. Any receipt of cash distributions by a Trust Unitholder is at any time subject to the terms of the Declaration of Trust. Any anticipated return on investment is based upon many performance assumptions. Although the Fund intends to distribute its available cash to Trust Unitholders, cash distributions may be reduced or suspended at any time and from time to time. The ability of the Fund to make cash distributions and the actual amount distributed depends on the receipt of distributions from the Partnership and the performance of the Portfolio Companies acquired by the Partnership, and will be subject to various factors including those referenced in **Item 8 - Risk Factors**. The value of the Offered Units may decline if the Fund is unable to meet its cash distribution targets in the future and that decline may be significant.

It is important for Investors in Offered Units to consider the particular risk factors that may affect the industry in which they are investing, and therefore the stability of the distributions that Unitholders receive. See, for example, **Item 8.4 - Risks Pertaining to the Business**, which section also describes the Fund's assessment of those risk factors, as well as the potential consequences to a Trust Unitholder if the events contemplated by a particular risk factor should occur.

Distribution Reinvestment Plan

The Fund has adopted the DRIP, which will allow eligible holders of Trust Units to elect to have their distributions reinvested in additional Trust Units of the same series at a purchase price equal to \$95 per Trust Unit (or such other price as may be determined by the Administrator from time to time).

The Administrator may, at its discretion, terminate the DRIP.

Redemption

Redemption rights under the Declaration of Trust are subject to certain restrictions.

Trust Units are redeemable at the option of the Trust Unitholder subject to the terms and conditions set out in the Declaration of Trust.

Trust Units are considered to be tendered for redemption on the date that the Fund has, to the satisfaction of the Administrator, received the redemption notice and further documents or evidence that the Administrator may reasonably require with respect to the identity, capacity or authority of the person giving the redemption notice. The aggregate Redemption Price payable by the Fund in respect of Trust Units tendered for redemption is to be satisfied by way of a cash payment (to be paid by cheque) on the last day of the calendar month following the end of the calendar quarter in which the Trust Units were tendered for redemption, provided that the entitlement of a Trust Unitholder to receive cash upon the redemption of such holder's Trust Units shall be limited in certain circumstances, including where:

- (a) the total amount payable by the Fund in respect of such Trust Units and all other Trust Units validly tendered for redemption in the same calendar quarter exceeds \$50,000 (the "**Quarterly Limit**"); provided that the Trustees or the Administrator may, in its sole discretion, waive or increase such limitation in respect of all Trust Units tendered for redemption in any calendar quarter;
- (b) in the Trustees' or the Administrator's opinion (in their sole discretion) the Fund is or, after the redemption, would be unable to pay its liabilities as they become due; or
- (c) in the Trustees' or the Administrator's opinion (in their sole discretion), the Fund has insufficient liquid assets to fund such redemptions or that the liquidation of assets at such time would be to the detriment of the remaining Trust Unitholders or the Fund, generally.

If, as a result of any such limitations under the Declaration of Trust, a Trust Unitholder is not entitled to receive cash upon the redemption of some or all of the Trust Units tendered for redemption, then the Redemption Price per Trust Unit to which the Trust Unitholder would otherwise be entitled, is to be paid and satisfied by the delivery to

such holders of Redemption Notes (subject to any applicable regulatory approvals).

On a redemption by a holder of Trust Units, the Redemption Price per Trust Unit shall be equal to the redemption proceeds received by the Fund from the Partnership with respect to the Fund's redemption of the Corresponding LP Unit, which shall be the lesser of: (a) \$100 multiplied by the percentage set out below, minus any amount distributed in respect of such Trust Unit in respect of the Series A1 Return of Capital, Series A2 Return of Capital, Series A3 Return of Capital, Series A4 Return of Capital, Series E Return of Capital, or Series F Return of Capital of the Corresponding LP Unit, as applicable; and (b) the Market Value of the Corresponding LP Unit of such Trust Unit.

The percentages are as follows:

Period of time between the issuance date of the LP Unit being redeemed and the date the notice of redemption is provided	Series A1/A2/A3/A4	Series E	Series F
< 1 year	89%	92%	95%
1 year to < 2 years	91%	94%	97%
2 years to < 3 years	93%	96%	99%
3 years to < 4 years	95%	98%	100%
4 years to < 5 years	97%	100%	100%
5 years and greater	100%	100%	100%

Pursuant to the foregoing table, a Trust Unitholder will receive a lower Redemption Price if such Trust Unitholders redeems his or her Offered Units within a certain period of time from the date of investment (depending on the series of Trust Unit held by the Trust Unitholder). This is intended to protect the Fund and existing Unitholders from a reduction in the value of the Fund due to the payment of Selling Commissions and offering costs.

See **Item 2.7.1 - Declaration of Trust**, **Item 5.1.4 - Redemption of Trust Units** and **Item 8 - Risk Factors**.

Transfer of Trust Units

No Trust Unitholder shall transfer or dispose of its Trust Units to any other person except with the prior written consent of the Administrator and in compliance with applicable securities laws and the Declaration of Trust.

Newlook Capital

Newlook Capital is a private equity firm that manages funds available to the retail and institutional markets. Each fund managed by Newlook Capital has its own focused, experienced and aligned management and a defined strategy, which are generally focused on investing throughout Canada and the United States with a preference for companies that exhibit a solid tangible asset base. See **Item 2.1.4 - Newlook Capital**.

Newlook Capital Track Record

Newlook Capital also manages Fund I, which was established in 2016 with an identical investment objective to the Fund except that Fund I only seeks portfolio companies located in Canada. Fund I is no longer accepting new investors. Since the inception of Fund I, investors have received distributions at Fund I's annual preferred rate of return of 8%. It is important to note that past performance of Fund I or other entities managed by Newlook Capital is not indicative of how the Fund will perform in the future.

The following table sets forth investments that have been made and continue to be managed by Fund I in order to provide prospective Investors with an example of the type of Portfolio Companies that the Fund and the Partnership will seek to acquire. **The companies listed below are NOT Portfolio Companies of the Fund or the Partnership.**

CURRENT FUND I PORTFOLIO COMPANIES

<u>Name of Company</u>	<u>Location</u>	<u>Business</u>
Gas Detection Systems installation and service company	Edmonton, Alberta	Installation, service, and regular calibration of gas detection systems
Gas Detection Systems installation and service company	Winnipeg, Manitoba	Installation, service and regular calibration of gas detection systems
Elevator service company	Scarborough, Ontario	Elevator modernization, maintenance, and service
Elevator service company	Etobicoke, Ontario	Elevator modernization, maintenance, and service
Fire Alarm and Suppression service company	Regina, Saskatchewan	Installation, service, and regular calibration of alarms and/or suppression equipment
Fire Alarm, Sprinkler and Suppression service company	Stoney Creek, Ontario	Installation, service, and regular calibration of sprinklers, alarms, and suppression equipment
Fire Alarm, Sprinkler and Suppression service company	Burnaby, British Columbia	Installation, service, and regular calibration of sprinklers, alarms, and suppression equipment

Management and Other Fees and Expenses

The Partnership will pay the Management Fee and the Acquisition Fee to Newlook Capital and reimburse Newlook Capital for the Capital Advisory Fee and certain expenses. In addition, Newlook Capital (as the Special Limited Partner) is entitled to certain distributions from the Partnership. See **Item 3.2 - Fees and Expenses, Item 3.1 - Compensation and Securities Held**, and See **Item 2.7.3 - Partnership Agreement – Distributions from the Partnership**.

Management Fee:

For investment management services related to the Fund and the Partnership, Newlook Capital will receive a monthly fee payable by the Partnership to Newlook Capital equal to an annual rate of 2% of the gross purchase price paid by investors to the Fund and the Partnership for each of the Series A1, Series A2, Series A3, Series A4, Series E and Series F units of each of the Fund and the Partnership (excluding for greater certainty, the purchase price of LP Units purchased by the Fund), as at the last date of the preceding month, calculated and payable, in advance, at the beginning of

each month. See **Item 3.2 - Fees and Expenses** and also **Item 3.1 - Compensation and Securities Held**.

The Management Fee may vary for other series of Trust Units and LP Units and is treated as a Series Expense attributed to a particular series of LP Units.

Acquisition Fee:

For services related to the research, identification, due diligence, financing and acquisition of a Portfolio Company, Newlook Capital will receive a fee upon the acquisition of a Portfolio Company equal to 1% of the total purchase price of such Portfolio Company plus additional capital committed to such Portfolio Company, not including transaction costs.

For greater certainty, the Acquisition Fee is treated as a Common Expense of the Partnership.

Capital Advisory Fee:

The Capital Advisory Fee is payable by Newlook Capital, which shall be reimbursed by the Partnership. See **Item 7 - Compensation Paid to Sellers and Finders**.

Expenses:

The Fund and the Partnership will pay for all ongoing expenses associated with the operation of the Fund and the Partnership, including all general and administrative expenses, marketing and operating expenses, insurance costs, office space and staffing costs, expenses related to the acquisition and disposition of Portfolio Companies, legal, banking, audit and accounting fees, investor reporting costs, printing and mailing costs and costs incurred in connection with any governmental or regulatory filing requirements.

Newlook Capital provides to the Partnership and the Fund office space, furniture, day-to-day office supplies and services, internal accounting staff, payroll, information technology, the maintenance of books and records and assistance with all continuous disclosure obligations imposed on the Fund and the Partnership by applicable laws (which for greater certainty excludes external legal, accounting and other advisors), the costs of providing such services are reimbursed by the Partnership to Newlook Capital on a cost basis, such reimbursement to be unanimously approved by the Independent Review Committee (in addition to the requisite majority of directors of the General Partner, the Administrator or the Trustees, as applicable). See **Item 2.7.4 - Services Agreement - Fees and Expenses**, provided that the costs of the above services reimbursed by the Partnership shall not exceed \$250,000 per annum. For greater certainty, this \$250,000 per annum limit does not include the Capital Advisory Fee.

Partnership Distributions:

Pursuant to the Partnership Agreement, the General Partner and the Special Limited Partner will be entitled to receive distributions.

See **Item 2.7.3 - Partnership Agreement – Distributions from the Partnership**, **Item 3.1 - Compensation and Securities Held** and **Item 3.2 - Fees and Expenses**.

Relationship With Newlook Capital

As entities managed by Newlook Capital, the Fund and the Partnership operate differently from independent, stand-alone entities. The Administrator and the General Partner are subsidiaries of Newlook Capital. In addition, Newlook Capital will provide management and administration services to the Fund and the Partnership pursuant to the Services Agreement. This relationship, including potential conflicts of interest and other material considerations arising from the Fund and the Partnership's relationship with Newlook Capital are described in further detail under **Item 2.1.5 - Relationship with Newlook Capital**, **Item 2.1.6 - Conflict of Interest** and **Item 2.7.4 - Services Agreement**.

Independent Review Committee

The Administrator and the General Partner will appoint an independent review committee (the "**Independent Review Committee**") who shall be comprised of: (i), initially, not less than one member, and (ii) by January 31, 2019, not less than two members. All members of the Independent Review Committee shall be "independent" as such term is defined in NI 81-107. For clarity, NI 81-107 does not apply to the Fund and the Partnership but is being used solely as a reference for "independent".

The unanimous approval of the Independent Review Committee (in addition to the requisite majority of directors of the General Partner, the Administrator or the Trustees, as applicable) shall be required:

- (a) to confirm that a particular investment is consistent with the investment criteria of the Partnership prior to making such investment;
- (b) prior to the allocation of expenses as Common Expenses or Series Expenses, and prior to the allocation of expenses between the Partnership and the General Partner or any of their affiliates;
- (c) with respect to any conflict of interest matter regarding the business of the Fund, the Partnership, the Administrator and the General Partner, including but not limited to, (i) the approval of expenses, fees or other costs and any related-party transactions or contracts involving the Fund, the Partnership, the Administrator or the General Partner or related-party transactions or contracts involving their directors, officers, shareholders or affiliates (including Newlook Capital); (ii) the allocation of investment opportunities among the Partnership and other entities managed or controlled by Newlook Capital; and (iii) any material amendment to the Services Agreement; and
- (d) with respect to the determination of the fair market value of an asset pursuant to the Partnership Agreement (including with respect to the calculation of the Redemption Price).

The Partnership will pay the reasonable remuneration of the Independent Review Committee.

Term of the Fund and the Partnership

The General Partner shall dissolve the Partnership and distribute the assets of the Partnership pursuant to the Partnership Agreement to the Limited Partners of the Partnership by the fifth anniversary of the initial Closing Date. The General Partner may extend the term of the Partnership beyond five years with up to two 18-month extensions, in the sole discretion of the General Partner, provided that the Limited Partners may, by Special Resolution, prevent the General Partner from exercising the second 18-month extension. See **Item 2.2.4 - Liquidity Event** and **Item 2.7.3 - Partnership Agreement - Dissolution**.

Following a distribution of all of the assets of the Partnership, the Partnership Agreement will be terminated and the Partnership will be wound up. The Administrator shall then distribute the assets of the Fund pursuant to the Declaration of Trust and wind up the Fund.

**Income Tax
Consequences**

There are important tax consequences relating to the ownership of these securities. 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 Exempt Plans. You should consult your own professional tax advisors to obtain advice respecting any tax consequences to you. Although it is intended that the Fund qualify as a “mutual fund trust” pursuant to the Tax Act, the Fund will not be a “mutual fund” or “investment fund” under applicable securities laws. See **Item 6 - Income Tax Consequences**.

**Selling Agents and
Commissions**

The Fund will sell Offered Units under the Offering through agents that are: (a) exempt market dealers registered under applicable securities laws in Canada; or (b) investment dealers that are registered under applicable securities laws in Canada and that are members of the Investment Industry Regulatory Organization of Canada.

The following Selling Commissions will be payable by the Fund in respect of the gross proceeds realized on the Offered Units sold under the Offering:

Series A1 Units	– up to 9%
Series A2 Units	– up to 9%
Series A3 Units	– up to 9%
Series A4 Units	– up to 9%
Series E Units	– up to 5.75%
Series F Units	– no commission

It is expected that the Selling Commissions for the Series A1 Units, Series A2 Units, Series A3 Units and Series A4 Units will include (i) an administration fee of up to 1% of the gross proceeds realized on the Offered Units payable to the selling dealers; and (ii) a lead dealer fee up of to 1% of the gross proceeds realized on the Offered Units payable to the lead selling dealer(s).

If the General Partner extends the term of the Partnership in accordance with the Partnership Agreement, then the Fund may also pay a fee per 18-month extension period to certain securities dealers of up to 1.5% of the aggregate amount that remains invested in the Fund from holders of Series A1 Units, Series A2 Units, Series A3 Units and Series A4 Units that were introduced to the Fund by such securities dealers.

In addition, Newlook Capital has engaged experienced professionals on its staff to assist with the structuring and execution of the Offering. Newlook Capital shall pay to such individuals a base fee of up to \$13,000 per month, during the term of the Offering, which shall be reimbursed by the Partnership based on the proportion of time spent by such individuals on the Offering (relative to other offerings by entities managed by or affiliated with Newlook Capital). In addition, during the term of the Offering, the Partnership shall pay to such individuals a fee equal to 0.75% of the gross proceeds from the sale of Offered Units.

See **Item 7 - Compensation Paid to Sellers and Finders** and **Item 2.7.3 - Partnership Agreement - Dissolution**.

**Concurrent and
Subsequent Offerings**

Concurrent with or subsequent to this Offering, the Fund and the Partnership may also offer additional securities, which may not have the same terms as the Series A1, Series A2, Series A3, Series A4, Series E and Series F units of the Fund and the Partnership.

The Fund and the Partnership currently also offer Series M and Series N units of the Fund and the Partnership. It is expected that Newlook Capital’s management team or their affiliates or associates will subscribe for Series M units of the Fund or the Partnership and certain high net worth individuals and friends and family of Newlook Capital’s management team will subscribe for Series N units of the Fund or the Partnership. The terms of the Series M and Series N units of the Fund and the

Partnership are the same as the Series F units of the Fund and the Partnership, provided that no management fee is payable by the Partnership on the Series M units of the Fund and the Partnership.

The Fund or the Partnership may, from time to time, negotiate with additional investors (such as institutional investors) the terms of purchase of a new series of Trust Units or LP Units, as applicable, including the Management Fee, Preferred Return and the distributions to the Special Limited Partner that will be paid by the Fund or the Partnership in respect of such Investor's Trust Units or LP Units, as applicable.

See **Item 4 - Capital Structure**.

Risk Factors

It is strongly recommended that each prospective Investor, in order to assess tax, legal and other aspects of an investment in Trust Units, obtain independent advice with respect to the Offering and this Offering Memorandum. 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 Trust Units. An investment in the Trust Units is subject to a number of risks. See Item 8 - Risk Factors.

ITEM 1 - USE OF AVAILABLE FUNDS

1.1 Available Funds

The table below represents the estimated available funds under the Offering:

	<u>Assuming \$50,000,000 Offering⁽¹⁾</u>	<u>Assuming Maximum Offering⁽¹⁾</u>
A. Amount to be raised by this Offering	\$50,000,000	\$100,000,000
B. Selling Commissions, Capital Advisory Fee and other fees ⁽²⁾⁽³⁾	\$5,135,000	\$10,010,000
C. Estimated Offering Costs (e.g. legal, accounting, audit, etc.)	\$300,000	\$300,000
D. Available Funds: $D = A - (B + C)^{(4)(5)}$	\$44,565,000	\$89,690,000
E. Additional Sources of Funding Required	\$0	\$0
F. Working Capital Deficiency	\$0	\$0
G. Total: $G = (D + E) - F^{(4)(5)}$	\$44,565,000	\$89,690,000

Notes:

- (1) There is no Minimum Offering. The Fund may complete the issue and sale of Offered Units at any time and from time to time at one or more Closings until the Maximum Offering is reached or the Offering is otherwise terminated. The Fund may, without notice to Investors, increase or decrease the Maximum Offering.
- (2) The amount assumes that all of the Offered Units issued under the Offering are Series A1 Units and that the Fund pays up-front commission of 9% on the gross proceeds realized on the sale of the Series A1 Units to the selling agents and the Partnership pays fees of 0.75% on the gross proceeds realized on the sale of Series A1 Units plus \$13,000 per month, until December 31, 2019, to the professionals on Newlook Capital's staff who have been engaged to assist with the structuring and execution of the Offering. See **Item 7 - Compensation Paid to Sellers and Finders**.
- (3) The Fund and the Partnership may, from time to time, enter into agreements with third parties to provide marketing, administration and related services in connection with the Offering on such terms and conditions as may be deemed advisable by the Administrator or General Partner. The above table does not include any fees payable in connection with such arrangements.
- (4) The Fund intends to use the available funds to purchase LP Units. See **Item 1.2 - Use of Available Funds**.
- (5) Available funds may not be sufficient to accomplish the Fund's objectives. There is no assurance that the Maximum Offering will be completed. There is no assurance that the Fund will realize sufficient funding under the Offering to permit it to acquire (through the Partnership) an interest in any Portfolio Companies or otherwise advance the business of the Fund or the Partnership. See **Item 8 - Risk Factors**.

1.2 Use of Available Funds

1.2.1 Use of Available Funds by the Fund

<u>Description of intended use of available funds listed in order of priority</u>	<u>Assuming \$50,000,000 Offering</u>	<u>Assuming Maximum Offering</u>
The available funds from this Offering will be used by the Fund to invest in Corresponding LP Units	\$44,565,000	\$89,690,000

1.2.2 Use of Available Funds by the Partnership

<u>Description of intended use of available funds listed in order of priority</u>	<u>Assuming \$50,000,000 Offering</u>	<u>Assuming Maximum Offering</u>
Acquire controlling interests or make strategic debt investments in industrial and commercial services companies located in Canada and the United States ⁽¹⁾	\$43,024,271	\$86,834,951
Transaction costs related to the above ⁽²⁾	\$1,290,729	\$2,605,049
Working capital for the next 12 months ⁽³⁾	\$250,000	\$250,000

Notes:

- (1) Investors under this Offering will hold the Offered Units. See **Item 5.1 - Terms of Offered Units**.
- (2) The Fund will use the proceeds of the Offered Units to purchase LP Units.
- (3) Concurrent with or subsequent to this Offering, the Fund and the Partnership may also offer additional securities, which may not have the same terms as the Series A1, Series A2, Series A3, Series A4, Series E and Series F units of the Fund and the Partnership. See **Item 4 - Capital Structure**.
- (4) The Partnership seeks to acquire controlling interests in or make strategic debt investments in, industrial and commercial services companies located in Canada and the United States.
- (5) The head office of each of Newlook Capital, the Fund, the Administrator, the Partnership and the General Partner is located at 1550 Appleby Line, Suite 100, Burlington, Ontario, L7L 6V1.

2.1.2 The Fund and the Administrator

The Fund is a trust formed as of May 15, 2018 under the laws of Ontario pursuant to the Declaration of Trust. The Fund is governed by the Declaration of Trust among the Trustees, the Administrator and the Trust Unitholders, as beneficiaries, which establishes the rights and obligations of the Trust Unitholders, the Trustees and the Administrator. See **Item 2.7.1 - Declaration of Trust**.

The Administrator was incorporated on April 26, 2018 pursuant to the OBCA and will manage, along with the Trustees, the affairs of the Fund. The Administrator is a subsidiary of Newlook Capital. The Administrator will provide and perform certain administrative, management and governance services as may be required or advisable from time to time in order to administer, manage and govern the operations of the Fund pursuant to the terms of the Declaration of Trust and the Administration Agreement.

The Trustees for the Fund and the directors and officers of the Administrator are Elroy Gust, Tony Diab, Abbas Osman and Gavin Treanor. See **Item 3 - Directors, Trustees, Management, Promoters and Principal Holders**. The Trustees are responsible for the management and control of the business and affairs of the Fund on a day-to-day basis in accordance with the terms of the Declaration of Trust. However, the Trustees, on behalf of the Fund, have retained the Administrator to carry out the duties of the Trustees under the Declaration of Trust and have delegated to the Administrator the power and authority to manage and direct the day-to-day business, operations and affairs of the Fund.

Although it is intended that the Fund qualify as a “mutual fund trust” pursuant to the Tax Act, the Fund will not be a “mutual fund” or “investment fund” under applicable securities laws.

The Fund will use the proceeds of the Offering of Series A1 Units, Series A2 Units, Series A3 Units, Series A4 Units, Series E Units and Series F Units to purchase, respectively, Series A1 LP Units, Series A2 LP Units, Series A3 LP Units, Series A4 LP Units, Series E LP Units and Series F LP Units of the Partnership. See **Item 2.1.3 - The Partnership and the General Partner** and **Item 2.2 - Our Business**.

2.1.3 The Partnership and the General Partner

The Partnership is a limited partnership formed pursuant to the Limited Partnerships Act on May 16, 2018. The Partnership is governed by the Partnership Agreement among the General Partner and the Limited Partners. See **Item 2.7.3 - Partnership Agreement**.

The General Partner was incorporated on April 26, 2018 pursuant to the OBCA. The General Partner is a subsidiary of Newlook Capital. 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 directors and officers of the General Partner are currently Elroy Gust, Tony Diab, Abbas Osman and Gavin Treanor. See **Item 3 - Directors, Trustees, Management, Promoters and Principal Holders**.

The Partnership is expected to hold and have responsibility for all of the assets of the business. The Partnership may acquire and hold shares, debt or other securities of Portfolio Companies from time to time, and may issue securities

to additional investors. The ability of the Partnership to make distributions to the Fund, and accordingly, the ability of the Fund to make distributions on Trust Units, will be completely dependent upon the Partnership receiving payments from Portfolio Companies pursuant to the securities of Portfolio Companies acquired by the Partnership. If the Partnership does not receive payment from the Portfolio Companies pursuant to the securities of the Portfolio Companies held by it, the Partnership will not have sufficient cash flow to make cash distributions to Limited Partners, including the Fund. In addition, the amount of cash distributions will be subject to foreign exchange risk to the extent that they are sourced from a Portfolio Company located outside of Canada. See **Item 8 - Risk Factors**.

2.1.4 Newlook Capital

Newlook Capital is a private equity firm that manages funds available to the retail and institutional markets. Each fund managed by Newlook Capital has its own focused, experienced and aligned management, and a defined strategy, which are generally focused on investing throughout Canada and the United States with a preference for companies that exhibit a solid tangible asset base.

2.1.5 Relationship with Newlook Capital

Newlook Capital is the sole shareholder of the Administrator and the General Partner. As a result of its ownership of the Administrator and the General Partner, Newlook Capital is able to control the appointment and removal of the directors of the Administrator and the General Partner, and accordingly, exercises substantial influence over the Fund and the Partnership. The Fund and the Partnership do not have any employees and depend on the management and administration services provided by Newlook Capital pursuant to the Services Agreement.

The Partnership will pay the Management Fee and the Acquisition Fee to Newlook Capital and reimburse Newlook Capital for the Capital Advisory Fee and certain expenses. In addition, Newlook Capital (as the Special Limited Partner) is entitled to certain distributions from the Partnership. See **Item 2.7.3 - Partnership Agreement – Distributions from the Partnership, Item 3.1 - Compensation and Securities Held, Item 3.2 - Fees and Expenses and Item 7 - Compensation Paid to Sellers and Finders**.

The success of the Fund and the Partnership depends on Newlook Capital's ability to identify and present the Fund and the Partnership with acquisition opportunities, but Newlook Capital has no obligation to source acquisition opportunities for the Fund and the Partnership.

Newlook Capital's commitment to the Fund and the Fund's and the Partnership's abilities to take advantage of opportunities are subject to a number of limitations, such as the Partnership's financial capacity, the suitability of an acquisition in terms of the underlying asset characteristics and its fit with the Partnership's investment strategy, limitations arising from applicable tax and regulatory regimes and certain other restrictions. Under the terms of the Declaration of Trust, the Partnership Agreement and the Services Agreement, the Fund and the Partnership acknowledge and agree that Newlook Capital may pursue other business activities and provide services to third parties that compete directly or indirectly with the Fund and the Partnership (including Fund I), though these activities will be subject to the Conflict of Interest Policy. In addition, Newlook Capital has established and advised, and may continue to establish and advise, other entities that rely on the diligence, skill and business contacts of Newlook Capital's professionals and the information and acquisition opportunities they generate during the normal course of their activities. Notwithstanding the foregoing, until such time as, following the final closing of the Offering, 70% of the capital raised by the Partnership has been invested by the Partnership, Newlook Capital shall not establish any fund with an investment mandate substantially similar to that of the Fund.

If Newlook Capital determines that an opportunity is not suitable for the Fund or the Partnership, Newlook Capital or other entities managed by Newlook Capital may, subject to the Conflict of Interest Policy, still pursue such opportunity on their own behalf. Due to the foregoing, the Fund and the Partnership expect to compete from time to time with other affiliates of Newlook Capital or other third parties for access to the benefits realizable from Newlook Capital's management of the Fund and the Partnership. Notwithstanding the foregoing, the Independent Review Committee must unanimously approve any conflict of interest matter, including the allocation of investment opportunities among the Partnership and other entities managed or controlled by Newlook Capital. See **Item 2.1.6 - Conflict of Interest - Independent Review Committee and Item 8 - Risk Factors**.

2.1.6 Conflict of Interest

The Fund's and the Partnership's organizational and ownership structure and strategy involve a number of relationships that may give rise to conflicts of interest between Investors, on the one hand, and Newlook Capital (or its principals), on the other hand. The Fund, the Partnership, the Administrator and the General Partner have adopted

a conflict of interest policy (the “**Conflict of Interest Policy**”) dated October 12, 2018, as may be amended or restated from time to time, to establish a process for identifying and managing conflict of interest matters. In particular, conflicts of interest could arise, among other reasons, because:

- (a) the Conflict of Interest Policy contains guidelines for the fair allocation of investment opportunities by Newlook Capital. However, in originating and recommending acquisition opportunities, Newlook Capital has significant discretion to determine the suitability of opportunities for the Partnership and whether to allocate such opportunities to the Partnership. There may be circumstances where Newlook Capital will determine that an acquisition opportunity is not suitable for the Partnership because of: (i) the fit with the Partnership’s acquisition strategy or existing portfolio; (ii) limits arising due to regulatory or tax considerations; (iii) limits on the Partnership’s financial capacity; or (iv) because of the characteristics of the target assets. In such circumstances, Newlook Capital is entitled, subject to the Conflict of Interest Policy, to allocate such opportunities to itself or other entities managed by Newlook Capital (including Fund I) rather than offering the Partnership the opportunity to make the acquisition;
- (b) each of Elroy Gust, Tony Diab, Abbas Osman and Gavin Treanor has economic interests in or acts as senior management for other entities. Accordingly, limitations on the availability of such individuals will result in a limitation on the availability of acquisition opportunities for the Partnership. Furthermore, such other entities may be in direct competition with the Fund and the Partnership for prospective Portfolio Companies. In addition, any of Elroy Gust, Tony Diab, Abbas Osman and Gavin Treanor may, in the future, subject to the Conflict of Interest Policy, be involved with other organizations or businesses that participate in a business that directly competes with that of the Fund and the Partnership. Elroy Gust, Tony Diab, Abbas Osman or Gavin Treanor and their affiliates or associates may, from time to time, subject to the Conflict of Interest Policy, also own interests in the Portfolio Companies. However, for greater certainty, none of Elroy Gust, Tony Diab, Abbas Osman, Gavin Treanor or Newlook Capital will receive any additional compensation from any Portfolio Company for services provided by them other than as disclosed herein;
- (c) Newlook Capital, Elroy Gust, Tony Diab, Abbas Osman and Gavin Treanor are permitted, subject to the Conflict of Interest Policy, to pursue other business activities and provide services to third parties that compete directly with the Partnership’s business and activities without providing the Partnership with an opportunity to participate;
- (d) the Fund’s and the Partnership’s relationship with Newlook Capital involves a number of arrangements pursuant to which Newlook Capital provides (directly or indirectly) various services and originates acquisition opportunities, and circumstances may arise in which these arrangements will need to be amended or new arrangements will need to be entered into. As the Fund’s and the Partnership’s arrangements with Newlook Capital were effectively determined by Newlook Capital in the context of the formation of the Fund and the Partnership, they may contain terms that are less favorable than those which otherwise might have been negotiated between unrelated parties;
- (e) Newlook Capital is entitled to share in the returns generated by the Partnership’s operations, which could create an incentive for it to assume greater risks when making decisions or determining the Redemption Price differently than it otherwise would in the absence of such entitlement; and
- (f) the liability of Newlook Capital, Elroy Gust, Tony Diab, Abbas Osman and Gavin Treanor is limited under their arrangements with the Fund and the Partnership and the Fund and the Partnership have agreed to indemnify Newlook Capital, Elroy Gust, Tony Diab, Abbas Osman and Gavin Treanor against claims, liabilities, losses, damages, costs or expenses which they may face in connection with those arrangements, which may lead them to assume greater risks when making decisions than they otherwise would if such decisions were being made solely for their own account, or may give rise to legal claims for indemnification that are adverse to the interests of Investors.

Independent Review Committee

The Administrator and the General Partner will appoint an independent review committee (the “**Independent Review Committee**”) who shall be comprised of: (i), initially, not less than one member, and (ii) by January 31, 2019, not less than two members. All members of the Independent Review Committee shall be “independent” as such term is defined in NI 81-107. For clarity, NI 81-107 does not apply to the Fund and the Partnership but is being used solely as a reference for “independent”. The Independent Review Committee is contemplated in the

Declaration of Trust at Section 9.18 and the Partnership Agreement at Section 6.9.

The unanimous approval of the Independent Review Committee (in addition to the requisite majority of directors of the General Partner, the Administrator or the Trustees, as applicable) shall be required:

- (a) to confirm that a particular investment is consistent with the investment criteria of the Partnership prior to making such investment;
- (b) prior to the allocation of expenses as Common Expenses or Series Expenses, and prior to the allocation of expenses between the Partnership and the General Partner or any of their affiliates;
- (c) with respect to any conflict of interest matter regarding the business of the Fund, the Partnership, the Administrator and the General Partner, including but not limited to, (i) the approval of expenses, fees or other costs and any related-party transactions or contracts involving the Fund, the Partnership, the Administrator or the General Partner or related-party transactions or contracts involving their directors, officers, shareholders or affiliates (including Newlook Capital); (ii) the allocation of investment opportunities among the Partnership and other entities managed or controlled by Newlook Capital; and (iii) any material amendment to the Services Agreement; and
- (d) with respect to the determination of the fair market value of an asset pursuant to the Partnership Agreement (including with respect to the calculation of the Redemption Price).

The Partnership will pay the reasonable remuneration of the Independent Review Committee.

Subject to the Conflict of Interest Policy, the Trustees and the officers and directors of the Administrator and General Partner shall have the right, as expressly provided in the Declaration of Trust and the Partnership Agreement, to engage in businesses of every type and description and other activities for profit, and to engage in and possess interests in business ventures of any and every type or description irrespective of whether (a) such activities are similar to those activities of the Fund, the Administrator, the Partnership or the General Partner or (b) such businesses and activities directly compete with, or disfavor or exclude, the Fund, the Administrator, the Partnership or the General Partner. There is no obligation for Newlook Capital, the Trustees and the officers and directors of the Administrator or General Partner or their affiliates to present any particular business or investment opportunity to the Fund and the Partnership. In addition, Newlook Capital, Elroy Gust, Tony Diab, Abbas Osman and Gavin Treanor have established and may establish, in the future, other limited partnerships or other investment vehicles (including Fund I) which have or may have investment objectives that are the same as or similar to those of the Fund and the Partnership. Any of those individuals may act as adviser, service provider, manager, trustee, director, officer and/or general partner to such organizations. Notwithstanding the foregoing, until such time as, following the final closing of the Offering, 70% of the capital raised by the Partnership has been invested by the Partnership, Newlook Capital shall not establish any fund with an investment mandate substantially similar to that of the Fund. Although none of the Trustees and the officers and directors of the Administrator and General Partner devotes his/her full time to the business and affairs of the Fund and the Partnership, they will devote as much time as is necessary for the management of the business and affairs of the Fund and the Partnership.

Prior to any personnel of Newlook Capital becoming engaged by any Portfolio Company to provide services (other than services disclosed in this Offering Memorandum) to the Portfolio Company on behalf of Newlook Capital and for which services such Newlook Capital personnel receive compensation from the Portfolio Company, Newlook Capital shall be required to obtain the unanimous approval of the Independent Review Committee with respect to the engagement.

2.2 Our Business

The Fund has been established with the objective of investing indirectly in the Portfolio Companies through its acquisition of LP Units. The Fund will use the proceeds of the Offering of Series A1 Units, Series A2 Units, Series A3 Units, Series A4 Units, Series E Units and Series F Units to purchase, respectively, Series A1 LP Units, Series A2 LP Units, Series A3 LP Units, Series A4 LP Units, Series E LP Units and Series F LP Units of the Partnership. The Partnership will, in turn, use the funds available to it from the sale of LP Units to the Fund to acquire controlling interests or make strategic debt investments in the Portfolio Companies.

The Fund's and the Partnership's investment thesis has been designed to (a) provide Investors with investment exposure to Portfolio Companies the General Partner believes are capable of generating attractive reliable returns and (b) permit investment by Exempt Plans.

The Partnership will invest for the purpose of exercising, or seeking to exercise, control of businesses or assets or will, through the General Partner, participate actively in the management of the businesses or assets in which it invests. For example, from its position as controlling shareholder of the Portfolio Companies or through covenants set out in its debt investment documentation, the Partnership may use the experience of the General Partner's officers and directors to appoint suitable individuals to the boards of the Portfolio Companies, who may in turn appoint the management teams of the Portfolio Companies.

The Partnership may also utilize vendor financing and may issue securities to additional investors from time to time.

The General Partner will select Portfolio Companies based on the criteria described in **Item 2.2.1 - Investment Strategy**. The Partnership will seek to invest in Portfolio Companies that are profitable and are capable of generating attractive regular returns on invested capital and an opportunity for capital appreciation. Upon making an investment in any Portfolio Company, the Partnership will consider the management and board of directors of the Portfolio Company and make any changes it determines necessary.

The Partnership may borrow money to fund the acquisition of any controlling interest or any strategic debt investment in a Portfolio Company or to fund a Portfolio Company's operation and development, which borrowings may be secured by the Partnership's or a Portfolio Company's cash flows and assets, subject to a maximum debt to equity ratio of 1:1 calculated on a consolidated basis including all of the Portfolio Companies. This is equivalent to a 50% loan-to-value ratio. The General Partner may cause the Partnership to guarantee repayment of any credit extended to a Portfolio Company on terms determined appropriate by the General Partner in its sole discretion.

The Partnership expects to receive interest, dividends or distributions from the Portfolio Companies and will also receive proceeds from the disposition of any sale of an interest in the Portfolio Companies, which amounts it will distribute to its Limited Partners, including the Fund, in accordance with **Item 2.7.3 - Partnership Agreement - Distributions of the Partnership**.

2.2.1 Investment Strategy

The Partnership's investment strategy will consist of sourcing and acquiring interests in Portfolio Companies that: (a) have a component of their revenue arising from recurring service provision, such as assuring regulatory compliance (e.g. building codes, elevator maintenance codes, gas detection system codes etc.); (b) have a sustainable competitive position; (c) have a history of generating positive cash flow; and (d) the Partnership sees an opportunity to enhance value by driving operational improvements.

The Partnership will seek to invest in such Portfolio Companies at attractive prices and eventually divest of its investments at higher values than those paid at acquisition, after growing them into larger and more professionally-managed businesses that are strategically relevant for corporate buyers or larger private equity groups who are willing to pay a premium for such assets.

The Partnership may change any aspect of its investment strategy at the discretion of the General Partner, including in response to changes in market factors affecting Canada and the United States, and applicable regional economic trends and changes in the industries in which potential Portfolio Companies are operating. Accordingly, the disclosure in this **Item 2.2.1 - Investment Strategy** and **Item 2.2.2 - Investment Focus** may change without notice to Investors.

2.2.2 Investment Focus

The Partnership will seek to make control investments in the form of equity or strategic debt investments, with protection through covenants set out in the applicable debt or equity investment documentation, in high-quality, lower middle-market Canadian and United States private companies that are active in the industrial and commercial services industries. The Partnership will continue to focus on opportunities requiring both capital and senior operating expertise where it can use the experience and skills of the General Partner's management, working closely with Portfolio Company management teams, to improve their performance and professionalize their organization.

The Partnership will target companies that are undergoing a significant transition, such as ownership succession, senior management change, or the divestiture of non-core high-quality divisions by larger groups, and under-valued companies that are at an inflection point in their development. The types of transactions that the Partnership will pursue may include management buyouts, intergenerational transfers, growth equity investments and spin-offs. The Partnership will also consider companies in restructuring situations, as well as add-on acquisitions to existing

Portfolio Companies, subject to the quality of the underlying business, and the General Partner's management's knowledge of the market and their assessment of the likelihood of success in the process.

The Partnership intends to focus on industrial and commercial services industries in Canada and the United States that are driven by recurring service provision and where management has developed relevant experience including, but not limited to, gas detection system calibration and service, elevator maintenance and service, and fire suppression inspection service. An example of a "recurring service" is the requirement for elevators to be serviced and maintained on set dates over a particular time period. The Partnership does not currently intend to invest in real estate or companies that are "early-stage" or "venture" businesses without an established business presence, such as companies with start-up, technology or resource exploration risks.

Targeting the Right Businesses

The individuals responsible for the Partnership's investments have experience investing in companies with strong underlying fundamentals to which substantial strategic and operational improvements can be made. See **Item 3 - Directors, Trustees, Management, Promoters and Principal Holders**. The General Partner believes that returns can be achieved by focusing on businesses with the following characteristics:

- (a) *Strong strategic position*: leading market position defined by regional scale or service niches, service offering differentiation, barriers to entry, pricing advantages or distribution channel leadership.
- (b) *Sustainability*: companies in the industrial and commercial services industry that provide services mandated by regulatory compliance (e.g. building codes, elevator maintenance codes, gas detection system codes etc.). The Partnership believes that these companies with defensible market positions, as defined by steady market demand fundamentals, strong cash flows (including recurring service revenues through the market cycle), sustainable margin structure and a strong customer base, provide a platform for growth.
- (c) *Capable management teams*: existing management teams or identified successor candidates capable of successfully implementing a value creation plan. The Partnership will foster relationships with these management teams during the due diligence process that can be built on throughout its ownership. The Partnership will also focus on aligning management's interests with its own, generally through equity or equity-based incentive plans.
- (d) *Situations with an opportunity for strategic and operational improvement*: companies that the General Partner believes can be improved by driving strategic decisions, operational performance and professionalization of business processes. The Partnership will seek to identify situations where there is room for performance improvement through better sales effectiveness, cost savings, implementation of systems and controls, and exploitation of untapped growth potential that requires capital for strategic acquisitions or to support organic growth.

How the Partnership will Seek to Create Value

The General Partner will seek to increase value in the Portfolio Companies by enhancing service offerings, enhancing capital structures to support growth and improving operating performance to build businesses that are more attractive to buyers.

- (a) *Enhanced service offerings*. By focusing on an enhanced service offering to existing customers, the General Partner believes that value growth can be achieved in a systematic and sustainable manner. The cost to acquire new customers in relation to the pricing of services provided can be problematic, but through offering additional services to existing customers, costs can be controlled and at the same time revenue increased. Additionally, customer penetration is improved and as more services are provided, customers are typically more reluctant to switch service providers. This becomes more apparent when regulatory compliance assurance becomes paramount, such as in areas of occupational health and safety. Enhanced service offerings are key to the quality of the core asset and the potential for value creation. The General Partner believes that having a multifaceted customer relationship not only reduces its investments' risk profiles by providing room to absorb business performance shocks, but also enhances investment returns by promoting multiple expansions when selling larger and more professionally-managed companies. It is possible to achieve a pricing advantage when purchasing a business by offering a "best-fit" succession plan to owners and a structure creating alignment with management. The General Partner believes that its management's managerial and consulting experience will be seen by owners as welcomed and valuable resources which would strengthen the business and support its development. In many instances, owners are

provided the opportunity to reinvest as minority shareholders, reducing the need for the owner to maximize the sale price since they can benefit from the value increase at the time of a subsequent exit.

- (b) *Moderate leverage and capital structures to support growth.* The General Partner believes that superior returns are ultimately generated through the execution of well-defined, long-term strategies that improve performance and generate growth. The General Partner's approach to a Portfolio Company's capital structure will be based on conservative use of leverage aimed to support growth and give management flexibility for operational and performance enhancement. Lower-entry multiples are also expected to be a factor that enables the Partnership to keep moderate debt levels in its Portfolio Companies. The General Partner believes that increased profitability, faster cash conversion, optimization of working capital and operating leverage, and divestment of non-core assets can enable it to deleverage and free-up cash for recapitalizations, investments in expansion activities, distributions or new investments.
- (c) *Improvement in operating performance.* The General Partner will generally seek to maximize the potential of each Portfolio Company by focusing on three primary value drivers: management, performance improvement, and growth. The General Partner will seek to implement a series of actions in order to maximize the impact of these value drivers on each Portfolio Company's operations and competitive position.

Value Driver	Actions
Management	<ul style="list-style-type: none"> • Address succession planning • Professionalize firm management and reporting • Reorganize and/or expand management team • Optimize HR management • Improve compensation structure and retention drivers
Performance improvement	<ul style="list-style-type: none"> • Install systems to monitor and manage performance • Revise operational strategy and optimize service delivery efficiency • Optimize pricing • Develop metrics that focus on key areas of the business • Instill balance sheet and capital allocation discipline
Growth	<ul style="list-style-type: none"> • Drive organic growth through geographic and channel expansion • Broaden key customer relationships • Optimize marketing strategy • Source and complete add-on acquisitions • Attract additional customers and expand service offerings

The General Partner intends to work diligently, both before and after completing an investment, to understand the specific actions required for growth and operational improvement in the Portfolio Company's base business. The General Partner will aim to be a valuable partner for management of a Portfolio Company by bringing strategic discipline, operational experience, a focus on results and an entrepreneurial mindset to the table. The key components of the business plan will typically be created with management of a Portfolio Company early in the ownership period. Strong alignment of interests is expected to be obtained through co-ownership, management incentives and clear communication of goals and objectives.

- (d) *Build businesses that are more attractive to buyers.* A key objective in each of the Partnership's investments will be to increase value by building higher-quality businesses that can attract a wider audience of potential buyers. If this is achieved, the General Partner expects that once certain thresholds are attained for revenue and enterprise value, these higher-quality businesses will command a higher multiple on sale.

2.2.3 Due Diligence

The General Partner is expected to conform to a standardized due diligence process that is comprised of a subset of steps developed to assist the General Partner in its decision making. An important aspect of this process will include various levels of interaction with the shareholders/management of the potential Portfolio Company to not only

extract information but also, to develop a strong relationship with them to assist with the due diligence process and to ensure positive post-transaction relations. Where the General Partner determines that it would be beneficial to the Partnership, the General Partner will engage third party experts to conduct due diligence at certain steps of the process. However, it is important to note that these processes may vary depending on the transaction (e.g. in an auction process).

The General Partner's due diligence process is expected to commence with diligence regarding operations and financial matters. Using the information from such due diligence, the General Partner will determine value-adding opportunities to grow the business, whether in new products or services, channels, geographies or mergers and acquisition activity.

In the event that an exclusive letter of intent with the target Portfolio Company is executed, the General Partner will expand its due diligence efforts to such areas as accounting, operational, environmental and legal reviews. This process can vary depending on available information, size of the business and location of the business. In parallel, the General Partner will seek to advance the administrative and legal processes forward to negotiate final documents and to secure financial debt and equity positions to complete the transaction.

Initial Screening

The purpose of initial screening is to complete an initial assessment of the investment opportunity. This involves an internal review of the industry and business for the purpose of assessing alignment with the Partnership's established investment criteria. Such criteria include, but are not limited to, the following:

- a component of recurring service revenue;
- maintenance contracts (contractual revenue);
- code-driven maintenance;
- diversified customer base; and
- strong and consistent historical cash flow.

Internally, initial research is done on the applicable market and an investment hypothesis is developed to help facilitate a decision to pursue the opportunity further.

Prior to Exclusivity

- (a) Preliminary Due Diligence: This stage of the process includes introductory meetings with management, review of historical financials, collection and evaluation of industry data including reputation of the target, discussion with relevant third party industry experts and high level business operations. With the added information gathered, the General Partner will reassess alignment with the Partnership's investment criteria.
- (b) Operational Due Diligence: This stage of the process requires the General Partner and its advisors to review the business operations and to develop an understanding of the internal business environment. Questions will be formed around management intentions, employees, customers, suppliers, competition, capital expenditures and strategic opportunities. In addition, high level financial questions will be noted around market compensation, capital expenditures, quotes and revenue with the intent to build a realistic financial model and to understand the source of revenue, gross margins and risk for financial due diligence.
- (c) Financial Due Diligence: The General Partner intends to review historical financials to identify inconsistencies that may raise questions related to efficiencies, unforeseen costs, and market trends. This analysis will be used to better understand the potential risks and results of internal or external events. Pro-forma financials will be prepared with information from management meetings and operational due diligence. Projections will be challenged using sensitivity analysis to determine conservative, realistic and optimistic scenarios. Using these scenarios, the General Partner will seek to determine the valuation of the business and the ideal financial structure. The General Partner also intends to approach multiple financial institutions to understand available financing options.

Awarded Exclusivity

- (a) Accounting: The General Partner will review administrative and accounting software and processes to determine best practices and areas of risk. The General Partner will endeavour to arrange in-person meetings to understand the individual roles of office staff, efficiencies/inefficiencies and areas to unlock value with regards to adding industry specific software and increasing communication. This process may also require meetings with the target's accounting firm to verify company assumptions, policies and reviewed financial statements. Specialized consultants may be involved during this process when necessary.
- (b) Operational: The General Partner will review all aspects of the company with regard to management, employees, insurance, equipment, vehicles, culture, health and safety, information technology systems, customer relationships and supplier relationships. Specialized consultants may be involved during this process when necessary.
- (c) Environmental/Regulatory: The General Partner will engage third party professionals to review environmental compliance, corporate social responsibility, industry best practices as well as recommended business dues, licenses, permits and certifications. Specialized consultants may be involved during this process.
- (d) Legal: The General Partner will review all pending lawsuits and insurance claims and evaluate risk of future lawsuits and claims to determine how to best protect the Partnership and the company and its reputation. In addition, lawyers are involved to create, tailor and complete all required legal paperwork to complete the transaction, which may include purchase and sale agreements, shareholders' agreements and employment agreements.
- (e) Financing: The General Partner will provide all relevant information that is requested from financial institutions in order to secure the debt financing (if necessary) prior to closing the transaction.

Execution and Accountability

The General Partner will seek to utilize the negotiation experience of the General Partner's management, as well as their experience in prior transactions to build strong relationships with all parties during the due diligence stage and execute the transaction in a timely manner. More importantly, the Partnership will seek to take precautionary steps to learn and understand the target's business without interfering in the target's everyday operations.

2.2.4 Liquidity Event

At the appropriate stage of the development of the Partnership's business, the General Partner shall seek a sale of the Partnership's Portfolio Companies. Whether such sale is successful will depend on a large number of factors including general economic conditions, other factors applicable to the industries in which the Partnership is invested and capital markets generally, many of which are beyond the Partnership's control or influence. The Partnership has not developed a strategy in connection with such liquidity event at this time and is unable to accurately quantify the time horizon for such an event. See **Item 8 - Risk Factors**.

Notwithstanding the above, the General Partner shall dissolve the Partnership and distribute the assets of the Partnership pursuant to the Partnership Agreement to the Limited Partners of the Partnership by the fifth anniversary of the initial Closing Date. The General Partner may extend the term of the Partnership beyond five years with up to two, 18-month extensions in its sole discretion. However, if the General Partner wishes to exercise its discretion to use the second extension, the General Partner shall provide written notice to the Limited Partners (including the Fund, which will provide such notice to Trust Unitholders) and call a meeting of the Limited Partners. At such meeting, Limited Partners will be provided with the opportunity, by Special Resolution, to require the General Partner to not extend the term of the Partnership and to use commercially reasonable efforts to seek a liquidity event. If such resolution is not passed, the General Partner will not be required to seek a liquidity event at such time. The Administrator shall make reasonable commercial efforts to seek instructions from Trust Unitholders regarding the manner in which the Administrator shall vote the LP Units held by the Fund and the Administrator shall vote the LP Units held by the Fund in a manner consistent with such instructions. For example, if Trust Unitholders representing: (a) 50% of the Trust Units provide instructions to the Administrator to vote to approve the Special Resolution to require the General Partner to not extend the term of the Partnership and to seek a liquidity event; (b) 30% of the Trust Units provide instructions to the Administrator to vote against the Special Resolution to require the General Partner to not extend the term of the Partnership and to seek a liquidity event; and (c) 20% of the Trust

Units do not provide instructions to the Administrator regarding their vote; then the Administrator shall vote the LP Units held by the Fund as to 50% in favor of the Special Resolution, 30% against the Special Resolution, and shall not vote the remaining 20%.

Following a distribution of all of the assets of the Partnership, the Partnership Agreement will be terminated and the Partnership will be wound up. The Administrator shall then distribute the assets of the Fund pursuant to the Declaration of Trust and wind up the Fund.

2.2.5 Newlook Track Record

Newlook Capital also manages Fund I, which was established in 2016 with an identical investment objective to the Fund except that Fund I only seeks portfolio companies located in Canada. Fund I is no longer accepting new investors. Since the inception of Fund I, investors have received distributions at Fund I's annual preferred rate of return of 8%. It is important to note that past performance of Fund I or other entities managed by Newlook Capital is not indicative of how the Fund will perform in the future.

The following table sets forth investments that have been made and continue to be managed by Fund I in order to provide prospective Investors with an example of the type of Portfolio Companies that the Fund and the Partnership will seek to acquire. **The companies listed below are NOT Portfolio Companies of the Fund or the Partnership.**

CURRENT FUND I PORTFOLIO COMPANIES

<u>Name of Company</u>	<u>Location</u>	<u>Business</u>
Gas Detection Systems installation and service company	Edmonton, Alberta	Installation, service, and regular calibration of gas detection systems
Gas Detection Systems installation and service company	Winnipeg, Manitoba	Installation, service, and regular calibration of gas detection systems
Elevator service company	Scarborough, Ontario	Elevator modernization, maintenance, and service
Elevator service company	Etobicoke, Ontario	Elevator modernization, maintenance, and service
Fire Alarm and Suppression service company	Regina, Saskatchewan	Installation, service, and regular calibration of alarms and/or suppression equipment
Fire Alarm, Sprinkler and Suppression service company	Stoney Creek, Ontario	Installation, service, and regular calibration of sprinklers, alarms, and suppression equipment
Fire Alarm, Sprinkler and Suppression service company	Burnaby, British Columbia	Installation, service, and regular calibration of sprinklers, alarms, and suppression equipment

2.3 Development of the Business

The Fund and the Partnership have not carried on active business prior to this Offering.

Since formation, the Fund has incurred costs in connection with the Offering and has been engaged in activities in preparation for the Offering, which have included, among other things: (a) consulting with financial and legal advisors; and (b) preparing offering documents and the agreements discussed in this Offering Memorandum.

The Partnership is a "blind pool", meaning that the investments to be made by the Partnership, indirectly with the proceeds of the Offering have not yet been identified. See **Item 8 - Risk Factors**.

Newlook Capital has developed a proprietary database of U.S. and Canadian companies which derive a significant component of their revenue from regulatory compliance and related services. The database includes companies across a number of service sectors, including elevator maintenance, fire protection and gas detection. Currently, Newlook Capital has identified approximately fifty companies which might be suitable potential investments. With respect to these companies, Newlook Capital is at various stages of possible investment, including identification, expressions of interest, contact and follow-up, entering into of non-disclosure agreements, review of financial

information and due diligence. No binding commitments have been entered into with respect to any investment opportunities as of the date hereof. There is no assurance that such investment opportunities will be completed.

2.4 Long-Term Objectives

2.4.1 Long-Term Objectives of the Fund

The Fund's long-term objectives are:

- (a) to conduct the Offering, including the issue and sale of Offered Units over multiple Closings (for a breakdown of anticipated costs see **Item 1.1 - Available Funds**);
- (b) to acquire LP Units of the Partnership; and
- (c) to earn, allocate and distribute to Trust Unitholders in accordance with the Declaration of Trust, income derived from its investment in the Partnership (see **Item 5.1.1 - Distributions** and **Item 5.1.2 - Distribution Policy of the Fund and the Partnership**.)

2.4.2 Long-Term Objectives of the Partnership

The Partnership's long-term objectives are:

- (a) to raise capital from the sale of LP Units to the Fund and other investors;
- (b) to acquire, develop, operate and manage a portfolio of controlling interests and strategic debt investments in Portfolio Companies;
- (c) to earn, allocate and distribute to holders of LP Units in accordance with the Partnership Agreement (including the Fund), income derived from the investments in or acquisition of Portfolio Companies (see **Item 2.2 - Our Business**, **Item 5.1.1 - Distributions** and **Item 5.1.2 - Distribution Policy of the Fund and the Partnership**); and
- (d) to undertake a liquidity event in the future (see **Item 2.2.4 - Liquidity Event**).

The time and cost to complete the events under this **Item 2.4 - Long-Term Objectives** cannot be confirmed until the Partnership identifies suitable Portfolio Companies to invest in. There is no assurance that any of these events will occur. The Offering is a "blind pool" offering, meaning that the specific Portfolio Companies in which the Fund and the Partnership will invest have not been identified as of the date of this Offering Memorandum. See **Item 8 - Risk Factors**.

2.5 Short-Term Objectives

2.5.1 Short-Term Objectives of the Fund

The Fund's objectives for the 12 months following the date of this Offering Memorandum are discussed below.

<u>What We Must Do and How We Will Do It</u>	<u>Target Completion Date</u>	<u>Our Cost to Complete</u>
Complete the Offering up to the Maximum Offering and acquire LP Units to be issued by the Partnership	Various Closings to be completed prior to December 31, 2019	See Item 1.2 - Use of Available Funds

2.5.2 Short-Terms Objectives of the Partnership

The Partnership's objectives for the 12 months following the date of this Offering Memorandum are discussed below.

<u>What We Must Do and How We Will Do It</u>	<u>Target Completion Date</u>	<u>Our Cost to Complete</u>
Acquire capital through the sale of LP Units to the Fund	Various Closings to be completed prior to December 31, 2019	See Item 1.2 - Use of Available Funds
Acquire controlling interests or make strategic debt investments in industrial and commercial services companies located in Canada and the United States	Ongoing ⁽¹⁾	See Item 1.2 - Use of Available Funds ⁽²⁾

Notes:

- (1) The time and cost to complete this event cannot be confirmed until the Partnership identifies suitable Portfolio Companies to acquire or invest in. There is no assurance that any of these events will occur. The Offering is a "blind pool" offering, meaning that the specific Portfolio Companies in which the Partnership will invest have not been identified as of the date of this Offering Memorandum. See **Item 8 - Risk Factors**.
- (2) The exact amount of the transaction costs associated with investments to be made by the Partnership is not known at this time. Such amounts will be paid to various third party service providers including, but not limited to, lenders, law firms, brokerages, engineering firms and environmental firms for services provided in association with funding, due diligence and eventual closing of acquisitions for the Partnership. The General Partner has estimated transaction costs to represent approximately 3% of the purchase price of a Portfolio Company.

2.6 Insufficient Funds

The available funds may not be sufficient to accomplish the Fund's and the Partnership's proposed objectives and there is no assurance that alternative financing will be available on acceptable terms or at all. The Fund or the Partnership may, to the extent available on acceptable terms, obtain institutional financing or other arm's length, third party financing. No alternate financing has been arranged for the Fund or the Partnership as of the date of this Offering Memorandum. There is no assurance that the Fund and the Partnership will have adequate working capital to meet the anticipated requirements described in this Offering Memorandum. See **Item 8 - Risk Factors**.

2.7 Material Agreements

The following summarizes all formal, written agreements or commercial instruments that can reasonably be regarded as material, currently or upon being entered into, to the Fund or the Partnership in connection with the Offering or with a related party:

- (a) Declaration of Trust;
- (b) Administration Agreement;
- (c) Partnership Agreement;
- (d) Services Agreement;
- (e) Reimbursement Agreement; and
- (f) Distribution Reinvestment Plan.

Prospective Investors may obtain a copy of each of the material agreements listed above by requesting same from the Partnership at industrialfund@newlookcapital.com, or in person during normal business hours at the offices of the Fund, located at 1550 Appleby Line, Suite 100, Burlington, Ontario, L7L 6V1.

2.7.1 Declaration of Trust

The rights and obligations of Trust Unitholders are governed by the Declaration of Trust.

The following is a summary only of certain terms in the Declaration of Trust which, together with other summaries of additional terms of the Declaration of Trust appearing elsewhere in this Offering Memorandum, are qualified in their entirety by reference to the actual text of the Declaration of Trust, a review of which is recommended to purchasers.

Purpose of the Fund

The Declaration of Trust provides that the undertaking and activities of the Fund are restricted to:

- (a) acquiring, investing in, holding, transferring, disposing of and otherwise dealing with securities issued by the Partnership, and borrowing funds and issuing debt securities, directly or indirectly, for that purpose, and issuing Redemption Notes;
- (b) temporarily holding cash in connection with and for the purposes of the Fund's undertaking, paying administration and trust expenses, paying any amounts required in connection with the redemption of Trust Units and making distributions to Trust Unitholders and borrowing funds and issuing Redemption Notes for those purposes, directly or indirectly;
- (c) issuing Trust Units and other securities of the Fund for the purposes of:
 - (i) obtaining funds to conduct the undertakings and activities described above, including raising funds for further investments, acquisitions or development;
 - (ii) repaying any indebtedness or borrowings of the Fund;
 - (iii) establishing and implementing distribution reinvestment plans, Trust Unit purchase plans, incentive option and other compensation plans, if any, established by the Fund or an affiliate of the Fund;
 - (iv) making non-cash distributions to holders of Trust Units as contemplated by the Declaration of Trust, including *in specie* redemptions and distributions pursuant to distribution reinvestment plans, if any, established by the Fund;
 - (v) giving effect to any arrangement or reorganization; or
 - (vi) satisfying obligations (if any) to pay the applicable Redemption Price for the redemption, purchase or other acquisition of Trust Units, in certain circumstances contemplated in the Declaration of Trust;
- (d) guaranteeing the obligations of its affiliates pursuant to any good faith debt for borrowed money or any other obligation incurred by such entity in good faith for the purpose of carrying on its business, and pledging securities and other property owned by the Fund as security for any obligations of the Fund, including obligations under any such guarantee. The Fund may only provide a guarantee in respect of the indebtedness of another person if the Fund does not, directly or indirectly, receive any fees or other consideration for providing the guarantee and the Trustees or the Administrator have determined that such guarantee forms part of the core investment undertakings of the Fund; provided that the Fund will not, in any event, provide a guarantee which would result in the Fund not being considered a unit trust or a mutual fund trust for purposes of the Tax Act;
- (e) granting security in any form, over any or all of the Fund's assets to secure any or all of the obligations of the Fund or its affiliates;
- (f) repurchasing or redeeming securities of the Fund, including Trust Units, subject to the provisions of the Declaration of Trust and applicable law;
- (g) carrying out any of the transactions, and entering into and performing any of the obligations of the Fund under any agreements contemplated by the Declaration of Trust;
- (h) engaging in all activities ancillary or incidental to any of those activities set forth in paragraphs (a) through (g) above; and

- (i) undertaking such other activities or taking such actions, including investing in securities, as is to be approved by the Trustees or the Administrator from time to time,

provided that the Fund will not, in any event, undertake any activity, take any action, or make any investment which would result in the Fund not being considered a unit trust or a mutual fund trust for purposes of the Tax Act.

Attributes and Issuance of Trust Units

The beneficial interests of the Fund shall be represented and constituted by an unlimited number of Trust Units of a single class divided into an unlimited number of series. Trust Units may be created and issued by the Trustees in their sole discretion from time to time. The Trustees shall have sole discretion in determining the attributes which shall attach to each series of units. The issued and outstanding Trust Units may be subdivided or consolidated from time to time by the trustees without the prior approval of, or notice to, any Trust Unitholder. No fractional Trust Units are to be issued.

Transfer of Trust Units

Trust Units may only be transferred in accordance with applicable securities laws and the Declaration of Trust. The Declaration of Trust provides that no Trust Units are to be transferred without the written consent of the Administrator (which consent may be unreasonably withheld) and otherwise in accordance with the Declaration of Trust. To validly transfer any Trust Unit, the Declaration of Trust requires a Trust Unitholder to execute and deliver to the Administrator a transfer form and acknowledgement confirming the transfer in which the transferee agrees, among other things, to be bound by the terms of the Declaration of Trust, in a form acceptable to the Administrator. See **Item 8 - Risk Factors** and **Item 10 - Resale Restrictions**.

Redemption of Trust Units

Trust Units are redeemable at the option of the Trust Unitholder subject to the terms and conditions set out in the Declaration of Trust. A Trust Unitholder who wishes to exercise the redemption right must complete and deliver a redemption notice, in a form approved by the Administrator, to the Administrator. Upon receipt of the redemption notice by the Fund, all rights to and under the Trust Units tendered for redemption are surrendered (including the right to receive any distributions thereon that are declared payable to the Trust Unitholders after the day of receipt by the Fund of the redemption notice) and the former holder thereof is entitled only to receive a price per Trust Unit equal to the Redemption Price.

Trust Units are considered to be tendered for redemption on the date that the Fund has, to the satisfaction of the Administrator, received the redemption notice and further documents or evidence that the Administrator may reasonably require with respect to the identity, capacity or authority of the person giving the redemption notice. The aggregate Redemption Price payable by the Fund in respect of Trust Units tendered for redemption is to be satisfied by way of a cash payment (to be paid by cheque) on the last day of the calendar month following the end of the calendar quarter in which the Trust Units were tendered for redemption, provided that the entitlement of a Trust Unitholder to receive cash upon the redemption of such holder's Trust Units shall be limited in certain circumstances, including where:

- (a) the total amount payable by the Fund in respect of such Trust Units and all other Trust Units validly tendered for redemption in the same calendar quarter exceeds \$50,000 (the "**Quarterly Limit**"); provided that the Trustees or the Administrator may, in their sole discretion, waive or increase such limitation in respect of all Trust Units tendered for redemption in any calendar quarter;
- (b) in the Trustees' or the Administrator's opinion (in their sole discretion), the Fund is or, after the redemption, would be unable to pay its liabilities as they become due; or
- (c) in the Trustees' or the Administrator's opinion (in their sole discretion), the Fund has insufficient liquid assets to fund such redemptions or that the liquidation of assets at such time would be to the detriment of the remaining Trust Unitholders or the Fund, generally.

Trust Units tendered for redemption in any calendar quarter in which the total amount payable by the Fund pursuant to the Declaration of Trust exceeds the Quarterly Limit are to be redeemed for a combination of cash and a distribution *in specie* as specified in the Declaration of Trust on a *pro rata* basis, subject to any applicable regulatory approvals.

If, as a result of any such limitations under the Declaration of Trust, a Trust Unitholder is not entitled to receive cash upon the redemption of some or all of the Trust Units tendered for redemption, then the Redemption Price per Trust Unit to which the Trust Unitholder would otherwise be entitled, subject to receipt of all necessary approvals from governing authorities (which the Fund shall use reasonable commercial efforts to obtain), is to be paid and satisfied by the delivery to such holders of Redemption Notes. In such circumstances, the Fund will issue a cheque to the Trust Unitholder for the amount (if any) that is not subject to limitation and it will issue Redemption Notes in satisfaction of the Redemption Price or portion thereof that is subject to limitation.

As an extraordinary measure and subject to the unanimous approval of the Independent Review Committee, the Trustees or the Administrator may, from time to time and for any reason so long as they are acting reasonably, suspend the redemption of Trust Units or postpone the date of payment of redeemed Trust Units. Examples of such circumstances include, without limitation, if the Trustees or the Administrator reasonably determine that: (a) the Fund's (or the Partnership's) assets are invested in such a manner so as to not reasonably permit immediate liquidation of sufficient assets; (b) there exists a state of affairs that constitutes circumstances under which liquidation by the Fund (or the Partnership) of part or all of its investments is not reasonable or practicable, or would be prejudicial to the Fund or Trust Unitholders generally; (c) not suspending redemptions would have an adverse effect on continuing Trust Unitholders; or (d) they are unable to value the assets of the Fund. The Trustees or the Administrator may also suspend the redemption of Trust Units upon an announcement by the Trustees that the Fund will be terminated. For greater certainty, the intention of this provision is not to generally restrict the ability of Trust Unitholders to redeem Trust Units, but rather to permit the Trustees or the Administrator to protect the Fund and/or its Trust Unitholders from the harm that would be caused by permitting redemptions when extraordinary and unusual circumstances are present.

The Fund has the right and entitlement, and is authorized and empowered, to offer to any one or more Trust Unitholders, as the Trustees or the Administrator may determine, and upon acceptance of such offer by the holder of such Trust Units to whom such offer was made, to purchase for cancellation, at any time, by private agreement or otherwise, the whole or from time to time any part of the outstanding Trust Units in respect of which the offer was accepted, at a price per security and on a basis as determined by the Trustees or the Administrator but in compliance with all applicable laws, rules, regulations or policies governing same.

Limited Retraction of Trust Units by Fund

The Trustees or the Administrator may, at any time and from time to time, upon providing a notice of retraction, redeem one or more of the then outstanding Trust Units as if such Trust Units were tendered by the applicable Trust Unitholders for redemption as at the date of the notice of retraction if the Trustees or the Administrator determine in their reasonable discretion that the continued ownership of the Trust Units by the Trust Unitholder would (a) constitute or give rise to a violation of applicable law, or (b) otherwise subject the Fund, the Administrator, the Partnership or the General Partner to material onerous legal, tax or other regulatory requirements that cannot be reasonably avoided. The provisions of the Declaration of Trust concerning redemptions of Trust Units apply *mutatis mutandis* with respect to such retraction.

Distributions of the Fund

The distribution entitlements of the Offered Units are set forth in **Item 5.1.1 - Distributions**.

Trustees

The Fund shall have a minimum of two and not more than 11 trustees. The number of trustees of the Fund within such range shall be determined by resolution of the Trustees, and may be changed by resolution of the Trustees from time to time. As of the date hereof, the number of trustees of the Fund has been fixed at four, and shall continue at such number until such time as the Trustees pass a resolution to fix the number of trustees of the Fund at a new number. Following the passage of a resolution by the Trustees fixing the number of trustees of the Fund at a greater number (not to exceed 11) than was fixed immediately prior to the passage of such resolution, the Trustees (by majority resolution) or the Administrator may appoint additional trustees to fill the vacancies created by the increase in number of trustees of the Fund. Trustees (including the initial Trustees) are appointed for a term of office which shall continue until the earlier of their death, resignation or removal in accordance with the Declaration of Trust.

A Trustee may resign at any time by an instrument in writing signed by him or her and delivered to the Fund. Such resignation shall take effect on the later of (a) 60 days following the date that notice of such resignation is delivered to the Fund and (b) any effective date of resignation as may be specified in the notice. Following resignation of a

Trustee, the remaining Trustees may appoint an individual as a replacement Trustee, provided that should they fail to do so, then the Administrator may appoint a replacement Trustee. Any Trustee may be removed at any time, with or without cause, by the Administrator giving such Trustee five days written notice.

Trustees shall be entitled to receive for their services as Trustees such reasonable compensation as the Trustees may determine from time to time (provided that Elroy Gust, Tony Diab, Abbas Osman and Gavin Treanor shall not receive compensation), as well as reimbursement of their out-of-pocket expenses incurred in acting as a Trustee. Such Trustees, either directly or indirectly, shall also be entitled to receive remuneration (in such amount as is determined in the discretion of the Trustees) for services rendered to the Trust in any other capacity. See **Item 3.1 - Compensation and Securities Held**.

The Declaration of Trust provides that, subject to the specific limitations contained in the Declaration of Trust, the Trustees have, without further or other action or consent, and free from any power of control on the part of the Trust Unitholders, full, absolute and exclusive power, control and authority over the Fund's assets and management of the affairs of the Fund to the same extent as if the Trustees were the sole and absolute beneficial owners of the Fund's assets in their own right, to do all such acts and things as in their sole judgment and discretion that are necessary or incidental to, or desirable for, carrying out the trust created by the Declaration of Trust.

The Administrator

Pursuant to the Declaration of Trust, the Administrator shall have the powers and duties provided for in the Declaration of Trust and may be given, without limitation, the power to further delegate management and administration of the Fund, as well as the power to retain and instruct such appropriate experts or advisors (including Newlook Capital) to assist in the performance of those duties and obligations. In the Declaration of Trust, the Trustees delegated to the Administrator full and absolute right, power and authority to undertake, perform and provide, for and on behalf of the Fund, all acts, duties and responsibilities as the Administrator considers, in its sole discretion, necessary or desirable in connection with all matters required for and in connection with completion of any closing in connection with any offering of Trust Units from time to time. The Administration Agreement sets forth certain rights, restrictions and limitations which pertain to the performance by the Administrator of the duties delegated to it by the Trustees. See **Item 2.7.2 - Administration Agreement**.

All determinations of the Administrator which are made in good faith relating to the Fund shall be final and conclusive and shall be binding upon the Fund and all Trust Unitholders.

The services of the officers and directors of the Administrator will not be exclusive to the Administrator or the Fund and nothing in the Declaration of Trust or the Administration Agreement shall prevent them from, subject to the Conflict of Interest Policy, engaging in other activities (whether or not those other activities are the same or similar to the activities being carried out on behalf of the Administrator or the Fund).

Standard of Care

Each Trustee and the Administrator, in exercising the powers and authority conferred upon them pursuant to the Declaration of Trust, will act honestly and in good faith with a view to the best interests of the Fund and in connection therewith shall exercise the degree of care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances. The Trustees and the Administrator are not required to devote their entire time to the investments or business or affairs of the Fund.

To the extent that the performance of certain duties and activities has been granted to the Administrator in the Declaration of Trust, or that the Trustees have delegated the performance of certain duties and activities to the Administrator, the Trustees shall be deemed to have satisfied the aforesaid standard of care.

Limitation on Non-Resident Ownership

The Fund intends to qualify (and continue to qualify) as a mutual fund trust under the Tax Act. This requires, among other things, that the Fund not be established or maintained primarily for the benefit of Non-Residents. Accordingly, at no time are Non-Residents entitled to beneficially own more than 45% of the outstanding Trust Units. If the Administrator becomes aware that the beneficial owners of 45% of the outstanding Trust Units are or may be Non-Residents, or that such situation is foreseeable, the Administrator may refuse subscriptions from individuals who cannot provide a declaration that they are not a Non-Resident. Furthermore, the Declaration of Trust grants the Administrator the ability to (a) require Non-Resident Trust Unitholders to sell or otherwise dispose of Trust Units, or (b) require Non-Resident Trust Unitholders to redeem their Trust Units. Neither the Administrator, the Trustees,

nor any transfer agent appointed by the Fund will have liability for sales or redemptions of Trust Units in connection with the above.

If the Tax Act is (or is proposed to be) amended in a manner which places new restrictions on Non-Residents beneficially owning Trust Units, the Declaration of Trust permits the Trustees to take any action they consider necessary (including amending the Declaration of Trust) to ensure that the Fund maintains its status as a mutual fund trust.

Limitation of Liability and Indemnification

The Trustees, the Administrator and the directors, officers, employees, shareholders, consultants, agents or representatives of the Fund, the Trustees and the Administrator, as the case may be, in incurring any debts, liabilities or obligations, or taking or omitting any other actions for or in connection with the affairs of the Fund are, and shall be conclusively deemed to be, acting for and on behalf of the Fund, and not in their own personal capacities.

Neither the Trustees, the Administrator, any of their affiliates (including, for greater certainty, Newlook Capital), and their respective partners, officers, directors, shareholders, agents and employees, nor the Independent Review Committee (and its members), nor any person who serves at the request of the Trustees or the Administrator on behalf of the Fund as an officer, director, partner, employee or agent of any other entity (each, an “**Indemnified Person**”) is liable to any Trust Unitholder for any action taken or not taken in good faith in reliance on any documents that are, prima facie, properly executed; for any depreciation of, or loss to, the Fund incurred by reason of the sale of any asset or security; for the loss or disposition of monies or securities; for any action or failure to act of any other person to whom the Trustees have delegated any of their duties under the Declaration of Trust; or for any other action or failure to act including the failure to compel in any way any former Trustee to redress any breach of trust or any failure by any person to perform obligations or pay monies owed to the Fund, except in cases where the Indemnified Person has demonstrated fraud, gross negligence or wilful neglect or the breach of the standard of care discussed above in the performance of its duties. If the Trustees or the Administrator have retained an appropriate expert or advisor with respect to any matter connected with its duties under the Declaration of Trust, the Trustees may act or refuse to act based on the advice of such expert or advisor and, notwithstanding any provision of the Declaration of Trust, including the standard of care, neither the Trustees nor the Administrator are liable for any action or refusal to act based on the advice of any such expert or advisor which it is reasonable to conclude is within the expertise of such expert or advisor to give.

No Indemnified Person is subject to any liability whatsoever in tort, contract or otherwise, in connection with the Fund’s assets or the affairs of the Fund, including in respect of any loss or diminution in value of any of the Fund’s assets, to the Fund or to the Trust Unitholders or to any other person for anything done or permitted to be done by the Trustees or the Administrator. No Indemnified Person is subject to any personal liability for any debts, liabilities, obligations, claims, demands, judgments, costs, charges or expenses against or with respect to the Fund arising out of anything done or permitted or omitted to be done in respect of the execution of the duties of the office of the Trustees or the Administrator for or in respect of the affairs of the Fund except in cases where the Indemnified Person has demonstrated fraud, gross negligence or wilful neglect or the breach of the standard of care discussed above in the performance of his duties. No property or assets of the Trustees or the Administrator are subject to any levy, execution or other enforcement procedure with regard to any obligations under the Declaration of Trust or under any other related agreements. No recourse may be had or taken, directly or indirectly, against an Indemnified Person. The Fund is to be solely liable therefor and resort is to be had solely to the Fund’s assets for payment or performance thereof.

Each Indemnified Person is entitled to be and shall be indemnified and reimbursed out of the assets of the Fund in respect of any and all claims, liabilities, damages, losses, costs and expenses (including amounts paid by satisfaction of judgments, in compromises and settlements, as fines and penalties and legal or other costs and reasonable expenses of investigating or defending against any claim or alleged claim) of any nature whatsoever, known or unknown, liquidated or unliquidated, that are incurred by any Indemnified Party and arise out of or in connection with the affairs of the Fund, the performance by such Indemnified Person of any of its duties under the Declaration of Trust or otherwise in connection with the matters contemplated therein, provided that the Indemnified Person shall not be indemnified out of the assets of the Fund in respect of any such amounts that arise out of or as a result of the fraud, gross negligence or wilful neglect or the breach of the standard of care in the performance of its duties.

Trustees' Other Interests and Conflicts of Interest

Pursuant to the Declaration of Trust, the Trustees may, subject to the Conflict of Interest Policy, have other interests or associations of whatever nature or kind aside from those related to the Fund. Each Trustee is expressly permitted:

- (a) to be an associate, affiliate, securityholder, director, officer, trustee, employee, agent or consultant of, or otherwise involved with a person from or to whom assets of the Fund or of its associates or affiliates have been or are to be purchased or sold;
- (b) to be a person, or to be an associate, affiliate, securityholder, director, officer, trustee, employee, agent or consultant of (or otherwise involved with) a person, with whom the Fund or its associates or affiliates contracts or deals or which supplies services to the Fund or its associates or affiliates;
- (c) to acquire, hold and dispose of, for such Trustee's own account, any property (real, personal, tangible or intangible) even if such property is of a character which could be held by the Fund, and to exercise all rights of an owner of such property as if such Trustee were not a Trustee;
- (d) to acquire, hold and sell Trust Units as principal, or as an affiliate or associate of or fiduciary for any other person, and to exercise all rights of a holder thereof as if such Trustee was not a Trustee; and
- (e) to have business interests of any nature and to continue such business interests while a Trustee.

Furthermore, each Indemnified Person shall have the right to engage in businesses of every type and description and other activities for profit, and to engage in and possess interests in business ventures of any and every type or description irrespective of whether (a) such activities are similar to those activities of the Fund, the Administrator, the Partnership or the General Partner or (b) such businesses and activities directly compete with, or disfavor or exclude, the Fund, the Administrator, the Partnership or the General Partner. Such business interests, activities and engagements shall be deemed not to constitute a breach of the Declaration of Trust or any duties stated or implied by law or equity, including fiduciary duties, owed to any of the Fund or the Partnership (or any of their respective investors) and shall be deemed not to be a breach of the Trustees' fiduciary duties or any other obligation of any type whatsoever of the Trustees. None of the Fund or the Partnership or any other person shall have any rights by virtue of the Declaration of Trust or the relationship established thereby or otherwise in any business ventures of an Indemnified Person. The Indemnified Persons (including Newlook Capital) shall have no obligation hereunder or as a result of any duties stated or implied by law or equity, including fiduciary duties, to present business or investment opportunities to the Trust, the Partnership or the Trust Unitholders.

Pursuant to the Declaration of Trust, the Trust Unitholders acknowledge and accept that there are, and will continue to be, potential or actual interests of one or more of the Trustees, or their associates or affiliates (including conflicts of interest) with respect to business or other interests held directly or indirectly by, and/or contractual arrangements or transactions directly or indirectly involving, one or more of the other Trustees, or their respective associates or affiliates, or the Fund or its associates and affiliates or any of them (including Newlook Capital), and the Trust Unitholders agree that:

- (a) any Trustee is hereby expressly permitted (notwithstanding any liability which might otherwise be imposed by applicable law or in equity upon such Trustee as a trustee) to derive direct or indirect benefit, profit or advantage from time to time as a result of dealing with another Trustee or his associates or affiliates or the Fund or its associates or affiliates or as a result of the relationships, matters, contracts, transactions, affiliations or other interests it may have and such Trustee shall not be liable in law or in equity to pay or account to the Fund, or to any Trust Unitholder (whether acting individually or on behalf of itself, holders of Trust Units of a series or all Trust Unitholders as a single class) for any such direct or indirect benefit, profit or advantage nor, in such circumstances, will any contract or transaction be void or voidable at the instance of the Fund, of any Trust Unitholder or any other person; and
- (b) interests of any Trustee, or their respective associates or affiliates, including any conflicts of interest, will not form the basis for any claim against such Trustee, or their respective affiliate or associate, or for any attempt to challenge or attack the validity of any contract, transaction or arrangement (or renewal, extension or amendments of same) which the Trustees may enter into on behalf of the Fund;

provided, in each case, that the Trustee in question has otherwise exercised its powers and discharged its duties honestly and in good faith in respect to the matter, contract, transaction or interest in question.

The Administrator shall appoint the Independent Review Committee, which will review “conflict of interest matters” with respect to the Fund. See **Item 2.1.6 - Conflict of Interest - Independent Review Committee**. Conflicts of interest and potential conflicts of interest that are unanimously approved by the members of the Independent Review Committee from time to time are deemed to be approved by all Trust Unitholders. The Independent Review Committee may grant approvals for any matters that may give rise to an actual or potential conflict of interest and, to the extent that such conflict of interest matters are permitted by the guidelines, policies and procedures adopted by the Independent Review Committee, that no further special approval will be required to permit a conflict of interest matter following approval by the Independent Review Committee.

Term and Dissolution of the Fund

Subject to the Declaration of Trust, the Fund shall continue for an indefinite term or such prior date that is the earlier of: (a) the date the Trustees or the Administrator have resolved to terminate and dissolve the Fund; (b) the date upon which the Partnership is wound up and dissolved pursuant to the Partnership Agreement; and (c) the date which is one day prior to the date, if any, the Fund would otherwise be void by virtue of any applicable rule against perpetuities then in force in Ontario. Once the Administrator is able to determine, with a reasonable degree of certainty, the time at which the Fund will be in a position to distribute the Fund’s assets in connection with the wind-up and termination of the affairs of the Fund, then the Administrator shall give notice of the timing of such anticipated distribution to the Trust Unitholders.

Meetings and Resolutions of Trust Unitholders

The Fund may but is not required to hold annual meetings of Trust Unitholders (or Trust Unitholders holding any particular series of Trust Units). The Trustees may call special meetings of Trust Unitholders (or Trust Unitholders holding any particular series of Trust Units), at any time and from time to time and for any purpose.

A meeting of Trust Unitholders may be convened at any time and for any purpose by the Trustees and must be convened if requisitioned by a written requisition of Trust Unitholders holding not less than 20% of the total of the Trust Units then outstanding. A written meeting requisition must: (a) set forth the name and address of each person who is supporting the requisition and the number of Trust Units held; (b) state in reasonable detail the business proposed to be transacted at the meeting; and (c) be sent to the Trustees in accordance with the Declaration of Trust.

Trust Unitholders may attend and vote at all meetings of the Trust Unitholders either in person or by proxy and a proxyholder need not be a Trust Unitholder. At any meeting of the Trust Unitholders, a quorum consists of two or more Trust Unitholders present in person or by proxy. Where business at a meeting affects one or more series of Trust Units to an extent substantially differing from that in or to which it affects the rights of another series, the meeting is to be called a “series meeting” and the holders of the series of Trust Units so affected will not be bound by any action taken at the meeting or by instrument in writing unless more than 50% (or more than 66⅔% in the case of a Special Resolution) of the holders of the affected series of Trust Units vote in favour of the resolution or sign the instrument in writing, as the case may be.

Trust Unitholders shall be entitled to pass resolutions that will bind the Trustees only with respect to matters required by applicable laws or the Declaration of Trust to be submitted to Trust Unitholders for approval.

Power of Attorney

Upon becoming a Trust Unitholder, each Trust Unitholder grants to the Trustees a power of attorney constituting the Trustees (whether acting individually or collectively) with full power of substitution as his true and lawful attorney to act on his behalf, with full power and authority in his name, place and stead to execute, under seal or otherwise, swear to, acknowledge, deliver, make, file or record (and to take all requisite actions in connection with such matters), when, as and where required: (a) the Declaration of Trust and any other instrument required, or desirable to, qualify, continue and keep in good standing the Fund as a mutual fund trust in all jurisdictions that the Trustees deem appropriate and to ensure that the Fund is not a SIFT trust under the Tax Act in all jurisdictions that the Trustees deem appropriate; (b) any instrument, deed, agreement or document in connection with carrying on the affairs of the Fund as authorized in the Declaration of Trust, including all conveyances, transfers and other documents required to effect any sale, transfer, repurchase or other disposition of Trust Units necessitated, required or permitted under the Declaration of Trust; (c) all conveyances, transfers and other documents required in connection with the dissolution, liquidation or termination of the Fund in accordance with the terms of the Declaration of Trust; (d) any and all elections, determinations or designations whether jointly with third parties or otherwise, under the Tax Act or any other taxation or other legislation or similar laws of Canada or of any other

jurisdiction in respect of the affairs of the Fund or of a Trust Unitholder's interest in the Fund; (e) any instrument, certificate and other documents necessary or appropriate to reflect and give effect to any amendment to the Declaration of Trust which is authorized from time to time as contemplated by the terms of the Declaration of Trust; (f) all transfers, conveyances and other documents required to deal with Trust Units, including to facilitate transfers, acquisitions and dispositions of Trust Units; (g) any instrument, deed, agreement or document as may be necessary or appropriate in connection with carrying on the business and undertaking of the Fund; and (h) all other instruments and documents on his behalf and in his name or in the name of the Fund as may be deemed necessary by the Trustees to carry out fully the Declaration of Trust in accordance with its terms; and, for further certainty, it is acknowledged and agreed by each Trust Unitholder that the Trustees may exercise any of the powers granted under this power of attorney irrespective of whether the Administrator has been expressly authorized to take any such actions referred to above, and that the Trustees may substitute the Administrator as a delegate, in whole or in part, of the powers granted in the Declaration of Trust.

Under the Declaration of Trust, each Trust Unitholder agrees that the power of attorney is irrevocable, is a power coupled with an interest, and shall survive the insolvency, death, mental incompetence, disability and any subsequent legal incapacity of the Trust Unitholder and shall survive the assignment by the Trust Unitholder of all or part of the Trust Unitholder's interest in the Fund and will extend to and bind the heirs, executors, administrators and other legal representatives and successors and assigns of the Trust Unitholder. Each Trust Unitholder agrees in the Declaration of Trust to be bound by any representations or actions made or taken by the Trustees or their delegate pursuant to the power of attorney and hereby waives any and all defences which may be available to contest, negate or disaffirm any actions taken by the Trustees in good faith under the power of attorney. The power of attorney shall continue in respect of each and every one of the initial Trustees so long as they are a Trustee of the Fund, and shall also continue in respect of a new Trustee as if the new Trustee was an initial Trustee hereunder.

Amendments to Declaration of Trust

The Declaration of Trust contains provisions that allow it to be amended, altered, supplemented or restated by Special Resolution and with the prior approval of the Trustees and the Administrator. However, the Trustees may add to, delete, amend, modify, vary or change the provisions of the Declaration of Trust without the consent, approval or ratification of the Trust Unitholders, the Administrator or any other person at any time, for the purpose of:

- (a) ensuring continuing compliance with applicable law, regulations or policies of any governing authority having jurisdiction over the Trustees, the Fund or Trust Unitholders;
- (b) providing additional protection or added benefits, in the reasonable opinion of the Trustees or the Administrator, for the Trust Unitholders (including a change in the governing law of the Fund);
- (c) providing for the creation and issue of additional series of Trust Units;
- (d) removing any conflicts or inconsistencies in the Declaration of Trust or to make minor corrections which are, in the reasonable opinion of the Trustees or the Administrator, necessary or desirable and not prejudicial to the Trust Unitholders;
- (e) changing the situs of, or the laws governing, the Fund which, in the reasonable opinion of the Trustees, is desirable in order to provide Trust Unitholders with the benefit of any legislation limiting their liability provided that such change does not introduce a material disadvantage to the Trust Unitholders that did not exist prior to such change;
- (f) making additions, deletions, amendments, modifications, variations or changes that, in the Trustees' or the Administrator's reasonable opinion, are necessary or desirable as a result of changes in taxation laws or policies of any governing authority having jurisdiction over the Trustees, the Fund or the Trust Unitholders; or
- (g) ensuring that the Fund qualifies or continues to qualify as a mutual fund trust under the Tax Act.

Notwithstanding the foregoing, no such addition, deletion, amendment, modification, variation or change or any other alteration, supplement or restatement is valid under the Declaration of Trust or binds the Trustees or any Trust Unitholders to the extent that it purports to:

- (a) modify the voting rights in the Declaration of Trust without the approval or consent of the Trust Unitholders by resolution passed by the affirmative votes of the holders of more than 90% of the total of the Trust Units then outstanding and represented at a meeting called for such purpose;
- (b) reduce the percentage of votes required to be cast at a meeting of the Trust Unitholders for any Trust Unitholder approval or Special Resolution, without the approval or consent of the Trust Unitholders by resolution passed by the affirmative votes of the holders of more than 90% of the total Trust Units then outstanding and represented at the meeting called for such purpose;
- (c) reduce the interest in the Fund's assets represented by any series of Trust Units without the approval or consent of the Trust Unitholders of such series by resolution passed by the affirmative votes of the holders of more than 90% of the total Trust Units of such series then outstanding and represented at the meeting called for such purpose; or
- (d) results in the Fund failing to qualify as a mutual fund trust under the Tax Act at any time.

Fiscal Year-End

Each fiscal year and taxation year of the Fund ends on December 31 of each calendar year unless the taxation year is deemed to end on a different date under the Tax Act.

2.7.2 Administration Agreement

The following is a summary only of certain terms in the Administration Agreement which, together with other summaries of additional terms of the Administration Agreement appearing elsewhere in this Offering Memorandum, are qualified in their entirety by reference to the actual text of the Administration Agreement, a review of which is recommended to Investors.

The Fund has entered into an Administration Agreement with the Administrator dated May 15, 2018, pursuant to which the Trustees have delegated to the Administrator the obligation to provide and perform for and on behalf of the Fund essentially all services that are or may be required or advisable, from time to time, in order to manage and administer the operations of the Fund. The Administration Agreement sets forth all of the rights, restrictions and limitations (including, without limitation, limitations of liability and indemnification rights) which pertain to the performance by the Administrator of the duties delegated to it by the Trustees.

The Administrator and its directors and officers, as well as their respective affiliates and associates (including Newlook Capital), are permitted to have business and other interests or associations of whatever nature or kind apart from their activities related to the Fund. In addition, the Fund has acknowledged that there are and will continue to be potential or actual interests of the Administrator and its management, or their respective associates or affiliates (including Newlook Capital), including conflicts of interest, with respect to interests held by, and/or contractual arrangements or transactions involving, one or more of the Administrator, the Administrator's management, the Fund or the Trustees, and any of the respective affiliates and associates of any of them.

There is no fee payable to the Administrator under the terms of the Administration Agreement but the Administrator will be entitled to the reimbursement of all costs and expenses reasonably incurred by the Administrator in carrying out its obligations and duties under the Administration Agreement.

The Administrator, any of its affiliates (including Newlook Capital) and their respective partners, officers, directors, shareholders, agents and employees and any person who serves at the request of the Administrator on behalf of the Fund as an officer, director, partner, employee or agent of any other entity benefits from the limitation of liability indemnification rights set out in the Declaration of Trust. See **Item 2.7.1 - Declaration of Trust - Limitation of Liability and Indemnification**.

The Administration Agreement remains in effect until wind-up and dissolution of the Fund unless terminated earlier by either party with 30 days prior written notice or the occurrence of certain other events, which includes the insolvency of either party.

2.7.3 Partnership Agreement

The rights and obligations of Limited Partners (including the Fund) are governed by the Partnership Agreement.

The following is a summary only of certain terms in the Partnership Agreement which, together with other summaries of additional terms of the Partnership Agreement appearing elsewhere in this Offering Memorandum, are qualified in their entirety by reference to the actual text of the Partnership Agreement, a review of which is recommended to Investors.

Purpose of the Partnership

The purpose of the Partnership is to seek income and capital appreciation through one or more direct or indirect investments in securities of industrial and commercial services companies located in Canada and the United States.

Capital of the Partnership and Nature of the LP Units

The capital of the Partnership is divided into an unlimited number of Series A1 LP Units, Series A2 LP Units, Series A3 LP Units, Series A4 LP Units, Series E LP Units and Series F LP Units.

The General Partner is permitted to designate, from time to time, additional classes and series of LP Units. Each class and/or series of LP Units may have different attributes including different service provider fees than those chargeable against LP Units of another class and/or series, be subject to a different distribution policy, and may have different redemption or other features than other classes and/or series of LP Units, in each case as the General Partner may determine.

Each Limited Partner shall be entitled to one vote for each LP Unit held by such Limited Partner in respect of all matters to be voted upon by the Limited Partners or any of them.

The Capital Contribution per LP Unit of any one series need not be equal to the Capital Contribution per LP Unit of any other series. The General Partner may at any time name or rename a class and/or series without otherwise affecting the attributes of such class and/or series. The General Partner may in its discretion from time to time convert or redesignate one or more LP Units of any one class or series as being LP Units of another class or series, subject to certain provisions of the Partnership Agreement.

Except as otherwise provided for in the Partnership Agreement, each issued and outstanding LP Unit of each series shall be equal to each other LP Unit of the same series with respect to all matters, including the right to receive allocations and distributions from the Partnership and otherwise.

Transfer of the LP Units

A Limited Partner may not assign or otherwise transfer its interest in whole or in part to any person without the prior written consent of the General Partner, which consent may unreasonably withheld. Any attempted assignment, transfer or substitution not made in accordance with the Partnership Agreement will be null and void. In addition, no assignment or transfer of an interest shall be made unless:

- (a) such assignment or transfer would not violate applicable law;
- (b) such assignment or transfer would not cause the Partnership to lose its status as a limited partnership under the Limited Partnerships Act or for income tax purposes;
- (c) the assignee or transferee is a resident of Canada (or a Canadian partnership) within the meaning of the Tax Act;
- (d) the assignee or transferee is not a financial institution (as defined in the Tax Act) if, following such transfer, the Partnership would be a financial institution; and
- (e) the assignee and any beneficial purchaser for which the assignee is acting is not a person or partnership an interest in which would be, and is not acquiring an interest in the Partnership as, a tax shelter investment (as defined in the Tax Act).

Redemption of LP Units

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, provided that in the event that a Limited Partner that is a mutual fund trust for the purposes of the Tax Act makes a demand for redemption of any LP Units held by it, then the General Partner

shall approve such redemption of LP Units, and shall redeem such LP Units in accordance with the other provisions of the Partnership Agreement.

To request the redemption of an LP Unit, a Limited Partner must send a duly completed and properly executed notice, in a form approved by the General Partner, requesting the General Partner to redeem the LP Unit.

If a redemption request is accepted by the General Partner then the redemption price payable by the Partnership in respect of the LP Unit accepted for redemption will be satisfied by way of a cash payment (to be paid by cheque) on the last day of the calendar quarter in which the redemption is accepted, provided that the entitlement of a Limited Partner to receive cash upon the redemption of an LP Unit shall be limited where:

- (a) the total amount payable by the Partnership in respect of such LP Unit and all other LP Units tendered for redemption in the same calendar quarter exceeds \$50,000; provided that the General Partner may, in its sole discretion, waive such limitation in respect of all LP Units tendered for redemption in any calendar quarter;
- (b) in the General Partner's opinion (in its sole discretion), the Partnership is or, after the redemption, would be unable to pay its liabilities as they become due; or
- (c) in the General Partner's opinion (in its sole discretion), the General Partner has insufficient liquid assets to fund such redemptions or that the liquidation of assets at such time would be to the detriment of the remaining Limited Partners or the Partnership, generally.

LP Units tendered for redemption in any calendar quarter in which the total amount payable by the Partnership exceeds the \$50,000 are to be redeemed for a combination of cash and a distribution of Redemption Notes as specified in the Partnership Agreement on a *pro rata* basis, subject to any applicable regulatory approvals.

If, as a result of any such limitations in paragraph (c), a Limited Partner is not entitled to receive cash upon the redemption of some or all of the Limited Partner's LP Units approved for redemption, then the redemption price per LP Unit to which the Limited Partner would otherwise be entitled will be paid and satisfied by the delivery to the Limited Partner of unsecured debt securities of the Partnership.

Fair Market Value

In the Partnership Agreement, the "fair market value" for all assets other than Marketable Securities will be (a) determined by the General Partner on the basis of reasonable valuation methods in accordance with IFRS, and (b) be unanimously approved by the Independent Review Committee.

Required Withdrawals

The General Partner may require the complete or partial withdrawal of a Limited Partner as if all LP Units held by such Limited Partner were tendered for redemption in accordance with the Partnership Agreement if the General Partner determines in its reasonable discretion that continued undiminished membership of the Limited Partner in the Partnership would (a) constitute or give rise to a violation of applicable law, or (b) otherwise subject the Partnership or the General Partner to material onerous legal, tax or other regulatory requirements that cannot reasonably be avoided.

Limitations on Ownership of LP Units

Each Limited Partner must, upon request, provide evidence to the General Partner that it is not a Non-Resident or a "financial institution" (as defined in the Tax Act) and that an interest in such Limited Partner is not a "tax shelter investment" for the purposes of the Tax Act. Where a Limited Partner fails to provide such evidence, or a Limited Partner is a Non-Resident or "financial institution", or an interest in a Limited Partner is a "tax shelter investment", the General Partner may require such Limited Partner to sell its LP Units. If such Limited Partner does not sell its LP Units as required, the Partnership Agreement allows the General Partner to sell the Limited Partner's LP Units on behalf of the Limited Partner in such manner as the General Partner may determine, including by purchasing the LP Units from the Limited Partner at their redemption price. The General Partner may also elect to redeem such Limited Partner's LP Units as if such LP Units were tendered by the applicable Limited Partner for redemption.

Pursuant to the Partnership Agreement, all determinations with respect to the foregoing limitations on ownership of LP Units are to be made by the General Partner in its sole discretion and shall be conclusive, final and binding except to the extent modified by a subsequent determination by the General Partner.

Distributions of the Partnership

The distribution entitlements of the LP Units to be purchased by the Fund with the proceeds of the Offered Units are set forth in **Item 5.1.1 - Distributions - Partnership Distributions**.

Borrowing Limit

The Partnership Agreement permits the Partnership to borrow for its own account up to a maximum debt to equity ratio of 1:1 calculated on a consolidated basis (including all of the Portfolio Companies). This is equivalent to a 50% loan-to-value ratio. The General Partner may cause the Partnership to guarantee repayment of any credit extended to a Portfolio Company on terms determined appropriate by the General Partner in its sole discretion.

Authority and Liability of the General Partner

Subject to the terms of the Partnership Agreement and the provisions of the Limited Partnerships Act, the General Partner has full unrestricted power and exclusive authority to (a) carry on the activities of the Partnership and to do and to perform any and all things necessary for, incidental to or connected with carrying on the activities of the Partnership; and (b) represent and bind the Partnership.

The Partnership Agreement requires the General Partner to exercise and discharge its duties honestly, in good faith and in the best interests of the Partnership and to exercise the same degree of care, diligence and skill that a reasonably prudent person would exercise in similar circumstances.

The General Partner shall be subject to all of the liabilities applicable under the Limited Partnerships Act; provided, however, that to the fullest extent permitted by law, none of the General Partner nor any of its affiliates (including Newlook Capital) and their respective partners, officers, directors, trustees, shareholders, agents and employees, nor the Independent Review Committee (and its members), nor any person who serves at the request of the General Partner on behalf of the Partnership as an officer, director, partner, employee or agent of any other entity (each, an “**Indemnified Party**”), shall be liable to the Partnership or to any Partner for: (a) any mistake in judgment made in good faith, unless such mistake in judgment resulted from fraud, wilful misconduct or gross negligence by such Indemnified Party, (b) any act or omission taken or suffered by such Indemnified Party in good faith in connection with the conduct of the affairs of the Partnership or otherwise in connection with the Partnership Agreement or the matters contemplated therein, unless such act or omission resulted from fraud, wilful misconduct or gross negligence by such Indemnified Party, or (c) any mistake, negligence, dishonesty or bad faith of any broker or other agent of the Partnership unless such Indemnified Party was responsible for the selection or monitoring of such broker or agent and such Indemnified Party acted in such selection without due care or acted in such monitoring capacity in a manner which constituted fraud, wilful misconduct or gross negligence.

To the fullest extent permitted by law, the Partnership shall indemnify and hold harmless each of the Indemnified Parties from and against any and all claims, liabilities, damages, losses, costs and expenses (including amounts paid by satisfaction of judgments, in compromises and settlements, as fines and penalties and legal or other costs and reasonable expenses of investigating or defending against any claim or alleged claim) of any nature whatsoever, known or unknown, liquidated or unliquidated, that are incurred by any Indemnified Party and arise out of or in connection with the affairs of the Partnership, the performance by such Indemnified Party of any of the General Partner’s responsibilities in the Partnership Agreement or otherwise in connection with the matters contemplated therein; provided that an Indemnified Party shall be entitled to indemnification thereunder only to the extent that such Indemnified Party acted in good faith and such Indemnified Party’s conduct did not constitute fraud, wilful misconduct or gross negligence.

Reimbursement of Costs and Expenses

The General Partner may pay out of the assets and property of the Partnership all expenses relating to the administration, management and operation of the Partnership and the carrying on of its activities. The expenses payable by the Partnership shall be reduced to the extent that such expenses are appropriately borne or reimbursed by a Portfolio Company. Where any disbursements on account of the expenses which are to be paid by the Partnership are made by the General Partner or the Service Provider on behalf of the Partnership, the General Partner or the Service Provider shall be entitled to obtain prompt reimbursement therefor from the Partnership upon providing the Partnership with a proper account.

Authority and Liability of Limited Partners

No Limited Partner, in its capacity as a Limited Partner, shall: (a) take part in the control of the business of the Partnership; (b) execute any document that binds, or purports to bind, the Partnership or another Partner; (c) hold itself out as having the power or authority to bind the Partnership or another Partner; (d) undertake any obligation or responsibility on behalf of the Partnership; or (e) bring an action for partition or sale in respect of any or all of the assets or property of the Partnership or record or permit any encumbrance in respect of such property.

Subject to the provisions of the Limited Partnerships Act or other applicable law, the liability of each Limited Partner for the debts, commitments and obligations of the Partnership is limited to the amount of the Limited Partner's Capital Contribution.

Outside Activities

The General Partner shall, for so long as it is the general partner of the Partnership, maintain as its sole activity the activity of acting as the general partner of the Partnership and undertaking activities that are ancillary or related thereto. The General Partner is not permitted to engage in any business or activity or incur or guarantee any debts or liabilities except in connection with or incidental to its performance as general partner.

Each Indemnified Party (other than the General Partner) shall have the right to engage in businesses of every type and description and other activities for profit, and to engage in and possess interests in business ventures of any and every type or description irrespective of whether (a) such activities are similar to those activities of the General Partner, the Fund, the Administrator or the Partnership or (b) such businesses and activities directly compete with, or disfavor or exclude, the Fund, the Administrator, the Partnership or the General Partner. Such business interests, activities and engagements shall be deemed not to constitute a breach of the Partnership Agreement or any duties stated or implied by law or equity, including fiduciary duties, owed to any of the General Partner or the Partnership (or any of their respective investors) and shall be deemed not to be a breach of the General Partner's fiduciary duties or any other obligation of any type whatsoever of the General Partner. None of the General Partner, the Fund, the Partnership or any other person shall have any rights by virtue of the Partnership Agreement or the partnership relationship established thereby or otherwise in any business ventures of an Indemnified Party.

The General Partner and the Indemnified Parties (including Newlook Capital) shall have no obligation under the Partnership Agreement or as a result of any duties stated or implied by law or equity, including fiduciary duties, to present business or investment opportunities to the Fund, the Partnership or the Limited Partners.

Independent Review Committee

The General Partner will appoint the Independent Review Committee. See **Item 2.1.6 - Conflict of Interest – Independent Review Committee**.

Service Provider

The General Partner will retain a person (the “**Service Provider**”) to provide certain services to the General Partner to allow the General Partner to perform its obligations under the Partnership Agreement. In consideration for the services provided by the Service Provider, the Partnership will pay to the Service Provider a fee or fees as provided for in the Services Agreement. The initial Service Provider of the Partnership shall be Newlook Capital.

Withdrawal or Removal of the General Partner

The General Partner may not be removed until such time as the Partnership has been dissolved. Subject to the foregoing, the General Partner may not sell, assign, transfer or otherwise dispose of its interest, and the General Partner shall not have the right to resign or withdraw from the Partnership, except upon written notice from the General Partner to the Partnership and with the prior approval of the Limited Partners given by Special Resolution unless such assignment, transfer or disposition is to an affiliate of the General Partner.

Determination and Allocation of Net Income or Net Loss

Except as may be otherwise required for purposes of the Partnership Agreement, the net income or net loss of the Partnership for any fiscal year will be calculated in accordance with the Tax Act, consistently applied. Net income or net loss of the Partnership will be calculated annually as at the end of the fiscal year of the Partnership. Subject to the terms of the Partnership Agreement, the net income or net loss of the Partnership for each fiscal year shall be

allocated among the Partners by the General Partner in a manner consistent with the distribution provisions set out in the Partnership Agreement, provided, however, where a Limited Partner redeems LP Units during a fiscal year but is not redeeming all LP Units held by it during a fiscal year, the net income or net loss of the Partnership allocable to the LP Units of the Limited Partner so redeemed shall be determined by the General Partner in its sole discretion, reasonably exercised. In so allocating the net income or net loss, the General Partner shall act reasonably and fairly, taking into account the amount and timing of actual and anticipated distributions to each of the Partners (including the General Partner) with a view to ensuring that, over the term of the Partnership, each Partner is allocated a portion of the Partnership's net income that substantially corresponds to the distributions received by such Partner.

Tax Reporting

The General Partner shall send, in a timely manner, to each Person who was a Limited Partner at any time during a fiscal year, such information and documents as are reasonably necessary for such person to make appropriate tax filings with respect to that fiscal year (provided however that the Partnership shall not be required to re-compute its Canadian tax results (as defined in the Tax Act) in the functional currency of any particular Limited Partner that has made a functional currency election under the Tax Act.) The General Partner shall file, on behalf of itself and the Limited Partners, annual Partnership information returns and declarations and any other information required to be filed under the Tax Act and any other applicable tax legislation in respect of Partnership matters.

Capital Account

There shall be established for each Partner on the books of account of the Partnership a capital account which shall be credited with each Partner's Capital Contributions. The General Partner shall also credit to the capital account of each Partner the amount of all income of the Partnership allocated to such Partner and shall debit the capital account of such Partner the amount of all losses of the Partnership allocated to such Partner and the amount of any funds or the fair market value of any property (determined on the date of distribution, net of liabilities assumed by such Partner) distributed from time to time by the Partnership to the Partner. The interest of a Partner shall not terminate by reason of there being a negative or nil balance in the Partner's account.

Dissolution

The Partnership shall dissolve and its affairs shall be wound up upon the earliest of:

- (a) the fifth anniversary of the date on which a person (other than the Initial Limited Partner, as defined in the Partnership Agreement) is admitted to the Partnership as a Limited Partner, which date may be extended, in the sole discretion of the General Partner, for up to two additional 18-month periods (subject to the below);
- (b) the date of the occurrence of any event that makes it unlawful for the activities of the Partnership to continue to be carried on;
- (c) the date that the General Partner is dissolved, unless a successor general partner has been appointed by Special Resolution of the Limited Partners within 30 days of the dissolution of the General Partner, with any such appointment being deemed to have occurred on the date of dissolution of the General Partner; or
- (d) the date of completion of the disposition of all investments of the Partnership and distribution to the Limited Partners of all net sale proceeds therefrom.

Immediately following dissolution of the Partnership, the General Partner or an appointee of the General Partner will wind up the affairs of the Partnership and, in doing so, shall dispose of the property of the Partnership and distribute the proceeds to the Partners in accordance with the Partnership Agreement.

If the General Partner wishes to exercise its discretion to use the second 18-month extension described above, the General Partner shall provide written notice to the Limited Partners and call a meeting of the Limited Partners. At such meeting, Limited Partners will be provided with the opportunity, by Special Resolution, to require the General Partner to not extend the term of the Partnership and to use commercially reasonable efforts to seek a liquidity event. If such Special Resolution is not passed, such extension shall be effective and the General Partner will not be required to seek a liquidity event at such time.

Meetings

The General Partner may at any time and from time to time call a meeting of the Partners for the purpose of considering any business set out in a meeting notice. Provided that at least five years have elapsed since the initial Closing Date, upon receipt of a request for a meeting: (a) issued by Partners holding in aggregate not less than 20% of the issued and outstanding LP Units; and (b) contains sufficient detail; the General Partner shall call such a meeting.

Accounting and Reporting

The General Partner shall keep and maintain full, complete and accurate books of account and records of the Partnership with respect to the Partnership's activities and financial affairs at the principal address of the Partnership. Such books of account and records shall be retained by the General Partner for a minimum period of seven years or longer if required by applicable law and shall be made available for review by Limited Partners upon request.

Within 120 days after the end of each fiscal year, the General Partner shall make available to each person who is a Limited Partner consolidated financial statements of the Partnership, prepared in accordance with IFRS and accompanied by an audit engagement report.

No Indirect Information Rights in any Portfolio Company

Pursuant to the Partnership Agreement, the Limited Partners agree that they do not have any access or right to request or receive information from Portfolio Companies. The General Partner has no obligation to and will not disclose non-public information or other confidential information regarding any Portfolio Company to the Limited Partners.

Power of Attorney

Pursuant to the Partnership Agreement, each Limited Partner irrevocably nominates and appoints the General Partner and any person appointed to replace the General Partner, in accordance with the Partnership Agreement, as its true and lawful attorney on its behalf with full power and authority in such Limited Partner's name to execute, acknowledge, deliver, record and file, as and where required or appropriate, certain necessary instruments or documents.

The foregoing power of attorney is a power coupled with an interest and will survive the death or disability of a Limited Partner and extend to the heirs, executors, administrators, successors and assigns of the Limited Partner. The power of attorney granted by each Limited Partner is irrevocable.

Amendments to the Partnership Agreement

The Partnership Agreement may be amended in writing by the General Partner with the consent of the Limited Partners given by Special Resolution, provided that any amendment which materially and adversely affects the rights, liabilities or obligations of any Limited Partner in a manner that is different from that of all other Limited Partners shall have been approved by such Limited Partner.

The General Partner may also amend the Partnership Agreement without prior notice to or consent from any Limited Partner:

- (a) for the purpose of adding to the Partnership Agreement (or amending existing provisions) any provisions which, in the reasonable opinion of the General Partner, are for the protection of the Limited Partners and to mitigate potential adverse commercial or tax consequences;
- (b) to cure any ambiguity or to correct or supplement any provisions which, in the reasonable opinion of the General Partner, are defective or inconsistent with any other provision of the Partnership Agreement, provided that, in the reasonable opinion of the General Partner, the cure, correction or supplemental provision does not and will not adversely affect the interests of any Limited Partner,
- (c) in response to changes to accounting standards from time to time provided that the General Partner has reasonably determined that such changes will not adversely affect the interests of any Limited Partner, and

- (d) in any other manner provided the amendment does not materially adversely affect (and is not likely to materially adversely affect in the future) the pecuniary interests of any Limited Partner.

For greater certainty, each amendment requires the written approval of the General Partner.

Fiscal Year-End

The fiscal year of the Partnership shall end on the 31st day of December of each calendar year or such other date as the General Partner may determine from time to time, provided that the General Partner has obtained any necessary consents from applicable taxation authorities.

2.7.4 Services Agreement

The General Partner, the Administrator, the Fund, the Partnership and Newlook Capital have entered into the Services Agreement, pursuant to which the General Partner and the Administrator have engaged Newlook Capital to provide or arrange for the provision of certain management and administration services to the General Partner, the Administrator, the Fund and the Partnership. The Portfolio Companies are not parties to the Services Agreement.

The following is a summary only of certain terms in the Services Agreement which, together with other summaries of additional terms of the Services Agreement appearing elsewhere in this Offering Memorandum, are qualified in their entirety by reference to the actual text of the Services Agreement, a review of which is recommended to purchasers.

Services Rendered

Under the Services Agreement, Newlook Capital has been appointed as service provider, to provide or arrange for the provision of the following services:

- (a) providing overall strategic advice to the General Partner and the Administrator;
- (b) providing advice and assistance in connection with the investment programs of the Fund and the Partnership and the determination of the investment objectives, investment restrictions and/or investment policies of the Fund and the Partnership;
- (c) monitoring expenses of the Fund and the Partnership and monitoring and providing advice with respect to the enforcement of agreements entered into by the Fund and the Partnership;
- (d) identifying, evaluating and recommending to the General Partner acquisitions or dispositions from time to time and, where requested to do so, assisting in negotiating the terms of such acquisitions or dispositions;
- (e) recommending and, where requested to do so, assisting in the raising of funds by the Fund and the Partnership by way of the issuance of units by the Fund and the Partnership to investors, including the preparation, review or distribution of offering memorandums of the Fund and assisting with communications support in connection therewith;
- (f) making recommendations with respect to the exercise of any voting rights to which the Fund and the Partnership are entitled in respect of their investments;
- (g) making recommendations with respect to the payment of distributions by the Fund and the Partnership to their unitholders;
- (h) monitoring the Fund's and the Partnership's accountants, legal counsel and other accounting, financial or legal advisors and technical, commercial, marketing and other independent experts, including making recommendations with respect to and supervising the making of tax elections, determinations and designations, the timely calculation and payment of taxes payable, and the filing of all tax returns due by each of the Fund and the Partnership, and overseeing the preparation of the Fund's and the Partnership's financial statements and unitholder reports;
- (i) making recommendations in relation to and effecting, when requested to do so, the entry into insurance policies with respect to the Fund's and the Partnership's assets, together with other insurance against other

risks, including directors and officers insurance, as the General Partner or Administrator, as applicable, may from time to time agree;

- (j) providing recommendations as to registered dealers to be appointed to distribute units of the Fund and the Partnership and providing marketing advice and assistance to registered dealers in connection with the distribution and sale of units of the Fund and the Partnership;
- (k) providing such reports as may be reasonably required by the General Partner and/or the Administrator;
- (l) providing certain staff (including individuals to be designated as officers of the Administrator and General Partner) required by the Administrator and General Partner in their capacities as administrator of the Fund and the general partner of the Partnership, respectively;
- (m) providing office space, furniture, day-to-day office supplies and services, internal accounting staff, payroll, information technology, the maintenance of books and records and assistance with all continuous disclosure obligations imposed on the Fund and the Partnership by applicable laws; and
- (n) providing all other services reasonably required in order to permit the General Partner to fulfil its obligations under the Partnership Agreement and the Administrator to fulfil its obligations under the Declaration of Trust.

Newlook Capital is authorized to delegate any of its responsibilities under the Services Agreement to third parties and shall bear the costs of any such third parties.

Newlook Capital's responsibilities as service provider pursuant to the Services Agreement are subject to the supervision of the General Partner and the Administrator. The General Partner or Administrator, as applicable, remains responsible for all investment and divestment decisions made by the Fund and the Partnership.

Fees and Expenses

In consideration for providing the services pursuant to the Services Agreement, Newlook Capital is entitled to receive the Management Fee and the Acquisition Fee from the Partnership. Newlook Capital may share some or all of the fees it receives pursuant to the Services Agreement with any other persons in its sole discretion.

Newlook Capital will be reimbursed by the Fund or the Partnership, as applicable, for certain costs incurred for or on behalf of the Fund or the Partnership in the performance of its duties under the Services Agreement, *inter alia*, office space, furniture, day-to-day office supplies and services, accounting, payroll, information technology, the maintenance of books and records and assistance with all continuous disclosure obligations imposed on the Fund and the Partnership by applicable laws, with such reimbursement to be unanimously approved by the Independent Review Committee (in addition to the requisite majority of directors of the General Partner, the Administrator or the Trustees, as applicable). The parties acknowledge and agree that all or a portion of the compensation paid or payable to employees or other personnel of Newlook Capital, as well as overhead costs (e.g. the cost of office space, furniture and day-to-day office supplies and services) associated with such employees who devote a portion of their time to the provision of services to the Fund and the Partnership may be allocated to the Fund and the Partnership (or any of them) as expenses of the Fund and the Partnership.

See **Item 3.2 - Fees and Expenses**.

Term and Termination

The Services Agreement is terminable:

- (a) automatically, upon the winding-up and dissolution of the Fund and the Partnership; and
- (b) by the General Partner or the Administrator if Newlook Capital: (i) commits any fraudulent act; or (ii) ceases to carry on business, becomes bankrupt or insolvent, resolves to wind-up or liquidate, makes a general assignment for the benefit of its creditors or has a receiver appointed with respect to any of its assets.

Upon termination, the Fund and the Partnership, as applicable, will pay Newlook Capital any fees and reimburse Newlook Capital for any expenses to which it is entitled under the Services Agreement as of the date of termination of the Services Agreement.

Indemnification and Limitations on Liability

Pursuant to the Services Agreement, in the absence of fraud, wilful misconduct or gross negligence, neither Newlook Capital nor its directors, officers, employees, professional advisors or agents will be held liable to the Fund, the Partnership, the General Partner, the Administrator, any Trust Unitholder or holder of LP Units, or any other person for any loss or damage arising out of the performance of Newlook Capital's obligations and duties under the Services Agreement. In fulfilling its obligations under the Services Agreement, Newlook Capital may rely and act on information furnished to it and reasonably believed by it to be accurate and reliable.

The Fund and the Partnership have also agreed to indemnify each of Newlook Capital, its affiliates and associates, and each of their respective partners, officers, directors, trustees, shareholders, agents and employees, on a joint and several basis, from and against all claims, demands, losses, actions, causes of action, damages and liabilities whatsoever, including costs, charges and expenses (including legal fees and disbursements incurred on a solicitor and client basis and costs and expenses incurred in connection with the enforcement of the indemnity) arising from Newlook Capital's performance of its obligations under the Services Agreement, except to the extent that such claims are caused by or arise from fraud, wilful misconduct or gross negligence.

Conflicts of Interest and Other Activities

Pursuant to the Services Agreement, the Fund and the Partnership acknowledge that Newlook Capital, the General Partner and the Administrator are affiliates and that Newlook Capital may, subject to the Conflict of Interest Policy, act as a manager, adviser, service provider, distributor, registrar and/or transfer agent of any person, firm, corporation or fund (whether or not its investment objectives and policies are similar to those of the Fund and the Partnership) and may take any action or do anything in relation to such services so long as the Service Provider is performing its obligations under the Services Agreement. Other than pursuant to the Conflict of Interest Policy, no such performance of other services or the taking of any such action or the doing of any such thing by Newlook Capital shall be in any manner restricted or otherwise affected by any aspect of the relationship of Newlook Capital to or with the Fund and the Partnership, the General Partner or the Administrator nor shall it be deemed to violate or give rise to any duty or obligation of Newlook Capital to the Fund and the Partnership, the General Partner or the Administrator. See **Item 2.1.5 - Relationship with Newlook Capital**.

Other than pursuant to the Conflict of Interest Policy, the Services Agreement does not limit or restrict in any way (a) Newlook Capital, (b) its directors, officers, shareholders or employees, or (c) any affiliate of any entity or person referred to in (a) or (b), from engaging in other business activities or sponsoring or providing services to third parties that compete directly or indirectly with the Fund or the Partnership.

2.7.5 Reimbursement Agreement

As the Fund is intended to be a vehicle to obtain financing for the Partnership from time to time as may be required by the Partnership to enable it to invest in its business, the Partnership has entered into the Reimbursement Agreement with the Fund and the Administrator dated May 15, 2018.

Under the terms of the Reimbursement Agreement, the Partnership has agreed to reimburse the Fund and the Administrator for, or pay directly, all costs and expenses to be incurred by them, for and on behalf of the Partnership, in connection with the Fund and the Administrator obtaining financing for the Partnership, including: (a) maintaining the Fund's and the Administrator's existence which includes, but is not limited to, the Fund's obligations to unitholders under the Declaration of Trust, all accounting and legal costs and all costs of compliance with applicable laws (including the Tax Act); and (b) administration of any unitholder rights plans, distribution reinvestment plans and unit purchase plans.

2.7.6 Distribution Reinvestment Plan

The Fund has adopted the DRIP, which will allow eligible holders of Series A1 Units, Series A2 Units, Series A3 Units, Series A4 Unit, Series E Units and Series F Units, as applicable, to elect to have their cash distributions reinvested in additional Trust Units of the same series on the applicable distribution payment date at a purchase price equal to \$95 per Trust Unit (or such other price as may be determined by the Fund from time to time). All holders of Series A1 Units, Series A2 Units, Series A3 Units, Series A4 Unit, Series E Units and Series F Units, as

applicable, resident in Canada are eligible to participate in the DRIP. Holders of Series A1 Units, Series A2 Units, Series A3 Units, Series A4 Unit, Series E Units and Series F Units who do not enroll in the DRIP will receive their regular cash distributions. The Fund reserves the right to limit the amount of new Trust Units of any series 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, holders of Trust Units enrolled in the DRIP will receive the portion of their distribution that cannot be reinvested as regular cash distributions.

All Trust Units acquired under the DRIP on the reinvestment of cash distributions will be issued from treasury of the Fund on the applicable distribution payment date. No commissions, service charges or brokerage fees will be payable in connection with the purchase of Trust Units from treasury under the DRIP. Participation in the DRIP does not relieve Trust 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, or such other party as may be appointed by the Fund as plan agent, on behalf of the Fund, for each participant with respect to purchases of Series A1 Units, Series A2 Units, Series A3 Units, Series A4 Unit, Series E Units and Series F Units made under the DRIP for the participant's account.

The Administrator, or such other party as may be appointed by the Fund as plan agent, will send or otherwise make available to each participant (other than CDS Clearing and Depository Services Inc.) an annual unaudited statement regarding cash distributions credited and reinvested for the participant's account under the DRIP during the period. These statements are a participant's continuing record of purchases of Trust Units made for their account and should be retained for income tax purposes. Beneficial owners who participate in the DRIP indirectly through a broker, investment dealer, financial institution or other nominee will not receive such statements and should consult such nominee to confirm what statements or reports (if any) will be provided by the nominee, whether for tax reporting or otherwise.

ITEM 3 - DIRECTORS, TRUSTEES, MANAGEMENT, PROMOTERS AND PRINCIPAL HOLDERS

3.1 Compensation and Securities Held

The following table sets out information regarding each Trustee, each director and officer of the Administrator and the General Partner, and the promoter of the Fund.

<u>Name and Municipality of Principal Residence</u>	<u>Positions Held and the Date of Obtaining that Position</u>	<u>Compensation Paid by the Fund or Related Party Since Inception and the Compensation Anticipated to be Paid in the Current Financial Year</u>	<u>Number, Type and Percentage of Securities Held After Completion of the Maximum Offering</u>
Elroy Gust Burlington, Ontario	Trustee of the Fund since May 15, 2018 President and Director of the Administrator and General Partner since May 15, 2018	See Notes 1, 2 and 6	See Note 3
Tony Diab Mississauga, Ontario	Trustee of the Fund since May 15, 2018 Chief Financial Officer and Director of the Administrator and the General Partner since May 15, 2018	See Notes 1, 2 and 6	See Note 3

<u>Name and Municipality of Principal Residence</u>	<u>Positions Held and the Date of Obtaining that Position</u>	<u>Compensation Paid by the Fund or Related Party Since Inception and the Compensation Anticipated to be Paid in the Current Financial Year</u>	<u>Number, Type and Percentage of Securities Held After Completion of the Maximum Offering</u>
Abbas Osman Oakville, Ontario	Trustee of the Fund since May 15, 2018 Chief Investment Officer and Director of the Administrator and the General Partner since May 15, 2018	See Notes 1, 2 and 6	See Note 3
Gavin Treanor Burlington, Ontario	Trustee of the Fund since May 15, 2018 Vice-President of Sales and Director of the Administrator and the General Partner since May 15, 2018	See Notes 2, 4 and 6	See Note 3
Newlook Capital Inc.	Promoter ⁽⁴⁾	See Notes 5 and 6	See Note 3

Notes:

- (1) Elroy Gust, Tony Diab and Abbas Osman are not compensated directly by the Fund, the Administrator, the General Partner the Partnership. Messrs. Gust, Diab and Osman are compensated by Newlook Capital, which receives compensation from the Partnership. See **Item 3.2 - Fees and Expenses**.
- (2) Elroy Gust, Tony Diab, Abbas Osman and Gavin Treanor indirectly hold shares of Newlook Capital. Consequently, Messrs. Gust, Diab, Osman and Treanor will receive income (indirectly) from their beneficial ownership of Newlook Capital, which receives distributions from the Partnership as the Special Limited Partner. See **Item 3.2 - Fees and Expenses**.
- (3) Newlook Capital, including its executives, directors and employees, is expected to subscribe for \$1,000,000 of Series M Trust Units or Series M LP Units, using their own funds, upon the final closing of the Offering, but not, for greater certainty, later than December 31, 2019. See **Item 4 - Capital Structure**.
- (4) Gavin Treanor was engaged by Newlook Capital to assist with the structuring and execution of the Offering. Newlook Capital and the Partnership shall pay to Mr. Treanor a portion of the Capital Advisory Fee, which portion is comprised of (a) a base fee payable by Newlook Capital of up to \$10,000 per month, during the term of the Offering, which shall be reimbursed by the Partnership based on the proportion of time spent by Mr. Treanor on the Offering (relative to other offerings by entities managed by or affiliated with Newlook Capital); and (b) during the term of the Offering, a fee payable by the Partnership equal to 0.65% of the gross proceeds from the sale of Offered Units. See **Item 7 - Compensation Paid to Sellers and Finders**.
- (5) Newlook Capital has taken the initiative in founding and organizing the Fund and the Partnership and accordingly may be considered to be a promoter within the meaning of Canadian securities laws. Newlook Capital receives compensation from the Partnership. See **Item 3.2 - Fees and Expenses**.
- (6) Neither Newlook Capital, nor Messrs. Gust, Diab, Osman nor Treanor receive any additional compensation from any Portfolio Company for services provided by them other than as disclosed herein.

3.2 Fees and Expenses

3.2.1 Fees

Management Fee

For investment management services related to the Fund and the Partnership, Newlook Capital will receive a monthly fee payable by the Partnership to Newlook Capital equal to an annual rate of 2% of the gross purchase price paid by investors to the Fund and the Partnership for each of the Series A1, Series A2, Series A3, Series A4, Series E and Series F units of each of the Fund and the Partnership (excluding for greater certainty, the purchase price of LP Units purchased by the Fund), as at the last date of the preceding month, calculated and payable, in advance, at the beginning of each month.

The Management Fee may vary for other series of Trust Units and LP Units and is treated as a Series Expense attributed to a particular series of LP Units.

Acquisition Fee

For services related to the research, identification, due diligence, financing and acquisition of a Portfolio Company, Newlook Capital will receive a fee upon the acquisition of a Portfolio Company equal to 1% of the total purchase price of such Portfolio Company plus additional capital committed to such Portfolio Company, not including transaction costs.

For greater certainty, the Acquisition Fee is treated as a Common Expense of the Partnership.

Capital Advisory Fee

The Capital Advisory Fee is payable by Newlook Capital, which shall be reimbursed by the Partnership. See **Item 7 - Compensation Paid to Sellers and Finders**.

Partnership Distributions

Pursuant to the Partnership Agreement, the General Partner and the Special Limited Partner will be entitled to receive distributions. **Item 2.7.3 - Partnership Agreement - Distributions of the Partnership**.

3.2.2 Expenses

The Fund and the Partnership will pay for all ongoing expenses associated with the operation of the Fund and the Partnership, including all general and administrative expenses, marketing and operating expenses, insurance costs, office space and staffing costs, expenses related to the acquisition and disposition of Portfolio Companies, legal, banking, audit and accounting fees, investor reporting costs, printing and mailing costs and costs incurred in connection with any governmental or regulatory filing requirements.

Newlook Capital provides to the Partnership and the Fund office space, furniture, day-to-day office supplies and services, internal accounting staff, payroll, information technology, the maintenance of books and records and assistance with all continuous disclosure obligations imposed on the Fund and the Partnership by applicable laws (which for greater certainty excludes external legal, accounting and other advisors), the costs of providing such services are reimbursed by the Partnership to Newlook Capital on a cost basis, such reimbursement to be unanimously approved by the Independent Review Committee (in addition to the requisite majority of directors of the General Partner, the Administrator or the Trustees, as applicable). See **Item 2.7.4 - Services Agreement - Fees and Expenses**, provided that the costs of the above services reimbursed by the Partnership shall not exceed \$250,000 per annum. For greater certainty, this \$250,000 per annum limit does not include the Capital Advisory Fee.

As the Fund is intended to be a vehicle to obtain financing for the Partnership from time to time, as may be required by the Partnership to enable it to invest in its business, the Partnership has entered into the Reimbursement Agreement with the Fund and the Administrator whereby the Partnership will pay for all ongoing expenses associated with the operation of the Fund, other than Selling Commissions and offering costs. See **Item 1.1 – Available Funds** for estimated offering costs.

3.3 Management Experience

The principal occupation and business background of each Trustee and director and officer of the Administrator and the General Partner is as follows:

<u>Name</u>	<u>Principal Occupations and Related Experience</u>
ELROY GUST President and director of the General Partner and the Administrator	Mr. Gust is President, Managing Partner and founder of Newlook Capital, a private equity firm focused on the lower mid-market, and Senior Vice-President of Clear Sky Capital, a real estate investment firm. Prior to founding Newlook Capital, Mr. Gust started his career with positions at several banks as a commercial lender, moving on to hold several senior level positions at a multinational logistics company. During the tenure of his 15-year career with Newlook Capital, Mr. Gust has been directly involved with real estate and private equity investments totaling in excess of \$150,000,000.
TONY DIAB Chief Financial Officer and director of the General Partner and the Administrator	Mr. Diab is Chief Financial Officer of Newlook Capital. Mr. Diab is involved in the financial and strategic oversight of existing businesses as well as potential new acquisitions. Prior to joining Newlook Capital, Mr. Diab worked in public accounting for over nine years in the areas of audit, tax (with a specialty in international tax) and advisory. Mr. Diab's experience includes working with public and private corporations of varying sizes in the industrial services, real estate, manufacturing, consumer business, and financial services industries and providing accounting, tax compliance and advisory services. Mr. Diab holds a Bachelor of Arts (Honours) in Economics and Accounting from Wilfrid Laurier University and CPA and CA designations.
ABBAS OSMAN Chief Investment Officer of the General Partner and the Administrator	<p>Mr. Osman is the Chief Investment Officer of the Newlook Capital and is expected to actively participate in the identification of and investment in the Portfolio Companies. Mr. Osman is the Managing Director of Vestarck Capital, an investment company that serves clients from the Middle East and North America. He recently completed two deals with Newlook Capital in his capacity as a Senior Advisor/Co-leader in Direct Elevator and New Taste Partners. Prior to Vestarck Capital, Mr. Osman was responsible for managing the investment department of the Abudawood Group. He was responsible for the Abudawood Group's global investment portfolio that stretches across different asset classes and industries - mainly, industrial services, fast-moving consumer goods, aviation, hospitality, real estate and financial services. In his over 15-year career, he has managed teams of professionals covering private equity funds, direct investments, public equities, mergers and acquisitions and real estate. Mr. Osman, to date, remains an advisor to the Abudawood Group on their global investment portfolio.</p> <p>Mr. Osman holds a Bachelor of Arts in Business Administration from the American University of Beirut and a Masters in Finance and Investments from the University of Nottingham, United Kingdom. Moreover, Mr. Osman is a frequent speaker at private equity conferences alongside international and regional industry veterans.</p>
GAVIN TREANOR Vice-President Sales and director of the Administrator and the General Partner	Mr. Treanor is the Vice-President of Sales of Newlook Capital. Mr. Treanor is an aerospace engineer by training, having started his career with Rand Worldwide and quickly advanced to become country manager where he ran the Asia-Pacific division based in Australia. Mr. Treanor then founded a merchant banking firm focused on identifying and developing strategic metals for B.R.I.C. countries and operated offices in Australia, China and Africa. In the last 10 years, Mr. Treanor has founded, raised substantial capital for, and sold several entities operating in Africa, Asia and North America. With 15 years of experience in commodity mergers and acquisitions and involvement in +\$400M structured finance

Name**Principal Occupations and Related Experience**

deals, Mr. Treanor brings a wealth of knowledge and experience in capital markets, asset management, and mergers and acquisitions to the Newlook Capital team.

3.4 Independent Review Committee Members

The current member of the Independent Review Committee is:

Name**Background and Relevant Experience**

**GRANT E.
SARDACHUK**

Mr. Sardachuk is currently a Co-Managing Partner of Centurion Holdings Ltd., a Calgary, Canada based real estate merchant banking company. Mr. Sardachuk's involvement with Centurion Holdings Ltd. began in 1994.

From 2009 to 2016, Mr. Sardachuk was the Managing Director – US Operations of the Optimus U.S. Real Estate Fund, a Canadian-based real estate investment fund which invested in multifamily and condominium property in the U.S. From 1986 to 1994, Mr. Sardachuk successively held several senior executive positions in various publicly held subsidiaries of Brookfield Asset Management Inc. (formerly Brascan Ltd.), including Hees International Bancorp Inc. (Managing Partner – Real Estate), Carena Development Ltd. (a real estate merchant banking and investment company) (VP Finance), and three real estate property enterprises, BCE Development Corporation (Senior VP Finance), Brookfield Development Corporation (Senior VP) and Coscan Development Corporation (CFO). From 1983 to 1986, Mr. Sardachuk was employed by Citibank Canada in its Resource Banking Group, a corporate finance arm of Citibank serving the natural resource industries.

Mr. Sardachuk has served on several public and private enterprise boards in the mortgage banking, real estate development and investment, registered social housing and information technology industries.

3.5 Penalties, Sanctions and Bankruptcy

There has been: (a) no penalty or sanction that has been in effect during the last 10 years or any cease trade order that has been in effect for a period of more than 30 consecutive days during the past 10 years against; and (b) no 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, receiver manager or trustee to hold assets, has been in effect during the last 10 years with regard to any; Trustee of the Fund or any director or executive officer of the Administrator or the General Partner or a control person of the Fund, the Partnership, the Administrator or the General Partner or any issuer of which a Trustee of the Fund or any director or executive officer of the Administrator or the General Partner or a control person of the Fund, the Partnership, the Administrator or the General Partner was a trustee, director, executive officer or control person at that time.

3.6 Loans

As of the date of this Offering Memorandum, Newlook Capital has incurred certain offering costs on behalf of the Fund. Such offering costs will be reimbursed out of the proceeds of the Offering. There is no other outstanding indebtedness between the Fund and the Trustees, the Administrator, the General Partner or Newlook Capital or their directors and officers.

ITEM 4 - CAPITAL STRUCTURE

4.1 Unit Capital of the Fund

The following table sets out the outstanding unit capital of the Fund:

<u>Description of Security</u>	<u>Number Authorized to be Issued</u>	<u>Price per Security</u>	<u>Number Outstanding as at October 12, 2018</u>	<u>Number outstanding assuming \$50,000,000 Offering⁽¹⁾⁽²⁾</u>	<u>Number outstanding assuming Maximum Offering⁽¹⁾⁽²⁾</u>
Initial Trust Unit ⁽³⁾	1	\$100	1	0	0
Series A1 Units ⁽⁴⁾	Unlimited	\$100	32,221	532,221	1,032,221
Series A2 Units ⁽⁴⁾	Unlimited	\$100	0	0	0
Series A3 Units ⁽⁴⁾	Unlimited	\$100	0	0	0
Series A4 Units ⁽⁴⁾	Unlimited	\$100	0	0	0
Series E Units ⁽⁴⁾	Unlimited	\$100	1,000	1,000	1,000
Series F Units ⁽⁴⁾	Unlimited	\$100	10,980	10,980	10,980
Series M Units ⁽⁵⁾	Unlimited	\$100	0	See Note 6	See Note 6
Series N Units ⁽⁷⁾	Unlimited	\$100	0	0	0

Notes:

- (1) There is no Minimum Offering. The Fund may complete the issue and sale of Offered Units at any time and from time to time at one or more Closings until the Maximum Offering is reached or the Offering is otherwise terminated. The Fund may, without notice to Investors, increase or decrease the Maximum Offering.
- (2) The amount assumes that all of the Offered Units issued under the Offering are Series A1 Units.
- (3) On May 15, 2018, one Trust Unit was issued to constitute the Fund for \$100, which is expected to be redeemed pursuant to the Declaration of Trust on the initial Closing Date.
- (4) See **Item 2.7.1 - Declaration of Trust** and **Item 5.1 - Terms of Offered Units** for the terms of the Trust Units.
- (5) The terms of the Series M units of the Fund are the same as the Series F Units, provided that no Management Fee is payable.
- (6) Newlook Capital, including its executives, directors and employees, is expected to subscribe for approximately \$1,000,000 of Series M Trust Units or Series M LP Units.
- (7) The terms of the Series N units of the Fund are the same as the Series F Units. It is expected that certain high net worth individuals and friends and family of Newlook Capital's management team will subscribe for Series N units of the Fund.

4.2 Unit Capital of the Partnership

The following table sets out the outstanding unit capital of the Partnership:

<u>Description of Security</u>	<u>Number Authorized to be Issued</u>	<u>Price per Security⁽¹⁾</u>	<u>Number Outstanding as at October 12, 2018</u>	<u>Number Outstanding assuming \$50,000,000 Offering⁽²⁾⁽³⁾</u>	<u>Number Outstanding assuming Maximum Offering⁽²⁾⁽³⁾</u>
Initial Partnership Unit ⁽⁴⁾	1	\$100	1	0	0
Series A1 LP Units ⁽⁵⁾	Unlimited	See Note 1	32,221	532,221	1,032,221
Series A2 LP Units ⁽⁵⁾	Unlimited	See Note 1	0	0	0
Series A3 LP Units ⁽⁵⁾	Unlimited	See Note 1	0	0	0
Series A4 LP Units ⁽⁵⁾	Unlimited	See Note 1	0	0	0
Series E LP Units ⁽⁵⁾	Unlimited	See Note 1	1,000	1,000	1,000
Series F LP Units ⁽⁵⁾	Unlimited	See Note 1	10,980	10,980	10,980

<u>Description of Security</u>	<u>Number Authorized to be Issued</u>	<u>Price per Security⁽¹⁾</u>	<u>Number Outstanding as at October 12, 2018</u>	<u>Number Outstanding assuming \$50,000,000 Offering⁽²⁾⁽³⁾</u>	<u>Number Outstanding assuming Maximum Offering⁽²⁾⁽³⁾</u>
Series M LP Units ⁽⁶⁾	Unlimited	See Note 1	0	See Note 7	See Note 7
Series N LP Units ⁽⁷⁾	Unlimited	See Note 1	0	0	0

Notes:

- (1) The Fund will use the proceeds of the Offering of Series A1 Units, Series A2 Units, Series A3 Units, Series A4 Units, Series E Units and Series F Units to purchase, respectively, Series A1 LP Units, Series A2 LP Units, Series A3 LP Units, Series A4 LP Units, Series E LP Units and Series F LP Units of the Partnership. The purchase price of each LP Unit to be purchased by the Fund shall be the net proceeds of each Offered Unit of the Fund (net of Selling Commissions, Capital Advisory Fee and offering costs).
- (2) There is no minimum offering. The Fund may complete the issue and sale of Offered Units at any time and from time to time at one or more Closings until the Maximum Offering is reached or the Offering is otherwise terminated. The Fund may, without notice to Investors, increase or decrease the Maximum Offering.
- (3) The amount assumes that all of the Offered Units issued under the Offering are Series A1 Units.
- (4) On May 15, 2018, one LP Unit was issued to constitute the Partnership for \$100, which is expected to be redeemed pursuant to the Partnership Agreement on the initial Closing Date.
- (5) See **Item 2.7.3 - Partnership Agreement** for the terms of the LP Units.
- (6) The terms of the Series M units of the Partnership are the same as the Series F LP Units, provided that no Management Fee is payable.
- (7) Newlook Capital, including its executives, directors and employees, is expected to subscribe for approximately \$1,000,000 of Series M Trust Units or Series M LP Units.
- (8) The terms of the Series N units of the Partnership are the same as the Series F LP Units. It is expected that certain high net worth individuals and friends and family of Newlook Capital's management team will subscribe for Series N units of the Partnership.

4.3 Long-Term Debt Securities

As of the date hereof, the Fund and the Partnership have no long-term debt obligations.

4.4 Prior Sales

The following table sets forth a description of the previously issued securities of the Fund and the Partnership since their formation. These securities have not been issued as part of this Offering.

4.5 Prior Sales by the Fund

<u>Date of Issuance</u>	<u>Type of Security Issued</u>	<u>Number of Securities Issued</u>	<u>Price per Security</u>	<u>Total Funds Received</u>
May 15, 2018	Initial Trust Unit	1 ⁽¹⁾	\$100.00	\$100.00
June 21, 2018	Series A1 Trust Units	8,400	\$100.00	\$840,000.00
June 29, 2018	Series A1 Trust Units	1,760	\$100.00	\$176,000.00
June 29, 2018	Series F Trust Units	5,000	\$100.00	\$500,000.00
August 2, 2018	Series A1 Trust Units	7,506	\$100.00	\$750,600.00
August 2, 2018	Series E Trust Units	1,000	\$100.00	\$100,000.00
September 13, 2018	Series A1 Trust Units	11,160	\$100.00	\$1,116,000.00
September 13, 2018	Series F Trust Units	5,980	\$100.00	\$598,000.00
October 11, 2018	Series A1 Trust Units	3,395	\$100.00	\$339,500.00

Note:

- (1) On May 15, 2018, one Trust Unit was issued to constitute the Fund for \$100, which is expected to be redeemed pursuant to the Declaration of Trust on the initial Closing Date.

4.6 Prior Sales by the Partnership

<u>Date of Issuance</u>	<u>Type of Security Issued</u>	<u>Number of Securities Issued</u>	<u>Price per Security</u> ⁽²⁾	<u>Total Funds Received</u>
May 15, 2018	Initial LP Unit	1 ⁽¹⁾	See Note 2	\$100.00
June 21, 2018	Series A1 LP Units	8,400	See Note 2	\$770,000.00
June 29, 2018	Series A1 LP Units	1,760	See Note 2	\$160,000.00
June 29, 2018	Series F LP Units	5,000	See Note 2	\$500,000.00
August 2, 2018	Series A1 LP Units	7,506	See Note 2	\$680,000.00
August 2, 2018	Series E LP Units	1,000	See Note 2	\$94,000.00
September 13, 2018	Series A1 LP Units	11,160	See Note 2	\$1,024,423.00
September 13, 2018	Series F LP Units	5,980	See Note 2	\$598,000.00
October 11, 2018	Series A1 LP Units	3,395	See Note 2	\$311,710.00

Note:

- (1) On May 15, 2018, one LP Unit was issued to constitute the Partnership for \$100, which is expected to be redeemed pursuant to the Partnership Agreement on the initial Closing Date.
- (2) Price per security is \$100, less offering costs attributable to the applicable series of LP Units.

ITEM 5 - SECURITIES OFFERED

The Offered Units are comprised of the following:

- **Series A1 Units, Series A2 Units, Series A3 Units and Series A4 Units:** These series of units are offered to investors who are not eligible to purchase Series E Units or Series F Units.
 - Series A1 Units may be purchased prior to December 1, 2018;
 - Series A2 Units may be purchased on or after December 1, 2018 and prior to March 1, 2019;
 - Series A3 Units may be purchased on or after March 1, 2019 and prior to June 1, 2019; and
 - Series A4 Units may be purchased on or after June 1, 2019.

The Administrator has the right to modify, in its discretion, the time periods set forth above. If the Administrator determines to exercise its discretion in this respect, it will provide advance notification to that effect to each of the securities dealers through whom subscriptions for Offered Units are being solicited.

- **Series E Units:** This series of units is offered to investors who are not eligible to purchase Series F Units.
- **Series F Units:** This series of units is offered to investors who purchase such units through a dealer sponsored fee-for-service or wrap program and who pay an asset-based fee to their dealer.

The Fund is offering the Offered Units for issue and sale under the Offering. Investors under the Offering will purchase Trust Units upon the Fund's acceptance of the Investor's Subscription Agreement and related documents and payment of the applicable subscription amounts for Trust Units, as the case may be. See **Item 5.2 - Subscription Procedure**.

Concurrent with or subsequent to this Offering, the Fund and the Partnership may also offer additional securities, which may not have the same terms as the Series A1 Units, Series A2 Units, Series A3 Units, Series A4 Units, Series E Units and Series F Units.

The Fund and the Partnership currently also offer Series M and Series N units of the Fund and the Partnership. It is expected that Newlook Capital's management team or their affiliates or associates will subscribe for Series M units of the Fund or the Partnership and certain high net worth individuals and friends and family of Newlook Capital's

management team will subscribe for Series N units of the Fund or the Partnership. The terms of the Series M and Series N units of the Fund and the Partnership are the same as the Series F units of the Fund and the Partnership, provided that no Management Fee is payable by the Partnership on the Series M units of the Fund and the Partnership.

The Fund or the Partnership may, from time to time, negotiate with additional investors (such as institutional investors) the terms of purchase of a new series of Trust Units or LP Units, as applicable, including the management fee, preferred return and the distributions to the General Partner that will be paid by the Fund or the Partnership in respect of such Investor's Trust Units or LP Units, as applicable.

The Trust and the Partnership intend to conduct their affairs such that no Trust Unitholder not otherwise required to file United States federal income tax returns will be required to file United States federal income tax returns solely by reason of holding Trust Units. See **Item 6.6 – Certain United States Federal Income Tax Considerations**.

5.1 Terms of Offered Units

Investments in the Fund are represented by Trust Units. The Fund is permitted to have an unlimited number of series of Trust Units, which may be created and issued by the Trustees in their sole discretion from time to time, having such attributes as determined by the Trustees.

The material terms of the Offered Units are summarized below. Other rights, privileges, restrictions, conditions and characteristics attaching to each Trust Unit are contained in the Declaration of Trust. See also **Item 2.7.1 - Declaration of Trust**.

Prospective Investors are advised that any description of the Offered Units in this Offering Memorandum is a summary only of the material terms of those Offered Units and remains subject to the Declaration of Trust. Prospective Investors are advised to review the Declaration of Trust and the Trust Unit provisions in detail with their own legal, tax and investment advisors.

5.1.1 Distributions

Purchase of Partnership Units

The Fund will use the proceeds of the Offering of Series A1 Units, Series A2 Units, Series A3 Units, Series A4 Units, Series E Units and Series F Units to purchase, respectively, Series A1 LP Units, Series A2 LP Units, Series A3 LP Units, Series A4 LP Units, Series E LP Units and Series F LP Units of the Partnership.

Partnership Distributions

The Partnership will seek to make distributions to its Limited Partners (including the Fund) on a regular basis, with the amount of any such distributions determined by the General Partner in its sole discretion. Such distributions, if any, will generally be made on a quarterly basis, however, the General Partner reserves the right to make more frequent distributions in its sole discretion. Distributions will be paid to Limited Partners of record as of the distribution date and will be paid on or before the 30th day following the distribution date.

When determining amounts available for distribution, the General Partner will:

- (a) first, ascertain the sum of all cash amounts received by the Partnership since the previous distribution was declared by the Partnership (such aggregate amount being the “**Gross Proceeds**”);
- (b) second, subtract from the Gross Proceeds (i) amounts necessary for the payment of all outstanding Common Expenses (including the Acquisition Fee) for which reserves have not previously been made, (ii) amounts reasonably reserved for future Common Expenses, and (iii) amounts reasonably reserved having regard to current and anticipated commitments of the Partnership (the Gross Proceeds less the aggregate amounts in (i), (ii) and (iii) being the “**Net Proceeds**”);
- (c) third, divide the Net Proceeds among the various series of LP Units and the General Partner and the Special Limited Partner based on the aggregate Net Capital Contributions made by each such series, the General Partner and the Special Limited Partner, respectively to the Partnership, with the Net Proceeds allocated to each series being the “**Series Proceeds**”; and

- (d) fourth, subtract from the Series Proceeds of each series of LP Units (i) amounts necessary for the payment of all outstanding Series Expenses (including the Management Fee) with respect to the applicable series of LP Units for which reserves have not previously been made, and (ii) amounts reasonably reserved for future Series Expenses of the series of LP Units (the Series Proceeds less the aggregate amounts in (i) and (ii) being the “**Net Series Proceeds**”).

For greater certainty, amounts paid to Trust Unitholders in connection with redemptions of Trust Units will reduce the aggregate Net Capital Contributions made by the applicable series of Trust Units being redeemed. Once the Net Series Proceeds of a particular series of LP Units has been determined, then the General Partner will, to the extent possible based on the amount of such Net Series Proceeds, pay to the holder of each LP Unit of such series of LP Units an amount equal to the outstanding and accrued Preferred Return with respect to such LP Unit (or, to the extent such Net Series Proceeds are not sufficient to pay the outstanding and accrued Preferred Returns of all LP Units of such series of LP Units, an amount equal to such LP Unit’s *pro rata* amount of the Net Series Proceeds based on the outstanding and accrued Preferred Return owed to such LP Unit relative to the aggregate outstanding and accrued Preferred Returns owed to all LP Units of such series (with the Net Series Proceeds less such aggregate amounts paid with respect to such series of LP Units being the “**Distributable Proceeds**”).

The Distributable Proceeds with respect to a particular series of LP Units will then be apportioned equally among the LP Units of such series. Following such apportionment, the Distributable Proceeds, in the sole discretion of the General Partner, will be either (a) reinvested in the Partnership and allocated on the books and records of the Partnership to such series of LP Units (with such amounts being referred to as “**Reinvested Amounts**”) or (b) distributed in the following amounts and order of priority:

Series A1 LP Units

- (a) first, 100% to the holder of the LP Unit until the holder has received aggregate distributions in an amount equal to \$100 with respect to such LP Unit (excluding, for greater certainty, any Preferred Return distributions received by such holder with respect to such LP Unit but including, for greater certainty, any other previous distributions received by the holder with respect to such LP Unit) (the distributions pursuant to this section are referred to as the “**Series A1 Return of Capital**”);
- (b) second, 100% to the Special Limited Partner until the Special Limited Partner has received aggregate distributions under this paragraph (b) equal to 25% of the total distributions made pursuant to the Preferred Return and this paragraph (b) (for illustrative purposes if \$75 is distributed pursuant to the Preferred Return and \$25 is distributed under this paragraph (b) then the total distribution would be \$100); and
- (c) thereafter, 25% to the Special Limited Partner and 75% to the holder of the LP Unit.

Series A2 LP Units

- (a) first, 100% to the holder of the LP Unit until the holder has received aggregate distributions in an amount equal to \$100 with respect to such LP Unit (excluding, for greater certainty, any Preferred Return distributions received by such holder with respect to such LP Unit but including, for greater certainty, any other previous distributions received by the holder with respect to such LP Unit) (the distributions pursuant to this section are referred to as the “**Series A2 Return of Capital**”);
- (b) second, 100% to the Special Limited Partner until the Special Limited Partner has received aggregate distributions under this paragraph (b) equal to 30% of the total distributions made pursuant to the Preferred Return and this paragraph (b) (for illustrative purposes if \$70 is distributed pursuant to the Preferred Return and \$30 is distributed under this paragraph (b) then the total distribution would be \$100); and
- (c) thereafter, 30% to the Special Limited Partner and 70% to the holder of the LP Unit.

Series A3 LP Units

- (a) first, 100% to the holder of the LP Unit until the holder has received aggregate distributions in an amount equal to \$100 with respect to such LP Unit (excluding, for greater certainty, any Preferred Return distributions received by such holder with respect to such LP Unit but including, for greater certainty, any other previous distributions received by the holder with respect to such LP Unit) (the distributions pursuant to this section are referred to as the “**Series A3 Return of Capital**”);

- (b) second, 100% to the Special Limited Partner until the Special Limited Partner has received aggregate distributions under this paragraph (b) equal to 35% of the total distributions made pursuant to the Preferred Return and this paragraph (b) (for illustrative purposes if \$65 is distributed pursuant to the Preferred Return and \$35 is distributed under this paragraph (b) then the total distribution would be \$100); and
- (c) thereafter, 35% to the Special Limited Partner and 65% to the holder of the LP Unit.

Series A4 LP Units

- (a) first, 100% to the holder of the LP Unit until the holder has received aggregate distributions in an amount equal to \$100 with respect to such LP Unit (excluding, for greater certainty, any Preferred Return distributions received by such holder with respect to such LP Unit but including, for greater certainty, any other previous distributions received by the holder with respect to such LP Unit) (the distributions pursuant to this section are referred to as the “**Series A4 Return of Capital**”);
- (b) second, 100% to the Special Limited Partner until the Special Limited Partner has received aggregate distributions under this paragraph (b) equal to 40% of the total distributions made pursuant to the Preferred Return and this paragraph (b) (for illustrative purposes if \$60 is distributed pursuant to the Preferred Return and \$40 is distributed under this paragraph (b) then the total distribution would be \$100); and
- (c) thereafter, 40% to the Special Limited Partner and 60% to the holder of the LP Unit.

Series E LP Units

- (a) first, 100% to the holder of the LP Unit until the holder has received aggregate distributions in an amount equal to \$100 with respect to such LP Unit (excluding, for greater certainty, any Preferred Return distributions received by such holder with respect to such LP Unit but including, for greater certainty, any other previous distributions received by the holder with respect to such LP Unit) (the distributions pursuant to this section are referred to as the “**Series E Return of Capital**”);
- (b) second, 100% to the Special Limited Partner until the Special Limited Partner has received aggregate distributions under this paragraph (b) equal to 20% of the total distributions made pursuant to the Preferred Return and this paragraph (b) (for illustrative purposes if \$80 is distributed pursuant to the Preferred Return and \$20 is distributed under this paragraph (b) then the total distribution would be \$100); and
- (c) thereafter, 20% to the Special Limited Partner and 80% to the holder of the LP Unit.

Series F LP Units

- (a) first, 100% to the holder of the LP Unit until the holder has received aggregate distributions in an amount equal to \$100 with respect to such LP Unit (excluding, for greater certainty, any Preferred Return distributions received by such holder with respect to such LP Unit but including, for greater certainty, any other previous distributions received by the holder with respect to such LP Unit) (the distributions pursuant to this section are referred to as the “**Series F Return of Capital**”);
- (b) second, 100% to the Special Limited Partner until the Special Limited Partner has received aggregate distributions under this paragraph (b) equal to 20% of the total distributions made pursuant to the Preferred Return and this paragraph (b) (for illustrative purposes if \$80 is distributed pursuant to the Preferred Return and \$20 is distributed under this paragraph (b) then the total distribution would be \$100); and
- (c) thereafter, 20% to the Special Limited Partner and 80% to the holder of the LP Unit.

Investors holding Trust Units of series offered earlier in the investment period, when the Fund is a fully-blind pool, are entitled to receive a greater percentage of the Distributable Proceeds with respect to their particular series of Trust Units following the return of capital for such series of Trust Unit.

Any Net Proceeds allocated to the General Partner and the Special Limited Partner as described above shall be distributed to the General Partner and the Special Limited Partner, respectively.

For greater certainty, no additional LP Units will be issued with respect to any Reinvested Amounts.

Any and all distributions made to the Limited Partners (including, without limitation, upon dissolution or liquidation of the Partnership) shall be in the form of cash or Marketable Securities valued in accordance with the Partnership Agreement.

Fund Distributions

When the Fund receives a distribution from the Partnership with respect to a Corresponding LP Unit then the Fund will promptly declare and pay a distribution to the holder of record of the applicable Trust Unit in an amount equal to the distribution received with respect to the Corresponding LP Unit. Any such distributions will be made to the person who, according to the register, was the holder of record of the applicable Trust Unit on the date the distribution is declared by the Fund.

Notwithstanding the foregoing, the Trustees or the Administrator may reduce the amounts distributable to holders of Trust Units which the Trustees or the Administrator may reasonably consider to be necessary to provide for:

- (a) the payment of any costs, expenses or liabilities, which have been or may be incurred in the undertaking and activities of the Fund;
- (b) the payment of any income tax liability of the Fund; or
- (c) any allowances for contingencies, working capital, investments or acquisitions, or such reserves as are, in the opinion of the Trustee or the Administrator, necessary or desirable;

which reduction shall reduce the distribution first referred to above to each holder of Trust Units on a pro rata basis.

Where the Fund is allocated income from the Partnership that is attributable to a series of Corresponding LP Units but the Fund receives no corresponding distribution from the Partnership then such income of the Fund will be distributed to the applicable series of Trust Units, with each Trust Unit of such series being distributed its proportionate share of such aggregate distribution.

In addition to the foregoing distributions, the Trustees may allocate, declare to be payable and make distributions or advances to Trust Unitholders, from time to time, out of income of the Fund, net realized capital gains, the capital of the Fund or otherwise, in any year, in such amount or amounts, and on such dates as the Trustee may determine. Having regard to the present intention of the Trustees to allocate, distribute and make payable to the Trust Unitholders of all applicable amounts so that the Fund will not have any liability for tax under Part I of the Tax Act in any taxation year, the following amounts, without any further actions on the part of the Trustee, are due and payable to Trust Unitholders of record on the last day of each taxation year of the Fund:

- (a) the amount, if any, of income of the Fund for such taxation year not previously paid or made payable to Trust Unitholders in the taxation year; and
- (b) the amount, if any, of net realized capital gains for such taxation year not previously paid or made payable to Trust Unitholders in such taxation year, 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 for such taxation year.

Each Trust Unitholder's share of any such allocation, distribution or advance pursuant to (a) and (b) above is an amount equal to the proportionate share of such distribution for each Trust Unit multiplied by the number of Trust Units owned of record by each such Trust Unitholder on the last day of the taxation year in the year of such distribution.

When determining the proportionate share of a distribution payable to Trust Unitholders, the Trustees may make any variation or adjustment so as to ensure where possible that Trust Unitholders are treated equitably and fairly taking into account such considerations as the Trustees, in their discretion, acting reasonably and in good faith, deem appropriate in the circumstances and determine to be equitable and fair.

Each Trust Unitholder has the legal right to enforce payment arising as of the applicable record date of any amount payable to such Trust Unitholder as a result of any distribution declared or otherwise payable to, and not yet received by, such Trust Unitholder.

The Fund has adopted the DRIP, which will allow eligible holders of Trust Units to elect to have their distributions

reinvested in additional Trust Units of the same series at a purchase price equal to \$95 per Trust Unit (or such other price as may be determined by the Administrator from time to time). The Administrator may, at its discretion, terminate the DRIP. See **Item 2.7.6 - Distribution Reinvestment Plan**.

5.1.2 Distribution Policy of the Fund and the Partnership

The General Partner's objective is to make quarterly cash distributions at a target annual rate of equal to the Preferred Return (\$8 per LP Unit per year), provided that the General Partner expects that the initial target annual cash distribution rate will be \$4 per LP Unit until June 30, 2019. For greater certainty, to the extent that cash distributions are lower than the Preferred Return, the difference between the Preferred Return and actual cash distributions will accrue in respect of such LP Unit. Distributions from the Partnership are not guaranteed.

The Fund intends to distribute amounts received from the Partnership to Trust Unitholders in accordance with the Declaration of Trust. Although it is the Partnership's intention that distributions on the LP Units be primarily paid from cash flow from the Partnership's investments, in certain circumstances, payments and distributions may exceed the cash flow of the Partnership for any particular distribution period (including the period prior to the Partnership investing in any Portfolio Companies). In such circumstances, distributions to the Fund (and in turn the Trust Unitholders) may consist, directly or indirectly, of the proceeds from the sale of securities by the Fund (including this Offering).

The return on an investment in the Offered Units is not comparable to the return on an investment in fixed-income securities. Cash distributions to Trust Unitholders are not guaranteed and are not fixed obligations of the Fund. Any receipt of cash distributions by a Trust Unitholder is at any time subject to the terms of the Declaration of Trust. Any anticipated return on investment is based upon many performance assumptions. Although the Fund intends to distribute its available cash to Trust Unitholders, cash distributions may be reduced or suspended at any time and from time to time. The ability of the Fund to make cash distributions and the actual amount distributed depends on the receipt of distributions from the Partnership and the performance of the Portfolio Companies acquired by the Partnership, and will be subject to various factors including those referenced in **Item 8 - Risk Factors**. The value of the Offered Units may decline if the Fund is unable to meet its cash distribution targets in the future and that decline may be significant.

It is important for Investors to consider the particular risk factors that may affect the industry in which they are investing, and therefore the stability of the distributions that Unitholders receive. See, for example, **Item 8.4 - Risks Pertaining to the Business**, which also describes the Fund's assessment of those risk factors, as well as the potential consequences to a Trust Unitholder if the events contemplated by a particular risk factor should occur.

5.1.3 Voting Rights

Each Trust Unit confers the right to one vote at any meeting of Trust Unitholders. See **Item 2.7.1 - Declaration of Trust - Meetings and Resolutions of Trust Unitholders**.

5.1.4 Redemption of Trust Units

Redemption rights under the Declaration of Trust are subject to certain restrictions. See **Item 2.7.1 - Declaration of Trust - Redemption of Trust Units**.

On a redemption by a holder of Trust Units, the price per Trust Unit that a Trust Unitholder whose Trust Units are being redeemed shall be entitled to receive shall be equal to the redemption proceeds received by the Fund from the Partnership with respect to the Fund's redemption of the Corresponding LP Unit, which shall be the lesser of: (a) \$100 multiplied by the percentage set out below, minus any amount distributed in respect of such Trust Unit in respect of the Series A1 Return of Capital, Series A2 Return of Capital, Series A3 Return of Capital, Series A4 Return of Capital, Series E Return of Capital, or Series F Return of Capital of the Corresponding LP Unit, as applicable; and (b) the Market Value of the Corresponding LP Unit of such Trust Unit.

The percentages are as follows:

Period of time between the issuance date of the LP Unit being redeemed and the date the notice of redemption is provided	Series A1/A2/A3/A4	Series E	Series F
< 1 year	89%	92%	95%
1 year to < 2 years	91%	94%	97%
2 years to < 3 years	93%	96%	99%
3 years to < 4 years	95%	98%	100%
4 years to < 5 years	97%	100%	100%
5 years and greater	100%	100%	100%

Pursuant to the foregoing table, a Trust Unitholder will receive a lower Redemption Price if such Trust Unitholders redeems his or her Offered Units within a certain period of time from the date of investment (depending on the series of Trust Unit held by the Trust Unitholder). This is intended to protect the Fund and existing Unitholders from a reduction in the value of the Fund due to the payment of Selling Commissions and offering costs.

5.1.5 Transfers of Trust Units

Trust Unitholders cannot transfer their Trust Units except in very limited circumstances. **Item 2.7.1 - Declaration of Trust - Transfer of Trust Units, Item 8 - Risk Factors and Item 10 - Resale Restrictions.**

5.1.6 Participation upon Liquidation or Winding Up

In the event of the liquidation, dissolution or winding up of the Fund or other distribution of assets of the Fund among its Trust Unitholders for the purpose of winding up the affairs of the Fund, the holders of Trust Units shall be entitled to participate in the distribution.

Each holder of Series A1 Units, Series A2 Units, Series A3 Units, Series A4 Units, Series E Units and Series F Units shall be entitled to receive the amount received from the Partnership with respect to the Corresponding LP Unit of such Trust Units in the same manner as a distribution by the Fund after paying, retiring or discharging or making provision for the payment, retirement or discharge of all known liabilities and obligations of the Fund.

5.1.7 Rights of Trust Unitholders

Trust Unitholders are NOT shareholders and do not enjoy all of the protections, rights and remedies generally offered to shareholders of a corporation incorporated under the OBCA. Although the Declaration of Trust confers upon a Trust Unitholder some of the same protections, rights and remedies as a voting shareholder of a corporation governed by the OBCA, significant differences do exist.

Trust Unitholders do not have recourse to a dissent right under which shareholders of an OBCA corporation are entitled to receive the fair value of their shares where certain fundamental changes affecting the corporation are undertaken, such as an amalgamation, a continuance under the laws of another jurisdiction, the sale of all or substantially all of its property, a going private transaction or the addition, change or removal of provisions restricting: (a) the business or businesses that the corporation can carry on, or (b) the issue, transfer or ownership of shares. As an alternative, Trust Unitholders seeking to terminate their investment in the Trust are entitled to redeem their Trust Units, subject to certain conditions and limitations, as described under **Item 2.7.1 - Declaration of Trust - Redemption of Trust Units.**

Trust Unitholders do not have recourse to the statutory oppression remedy that is available to shareholders of an OBCA corporation where the corporation undertakes actions that are oppressive, unfairly prejudicial or disregard the interests of security holders and certain other parties. Shareholders of an OBCA corporation may also apply to a court to order the liquidation and dissolution of the corporation in those circumstances, whereas Trust Unitholders cannot. Shareholders of an OBCA corporation may also apply to a court for the appointment of an inspector to investigate the manner in which the business of the corporation and its affiliates is being carried on where there is reason to believe that fraudulent, dishonest or oppressive conduct has occurred. The OBCA also permits shareholders to bring or intervene in derivative actions in the name of the corporation or any of its subsidiaries, with

leave of a court. The Declaration of Trust does not include a comparable right of Trust Unitholders to commence or participate in legal proceedings with respect to the Fund.

For further information on terms contained in the Declaration of Trust which affect the rights of Trust Unitholders, see **Item 2.7.1 - Declaration of Trust**.

5.2 Subscription Procedure

The securities being offered pursuant to the Offering are the Offered Units.

The minimum investment in the Fund for Series A1 Units, Series A2 Units, Series A3 Units and Series A4 Units is \$10,000. The minimum investment in the Fund for Series E Units and Series F Units is \$100,000. These minimum amounts may be waived by the Administrator, in its sole discretion. Subject to applicable securities law, there is no maximum number of Offered Units allocated to any Investor, subject to the limits under the Maximum Offering or otherwise pursuant to the Declaration of Trust. The Maximum Offering will be reached upon the Fund realizing proceeds of the Offering of \$100,000,000 through the issue and sale of 1,000,000 Offered Units under the Offering. The Administrator may, without notice to Investors, increase or decrease the Maximum Offering.

Closings will occur from time to time at the discretion of the Administrator. Investors wishing to subscribe for Offered Units are required to enter into a Subscription Agreement with the Fund containing, among other things, representations, warranties, certifications, acknowledgments and covenants by such Investor. The procedure to subscribe for Offered Units is set out in the Subscription Agreement. Investors should read the instructions in the Subscription Agreement closely. A subscription for Offered Units is made upon the acceptance by the Administrator of an Investor's fully completed and signed Subscription Agreement, including any related documents required by the Subscription Agreement, together with payment of the applicable subscription price in full by certified cheque, bank draft or such other manner as may be accepted by the Administrator, all of which have been delivered to the Administrator at the address set out in the Subscription Agreement.

Subject to the rights of rescission described in **Item 11 - Investors' Rights**, a subscription for Offered Units, as evidenced by a fully completed and signed Subscription Agreement delivered to and accepted by the Fund, is irrevocable. No prospective Investor has any right to withdraw his or her subscription for Offered Units unless the Fund terminates the Offering or does not accept the subscription.

Where Offered Units are being subscribed for in reliance on the offering memorandum exemption contained in Section 2.9 of NI 45-106, the Administrator will hold the aggregate subscription funds in trust until at least midnight on the second business day after the day on which the corresponding Subscription Agreement was signed, after which time the aggregate subscription funds will be held in trust until the Administrator has accepted or rejected such subscription, in whole or in part, in connection with a Closing of the Offering. Holding such aggregate subscription funds in this manner does not constitute acceptance of a subscription for Offered Units. The Administrator has the right, in its sole and absolute discretion, to reject any subscription for Offered Units, in whole or in part, for any reason. No interest will be paid to or accrued for the benefit of an Investor on any portion of such Investor's aggregate subscription funds held in trust prior to Closing. Any interest earned on such aggregate subscription funds belongs to the Fund irrespective of whether it ultimately accepts or rejects the subscription for Offered Units. Any monies received with a rejected order will be promptly refunded without any interest.

At any Closing of the Offering, proceeds from subscriptions for Offered Units will be available to the Fund for its use, as described in this Offering Memorandum.

The Fund may suspend or conclude the offering at any time without notice. Any subscription funds for subscriptions that the Fund does not accept will be returned promptly without interest or deduction after the Fund has determined not to accept such subscription.

This Offering Memorandum constitutes an offering of securities only in those jurisdictions and only to those persons to whom they may be lawfully offered for sale. By executing a Subscription Agreement for Offered Units, each Investor will make the representation that the Investor meets the conditions of the applicable prospectus exemption in purchasing Offered Units pursuant to this Offering and is thus entitled under such prospectus exemption to purchase such securities without the benefit of a prospectus qualified under applicable securities laws. Under no circumstances will the Fund accept a subscription for Offered Units if its distribution cannot be made in reliance on a prospectus exemption. Persons resident in the province of Québec are not permitted to rely on the offering memorandum exemption contained in Section 2.9 of NI 45-106. In the province of Québec, the Offering is being conducted pursuant to the exemptions from the prospectus requirements afforded by Section 2.3 of NI 45-106 and to

those persons Offered Units may otherwise be sold in accordance with applicable securities laws. This Offering Memorandum does not constitute an offer to sell or the solicitation of an offer to buy securities within the United States or by residents of the United States. There shall be no sale of these securities in any jurisdiction in which such offer, solicitation or sale would be unlawful.

ITEM 6 - INCOME TAX CONSEQUENCES

6.1 General

A prospective Investor should consult their own professional advisers to obtain advice on the tax consequences that apply to such prospective Investor.

The following summary (with the exception of **Item 6.6 - Certain United States Federal Income Tax Considerations**) has been prepared by Counsel and describes the principal Canadian federal income tax considerations pursuant to the Tax Act generally applicable to 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, holds the Trust Units as capital property and deals at arm's length, and is not affiliated with, the Fund. Generally, Units will be capital property of a Trust Unitholder provided the Trust 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, in certain circumstances, be entitled to make the irrevocable election permitted by subsection 39(4) of the Tax Act to have their Trust Units and each other "Canadian security" (as defined in the Tax Act) owned by the person in the year in which the election is made and in each subsequent year, treated as capital property.

This summary is not applicable to a person: (a) an interest in which would be a "tax shelter investment" as defined in section 143.2 of the Tax Act; (b) that is a "financial institution" as defined in section 142.2 of the Tax Act; (c) that has elected to determine its Canadian tax results in a "functional currency" other than the Canadian dollar; or (d) that has entered or will enter into a derivative forward agreement with respect to the Trust Units, all within the meaning of the Tax Act. Such Trust Unitholders should contact their own tax advisors having regard to their own particular circumstances.

This summary is based upon information set out in this Offering Memorandum, the provisions of the Tax Act in force as of the date hereof, all specific proposals to amend the Tax Act that have been publicly announced by or on behalf of the Minister of Finance (Canada) prior to the date hereof (the "**Proposed Amendments**") and Counsel's understanding of the current published administrative and assessing policies of the CRA that have been made publicly available as of the date hereof. There can be no assurance 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 Canada Revenue Agency. 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 Trust Unitholder. Consequently, Trust Unitholders are urged to seek independent tax advice in respect of the consequences to them of an investment in Trust Units having regard to their particular circumstances. You should consult your own professional advisers to obtain advice on the income tax consequences that apply to you.

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.

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 Trust 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 under Part I of the Tax Act 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 by the Fund to Trust 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 Trust Unitholder in a taxation year if it is paid in the year by the Fund or the Trust Unitholder is entitled in that year to enforce payment of the amount. The taxation year of the Fund will end on December 31 of each year.

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 Trust Unitholders an amount equal to its remaining taxable income. Counsel has been advised by the Fund that it is expected that the Fund will not be liable for any material amount of tax under the Tax Act; however, Counsel can provide no assurance in this regard.

Computation of Partnership Income

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 were a separate person resident in Canada. The fiscal period of the Partnership ends on December 31.

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

In general, a Limited Partner’s share of any income or loss of the Partnership from a particular source will retain its character and any provisions of the Tax Act applicable to that type of income will also apply to each Limited Partner.

6.4 Taxation of Trust Unitholders

Fund Distributions

A Trust Unitholder will generally be required to include in computing their income for a particular taxation year any amount paid or made payable to the Trust Unitholder in that year, whether in cash, additional Trust Units, property of the Fund 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 made payable to a Trust Unitholder will retain their character as taxable capital gains and taxable dividends to the Trust Unitholder for purposes of the Tax Act. Such dividends, when designated to a Trust 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 for eligible dividends. Income of the Fund that is designated as taxable dividends from taxable Canadian corporations or as net realized capital gains may affect an individual Trust Unitholder’s liability for alternative minimum tax.

The non-taxable portion of net realized capital gains of the Fund that is paid or made payable to a Trust Unitholder in a taxation year will not be included in computing the Trust Unitholder’s income for the year and will not reduce the adjusted cost base of the Trust Unitholder’s Trust Units. Any other amount in excess of the net income of the Fund that is paid or made payable by the Fund to a Trust Unitholder in a year will generally not be included in the Trust Unitholder’s income for the year but will reduce the adjusted cost base of the Trust Units held by such Trust Unitholder. To the extent that the adjusted cost base to a Trust 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 Trust 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 Trust Unitholder will include all amounts paid or payable by the Trust Unitholder for the Trust Unit, with certain adjustments. Trust Units issued to a Trust Unitholder as a non-cash

distribution of income will have a cost amount equal to the amount of such income. A Trust Unitholder will generally be required to average the cost of all newly-acquired Units with the adjusted cost base of Trust Units held by the Trust Unitholder as capital property in order to determine the adjusted cost base of the Trust Unitholder's Trust Units at any particular time.

Disposition of Trust Units

On the disposition or deemed disposition of Trust Units, a Trust Unitholder will generally realize a capital gain (or a capital loss) equal to the amount by which the Trust Unitholder's proceeds of disposition are greater (or less) than the aggregate of the Trust Unitholder's adjusted cost base of the Trust Units and any reasonable costs incurred by the Trust 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, property of the Fund 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 property of the Fund or Redemption Notes, less any portion thereof that is considered to be a distribution of the income of the Fund. Redeeming Trust 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 Trust Unitholder's aggregate adjusted cost base of the Trust Units so redeemed and any reasonable costs of disposition.

Capital Gains and Capital Losses

Generally, one-half of any capital gain realized or deemed to be realized by a Trust Unitholder in a taxation year will be included in the Trust 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 Trust Unitholder in a taxation year is an allowable capital loss which is 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 Trust Unitholder may affect a Trust Unitholder's liability for alternative minimum tax.

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

International Information Reporting Requirements

Under the terms of the intergovernmental agreement between Canada and the U.S. (the "**Canada-U.S. IGA**") to provide for the implementation of the Foreign Account Tax Compliance provisions of the U.S. Hiring Incentives to Restore Employment Act of 2010 (or "**FATCA**"), and its implementing provisions under the Tax Act, the Fund will be treated as complying with FATCA and not subject to the 30% withholding tax if the Fund complies with the terms of the Canada-U.S. IGA. Under the terms of the Canada-U.S. IGA, the Fund will be required to identify and report information, including certain financial information, on accounts held by investors that fail to provide information to their financial advisor or dealer related to their citizenship and residency for tax purposes and/or investors that are identified as, or in the case of certain entities as having one or more controlling persons who are U.S. persons owning, directly or indirectly, an interest in the Fund, to the CRA. The CRA will in turn provide such information to the U.S. Internal Revenue Service (the "**IRS**").

The Fund will endeavor to comply with the requirements imposed under the Canada-U.S. IGA and its implementing provision under the Tax Act. However, if the Fund cannot satisfy the applicable requirements under the Canada-U.S. IGA or its implementing provisions under the Tax Act and is unable to comply with the requirements under FATCA, the Fund may be subject to U.S. withholding tax on U.S. and certain non-U.S. source income and gross

proceeds. The Fund may also be subject to the penalty provisions of the Tax Act. Any potential U.S. withholding taxes or penalties associated with such failure to comply would reduce the value of the Fund's assets.

In addition, to meet the objectives of the Organisation for Economic Co-operation and Development Common Reporting Standards (the “**CRS**”), the Fund is required under the Tax Act to identify to report to the CRA certain information (including residency details and financial information such as account balances) relating to investments held by Trust Unitholders or by the “controlling persons” of certain entities who are resident in a country other than Canada or the United States. The information would then be available for sharing with CRS participating jurisdiction in which the securityholder resides for tax purposes under the provision and safeguards of the Multilateral Administrative Assistance in Tax Matters or the relevant bilateral tax treaty.

6.5 Eligibility for Investment by Exempt Plans

Provided that the Fund is a “mutual fund trust” for purposes of the Tax Act at all relevant times, the Trust Units, when issued, will be a qualified investment under the Tax Act for Exempt Plans.

Notwithstanding the foregoing, an annuitant under a RRSP or RRIF or the holder of a TFSA or RDSP, or subscriber of a RESP, as the case may be, who holds Trust Units will be subject to a penalty tax if the Trust Units are a “prohibited investment” (as defined in the Tax Act) for the RRSP, RRIF, RDSP, RESP or TFSA, as the case may be. The Trust Units will generally not be a prohibited investment for a trust governed by a RRSP, TFSA, RRIF, RESP or RDSP if the annuitant, holder or subscriber of such plan deals at “arm's length” with the Fund for the purposes of the Tax Act and such annuitant, holder or subscriber does not have a “significant interest” (within the meaning of the Tax Act) in the Fund. Trust Unitholders should consult their own tax advisors as to whether the Trust Units will be a prohibited investment in their particular circumstances.

Property of the Fund, LP Units or any other securities received as a result of a distribution or redemption of Trust Units will not be a qualified investment for Exempt Plans, which may result in adverse tax consequences to an Exempt Plan or the annuitant, holder or beneficiary thereof. Trust Unitholders holding Trust Units in an Exempt Plan should consult with their own tax advisors prior to redeeming their Trust Units to determine the tax consequences to them of a redemption satisfied by property of the Fund or Redemption Notes.

6.6 Certain United States Federal Income Tax Considerations

The following discussion has been prepared by Norton Rose Fulbright US LLP, and concerns certain U.S. federal income tax considerations for Investors who own Trust Units in the Fund. **This discussion does not purport to be a comprehensive description of all the U.S. federal tax considerations that may be relevant to a decision to purchase Trust Units. Prospective Investors should consult with their own U.S. tax advisors concerning their respective situations and the impact which their ownership of Trust Units may have on their U.S. federal income tax liability, and their state or local tax liability, if applicable.**

The Fund and the Partnership intend to conduct their affairs such that no Trust Unitholder not otherwise required to file United States federal income tax returns will be required to file United States federal income tax returns solely by reason of holding Trust Units, provided that: (a) the Trust Unitholder is not a United States Holder (as defined below); or (b) the Trust Unitholder does not have an office or fixed place of business in the United States or otherwise is not engaged (or deemed to be engaged) in a trade or business in the United States. However, special rules may apply in the case of Trust Unitholders that are (i) individuals present in the United States for 183 days or more in a taxable year; (ii) former citizens of the United States, (iii) foreign insurance companies that hold interests in the Fund in connection with their U.S. business or (iv) classified as a partnership or other pass-through entity for U.S. federal income tax purposes. Such persons are urged to consult their U.S. tax advisors.

A “**United States Holder**” is a beneficial owner of Trust Units that is (a) an individual who is a citizen or a resident alien of the United States for U.S. federal income tax purposes, (b) a corporation (or other entity treated as a corporation for United States federal income tax purposes) created or organized in or under the laws of the United States, any state thereof, or the District of Columbia, (c) an estate the income of which is subject to United States federal income taxation regardless of its source, or (d) a trust (i) if a court within the United States is able to exercise primary supervision over its administration and one or more United States persons have authority to control all substantial decisions of the trust, or (ii) that has a valid election in effect under applicable U.S. treasury regulations to be treated as a United States person.

ITEM 7 - COMPENSATION PAID TO SELLERS AND FINDERS

The Fund will sell Offered Units under the Offering through agents that are: (a) exempt market dealers registered under applicable securities laws in Canada; or (b) investment dealers that are registered under applicable securities laws in Canada and that members of the Investment Industry Regulatory Organization of Canada.

The following Selling Commissions will be payable by the Fund in respect of the gross proceeds realized on the Offered Units sold under the Offering:

Series A1 Units	– up to 9%
Series A2 Units	– up to 9%
Series A3 Units	– up to 9%
Series A4 Units	– up to 9%
Series E Units	– up to 5.75%
Series F Units	– no commission

It is expected that the Selling Commissions for the Series A1 Units, Series A2 Units, Series A3 Units and Series A4 Units will include (i) an administration fee of up to 1% of the gross proceeds realized on the Offered Units payable to the selling dealers; and (ii) a lead dealer fee up of to 1% of the gross proceeds realized on the Offered Units payable to the lead selling dealer(s).

If the General Partner extends the term of the Partnership in accordance with the Partnership Agreement, then the Fund may also pay a fee per 18-month extension period to certain securities dealers of up to 1.5% of the aggregate amount that remains invested in the Fund from holders of Series A1 Units, Series A2 Units, Series A3 Units and Series A4 Units that were introduced to the Fund by such securities dealers. See **Item 2.7.3 - Partnership Agreement - Dissolution**.

In addition, Newlook Capital has engaged experienced professionals on its staff to assist with the structuring and execution of the Offering. Newlook Capital shall pay to such individuals a base fee of up to \$13,000 per month, during the term of the Offering, which shall be reimbursed by the Partnership based on the proportion of time spent by such individuals on the Offering (relative to other offerings by entities managed by or affiliated with Newlook Capital). In addition, during the term of the Offering, the Partnership shall pay to such individuals a fee equal to 0.75% of the gross proceeds from the sale of Offered Units (collectively, the “**Capital Advisory Fee**”).

Agents appointed by the Fund to sell Offered Units will also be reimbursed for reasonable expenses incurred in connection with the Offering.

No agent appointed by the Fund to offer Offered Units for sale under the Offering will receive any benefit in connection with the Offering other than its portion of Selling Commissions payable to it as agent for the Offering as described herein.

ITEM 8 - RISK FACTORS

An investment in the Offered Units is highly speculative and involves a number of risks, including due to the nature of the Fund and the Partnership’s business, the risks inherent in the Partnership’s investment strategies and the fact that the Fund and the Partnership have no operating history. The purchase of Offered Units pursuant to the Offering should only be made after consulting with independent and qualified investment, legal and tax advisors. Prospective Investors should review the risks associated with the Offered Units and the Fund with such advisors before investing. The subscription price per Offered Unit was determined arbitrarily by the Fund and may be changed in the future.

The risks discussed in this Offering Memorandum can adversely affect the Partnership’s and/or the Fund’s prospects, results and financial condition. These risks could cause the value of the Offered Units to decline, the Fund to be unable to pay distributions on the Offered Units, and Investors to lose part or all of their investment. In addition to the risk factors set out below and elsewhere in this Offering Memorandum, other material risks and uncertainties of which the Fund is not presently aware may also harm the Fund’s business and its investments.

Only Investors who are willing to rely solely upon the ability, expertise, judgment, discretion, integrity and good faith of the management of the Administrator and the General Partner, who do not require immediate

liquidity of their investment and who can afford a total loss of their investment should consider the purchase of Trust Units.

In addition to factors set forth elsewhere in this Offering Memorandum, potential Investors should carefully consider the following factors, many of which are inherent to the ownership of Offered Units. The following is a summary only of the risk factors involved in an investment in the Offered Units.

8.1 Investment Risk

Risks that are specific to the Offered Units include the following:

Blind Pool Investment

The Offered Units represent a “blind pool” investment, meaning that the investments to be made by the Partnership indirectly with the proceeds of the Offering have not yet been identified. The Fund expects that the available funds from the Offering will be applied by the Partnership to acquire controlling interests or make strategic debt investments in the Portfolio Companies. While the Fund anticipates that the Partnership will be able to identify and complete the purchase of (or investment in) Portfolio Companies on an on-going basis that satisfies the Partnership’s investment and business objectives, there is no assurance that it will be able to do so. Even if investment and/or acquisition opportunities are identified and the investment or acquisition, as the case may be, is determined to be in the best interest of the Partnership, the Partnership may not be able to finance the investment or acquisition and additional funds may be required to complete the investment or acquisition. If the Partnership is unable to identify and acquire suitable investments or acquisitions, its business, operating results and financial condition could be adversely affected. The Partnership will not have the earnings to support payment of distributions to holders of the LP Units (including the Fund) should its investments or acquisitions not prove to be profitable.

No Guarantee that Investment will be Successful

There is no guarantee that Investors will not realize losses from an investment in the Offered Units and there can be no assurance that the Fund’s objective of earning a profit on its investment in the Portfolio Companies, indirectly through the Partnership, will be achieved. The success of the Fund depends to a certain extent on the efforts and abilities of the management of the General Partner on behalf of the Partnership and on external factors such as, among other things, the industries in which the Portfolio Companies are operating and the general political and economic conditions that may prevail from time to time, which factors are out of the Fund’s control. A return on investment for an Investor in Offered Units depends upon the net revenues received by the Partnership from its investment in Portfolio Companies. As a result, there is no guarantee that the Fund and, correspondingly, the Trust Unitholders will earn a return on their investment.

Cash Distributions are Not Guaranteed

There is no assurance that there will be adequate cash flow of the Fund to meet the anticipated obligations and economic objectives described in this Offering Memorandum. The ability of the Partnership to make distributions to the Fund, and accordingly, the ability of the Fund to make distributions on Trust Units, will be completely dependent upon the Partnership receiving payments from Portfolio Companies pursuant to the securities of Portfolio Companies acquired by the Partnership. There can be no assurance that the Fund’s income from the distributions on the LP Units held by it will sufficiently fund distributions (if any) to Trust Unitholders.

The return on an investment in the Offered Units is not comparable to the return on an investment in fixed-income securities. Cash distributions to Trust Unitholders are not guaranteed and are not fixed obligations of the Fund. Any receipt of cash distributions by Trust Unitholders is at any time subject to the terms of the Declaration of Trust. Any anticipated return on investment is based upon many performance assumptions. Although the Fund intends to distribute its available cash to Trust Unitholders, cash distributions may be reduced or suspended at any time and from time to time. The ability of the Fund to make cash distributions and the actual amount distributed depends on the receipt of distributions from the Partnership and the performance of the Portfolio Companies acquired by the Partnership, and will be subject to various factors including those referenced below. The value of the Offered Units may decline if the Fund is unable to meet its cash distribution targets in the future and that decline may be significant.

Distributions May Consist of Proceeds of Offerings

The Partnership may make distributions on the LP Units from cash flow from the Partnership's investments, debt or capital. Although it is the Partnership's intention that distributions on the LP Units be primarily paid from cash flow from the Partnership's investments, in certain circumstances, payments and distributions may exceed the cash flow of the Partnership for any particular distribution period. In such circumstances, distributions to the Fund (and in turn the Trust Unitholders) may consist, directly or indirectly, of the proceeds from the sale of securities by the Fund (including this Offering) and the net asset value of the LP Units indirectly held by the Trust Unitholders will be affected.

Offered Units are Not Liquid

There is currently no market through which the Offered Units may be sold and it is very unlikely that one will develop. The Fund intends to restrict the transfer of Offered Units to prevent the development of a market for the Offered Units. In addition, redemption of Offered Units is limited. None of the Offered Units will be listed or posted for trading on a recognized stock exchange or other trading or quotation system. The Fund has not prepared, filed or delivered to potential Trust Unitholders a prospectus. The Offered Units are subject to a number of restrictions respecting transferability and resale, including a restriction on trading imposed by applicable securities laws. Until the restriction on trading expires, Investors will not be able to trade the Offered Units unless they comply with an exemption from the prospectus under securities legislation.

Unless permitted under securities legislation, no Trust Unitholder can trade Offered Units before the date that is four months and a day after the date the Fund becomes a reporting issuer in any province or territory of Canada. The Fund is not, and currently has no intention of becoming, a reporting issuer in any province or territory of Canada, and therefore, the Offered Units will be subject to an indefinite hold period. The Offered Units may only be transferred under limited exemptions under applicable securities laws. Consequently, Trust Unitholders may not be able to sell the Offered Units readily or at all, and they may not be accepted as collateral for a loan. Trust Unitholders should be prepared to hold the Offered Units indefinitely and cannot expect to be able to liquidate their investment even in the case of an emergency. Under certain conditions, redemptions may not be payable in cash but rather, satisfied through the distribution of Redemption Notes. There will be no market for Redemption Notes and Redemption Notes will not be qualified investments for Exempt Plans. Accordingly, an investment in Offered Units is suitable solely for persons able to make and bear the economic risk of a long-term investment.

Trust Units may only be transferred in accordance with applicable securities laws and the Declaration of Trust. The Declaration of Trust provides that no Trust Units are to be transferred without the written consent of the Administrator (which consent may be unreasonably withheld) and otherwise in accordance with the Declaration of Trust.

Redemption Rights

Redemption rights under the Declaration of Trust are subject to certain restrictions. Investors should carefully review **Item 2.7.1 - Declaration of Trust - Redemption of Trust Units**. Once the quarterly cash redemption threshold of \$50,000 is reached, redeeming Trust Unitholders may receive from the Fund (in lieu of cash), Redemption Notes. Redemption Notes so issued will be unsecured debt securities of the Fund and may be subordinated to other of the Fund's debt obligations. Furthermore, Redemption Notes will not be qualified investments for Exempt Plans which could give rise to adverse consequences to an Exempt Plan or the annuitant under an Exempt Plan, including the redeeming unitholder becoming subject to a penalty tax or having its tax exempt status revoked depending on the circumstances. See **Item 6.5 - Eligibility for Investment by Exempt Plans**.

The Redemption Price payable to Investors redeeming Trust Units may be lower than the price per Trust Unit paid by the Investor for such Trust Unit, as a Trust Unitholder will receive a lower Redemption Price if such Trust Unitholders redeems his or her Offered Units within a certain period of time from the date of investment (depending on the series of Trust Unit held by the Trust Unitholder). This is intended to protect the Fund and existing Unitholders from a reduction in the value of the Fund due to the payment of Selling Commissions and offering costs. There is no assurance that investors will be paid the whole amount of their investment through any exercise of redemption rights.

Subject to the unanimous approval of the Independent Review Committee, the Trustees may also, as an extraordinary measure, from time to time, suspend the redemption of Trust Units or postpone the date of payment of

redeemed Trust Units for any reason, so long as they are acting reasonably. See **Item 2.7.1 - Declaration of Trust - Redemption of Trust Units** for examples of circumstances in which redemption of Trust Units may be suspended. Accordingly, an investment in Trust Units is only suitable for Investors who are able to make a long-term investment and do not need full liquidity with respect to this investment.

Substantial Redemption of Trust Units

Trust Unitholders have the right to redeem their Offered Units upon the terms outlined in the Declaration of Trust. A redemption of an Offered Unit will lead the Fund to make a demand for redemption of the Corresponding LP Unit. Accordingly, a substantial redemption of Offered Units will lead to the Fund redeeming a substantial amount of Corresponding LP Units, which may adversely affect the available capital required by the Partnership to carry out its investments and acquisitions.

Less than Full Offering

There is no minimum offering size. There can be no assurance that any particular level of subscription by Investors or any level of proceeds under the Offering will be reached. The Fund may issue and sell Offered Units under the Offering from time to time until the Maximum Offering is reached or the Offering is otherwise terminated. However, there can be no assurance that the Maximum Offering will be reached or that the Offering will provide funding that is sufficient to permit the Fund to acquire (indirectly through the Partnership) any interest in any Portfolio Company or to otherwise advance the business of the Fund and the Partnership, in whole or in part. If less than all of the \$100,000,000 of Trust Units is sold pursuant to the Maximum Offering, then less than the maximum proceeds will be available to the Fund and the Partnership. Consequently, the Fund's business development plans and prospects could be adversely affected, since fewer Portfolio Company investments would be made.

In order for the Fund to qualify as a mutual fund trust, and hence be a qualified investment for Exempt Plans, it must have at least 150 Trust Unitholders, each holding at least \$500 worth of Trust Units. Provided the Fund maintains at least 150 Trust Unitholders, each holding at least \$500 worth of Trust Units, the Fund will be eligible to elect under subsection 132(6.1) of the Tax Act to be deemed to be a mutual fund trust from inception.

There can be no assurance that the Fund will maintain at least 150 Trust Unitholders, each holding at least \$500 worth of Trust Units, and qualify as a mutual fund trust.

Trust Unitholders have Limited Voting Rights

Trust Unitholders are NOT shareholders and do not enjoy the rights and privileges offered to shareholders under corporate statutes. The Fund is not generally regulated by established corporate law and Trust Unitholders' rights are governed primarily by the specific provisions of the Declaration of Trust. Subject to the Declaration of Trust, Trust Unitholders have rights to attend and vote at meetings of Trust Unitholders. However, the Fund may, but is not required to, hold annual meetings of Trust Unitholders or any Trust Unitholder meetings on a periodic basis.

The Trust Unitholders have no right to remove the Administrator or to terminate the Administration Agreement.

Further, unlike an OBCA corporation, Trust Unitholders do not have the right to appoint the Fund's auditor. Rather, such right is held by the Administrator.

See also **Item 5.1.7 - Rights of Trust Unitholders**.

Nature of the Trust Units

The Trust Units do not represent a direct investment in the Partnership or any Portfolio Company and should not be viewed by Trust Unitholders as a direct interest in the Partnership or any Portfolio Company. The Trust Units are not debt instruments and there is no principal amount owing to Trust Unitholders under the Trust Units. The Fund is not generally regulated by established corporate law and Trust Unitholders' rights are governed primarily by the specific provisions of the Declaration of Trust. As holders of Trust Units, Trust Unitholders will not have the statutory rights normally associated with ownership of shares of a corporation including, for example, the right to seek recourse under the oppression remedy or to bring a derivative action. See **Item 5.1.7 - Rights of Trust Unitholders**. Further, in the event of insolvency or restructuring under the *Bankruptcy and Insolvency Act* (Canada) or the *Companies' Creditors Arrangement Act* (Canada), a Trust Unitholder's position may be quite different than that of a shareholder of a corporation.

Liability of Trust Unitholders

Notwithstanding certain provisions of the Declaration of Trust, there is a risk that a party may seek to assert that Trust Unitholders be held personally liable for the obligations of the Fund or in respect of claims against the Fund. Such risks are expected to be limited since the Fund intends to limit its investments to LP Units of the Partnership and the Fund does not intend to carry on any other business. However, there is no assurance that Trust Unitholders will not be personally liable for the obligations of the Fund.

Pursuant to the Declaration of Trust, if any Trust Unitholder is held personally liable as such to any other person in respect of any debt, liability or obligation incurred by or on behalf of the Fund, or any action taken on behalf of the Fund, such Trust Unitholder is entitled to indemnity and reimbursement out of the Fund assets to the full extent of such liability for all costs of any litigation or other proceedings in which such liability has been determined, including all fees and disbursements of counsel. The rights accruing to a Trust Unitholder do not exclude any other rights to which such Trust Unitholders may be lawfully entitled, nor does anything contained in the Declaration of Trust restrict the right of the Trustee to indemnify or reimburse a Trust Unitholder out of the Fund's assets in any appropriate situation not specially provided herein but, for greater certainty, the Trustees and the Administrator have no liability to reimburse a Trust Unitholder for taxes assessed against them by reason of or arising out of his ownership of Trust Units.

Trust Unitholders will not have the benefit of the *Trust Beneficiaries' Liability Act, 2004* (Ontario), as the Fund is not a reporting issuer as defined under the *Securities Act* (Ontario).

Trust Unitholders could also be required to return distributions previously made by the Fund if it is determined that such distributions were wrongfully made or, in certain other circumstances, under the terms of the Declaration of Trust. Where a Trust Unitholder has received the return of all or part of the amount contributed to the Fund, the Trust Unitholder is nevertheless liable to the Fund or, where the Fund is terminated, to its creditors for any amount not in excess of the amount returned with interest that is necessary to discharge the liabilities of the Fund to all creditors who extended credit or whose claims otherwise arose before the return of the contribution. Additionally, Trust Unitholders may have to return all or a portion of distributions made to them to the extent the Fund has an obligation to withhold any amounts from such distribution for tax purposes.

Inability to Remove or Affect Management of Administrator, General Partner or Service Provider

The Trust Unitholders have no right to remove the General Partner, the Administrator, or the Service Provider or to terminate the Administration Agreement or the Services Agreement. A Trustee may only be removed by the Administrator, pursuant to Section 8.4 of the Declaration of Trust. The Administrator may only be removed upon termination of the Fund pursuant to Section 7.3 of the Administration Agreement. The General Partner may only be removed upon the dissolution of the Partnership pursuant to Section 14.1 of the Partnership Agreement. The Service Provider may only be removed upon termination of the Services Agreement by the General Partner or the Administrator pursuant to Section 12 of the Services Agreement.

Furthermore, the Trust Unitholders do not have a right to cause the General Partner, the Administrator or the Service Provider to withdraw from the Fund or the Partnership, to appoint new directors to the General Partner's, Administrator's or Service Provider's board of directors, to remove existing directors from the General Partner's, Administrator's or Service Provider's board of directors or to prevent a change of control of the General Partner, Administrator or Service Provider. As a result, unlike shareholders of a corporation, Trust Unitholders are not able to influence the direction of the Fund or the Partnership, including their policies and procedures, or to cause a change in their management, even if they are unsatisfied with the performance of the Fund or the Partnership.

Trust Units are Not Insured

The Trust Units are not "deposits" within the meaning of the *Canada Deposit Insurance Corporation Act* (Canada) and are not insured under the provisions of that act or any other legislation or any other insurance company or program.

Declaration of Trust

To the extent such amounts of income of the Fund or net realized capital gains for a particular taxation year are not paid in cash, such amounts shall be paid at the end of the taxation year by the issuance of additional Trust Units at the fair market value of the Trust Unit, as determined in the reasonable discretion of the Trustees or the Administrator, computed at the end of such taxation year. Unless the Trustees or the Administrator determine

otherwise, Trust Units so issued will be automatically consolidated immediately after the issuance such that the Trust Unitholders will hold the same number of Trust Units after the consolidation as they held prior to the distribution of additional Trust Units. No notice to Trust Unitholders shall be required for such consolidation.

Notwithstanding the foregoing, where tax is required to be withheld in respect of a Trust Unitholder's share of the distribution, the Fund shall withhold from the cash portion of such distribution, if any, or the Trust Unitholder shall make a cash payment to the Fund, of an amount equal to the amount of tax required to be remitted to the appropriate taxation authority by the Fund, or, if such withholding cannot be made by the Fund or such payment is not made by the Trust Unitholder, then the Fund shall be entitled to deduct such amount from any subsequent cash distribution from the Fund to such Trust Unitholder.

Income Tax Risks

Canadian federal and provincial tax aspects and local tax aspects should be considered prior to purchasing Offered Units under the Offering. Trust Unitholders are urged to consult their own tax advisors, prior to purchasing Trust Units, with respect to the specific tax consequences to them. No advance income tax ruling has been applied for or received with respect to the income tax consequences described in this Offering Memorandum.

There can be no assurance that Canadian federal income tax laws or the judicial interpretation thereof or the administrative or assessing practices of the CRA respecting the treatment of trusts or limited partnerships will not be changed in a manner that adversely affects Trust Unitholders or fundamentally alters the income tax consequences of investing in, holding or disposing of the Trust Units.

It is possible that tax matters, including the calculation and determination of revenue, expenditures, deductions, credits and other tax attributes, taxable income and taxes payable, may be reviewed and challenged by the tax authorities. If such challenge were to succeed, it could have a material adverse effect on the tax position of the Fund and Trust Unitholders.

It is possible that the Fund could become a "SIFT trust" for the purposes of the Tax Act if the Trust Units become listed for trading or if a public market is created on which the Trust Units are traded. If the Fund became a "SIFT trust" adverse tax consequences could result to the Fund and the Trust Unitholders. There is no intention to list the Trust Units.

The possibility exists that a Trust Unitholder will receive distributions of income without receiving cash distributions from the Fund in the year sufficient to satisfy the Trust Unitholder's tax liability for the year arising on such income.

U.S. Withholding Tax Risk

Generally, FATCA imposes a 30% withholding tax on "withholdable payments" made to an investment entity, unless the investment entity enters into a FATCA agreement with the IRS (or is subject to an intergovernmental agreement as described below) to comply with certain information reporting and other requirements. Compliance with FATCA will in certain cases require an investment entity to obtain certain information from certain investors and (where applicable) their beneficial owners (including information regarding their identity, residency and citizenship) and to disclose such information, including account balances, and documentation to the IRS.

Under the terms of the Canada-U.S. IGA, and its implementing provisions under the Tax Act, the Fund will be treated as complying with FATCA and not subject to the 30% withholding tax if the Fund complies with the terms of the Canada-U.S. IGA. Under the terms of the Canada-U.S. IGA, the Fund will not have to enter into an individual FATCA agreement with the IRS but the Fund will be required to report information, including certain financial information, on accounts held by investors that fail to provide information to their financial advisor or dealer related to their citizenship and residency for tax purposes and/or investors that are identified as, or in the case of certain entities as having one or more controlling persons who are, U.S. persons owning, directly or indirectly, an interest in the Fund to the CRA. The CRA will in turn provide such information to the IRS under the existing provisions of the Canada-U.S. Income Tax Convention. The Canada-U.S. IGA sets out specific accounts that are exempt from being reported, including certain tax deferred plans. By investing in the Fund, the investor is deemed to consent to the Fund disclosing such information to the CRA. If the Fund is unable to comply with any of its obligations under the Canada-U.S. IGA, the imposition of the 30% U.S. withholding tax may affect the value of the Fund's assets and may result in reduced investment returns to Trust Unitholders. It is possible that the administrative costs arising from compliance with FATCA and/or the Canada-U.S. IGA and future guidance may also cause an increase in the operating expenses of the Fund.

Withholdable payments include (a) certain U.S. source income (such as interest, dividends and other passive income) and (b) gross proceeds from the sale or disposition of property that can produce U.S. source interest or dividends. The withholding tax applies to withholdable payments made on or after July 1, 2014 (or January 1, 2019 in the case of gross proceeds). The 30% withholding tax may also apply to any “foreign passthru payments” paid by an investment entity to certain investors on or after January 1, 2019. The scope of foreign passthru payments will be determined under the U.S. Treasury regulations that have yet to be issued.

The foregoing rules and requirements may be modified by future amendments of the Canada-U.S. IGA, and its implementation provisions under the Tax Act, future U.S. Treasury regulations, and other guidance.

No Review of Offering Memorandum by Regulatory Authorities

Investors will not have the benefit of a review of this Offering Memorandum, the Declaration of Trust, or any other documents in relation to the Offering by any regulatory authorities.

Disclosure of Personal Information

Investors are advised that their names and other specified information, including the number and aggregate value of the Trust Units owned: (a) will be disclosed to the relevant Canadian securities regulatory authorities and may become available to the public in accordance with the requirements of applicable securities and freedom of information laws and the Investor consents to the disclosure of such information; (b) is being collected indirectly by the applicable Canadian securities regulatory authority under the authority granted to it in securities legislation; and (c) is being collected for the purposes of the administration and enforcement of the applicable Canadian securities legislation.

No Independent Counsel for Trust Unitholders

Legal counsel that assisted in preparing the documentation in connection with the Offering, including the Declaration of Trust, acted as legal counsel for the Fund. No independent counsel was retained on behalf of the Trust Unitholders. There has been no review by independent counsel on behalf of the Trust Unitholders of this Offering Memorandum, the Declaration of Trust or any other documentation in relation to the Offering. No due diligence has been conducted on behalf of Trust Unitholders by Counsel.

8.2 Issuer Risk

Risks that are specific to the Fund include the following:

No Operational History

The Fund has been recently formed for a limited purpose and will carry on no business other than to:

- distribute Trust Units;
- invest proceeds from the issue and sale of Trust Units in the Partnership and hold LP Units of the Partnership; and
- pay distributions to Trust Unitholders in each distribution period pursuant to the Declaration of Trust.

The Fund’s business is subject to all the risks inherent in the establishment of a new business enterprise. There is no certainty that the Fund’s business strategy will be successful. The likelihood of success of the Fund must be considered in light of the problems, expenses, difficulties, complications and delays frequently encountered in connection with the establishment of any business. If the Fund fails to address any of these risks or difficulties adequately, its business will likely suffer. There is no assurance that the Fund can operate profitably.

The Fund has Limited Assets and Working Capital

The Fund is not expected to have assets other than the LP Units and will undertake no activities, other than as described in this Offering Memorandum (being the Fund’s investment in the Partnership through the purchase of LP Units). The Portfolio Companies will represent the primary assets of the Fund (through the Partnership). The Fund will not carry on an active business and will have limited sources of working capital. There is no assurance that the

Fund will have adequate working capital to meet the anticipated requirements. In addition, there is no assurance that the Fund will have access to additional debt or equity financing when needed or at all, or on acceptable terms.

Financing

The available funds may not be sufficient to accomplish the Fund's and the Partnership's proposed objectives and there is no assurance that alternative financing will be available on acceptable terms or at all. The Fund and the Partnership may depend upon future financing to fund its business objectives. The Fund and the Partnership may, to the extent available on acceptable terms, obtain institutional financing or other arm's length, third party financing to fund, in part, its objectives. No alternate financing has been arranged for the Fund and the Partnership. There is no assurance that alternative financing will be available on acceptable terms or at all. There is no assurance that the Fund or the Partnership will have adequate working capital to meet the anticipated requirements described in this Offering Memorandum.

Operational Dependence

The Fund is an open-ended limited purpose investment trust that will entirely depend upon the Partnership since the Fund's primary asset is its interest in the Partnership as a Limited Partner. Distributions, if any, to Trust Unitholders will depend upon numerous factors, including profitability, fluctuations in working capital, sustainability of margins and capital expenditures of the Partnership.

The controlling interests and strategic debt investments in the Portfolio Companies will represent the primary asset of the Partnership. The Fund's financial performance is directly tied to the performance of the Partnership and consequently, directly tied to the performance of the Portfolio Companies. Neither the Partnership nor the Fund has any other investments of significance. Therefore, the Fund's success depends solely on the success of the Partnership. The success of the Partnership depends, to a large extent, on the good faith, experience, ability and judgment of the management of the General Partner to make appropriate decisions with respect to the operations of the Partnership. Investors must rely on the good faith, experience, ability and judgment of management of the General Partner and an investment in Trust Units would not be appropriate for those unwilling to do so.

Management's Experience is not Indicative of the Future Results of an Investment in Trust Units

While the officers and directors of the Administrator and of the General Partner have experience in the private equity and industrial and commercial services sectors, there is no assurance that any success achieved by those individuals in their prior opportunities will be similarly enjoyed by the Portfolio Companies, the Partnership or the Fund.

Reliance on the Administrator, General Partner and Newlook Capital:

All decisions with respect to the assets and operations of the Fund and the Partnership are expected to be made exclusively by the Administrator and the General Partner. Newlook Capital is the sole shareholder of the Administrator and the General Partner. As a result of its ownership of the Administrator and the General Partner, Newlook Capital is able to control the appointment and removal of the directors of the Administrator and the General Partner and accordingly, exercises substantial influence over the Fund and the Partnership. The Fund and the Partnership do not have any employees and depend on the management and administration services provided by Newlook Capital pursuant to the Services Agreement. See **Item 2.1.5 - Relationship with Newlook Capital** and **Item 2.7.4 - Services Agreement**.

Newlook Capital personnel and support staff that provide services to the Fund and the Partnership are not required to treat their responsibilities to the Fund and the Partnership as their primary responsibilities or to act exclusively for the Fund or the Partnership. Any failure of Newlook Capital to effectively manage the operations of the Fund and the Partnership or to implement their investment strategy could have a material adverse effect on their businesses, financial condition and results of operations.

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 and the Partnership's business and affairs. No prospective Investor should purchase Offered Units unless such prospective Investor is willing to entrust all aspects of the management of the Fund to the Administrator and/or the General Partner.

Lack of Obligations from Newlook Capital to the Fund and the Partnership

The success of the Fund and the Partnership depends on Newlook Capital's ability to identify and present the Partnership with acquisition opportunities. However, Newlook Capital has no obligation to source acquisition opportunities for the Partnership. There is no guarantee that the Partnership will have access to all industrial or commercial services-related acquisitions that Newlook Capital identifies. In addition, Newlook Capital has not agreed to commit to the Partnership any minimum level of dedicated resources for the pursuit of acquisition opportunities. Despite the fairness allocation guidelines set forth in the Conflict of Interest Policy, there are a number of factors which could materially and adversely impact the extent to which suitable acquisition opportunities are made available from Newlook Capital, for example: (a) there is no accepted industry standard for what constitutes an industrial or commercial service company asset and the question of whether a particular acquisition opportunity is suitable is highly subjective. Newlook Capital's decision regarding whether a particular acquisition opportunity constitutes an industrial or commercial service company and is otherwise suitable for the Partnership may differ from the decision that would be reached by Investors; (b) the same professionals within Newlook Capital's organization that are involved in acquisitions that are suitable for the Partnership also have other responsibilities within Newlook Capital's broader business. Limits on the availability of such individuals may result in a limitation on the availability of acquisition opportunities for the Partnership; and (c) acquisition opportunities where Newlook Capital cannot play an active role in influencing a prospective Portfolio Company or managing underlying assets may be deemed unsuitable for the Partnership, even though they may be attractive from a purely financial perspective. Legal, regulatory, tax and other commercial considerations will likewise be an important consideration in determining whether an opportunity is suitable and will limit the Partnership's ability to participate in certain acquisition opportunities. See **Item 2.1.5 - Relationship with Newlook Capital**.

In making the determinations referred to above, Newlook Capital may be influenced by factors that result in a misalignment or conflict of interest. See **Item 2.1.6 - Conflict of Interest**.

The Partnership Agreement and the Declaration of Trust contain various provisions that modify the fiduciary duties that might otherwise be owed to the Fund, the Partnership and Investors, including when conflicts of interest arise. When resolving conflicts of interest, the Declaration of Trust and the Partnership Agreement do not impose any limitations on the discretion of the Independent Review Committee or the factors which they may consider in resolving any such conflicts. In addition, the Partnership Agreement and the Declaration of Trust provide that the Administrator, the General Partner and their affiliates, including Newlook Capital, do not have any obligation under the Partnership Agreement or the Declaration of Trust, or as a result of any duties stated or implied by law or equity, including fiduciary duties, to present business or investment opportunities to the Fund, the Partnership or the Investors. The Declaration of Trust and the Partnership Agreement also allow the Administrator, the General Partner and their affiliates (including Newlook Capital) to engage in activities that may compete with the Fund and the Partnership, though such activities remain subject to the Conflict of Interest Policy and to the restriction that Newlook Capital shall not establish any other fund with an investment mandate substantially similar to that of the Fund until, following the final closing of the Offering, 70% of the capital raised by the Partnership has been invested by the Partnership. Modifications to the fiduciary duties in the Partnership Agreement and the Declaration of Trust are detrimental to Investors because they restrict the remedies available for actions that might otherwise constitute a breach of fiduciary duty.

Conflicts of Interest in Organizational Structure

The Fund's and the Partnership's organizational and ownership structure and strategy involve a number of relationships that may give rise to conflicts of interest between Investors, on the one hand, and Newlook Capital (or its principals), on the other hand. In certain instances, the interests of Newlook Capital may differ from the interests of Investors, including with respect to the types of acquisition opportunities pursued, the timing and amount of distributions by the Fund and the Partnership, the reinvestment of returns generated by the Partnership's investments, the use of leverage when making acquisitions and the appointment of outside advisors and service providers. In addition, Newlook Capital receives the Management Fee and the Acquisition Fee as consideration for services provided to the Fund and the Partnership pursuant to the Services Agreement. See **Item 2.1.5 - Relationship with Newlook Capital**, **Item 2.1.6 - Conflict of Interest** and **Item 3.2 - Fees and Expenses**.

The General Partner, the sole shareholder of which is Newlook Capital, has sole authority to determine whether the Partnership will make distributions to Limited Partners (including the Fund) and the amount and timing of such distributions. The Fund's and the Partnership's arrangements with Newlook Capital may create an incentive for Newlook Capital to take actions which would have the effect of increasing or decreasing distributions, which may be to the detriment of the Fund, the Partnership and the Investors. Furthermore, the General Partner is entitled to

share in the returns generated by the Partnership's operations, which could create an incentive for Newlook Capital to assume greater risks when making decisions or when determining the Market Value of the Partnership differently than it otherwise would in the absence of such entitlement. See **Item 2.1.6 - Conflict of Interest** for additional conflicts of interest created by the Fund's and the Partnership's organizational and ownership structure.

Dependence on Newlook Capital Personnel

The Fund and the Partnership depend on the diligence, skill and business contacts of Newlook Capital's personnel, including Elroy Gust, Tony Diab, Abbas Osman and Gavin Treanor, and the information and opportunities they generate. The success of the Fund and the Partnership will depend on the continued service of Newlook Capital personnel, who are not obligated to remain employed with Newlook Capital. The impact of any departures of Newlook Capital personnel on the ability of the Fund and the Partnership to achieve their objectives cannot be accurately predicted. The departure of a significant number of Newlook Capital's professionals for any reason, or the failure to appoint qualified or effective successors in the event of such departures, could have a material adverse effect on the Fund and the Partnership. The Services Agreement does not require Newlook Capital to maintain the employment of any of its personnel or to cause any particular person to provide services to the Fund or the Partnership.

Lack of Negotiated Arrangements with Newlook Capital

The terms of the Fund's and the Partnership's arrangements with Newlook Capital were effectively determined by Newlook Capital. While the terms of these arrangements were approved by the Administrator and the General Partner, they did not negotiate the terms. These terms, including terms relating to (a) compensation, (b) contractual or fiduciary duties, (c) conflicts of interest (d) the activities of the Fund and the Partnership and limitations on liability and indemnification (e) and Newlook Capital's ability to engage in outside activities, including activities that compete with the Fund and the Partnership, may be less favourable than otherwise might have resulted if the negotiations had involved unrelated parties.

Change of Control of General Partner

The General Partner may transfer its general partnership interest to a third party in a merger or consolidation or in a transfer of all or substantially all of its assets without the consent of the LP Unitholders. Furthermore, at any time, Newlook Capital, as the sole shareholder of the General Partner, may sell or transfer all or part of its shares in the General Partner without the approval of the LP Unitholders. If a new owner were to acquire ownership of the General Partner and appoint new directors or officers, it would be able to exercise substantial influence over the Partnership's policies and procedures and affect the acquisition opportunities that the Partnership pursues. Such changes could result in the Partnership's capital being used to make acquisitions in which Newlook Capital has no involvement or in making acquisitions that are not aligned with the Partnership's current investment criteria. The Partnership cannot predict with any certainty the effect that any transfer in the ownership of the General Partner would have on the price of the LP Units and Trust Units, the Fund's ability to raise capital or the Partnership's ability to make investments. As a result, the future of the Fund and the Partnership would be uncertain and their business, financial condition and results of operations may be materially affected.

Termination of Services Agreement

The Services Agreement may only be terminated upon the winding-up and dissolution of the Fund and the Partnership or by the General Partner if Newlook Capital (a) commits an act of fraud; or (b) ceases to carry on business, becomes bankrupt or insolvent, resolves to wind-up or liquidate, makes an assignment or has a receiver appointed. The General Partner cannot terminate the Services Agreement for any other reason, including if Newlook Capital experiences a change of control, and there is no fixed term to the Services Agreement. In addition, because the General Partner is an affiliate of Newlook Capital, it may be unwilling to terminate the Services Agreement, even if a default does occur in the manner described above. If Newlook Capital's performance does not meet the expectations of Investors, and the General Partner is unable or unwilling to terminate the Services Agreement, the price of the LP Units and the Trust Units could suffer.

Limited Liability of Newlook Capital

Pursuant to the Services Agreement, neither Newlook Capital, nor its directors, officers, employees, professional advisors or agents have assumed any liability for the Fund or the Partnership. In addition, under the Partnership Agreement and the Declaration of Trust, the liability of the General Partner, the Administrator and their affiliates, which includes Newlook Capital are limited to the fullest extent permitted by law to conduct involving fraud, gross

negligence or wilful neglect. Furthermore, each of the Partnership and the Fund have agreed to indemnify Newlook Capital, its affiliates and associates and each of their respective partners, officers, trustees, shareholders, agents and employees, on a joint and several basis from and against any claims, demands, losses, causes of action, damages, and liabilities whatsoever, including costs, charges and expenses (including legal fees and disbursement of enforcing the indemnity) arising from Newlook Capital's performance of its obligations under the Services Agreement, except to the extent that such claims are caused by or arise from fraud, wilful misconduct or gross negligence. These protections may result in Newlook Capital tolerating greater risks when making decisions than otherwise would be the case, including when determining whether to use leverage in connection with acquisitions. The indemnification arrangements to which Newlook Capital is a party may also give rise to legal claims for indemnification that are adverse to the Fund, the Partnership and Investors. See **Item 2.7.4 - Services Agreement - Indemnification and Limitations on Liability**.

Sale of Additional Securities

The Fund may issue additional Trust Units (including Offered Units), and the Partnership may issue additional securities (including LP Units), in the future. The authorized number of Trust Units for issuance by the Fund and the authorized number of LP units for issuance by the Partnership is unlimited. Such additional securities may be issued without the approval of Trust Unitholders, and may be issued in such number and for such price as is determined in the sole discretion of the Administrator or the General Partner, as applicable. Trust Unitholders have no pre-emptive rights in connection with such additional issuances. It is not possible to predict the effect, if any, that future issuances of securities will have on the fair market value of the Offered Units. With any additional issuance of Trust Units by the Fund or LP Units by the Partnership, Trust Unitholders will experience dilution. Trust Unitholders who invest after a particular Portfolio Company is invested in will be entitled to receive the same distributions as a Trust Unitholder who invested before such Portfolio Company was acquired and will therefore be entitled to the equivalent benefits or disadvantages as each other Trust Unitholder.

Status of the Fund

The Fund is not a "mutual fund" or an "investment fund" for securities law purposes. As a result, some of the protections provided under such laws to those that invest in mutual funds or investment funds will not be available to Investors who invest in the Trust Units and certain restrictions imposed on mutual funds and investment funds under Canadian securities laws, including National Instrument 81-102 - *Investment Funds*, will not apply to the Fund.

Mutual Fund Trust Status

The Fund intends to qualify as a mutual fund trust for the purposes of the Tax Act. Should the Fund not qualify, or cease to qualify, as a mutual fund trust, the income tax considerations respecting the Fund would be materially different from those described in the summary under **Item 6 - Income Tax Consequences** and adverse income tax consequences may result, including: (a) the Offered Units would cease to be qualified investments for Exempt Plans with the result that an Exempt Plan may become subject to a penalty tax (or other adverse consequences), the beneficiary of such Exempt Plan may be deemed to have received income therefrom or, in the case of an RESP, the RESP may have its tax exempt status revoked; (b) the Fund will be subject to alternative minimum tax under the Tax Act; (c) the Fund may be required to pay tax under Part XII.2 of the Tax Act; and (d) the Fund will cease to be eligible for the capital gains refund mechanism available to mutual fund trusts. The Fund may take certain measures in the future to the extent the Fund believes them necessary to ensure that it maintains its status as a mutual fund trust. These measures could be adverse to certain Trust Unitholders.

Securities Regulatory Risks

In the ordinary course of business, the Fund may be subject to ongoing reviews by the securities regulators, who have broad powers to pass, interpret, amend and change the interpretation of securities laws from time to time and broad powers to protect the public interest and to impose terms, conditions, restrictions or requirements regarding registration under securities laws. Further, the securities regulators have the authority to retroactively deny the benefit of an exemption from prospectus or registration requirements otherwise provided for in the securities laws where the regulator considers it necessary to do so to protect investors or the public interest.

While the Fund believes that its position regarding compliance with securities laws is appropriate and supportable, it is possible that securities matters may be reviewed and challenged by the securities authorities. If such challenge were to succeed, it could have a material adverse effect on the Fund. There can be no assurance that applicable

securities laws or the securities regulators' interpretation thereof or the practices of the securities regulators will not be changed or re-interpreted in a manner that adversely affects the Fund.

Changes in Applicable Law

Legal, tax and regulatory changes may occur that can adversely affect the Fund, the Administrator, the Partnership, the General Partner and the Trust Unitholders. There can be no assurance that income tax, securities and other laws will not be changed in a manner which adversely affects the distributions received by the Fund or by the Trust Unitholders. There can be no assurance that Canadian federal income tax laws and the administrative policies and assessing practices of the CRA respecting the treatment of mutual fund trusts will not be changed in a manner which adversely affects the Trust Unitholders.

Reliance on Assumptions

The Fund's and the Partnership's investment objectives and strategy have been formulated based on Newlook Capital's analysis and expectations regarding recent economic developments in the industrial and commercial services sector. Such analysis may be incorrect and such expectations may not be realized, in which event the Fund, through the Partnership, may not generate sufficient funds to pay the expected distributions.

Risks Associated with the Level of Foreign Ownership

Currently, one of the conditions for the Fund to qualify as a mutual fund trust is that the Fund cannot reasonably be considered to have been established or maintained primarily for the benefit of Non-Resident persons. The Declaration of Trust contains a limitation on Non-Resident ownership which provides that at no time may Non-Residents of Canada be the beneficial owners of more than 45% of the outstanding Trust Units. The Declaration of Trust provides powers to the Administrator to enforce this limitation, including by selling the Trust Units of a Non-Resident Trust Unitholder without their consent or requiring a Non-Resident Trust Unitholder to redeem its Trust Units. The exercise of the Administrator powers to enforce such Non-Resident ownership limitation may have an adverse effect on one or more Trust Unitholders.

Additional Tax on Non-Resident Trust Unitholders

Net income of the Fund, other than certain net realized capital gains, distributed to Non-Resident Trust Unitholders will be subject to withholding tax under the Tax Act at a 25% rate, subject to reduction under an applicable income tax treaty. There can be no assurance that Canadian tax laws or international tax treaties will not be changed in a manner which adversely affects the rate of withholding on distributions of the Fund's capital and/or income. If the Fund ceases to qualify as a "mutual fund trust" for purposes of the Tax Act, Non-Resident Trust Unitholders may be subject to Canadian tax (subject to any treaty relief) on gains realized on a disposition of Trust Units if such Trust Units constitute "taxable Canadian property" as defined in the Tax Act (to the extent they are not otherwise liable for such tax).

Limited Liability

The limited liability of the Fund, as a Limited Partner, may be lost in certain circumstances, including where it takes part in the control or management of the business of the Partnership or through non-compliance with the Limited Partnerships Act. In addition, Limited Partners may lose their limited liability to the extent the principles of Canadian law recognizing the limitation of liability of limited partners have not been authoritatively established with respect to limited partnerships formed under the laws of one province but operating, owning property or incurring obligations in another province.

8.3 Acquisition Risk

Risks that are specific to acquisitions and investments by the Fund and the Partnership include the following:

Difficulty in Valuing Portfolio Companies

The General Partner may value the investments of the Partnership from time to time at their fair market values. The valuation of investments is inherently highly subjective and imprecise and requires the use of techniques that are costly, time consuming and ultimately provide no more than an estimate of value. In establishing the value of Portfolio Companies, The General Partner may also consult with accounting firms, investment banks and other third

parties when needed. The value ultimately set may not reflect the price at which the Partnership could dispose of its interests in a particular investment at any given time.

Competitive Marketplace

The Partnership may be competing for Portfolio Companies with other entities including banks, private equity funds, institutional investors, strategic investors, as well as the public equity markets. Many of the entities with which the Partnership may compete are substantially larger than the Partnership and possess greater financial, technical and marketing resources. Some competitors may have higher risk tolerances, different risk assessments, lower return thresholds, a lower cost of capital, or a lower effective tax rate (or no tax rate at all), all of which could allow them to consider a wider variety of investments and to bid more aggressively on investments than the Partnership. The Partnership may lose investment opportunities in the future if it does not match investment prices, structures and terms offered by competitors, some of whom may have synergistic businesses which allow them to consider bidding a higher price than the Partnership can reasonably offer. As a result of this competition, there can be no assurance that the Partnership will be able to locate suitable Portfolio Companies, 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 Partnership could be adversely affected in a material manner by the unfavourable performance of even one such investment.

Timing for Investment of Available Funds

The time period for the full investment of net proceeds of the Offering is not certain. The timing of such investment will depend, among other things, upon the identification by the Partnership of suitable Portfolio Companies. There is a risk that the Partnership may not be able to invest in Portfolio Companies in the intended time frame and therefore, may not be able to generate sufficient funds to pay cash distributions on the LP Units, which will negatively impact the Fund's ability to pay distributions to the Trust Unitholders.

Potential Undisclosed Liabilities Associated with Acquisitions and Investments

The Partnership's growth depends in large part on identifying suitable acquisition or investment opportunities, pursuing such opportunities and consummating acquisitions and investments. The acquisition of or investment in Portfolio Companies entails risks that investments will fail to perform in accordance with expectations. It is not possible to manage all risks associated with such acquisitions in the terms and conditions contained in commercial agreements pertaining to such acquisitions or investments. The Portfolio Companies may be subject to unknown, unexpected or undisclosed liabilities that may materially and adversely affect the Partnership's operations and financial condition and results. The representations and warranties, if any, given by arm's length third parties to the Partnership may not adequately protect against these liabilities and any recourse against third parties may be limited by the financial capacity of such third parties. Portfolio Companies may not achieve anticipated success levels and the estimates relating to the future performance of a Portfolio Company may prove inaccurate or may not have the intended results.

Possible Failure to Realize Anticipated Benefits of Investments

The Partnership will undertake investments in the ordinary course of business. Achieving the benefits of investments depends in part on having the acquired assets perform as expected, successfully consolidating functions, retaining key employees and customer relationships, and integrating operations and procedures in a timely and efficient manner. Such integration may require substantial management effort, time and resources and may divert management's focus from other strategic opportunities and operational matters and ultimately, the Partnership may fail to realize anticipated benefits of its investments.

Risks Relating to Debt Investments:

Strategic debt investments made by the Partnership in the Portfolio Companies are subject to the risk that the applicable Portfolio Company may default in its obligation to pay the Partnership the principal and/or interest owed to the Partnership pursuant to the terms of its investment. There is also the risk that the Portfolio Company does not comply with the covenants for the Partnership's benefit set out in the applicable debt investment document, which could alter the value of the investment and/or subject the Partnership to costly and time-consuming litigation in order to enforce such covenants.

Risks Relating to Holding Controlling Interests

It is the intention of the Partnership to acquire a controlling interest in each Portfolio Company in which it invests or to make a strategic debt investment where its interests are protected through appropriate covenants by the Portfolio Companies. However, investments in certain Portfolio Companies may be for less than the entire Portfolio Company and accordingly the Partnership may have co-investors. Notwithstanding its controlling interest or the applicable covenants, the Partnership may be limited by its co-investors in the manner in which it can oversee the Portfolio Companies and may also be required to buy out its co-investors' minority interests. There can be no assurance that any such transaction would be effected on terms favourable to the Partnership.

Limited Information Regarding the Portfolio Companies

There is generally little or no publicly available information about the businesses or assets in which the Partnership invests, and the Partnership must rely on the diligence of their own employees and the consultants they hire to obtain the information necessary for its decision to invest in them. There can be no assurance that the diligence efforts of the Partnership will uncover all material information about the Portfolio Companies necessary for it to make a fully informed investment decision.

8.4 Risks Pertaining to the Business

Risks that are specific to the business of the Fund and the Partnership include the following:

Operating Hazards

The Portfolio Companies to be acquired by the Partnership will be subject to all of the operating risks normally attendant upon such businesses. The Partnership will seek to acquire insurance when, as, and in such amounts as, the General Partner best sees fit but, there is no assurance that such insurance will be available or adequate.

Reputational Risk

The growth of the business of the Fund and the Partnership depends on the business relationships of Newlook Capital, the Fund and the Partnership and Newlook Capital's, the Fund's and the Partnership's reputation. Poor performance of any kind of the Fund, the Partnership, the Portfolio Companies or other entities managed by Newlook Capital could damage Newlook Capital's, the Fund's and the Partnership's reputation with potential investors and make it more difficult for the Fund to raise new capital. Reputational damage could arise from allegations of misconduct from private litigants or regulators, whether the allegations are valid or invalid and whether the outcome is favourable or unfavourable. Such allegations may result in negative publicity and press speculation about Newlook Capital, the Fund and the Partnership, their investment activities or the private capital markets in general, in each case potentially harming the Fund's and the Partnership's business.

Key Personnel

The Fund, the Partnership and the General Partner are highly dependent on Elroy Gust, Tony Diab, Abbas Osman and Gavin Treanor to implement their respective business plans, including with respect to identifying potential Portfolio Companies and negotiating the pricing and other terms of the agreements leading to the acquisition of Portfolio Companies. The ability of the Partnership to successfully implement its investment strategy will depend in large part on the continued employment and involvement of these key executives and the loss of their services may materially adversely affect the business, financial condition and results of operations of the Partnership and consequently the Fund. Neither the Partnership nor the Fund maintains key-person life insurance for any of these named individuals. In addition, each of the Portfolio Companies may be highly dependent on certain of their respective directors or officers for the success of its business and the loss of any of those individuals may materially adversely affect the business, financial condition and results of operations of the Portfolio Company and consequently, the Partnership and the Fund. There can be no assurance that any of the key individuals of the Portfolio Companies, the Partnership, the General Partner or the Fund will remain in their current positions.

General Economic Risks

The Fund, the Partnership and the Portfolio Companies are subject to changes in North American and international economic conditions, including but not limited to, recessionary or inflationary trends, capital market volatility, consumer credit availability, interest rates, consumers' disposable income and spending levels, job security and unemployment, corporate taxation and overall consumer confidence. Recent market events and conditions, including

the United Kingdom's referendum and continued discussion to exit the European Union ("Brexite"), disruptions in the international credit markets and other financial systems and the American and European sovereign debt level, have resulted in a deterioration of global economic conditions. These conditions caused a decrease in confidence in the broader North American and global credit and financial markets and created a climate of greater volatility, less liquidity, widening of credit spreads, a lack of price transparency, increased credit losses and tighter credit conditions. Notwithstanding various actions by governments, concerns remain about the general condition of the capital markets, financial instruments, banks, investment banks, insurers and other financial institutions. These factors negatively impacted company valuations and impacted the performance of the global economy. A return of any of these negative economic events could have a material adverse effect on the business, financial condition, results of operations and cash flows of Fund, the Partnership and the Portfolio Companies.

Furthermore, economic conditions in North America and globally may be affected, directly or indirectly, by political events throughout the world that cause disruptions in the financial markets, such as Brexit and the imposition of trade tariffs and other barriers by the United States. In particular, any attempt by the United States to withdraw from or materially modify the North American Free Trade Agreement and certain other international trade agreements as well as conflicts or, conversely, peaceful developments, arising in the Middle East, the Korean Peninsula, Venezuela or Eastern Europe and other areas of the world that have a significant impact on the price of important commodities can have a significant impact on financial markets and the global economy. Any such negative impacts could have a material adverse effect on the business, financial condition, results of operations and cash flows of the Fund, the Partnership and the Portfolio Companies.

Liquidity

The Partnership expects to invest in physical assets and securities that can be hard to sell, especially if market conditions are poor. A lack of liquidity could limit the Partnership's ability to vary its portfolio or assets promptly in response to changing economic or investment conditions. Additionally, if financial or operating difficulties of other owners result in distress sales, such sales could depress asset values in the markets in which we operate. The restrictions inherent in owning physical assets could reduce our ability to respond to changes in market conditions and could adversely affect the performance of the Partnership's and its Portfolio Companies' financial condition and results of operations.

Because there is significant uncertainty in the valuation of, or in the stability of the value of illiquid or non-public investments, the fair values of such investments do not necessarily reflect the prices that would actually be obtained when such investments are realized. Realizations at values significantly lower than the values at which investments have been recorded would result in losses.

Risks upon Dispositions of Investments

In connection with the disposition of a Portfolio Company or of an investment in a Portfolio Company, the Partnership may be required to make representations about the business and financial affairs of such investment typical of those made in connection with the sale of a business. It may also be required to indemnify the purchasers of such investment to the extent that any such representation turns out to be inaccurate. These arrangements may result in contingent liabilities of the Partnership, which might ultimately have to be funded by the Trust Unitholders to the extent that such contingent liabilities exceed the reserves and other assets of the Partnership and such Trust Unitholders have received prior distributions from the Partnership.

Exit Risk

At the appropriate stage of the development of the Partnership's business, the General Partner plans to seek a sale of the Partnership's Portfolio Companies. However, it is not guaranteed that the Partnership will reach the stage of development where sale of its Portfolio Companies would be appropriate or that the General Partner will realize such stage has been reached and have the resources to take advantage of it. Furthermore, the General Partner has not yet developed a strategy in connection with such liquidity event and is unable to accurately quantify the time horizon for such an event. There can be no assurance that the General Partner will be unable to develop a strategy in connection with a liquidity event or that any such strategy developed by the General Partner will prove to be effective. Whether any particular sale of a Portfolio Company is successful will depend on a large number of factors including general economic conditions and other factors applicable to the industries in which the Partnership is invested and capital markets generally, many of which are beyond the Partnership's control or influence.

Risks Relating to Labour Issues

The Partnership may invest in Portfolio Companies that engage organized labour groups including, but not limited to, elevator mechanics, electricians and plumbers. The Partnership intends to diligently review and analyze the risks with all labour groups to minimize disruptions in business as a disruption in business may directly affect the Portfolio Company and the desired investor returns. Notwithstanding the foregoing, the Portfolio Companies may from time to time be subject to strikes or other labour interruptions that may have a negative impact on the returns paid to the Partnership and, accordingly, the Fund.

Portfolio Companies that engage organized labour groups are limited in terms of growth in workforce. The union controls the flow of new apprentices and seniority between all unionized elevator companies. The demand in labour does not correlate to the demand in work available. Portfolio Companies that engage organized labour will also face competition from non-unionized companies, which companies may have a cost advantage as non-unionized labour can be much cheaper than unionized labour.

Uninsured Losses

The Portfolio Companies will carry comprehensive general liability, fire, flood and extended coverage insurance with policy specifications, limits and deductibles customarily carried for similar companies. However, there are certain types of risks, generally of a catastrophic nature, such as wars, terrorist attacks or environmental contamination, which are either uninsurable or not insurable on an economically viable basis. Should an uninsured or underinsured loss occur, a Portfolio Company could suffer a loss, which could impact the distributions payable to the Partnership and, in turn, the Fund and the Trust Unitholders.

From time to time, a Portfolio Company may be subject to lawsuits as a result of the nature of its business. The Portfolio Companies will maintain business and property insurance policies in amounts and with such coverage and deductibles as are deemed appropriate, based on the nature and risks of the businesses, historical experience and industry standards. However, there can be no assurance that claims in excess of the insurance coverage or claims not covered by the insurance coverage will not arise or that the liability coverage will continue to be available on acceptable terms. A successful claim against a Portfolio Company that is not covered by, or in excess of, a Portfolio Company's insurance could materially affect such entity's operating results and financial condition, which would have an adverse effect on Trust Unitholders. Claims against a Portfolio Company, regardless of their merit or eventual outcome, will require management to devote time to matters unrelated to the operation of the business.

Management of Growth

The Partnership may be subject to growth-related risks including capacity constraints and pressure on its internal systems and controls. The ability of the Partnership to manage growth effectively will require it to continue to implement and improve its operational and financial systems and to expand, train and manage its employee base. The inability of the Partnership to deal with this growth may have a material adverse effect on the Partnership's business, financial condition, results of operations and prospects.

Health, Safety and Environmental Matters

The Portfolio Companies' businesses may carry varying degrees of inherent risk or liability related to worker health and safety and the environment, including the risk of government imposed orders to remedy unsafe conditions and contaminated lands, and potential civil liability. Compliance with health, safety and environmental standards and the requirements set out in any licenses, permits and other approvals may be material to the Portfolio Companies and, by extension, the Partnership.

The presence of hazardous or toxic substances, or the failure to remove or remediate such substances, if any, or restrictions imposed by environmental laws on the manner in which such properties may be operated or developed could adversely affect the Partnership's ability to sell its interest in a Portfolio Company and pay cash distributions and could potentially also result in claims against the Portfolio Company.

Health, safety and environmental laws and regulations can change rapidly and significantly and the Partnership and the Portfolio Companies may become subject to more stringent laws and regulations in the future. The occurrence of any adverse health and safety or environmental event, or any changes, additions to, or more rigorous enforcement of, health, safety and environmental standards, licenses, permits or other approvals could have a significant impact on the Partnership and the Portfolio Companies' businesses and operations and/or result in material expenditures.

Environmental laws provide for sanctions for non-compliance and may be enforced by governmental agencies or, in certain circumstances, by private parties. Certain environmental laws and common law principles could be used to impose liability for release of and exposure to hazardous substances into the air. Third parties may seek recovery from real property owners or operators for personal injury or property damage associated with exposure to released hazardous substances. The cost of defending against claims of liability, of complying with environmental regulatory requirements, of remediating any contaminated property, or of paying personal injury claims could be substantial and reduce cash distributions to the Fund.

Certain Portfolio Companies may be involved in using, handling or transporting substances that are toxic, combustible or otherwise hazardous to the environment and may be in close proximity to environmentally sensitive areas or densely populated communities. If a leak, spill or other environmental incident occurred, it could subject a Portfolio Company to liability against which it cannot insure, or against which it may elect not to insure where premium costs are disproportionate to the Portfolio Company's perception of relative risk. Such factors may impact the Partnership's ability to pay cash distributions, which will in turn have an adverse impact on the Fund.

Credit

Third parties may not fulfil their payment obligations to the Partnership or the Portfolio Companies, which could include money, securities or other assets, thereby impacting the Partnership's or the Portfolio Companies' operations and financial results. Such third parties may include deal and trading counterparties, governmental agencies, customers of Portfolio Companies, and financial intermediaries. Third parties may default on their obligations to the Partnership or to the Portfolio Companies due to bankruptcy, lack of liquidity, operational failure or other reasons.

Information Technology and Cyber-Security

The Partnership's business will depend on information technology systems and other technology, such as telecommunications networks and computer systems used for information storage, processing, administrative and commercial functions. The Portfolio Companies will likely be dependent on similar information technology systems and services. The Partnership and the Portfolio Companies will rely on this technology functioning as intended. There is a risk that information systems and technology may not continue to be able to accommodate the growth of the Partnership or the Portfolio Companies, and the cost of maintaining such systems may increase from its predicted levels. A failure to accommodate growth, or an increase in costs related to such information systems, could have a material adverse effect on the Partnership or the Portfolio Companies.

The Partnership and the Portfolio Companies will rely heavily on financial, accounting, communications and other data processing systems. Their information technology systems may be subject to cyber-terrorism or other compromises and shut-downs, which may result in unauthorized access to their proprietary information, destruction of their data or disability, degradation or sabotage of their systems, including through the introduction of computer viruses, cyber-attacks and other means, and could originate from a wide variety of sources, including internal or unknown third parties. The Partnership and the Portfolio Companies will not be able to predict what effects such cyber-attacks or compromises or shut-downs may have on their businesses, and the consequences could be material. Cyber incidents may remain undetected for an extended period, which could exacerbate these consequences. Further, machinery and equipment used by Portfolio Companies may fail due to wear and tear, latent defect, design or operator errors or early obsolescence, among other things.

If the Partnership's or the Portfolio Companies' information systems and other technology are compromised, do not operate or are disabled, such could have a material adverse effect on their business prospects, financial condition, results of operations and cash flow.

Seasonality

While the operations of the Partnership are not influenced by seasonal weather patterns, the operations of the Portfolio Companies in which the Partnership invests may be. Seasonal factors and unexpected weather patterns may lead to declines in profitability of Portfolio Companies, resulting in lower returns to the Partnership, and may decrease or prevent distributions to the Fund and the Trust Unitholders.

Fluctuations in Foreign Currency Exchange Rates

Fluctuations in foreign currency exchange rates could adversely affect the Portfolio Companies and could subsequently affect payments of distributions to Trust Unitholders. Certain of the Portfolio Companies could be

located in the United States. Such Portfolio Companies may pay distributions to the Partnership in United States dollars, which the Partnership or the Fund would have to convert to Canadian dollars prior to making distributions to Trust Unitholders. Such Portfolio Companies are also expected to have revenues denominated in currencies other than Canadian dollars, the currency utilized by the Partnership and the Fund in their financial reporting, thus exposing the Partnership and the Fund to currency risk. Furthermore, Portfolio Companies could become subject to unfavourable exchange rate changes to the extent that they conduct business with suppliers and customers in foreign jurisdictions and to the extent that they have engaged, or in the future engage, in risk management activities related to foreign exchange rates through entry into forward foreign exchange contracts or otherwise.

Financial

The Partnership and the Portfolio Companies have the discretion to incur indebtedness to fund investments and obligations. The use of financial leverage adds financial risk to any investment, including but not limited to the following: (a) cash flow may be insufficient to meet required payments of principal and interest; (b) payments of principal and interest on borrowings may leave the Partnership or its Portfolio Companies with insufficient cash resources to pay operating expenses and dividends/distributions; (c) if the Partnership and its Portfolio Companies are unable to obtain committed debt financing for potential acquisitions or can only obtain debt at an increased interest rate or on unfavourable terms, the Partnership and its Portfolio Companies may have difficulty completing acquisitions or may generate profits that are lower than would otherwise be the case; (d) the Partnership and its Portfolio Companies may not be able to refinance indebtedness on their assets at maturity due to company and market factors such as the estimated cash flow produced by the Partnership's or its Portfolio Companies' assets, the value of such assets, liquidity in the debt markets, and/or financial, competitive, business and other factors; and (e) if the Partnership and its Portfolio Companies are able to refinance their assets, the terms of a refinancing may not be as favourable as the original terms of the related indebtedness. If the Partnership and its Portfolio Companies are unable to refinance indebtedness on acceptable terms, or at all, the Partnership and its Portfolio Companies may need to utilize available liquidity, which would reduce their ability to pursue new investment opportunities, or the Partnership and its Portfolio Companies may need to dispose of one or more of their assets on disadvantageous terms, or raise funds causing dilution to existing securityholders.

Interest Rate Fluctuations

The Partnership may be required to obtain third party financing to fund its operations, which indebtedness, if any, would likely be subject to interest rates based on variable lending rates that may fluctuate over time and which will cause fluctuations in the Partnership's cost of borrowing.

Inability to Attract and Retain Employees with Skills

The future success of the Partnership depends, in part, upon the ability of the Portfolio Companies to attract additional skilled employees and retain their current key personnel. The Portfolio Companies may not be able to hire and retain such personnel at compensation levels consistent with their existing compensation and salary structure. The Portfolio Companies' future success also depends on the continued contributions of their executive management team and other key management and technical personnel, each of whom would be difficult to replace. The loss of any of their executive officers or key personnel or the inability to continue to attract qualified personnel could harm their business, financial condition and operating results.

Need for Follow-On Investments

Following an initial investment, the Partnership may decide to provide additional funds to its Portfolio Companies or may have the opportunity to increase its investment in them. There is no assurance that the Partnership will make follow-on investments or that the Partnership will have sufficient funds to make all or any of such investments. Any decision by the Partnership not to make follow-on investments or its inability to make such investments may have a substantial negative effect on the Portfolio Company in need of such an investment or may result in a lost opportunity for the Partnership to increase its participation in a successful operation.

General Litigation Risk

In the normal course of the Partnership's and the Portfolio Company'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 relating 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 or the

Portfolio Company and as a result, could have a material adverse effect of the Partnership's or the Portfolio Company's investments, liabilities, business, financial condition and results of operations. Even if the Partnership or the Portfolio Company prevails in any such legal proceedings, the proceedings could be costly and time-consuming and may divert the attention of the General Partner, Newlook Capital and key personnel from the Partnership's and the Portfolio Company'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 holders of LP Units, including the Fund.

8.5 Industry Risks

It is expected that certain of the Portfolio Companies will be involved in the gas detection and elevator industries. The following sets out certain risks associated with operating in those industries:

Regulated Industry

The gas detection and elevator industries in which the Portfolio Companies are expected to operate are highly dependent on government regulation. Changes could occur in regulations applicable to the Portfolio Companies or in their interpretation by agencies or the courts. The Portfolio Companies' non-compliance or inability to keep up with applicable regulations could result in civil or criminal liability, including fines, injunctive relief or revocation of licenses, any of which could adversely affect their financial condition and results of operations.

Changes to Technology in Equipment

There can be no assurance that technology will not be developed (such as gas detection equipment that is "self-calibrating" in that it requires less frequent or no calibration from technicians) which could have a negative effect on the revenues of the Portfolio Companies offering services impacted by such technology.

Some Manufacturers Selling Less Sophisticated Equipment

It is possible that certain consumers of elevator and gas detection equipment, including businesses that are clients or customers of Portfolio Companies, may begin using less sophisticated and less expensive equipment for elevators and gas detection. Such a shift may result in the cost to consumers of replacing equipment becoming lower than the cost of maintaining existing equipment. This could result in fewer customers or less business from existing customers for Portfolio Companies.

Electrical Contractors Entering the Market

In a move to expand their offering and audience in the current economy, some electrical contractors have begun marketing Variable Frequency Drives and providing related services to their existing clientele. If electrical contractors were successful in penetrating Portfolio Companies' markets, it could result in fewer customers or less business from existing customers for Portfolio Companies.

Economic Dependence:

A substantial portion of a Portfolio Company's revenue may be generated from a small number of customers. There can be no guarantee that any Portfolio Company will retain these customers in the future or of the amount of revenues that will be generated from these customers in the future. Portfolio Companies will be subject to the cyclicity and long-term trends of the economy and the industries in which their customers operate.

Downward Price Pressure:

The gas detection and elevator service industries are highly competitive. This competition could force Portfolio Companies to lower their service rates in order to compete effectively. Furthermore, competition and innovation in the industry could result in customers requiring less specialized services, which services might demand lower service rates. The occurrence of either of the foregoing would result in decreased revenues for Portfolio Companies and therefore reduced returns on the Partnership's investments and distributions to the Fund and the Trust Unitholders.

The foregoing risk factors do not purport to be a complete explanation of all risks involved in purchasing the Trust Units. Potential investors should read this entire Offering Memorandum and consult with their legal and other professional advisors before deciding to invest in the Trust Units.

ITEM 9 - REPORTING OBLIGATIONS

The fiscal year end of the Fund is December 31. The Fund will send to Trust Unitholders (or make available if sending is not required by applicable laws) within 120 days after the end of each fiscal year (or within such shorter time as may be required by applicable securities law): (a) the audited annual consolidated financial statements of the Fund for such fiscal year, together with comparative audited financial statements for the preceding fiscal year, if any; and (b) so long as required by applicable securities laws, a notice of the Fund disclosing in reasonable detail the use of the aggregate gross proceeds raised by the Fund under Section 2.9 of NI 45-106.

The Fund shall send to Trust Unitholders (or make available if sending is not required by applicable laws) a notice of specified events under subsection 2.9(17.20) of NI 45-106.

On or before March 31 in each year (or such other date as may be required under applicable law), the Fund will provide to each Trust Unitholder who received distributions from the Fund in the prior calendar year, such information regarding the Fund as is required by law to be submitted to Trust Unitholders for income tax purposes to enable Trust Unitholders to complete their tax returns in respect of the prior calendar year.

On an annual basis, the Independent Review Committee will prepare and make available to Unitholders a report of conflict of interest matters identified in the year preceding the report, including how such conflict of interest matters were addressed and resolved.

Financial or other information relating to the Fund and provided to you in the future may not by itself be sufficient for you to assess the performance of your investment.

The Fund is not a “reporting issuer” or equivalent under the securities legislation of any jurisdiction. Accordingly, other than the disclosure set forth above, the Fund is not subject to the “continuous disclosure” requirements of any securities legislation and there is 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 files information with SEDAR only as required pursuant to Section 2.9 of NI 45-106, which information is available electronically from SEDAR (www.sedar.com).

ITEM 10 - RESALE RESTRICTIONS

There is no market for the Offered Units and none is expected to develop and therefore, it may be difficult or impossible for Unitholders to sell the Offered Units.

The Offered Units will be subject to a number of resale restrictions, including a restriction on trading. Until the restriction on trading expires, you will not be able to trade the Offered Units unless you comply with an exemption from the prospectus requirements under securities legislation.

Unless permitted under securities legislation, you cannot trade the Offered Units before the date that is four 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 Offered Units 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 12 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 and has no intention to become a reporting issuer, in any province or territory, the applicable hold period for Investors may never expire, and if no further exemption may be relied upon and if no discretionary order is obtained, this could result in an Investor having to hold the Offered Units acquired under the Offering for an indefinite period of time.

The Administrator must approve of any proposed disposition of Trust Units. The Declaration of Trust provides that no transfer or other disposition of Trust Units shall be effective unless the transferor provides the proper

documentation described in the Declaration of Trust, reports to the Administrator the details of the disposition and all outstanding liabilities of the transferor to the Fund have been paid, or arrangements have been made satisfactory to the Administrator for the assumption of such liabilities by the transferee. **See Item 2.7.1 - Declaration of Trust - Transfer of Trust Units.**

The foregoing is a summary only of resale restrictions relevant to an Investor in the securities offered hereunder. It is not intended to be exhaustive. All Investors 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 - INVESTORS' RIGHTS

If you purchase Trust Units you will have certain rights, some of which are described below. These rights may not be available to you if you purchase the Trust Units pursuant to an exemption from the prospectus requirements other than the offering memorandum exemption in Section 2.9 of NI 45-106. Persons resident in the province of Québec are not permitted to rely on the offering memorandum exemption contained in Section 2.9 of NI 45-106, and accordingly, the rights below are not applicable to residents of Québec. For complete information about your rights, you should consult a lawyer.

Two Day Cancellation Right

You can cancel your agreement to purchase Trust Units. To do so, you must send a notice to us by midnight on the second business day after you sign the agreement to buy the Trust Units.

Rights of Action in the Event of a Misrepresentation

Securities legislation in certain of the provinces of Canada and territories provides Investors with a statutory right of action for damages or rescission in cases where an offering memorandum or any amendment thereto 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 Investors within the time limits prescribed and are subject to the defenses and limitations contained under applicable securities legislation.

The following summaries are subject to the express provisions of the securities legislation applicable in each of the provinces and territories of Canada and the regulations, rules and policy statements thereunder. Investors 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 Investors may have at law.

Rights of Investors 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:

- (a) the Fund to cancel your agreement to buy these securities, or
- (b) 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 (b) 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 (a) or (b) 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 Investors 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:

- (a) the Fund to cancel your agreement to buy these securities, or
- (b) 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 (a) or (b) 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 Investors 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:

- (a) the Fund to cancel your agreement to buy these securities, or
- (b) 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 or company whose consent has been filed respecting the offering but only with respect to reports, opinions or statements that have been made by them, 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 (a) or (b) 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 Investors 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:

- (a) the Fund to cancel your agreement to buy these securities, or
- (b) 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 (b) 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 (a) or (b) 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 Investors 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:

- (a) the Fund to cancel your agreement to buy these securities, or
- (b) 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 (a) or (b) 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 Investors in Québec

Notwithstanding that the *Securities Act* (Québec) does not provide, or require the Fund to provide, to Investors resident in Québec with any statutory rights of action in circumstances where this Offering Memorandum contains a misrepresentation, the Fund hereby grants to such Investors contractual rights of action that are equivalent to the statutory rights of action set forth above with respect to Investors resident in Ontario.

Rights of Investors 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:

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

- (b) 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 (b) 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 (a) or (b) above, you must do so within strict time limitations. You must commence your action to enforce the right of action discussed above not later than 120 days after the date on which payment was made for the securities or after the date on which the initial payment for the securities was made where payments subsequent to the initial payment are made pursuant to a contractual commitment assumed prior to, or concurrently with, the initial payment.

Rights of Investors 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:

- (a) the Fund to cancel your agreement to buy these securities, or
- (b) 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 (a) or (b) 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 Investors 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:

- (a) the Fund to cancel your agreement to buy these securities, or
- (b) 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 (b) 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 (a) or (b) 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 Investors 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:

- (a) the Fund to cancel your agreement to buy these securities, or
- (b) 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 (b) 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 (a) or (b) 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.

ITEM 12 - FINANCIAL STATEMENTS

Audited financial statements of the Fund and the Partnership are set out below.

**Newlook Capital Industrial
Services Fund II
Financial Statements**
For the period from establishment, May 15, 2018,
to August 31, 2018

Newlook Capital Industrial Services Fund II
Financial Statements
For the period from establishment, May 15, 2018, to August 31, 2018

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BDO Canada LLP
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Independent Auditor's Report

To the Administrator of Newlook Capital Industrial Services Fund II

We have audited the accompanying financial statements of Newlook Capital Industrial Services Fund II (the "Fund"), which comprise the statement of financial position as at August 31, 2018, and the statements of comprehensive loss, changes in net assets attributable to holders of redeemable units and cash flows for the period from establishment, May 15, 2018, to August 31, 2018, and a summary of significant accounting policies and other explanatory information (together, the "financial statements").

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 the 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 these 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 Fund'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 Fund'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.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Newlook Capital Industrial Services Fund II as at August 31, 2018, and its financial performance and its cash flows for the period then ended in accordance with International Financial Reporting Standards.

BDO Canada LLP

Chartered Professional Accountants, Licensed Public Accountants
Burlington, Ontario
October 12, 2018

Newlook Capital Industrial Services Fund II

Statement of Financial Position

August 31, 2018

Assets

Cash	\$ 255,990
Investment in Newlook Capital Industrial Services LP II (Note 3)	1,803,874
Due from related party (Note 4)	<u>14,239</u>
Total assets	<u>2,074,103</u>

Liabilities

Accounts payable and accrued liabilities	17,912
Subscriptions received in advance	115,000
Due to related party (Note 4)	<u>151,874</u>
Total liabilities (excluding net assets attributable to holders of redeemable units)	<u>284,786</u>

Net assets attributable to holders of redeemable units (Note 6)	<u>\$ 1,789,317</u>
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Net assets attributable to holders of redeemable units per class

Initial unit	\$ 100
Series A1	1,302,017
Series E	76,617
Series F	<u>410,583</u>
	<u>\$ 1,789,317</u>

Number of redeemable units outstanding (Note 6)

Initial unit	1
Series A1	17,666
Series E	1,000
Series F	<u>5,000</u>

Net assets attributable to holders of redeemable units per unit

Initial unit	100
Series A1	75.85
Series E	76.62
Series F	<u>82.12</u>

On behalf of the Fund by the Administrator
Newlook Capital Services II Inc.:

(Signed) "Abbas Osman" Director

(Signed) "Anthony Diab" Director

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

Newlook Capital Industrial Services Fund II
Statement of Changes in Net Assets Attributable to Holders of
Redeemable Units

For the period from establishment, May 15, 2018, to August 31, 2018

Net assets attributable to holders of redeemable units, beginning of August 31, 2018	\$ -
Net and comprehensive loss attributable to holders of redeemable units	<u>(406,226)</u>
Redeemable unit transactions	
Proceeds from issuance of redeemable units	2,366,700
Issuance costs	<u>(171,157)</u>
	<u>2,195,543</u>
Net assets attributable to holders of redeemable units, end of August 31, 2018	\$ <u>1,789,317</u>

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

Newlook Capital Industrial Services Fund II

Statement of Comprehensive Loss

For the period from establishment, May 15, 2018, to August 31, 2018

Revenue

Service fees	\$ 14,239
Net change in unrealized depreciation on Newlook Capital Industrial Services LP II	<u>(406,226)</u>
	<u>(391,987)</u>

Expenses

General and administrative	-
Advertising and sales promotion	2,743
Bank charges and interest	132
Printing, stationery and office supplies	2,820
Professional fees	5,575
Travel	<u>2,969</u>
	<u>14,239</u>

Net and comprehensive loss attributable to holders of redeemable units

\$ (406,226)

Decrease in net assets attributable to holders of redeemable units per class

Series A1	\$ (303,236)
Series E	(17,165)
Series F	<u>(85,825)</u>
	<u>\$ (406,226)</u>

Decrease in net assets attributable to holders of redeemable units per class per unit

Series A1	\$ (23)
Series E	(17)
Series F	<u>(17)</u>

Newlook Capital Industrial Services Fund II

Statement of Cash Flows

For the period from establishment, May 15, 2018, to August 31, 2018

Cash flows from operating activities

Net and comprehensive loss for the period	\$ (406,226)
Adjustments to reconcile net and comprehensive loss to net cash provided from operating activities	
Net change in unrealized depreciation on Newlook Capital Industrial Services LP II	406,226
Purchase of Newlook Capital Industrial Services LP II	(2,210,100)
Net change in non-cash operating balances	
Advances to related party	(14,239)
Accounts payable and accrued liabilities	17,912
Subscriptions received in advance	115,000
	<u>(2,091,427)</u>

Cash flows from financing activities

Advances from related parties	151,874
Proceeds from the issuance of redeemable units	2,366,700
Issuance costs paid	(171,157)
	<u>2,347,417</u>

Increase in cash during the period and cash end of period	\$ 255,990
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Newlook Capital Industrial Services Fund II

Notes to Financial Statements

August 31, 2018

1. The Fund

Newlook Capital Industrial Services Fund II (the "Fund") is an unincorporated, open-ended trust established by Declaration of Trust dated May 15, 2018. The Trust intends to qualify as a "unit trust" and as a "mutual fund trust" for the purposes of the Income Tax Act (Canada).

The Fund was formed to raise funds pursuant to an offering (Note 6) for the purposes of acquiring units in Newlook Capital Industrial Services LP II (the "Partnership"), an Ontario limited partnership. The Partnership is considered a related party due to common officers and directors of the Administrator of the Fund, Newlook Capital Services II Inc. (the "Administrator"). The Partnership intends to acquire controlling interests or make strategic debt investments in industrial and commercial service companies located in Canada and the United States.

The address of the Fund is 1550 Appleby Line, Suite 100, Burlington, Ontario, L7L 6V1.

2. Significant Accounting Policies

Statement of Compliance

The financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC").

The financial statements were authorized for issue by the Administrator on October 12, 2018.

Basis of Measurement and Presentation

The financial statements have been prepared on a historical cost basis and are presented in Canadian dollars, which is the Fund's functional and presentation currency, except for the investment in Newlook Capital Industrial Services LP II which is recorded at fair value.

Critical Estimates and Judgements

The preparation of these financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may vary from these estimates.

Estimates and judgements are continually evaluated and are based on historical experience and other factors including expectations of future events that are believed to be reasonable under the circumstances. Accounting estimates will, by definition, seldom equal the actual results. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future years affected.

Newlook Capital Industrial Services Fund II

Notes to Financial Statements

August 31, 2018

2. Significant Accounting Policies (Continued)

Financial Instruments

Recognition and Classification

Financial assets and financial liabilities are initially measured at fair value and are subsequently accounted for based on their classification. The classification depends on the purpose for which the financial instruments were acquired and their characteristics. Except in very limited circumstances, the classification is not changed subsequent to initial recognition.

Financial Assets

The Fund classifies its financial assets into one of the following categories depending on the purpose for which the asset was acquired:

- i) Fair value through profit or loss ("FVTPL");
- ii) Amortized cost; and
- iii) Fair value through other comprehensive income.

The Fund does not have any financial assets that it classifies as fair value through other comprehensive income.

Financial Assets at Fair Value Through Profit or Loss

The Fund classifies its investment in Newlook Capital Industrial Services LP II at fair value through profit or loss.

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

i) Financial assets and liabilities held for trading

A financial asset or financial liability 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.

ii) Financial assets and liabilities designated at fair value through profit or loss at inception

Financial assets and financial liabilities designated at fair value through profit or loss 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 Fund's documented investment strategy. The Fund classifies its investment in Newlook Capital Industrial Services LP II as financial assets designated at fair value through profit or loss at inception.

Amortized Cost

These assets incorporate other types of financial assets where the objective is to hold these assets in order to collect contractual cash flows and the contractual cash flows are solely payments of principal and interest. They are initially recognised at fair value plus transaction costs that are directly attributable to their acquisition or issue, and are subsequently carried at amortised cost using the effective interest rate method, less provision for impairment.

The Fund's cash and due from related party is classified as amortized cost.

Financial Liabilities

Financial liabilities are classified into one of two categories:

- i) Fair value through profit or loss; and
- ii) Other financial liabilities.

Newlook Capital Industrial Services Fund II

Notes to Financial Statements

August 31, 2018

2. Significant Accounting Policies (Continued)

Financial Instruments (continued)

Financial Liabilities (continued)

The Fund does not have any financial liabilities that it classifies as fair value through profit or loss.

The Fund classifies its accounts payable and accrued liabilities, subscriptions received in advance and due to related party as other financial liabilities and are carried at amortized cost. The Fund carries its obligation for net assets attributable to holders of redeemable units at the redemption amount.

Determination of Fair Value

The fair value of a financial instrument on initial recognition is the transaction price, which is the fair value of the consideration given or received. Subsequent to initial recognition, fair value is determined by management using available market information or other valuation methodologies. As at August 31, 2018, the fair value of the Fund's investment in Newlook Capital Industrial Services LP II approximates the carrying value due to the investment subscription date relative to the reporting date of the Financial Statements.

Fair Value Hierarchy

The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). The three levels of the fair value hierarchy are as follows:

Level 1: Unadjusted quoted prices in active markets for identical assets or liabilities;

Level 2: Inputs other than quoted prices included in level 1 that are observable for the asset or liability either directly or indirectly; and

Level 3: Inputs that are not based on observable market data.

As at August 31, 2018, the Fund's investment in Newlook Capital Industrial Services LP II was classified as Level 3.

Redeemable Units

The Fund Units are redeemable at the option of the holder and, therefore, are considered puttable instruments. Puttable instruments are required to be accounted for as financial liabilities, except where certain conditions are met, in which case, the puttable instrument may be presented as equity. The Fund Units did not meet the conditions for presentation as equity, and have therefore been presented as liabilities at the redemption amount. Costs incurred in connection with the offering of Fund Units are reflected as a reduction of Net Assets Attributable to Holders of Redeemable Units.

Impairment of Non-financial Assets

The carrying amounts of the Fund's non-financial assets, other than deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

The recoverable amount of an asset is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. An impairment loss is recognized if the carrying amount of an asset exceeds its estimated recoverable amount.

The Fund has no impairment loss from non-financial assets.

Newlook Capital Industrial Services Fund II

Notes to Financial Statements

August 31, 2018

2. Significant Accounting Policies (Continued)

Impairment of Financial Assets

At each reporting date, the Fund assesses whether there is objective evidence that financial assets not carried at fair value through profit or loss are impaired. A financial asset or a group of financial assets is impaired when objective evidence demonstrates that a loss event has occurred after the initial recognition of the asset, and that the loss event has impact on the future cash flows of the asset that can be estimated reliably.

Objective evidence that financial assets are impaired can include significant financial difficulty of the borrower or issuer, default or delinquency by a borrower, restructuring of a loan or receivable by the Fund on terms that the Fund would not otherwise consider, indications that a borrower or issuer will enter bankruptcy, or other observable data relating to a group of assets such as adverse changes in the payment status of borrowers or issuers in the group, or economic conditions that correlate with defaults in the group.

The Fund considers evidence of impairment for loans and receivables at both a specific asset and collective level. The Fund has no impairment loss from financial assets.

Income Taxes

It is the intention of the Fund to qualify as a mutual fund trust under the Income Tax Act (Canada). All of the Fund's net income for tax purposes and sufficient capital gains realized in any period are required to be distributed to unitholders such that no tax is payable by the fund. As a result, the Fund does not record income taxes. Since the Fund does not record income taxes, the tax benefit of capital and non-capital losses has not been reflected in the financial statements as a deferred income tax asset.

Net Assets Attributable to Holders of Redeemable Units per Unit

The Net Assets Attributable to Holders of Redeemable Units per unit is calculated by dividing the Net Assets Attributable to Holders of Redeemable Units of a particular class of units by the total number of units of that particular class outstanding at the end of the year.

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 is based on the increase (decrease) in net assets attributable to holders of redeemable units attributed to each class of units, divided by the weighted average number of units outstanding of that class during the period.

Related Parties

For the purpose of these financial statements, a party is considered related to the Fund if such party or the Fund has the ability to, directly or indirectly, control or exercise significant influence over the other entity's financial and operating decisions, or if the Fund and such party are subject to common significant influence. Related parties may be individuals or other entities.

Issuance Costs

Issuance costs associated with the offering are recorded as a reduction of Net Assets Attributable to Holders of Redeemable Units during the period in which they were incurred. The amount represents a one-time charge in connection with the offering and is paid out of the gross proceeds of the offering.

Newlook Capital Industrial Services Fund II

Notes to Financial Statements

August 31, 2018

2. Significant Accounting Policies (Continued)

New Standards, Interpretations and Amendments not yet Adopted

A number of new standards, amendments to standards and interpretations have been issued but are not yet effective as at August 31, 2018, and have not been applied in preparing the financial statement. None of these are expected to have an effect on the financial statements of the Fund, with the exception of:

IFRS 16, Leases, supersedes IAS 17 Leases, IFRIC 4 Determining whether an Arrangement contains a Lease, SIC-15 Operating Leases - Incentives and SIC-27 Evaluating the Substance of Transactions Involving the Legal Form of a Lease. It eliminates the distinction between operating and finance leases from the perspective of the lessee. All contracts that meet the definition of a lease will be recorded in the Statement of Financial Position with a "right of use" asset and a corresponding liability. The asset is subsequently accounted for as property, plant and equipment or investment property and the liability is unwound using the interest rate inherent in the lease. The accounting requirements from the perspective of the lessor remains largely in line with previous IAS 17 requirements. The effective date for IFRS 16 is January 1, 2019. The Fund is in the process of evaluating the impact of IFRS 16 on its financial statements.

3. Investment in Newlook Capital Industrial Services LP II

The Fund has investments in Newlook Capital Industrial Services LP II units. As at August 31, 2018, the Fund held 17,666 Series A1 LP units, 1,000 Series E LP units, 5,000 Series F LP units and 1 Initial LP unit.

Reconciliation of Level 3 fair value measurements of financial assets:

Investments, beginning of period	\$ -
Purchase of Newlook Capital Industrial Services LP II units	2,210,100
Change in unrealized depreciation on Newlook Capital Industrial Services LP II units	(406,226)
	<u>\$ 1,803,874</u>

Subsequent to the period end, the Fund purchased 14,555 Series A1 units for cash consideration of \$1,336,133 and purchased 5,980 Series F units for \$598,000.

4. Related Party Transactions and Balances

The amount due from related party is due from Newlook Capital Industrial Services LP and is due on demand with no specific terms of repayment.

The amount due to related party is due to Newlook Capital Inc., the parent company of the Administrator. The amount is due on demand with no specific terms of repayment.

Newlook Capital Industrial Services Fund II

Notes to Financial Statements

August 31, 2018

5. Capital Management

The Fund's capital is comprised of redeemable units. The Fund's capital management policy is to acquire, invest in, dispose of and otherwise deal with securities and may include the Fund temporarily holding cash and other short term investments in connection with and for the purposes of the Fund's undertaking, paying administration and trust expenses, paying any amounts required in connection with the redemption of Fund Units and making distributions to Fund Unitholders.

The Fund will use the funds from the offering to purchase securities in the Partnership. The Partnership will, in turn, use the funds available to it from the sale of securities to the Fund, as well as the proceeds from the Partnership Offering to acquire controlling interests or make strategic debt investments in industrial and commercial service companies located in Canada and the United States.

The Fund intends to distribute to unitholders when the Fund receives a distribution from the Partnership with respect to a Corresponding LP Unit. The Partnership will seek to make distributions on a regular basis, with the amount of any such distributions determined by the General Partner of the Partnership in its sole discretion. Such distributions, if any, will generally be made on a quarterly basis; however, the General Partner of the Partnership reserves the right to make more frequent distributions in its sole discretion. Distributions will be paid to Limited Partners of record as of the distribution date and will be paid on or before the 30th day following the distribution date. The Fund has adopted a distribution reinvestment plan, which will allow eligible unitholders to elect to have their distributions reinvested in additional Fund Units of the same series at a purchase price equal to \$95 per unit, or such other price as may be determined by the Administrator from time to time.

Any such distributions will be made to the person who, according to the register, was the holder of record of the applicable Fund Unit on the date the distribution is declared by the Fund. The Trustees or the Administrator may reduce the amounts distributable to holders of Fund Units for the payment of any costs, expenses or liabilities, which have been or may be incurred in the undertaking and activities of the Fund, the payment of any income tax liability of the Fund and any allowances for contingencies, working capital, investments or acquisitions, or such reserves as are in the opinion of the Trustee or the Administrator, necessary or desirable. Such reductions will be on a pro rata basis.

6. Redeemable Units

The Fund is authorized to issue an unlimited number of Fund Units of a single class divided into an unlimited number of series, in such number and designation as determined by the Trustees from time to time.

The Fund intends to offer the following units: Series A1 Units, Series A2 Units, Series A3 Units and Series A4 Units, Series E Units, Series F Units, Series M Units and Series N Units.

- Series A1 Units may be purchased prior to December 1, 2018;
- Series A2 Units may be purchased on or after December 1, 2018 and prior to March 1, 2019;
- Series A3 Units may be purchased on or after March 1, 2019 and prior to June 1, 2019; and
- Series A4 Units may be purchased on or after June 1, 2019.

Newlook Capital Industrial Services Fund II

Notes to Financial Statements

August 31, 2018

6. Redeemable Units (Continued)

The initial unit has a fixed redemption amount of \$100.

Each Fund Unit of a particular series vests indefeasibly in the holder thereof and the interest in the Fund at any time and from time to time of each holder of Fund Units of a particular series is determined by the number of Fund Units of a particular series registered in the name of the holder as is proportionate to the total number of Fund Units of a particular series. No holder of Fund Units of a particular series has any preference, priority or right in any circumstance over any other holder of Fund Units of a particular series (other than arising out of or resulting from the number of Fund Units held by such holder of Fund Units). The issued and outstanding Fund Units of a particular series may be subdivided or consolidated from time to time by the Trustees without the prior approval of, or notice to, any Fund Unitholder.

No fractional Fund Units are to be issued and, notwithstanding anything to the contrary, none are to be considered outstanding at any time, except pursuant to non-cash distributions of additional Fund Units to all Fund Unitholders. If a Fund Unitholder is entitled to a fractional Fund Unit for any reason, the Trustees will adjust downward or upward the number of Fund Units held by that Fund Unitholder to the nearest whole number of Fund Units and will make such corresponding adjustments to any capital or current account of that Fund Unitholder. If the number of Fund Units issued and sold to the Fund Unitholder is adjusted downward, no amount will be refunded to the Fund Unitholder in respect of any such adjustment.

Fund Units are redeemable at the option of the Fund Unitholder subject to the terms and conditions set out in the Declaration of Trust. Fund Units are considered to be tendered for redemption on the date that the Fund has, to the satisfaction of the Administrator, received the redemption notice and further documents or evidence that the Administrator may reasonably require with respect to the identity, capacity or authority of the person giving the redemption notice. The aggregate redemption price payable by the Fund in respect of Fund Units tendered for redemption is to be satisfied by way of a cash payment on the last day of the calendar month following the end of the calendar quarter in which the Fund Units were tendered for redemption, provided that the entitlement of a Fund Unitholder to receive cash upon the redemption of such holder's Fund Units shall be limited in certain circumstances, including where:

- (a) the total amount payable by the Fund in respect of such Fund Units and all other Fund Units validly tendered for redemption in the same calendar quarter exceeds \$50,000; provided that the Trustees or the Administrator may, in their sole discretion, waive or increase such limitation in respect of all Fund Units tendered for redemption in any calendar quarter;
- (b) in the Trustees' or the Administrator's opinion (in their sole discretion) the Fund is or, after the redemption, would be unable to pay its liabilities as they become due; or
- (c) in the Trustees' or the Administrator's opinion (in their sole discretion), the Fund has insufficient liquid assets to fund such redemptions or that the liquidation of assets at such time would be to the detriment of the remaining Fund Unitholders or the Fund, generally.

Newlook Capital Industrial Services Fund II

Notes to Financial Statements

August 31, 2018

6. Redeemable Units (Continued)

If, as a result of any such limitations under the Declaration of Trust, a Fund Unitholder is not entitled to receive cash upon the redemption of some or all of the Fund Units tendered for redemption, then the redemption price per Fund Unit to which the Fund Unitholder would otherwise be entitled, is to be paid and satisfied by the delivery to such holders of Redemption Notes. Redemption Notes are debt securities of the Fund that may be created and issued from time to time, that are subordinated and unsecured, have a maturity of five years or less, are pre-payable at any time at the option of the Fund prior to maturity, without notice, bonus or penalty and pay an annual rate of interest equal to 2% plus the yield to maturity on five year marketable bonds issued by the Government of Canada in Canadian Dollars, based on the mid-market closing yields of such bonds as published by the Bank of Canada on the business day preceding the day on which the notice of redemption of a Fund Unit is given, which interest is payable quarterly in arrears.

On a redemption by a holder of Fund Units, the redemption price per Fund Unit shall be equal to the redemption proceeds received by the Fund from the Partnership with respect to the Fund's redemption of the Corresponding LP Unit, which shall be the lesser of: (i) \$100 multiplied by the percentage set out below, minus any amount distributed in respect of such Fund Unit in respect of the Series A1 Return of Capital, Series A2 Return of Capital, Series A3 Return of Capital, Series A4 Return of Capital, Series E Return of Capital, or Series F Return of Capital of the Corresponding LP Unit, as applicable, and (ii) the Appraised Value of the Corresponding LP Unit of such Fund Unit.

The percentages are as follows:

Period of Time between the Issuance Date of the LP Unit being Redeemed and the Date the Notice of Redemption is Provided	Series A1/A2/A3/A4	Series E	Series F/M/N
< 1 year	89%	92%	95%
1 year to < 2 years	91%	94%	97%
2 years to < 3 years	93%	96%	99%
3 years to < 4 years	95%	98%	100%
4 years to < 5 years	97%	100%	100%
5 years and greater	100%	100%	100%

Newlook Capital Industrial Services Fund II

Notes to Financial Statements

August 31, 2018

6. Redeemable Units (Continued)

Unitholder transactions during the period ended August 31:

	Series A1	Series E	Series F
Units issued during the period	17,666	1,000	5,000
Units outstanding, end of period	17,666	1,000	5,000

During the period, 17,666 units of Series A1 Units have been issued for cash consideration of \$1,766,600, 1,000 units of Series E Units have been issued for cash consideration of \$100,000 and 5,000 units of Series F Units have been issued for cash consideration of \$500,000. The initial LP unit was issued for \$100 on May 15, 2018 and remains outstanding as at August 31, 2018.

Subsequent to the period end, the Fund issued 14,555 Series A1 units for cash consideration of \$1,455,500 and issued 5,980 Series F units for \$598,000.

Offering

The Fund has prepared an offering memorandum for the offering of Fund Units (the "Offering") with up to an aggregate maximum gross proceeds of \$100,000,000 and no minimum gross proceeds. The price per Fund Unit shall be \$100, with a minimum subscription of 100 units for for Series A1, A2, A3 and A4, the minimum investment for Series E and F is 1,000 units.

The net proceeds of the Offering will be used to purchase Corresponding LP units of the Partnership. The Partnership intends to acquire controlling interests or make strategic debt investments in industrial and commercial service companies located in Canada and the United States.

The Offering may be closed in stages until the maximum offering is subscribed for or is otherwise terminated.

The distribution of Fund Units pursuant to the Offering will be subject to payment of selling commissions in an amount up to 9% of the gross proceeds of the Offering which shall be paid from the offering proceeds on Series A1, A2, A3 and A4 and up to 5.75% on Series E and no commission on Series F.

Capital Advisory Fee

Newlook Capital Inc. ("Newlook Capital") has engaged professionals to assist with the structuring and execution of the Offering. Newlook Capital shall pay to such individuals a base fee of up to \$13,000 per month until approximately December 31, 2019, which shall be reimbursed by the Partnership based on the proportion of time spent by such individuals on the Offering. In addition, the Partnership shall pay to such individuals a fee equal to 0.75% of the gross proceeds from the sale of Offered Units until approximately December 31, 2019.

Newlook Capital Industrial Services Fund II

Notes to Financial Statements

August 31, 2018

6. Redeemable Units (Continued)

Management Fees

For investment management services related to the Fund and the Partnership, Newlook Capital will receive a monthly fee payable by the Partnership to Newlook Capital equal to an annual rate of 2% of the gross purchase price paid by investors to the Fund and the Partnership for each of the Series A1, Series A2, Series A3, Series A4, Series E and Series F units of each of the Fund and the Partnership (excluding the purchase price of LP Units purchased by the Fund), as at the last date of the preceding month, calculated and payable, in advance, at the beginning of each month.

Other Expenses

The Fund and the Partnership will pay for all ongoing expenses associated with the operation of the Fund and the Partnership, including all general and administrative expenses, marketing and operating expenses, insurance costs, office space and staffing costs, expenses related to the acquisition and disposition of portfolio companies, legal, banking, audit and accounting fees, investor reporting costs, printing and mailing costs and costs incurred in connection with any governmental or regulatory filing requirements.

Newlook Capital provides to the Partnership and the Fund office space, furniture, day-to-day office supplies and services, internal accounting staff, payroll, information technology, the maintenance of books and records and assistance with all continuous disclosure obligations imposed on the Fund and the Partnership by applicable laws, the costs of providing such services are reimbursed by the Partnership to Newlook Capital on a cost recovery basis, provided that the costs of the above services reimbursed by the Partnership shall not exceed \$250,000 per annum.

**Newlook Capital Industrial
Services LP II
Financial Statements**
For the period from establishment, May 16, 2018,
to August 31, 2018

Newlook Capital Industrial Services LP II
Financial Statements
For the period from establishment, May 16, 2018, to August 31, 2018

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Independent Auditor's Report

To the Partners of Newlook Capital Industrial Services LP II

We have audited the accompanying financial statements of Newlook Capital Industrial Services LP II (the "Partnership"), which comprise the statement of financial position as at August 31, 2018, and the statements of comprehensive loss, changes in partners' units and cash flows for the period from establishment, May 16, 2018, to August 31, 2018, and a summary of significant accounting policies and other explanatory information (together, the "financial statements").

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 the 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 Partnership'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 Partnership'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.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Newlook Capital Industrial Services LP II as at August 31, 2018, and its financial performance and its cash flows for the period then ended in accordance with International Financial Reporting Standards.

BDO Canada LLP

Chartered Professional Accountants, Licensed Public Accountants
Burlington, Ontario
October 12, 2018

Newlook Capital Industrial Services LP II

Statement of Financial Position

August 31, 2018

Assets

Current assets

Cash	\$ 2,117,105
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Current Liabilities and Partners' Units

Current liabilities

Accounts payable and accrued liabilities	\$ 45,004
Due to related parties (Note 4)	259,639
	<hr/> 304,643

Partners' units (Note 5)	<hr/> 1,812,462
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Current liabilities and partners' units	\$ 2,117,105
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Approved by the General Partner:

<u>(Signed) "Abbas Osman"</u>	Director
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<u>(Signed) "Anthony Diab"</u>	Director
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The accompanying notes are an integral part of these financial statements.

Newlook Capital Industrial Services LP II

Statement of Comprehensive Loss

For the period from establishment, May 16, 2018, to August 31, 2018

Revenue	\$ -
<hr/>	
Expenses	
Administrative fees (Note 4)	18,287
Advertising and promotion	12,682
Bank charges and interest	145
Capital advisory fees (Note 4)	69,700
Consulting fees (Note 4)	25,551
Management fees (Note 4)	6,471
Office and general expenses	5,097
Professional fees	10,575
Rent	4,984
Telephone	255
Travel	26,807
	<hr/>
	180,554
	<hr/>
Net and comprehensive loss for the period	\$ (180,554)

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

Newlook Capital Industrial Services LP II
Statement of Changes in Partners' Units

For the period from establishment, May 16, 2018, to August 31, 2018

	Number of Units	Initial Partner	General Partner	Limited Partners			Special Limited Partner	Total
				Class A1	Class E	Class F		
Balance , beginning of period	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Partners' units issued (Note 5)	23,669	100	100	1,616,000	94,000	500,000	10,000	2,220,200
Issuance costs	-	-	(7)	(182,865)	(6,896)	(36,682)	(734)	(227,184)
Net and comprehensive loss for the period	-	-	(8)	(132,712)	(7,325)	(39,746)	(763)	(180,554)
Balance , end of period	23,669	\$ 100	\$ 85	\$ 1,300,423	\$ 79,779	\$ 423,572	\$ 8,503	\$ 1,812,462

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

Newlook Capital Industrial Services LP II

Statement of Cash Flows

For the period from establishment, May 16, 2018, to August 31, 2018

Cash flows from operating activities

Net and comprehensive loss for the period	\$ (180,554)
Adjustments to reconcile net and comprehensive loss to net cash from operating activities	
Net change in non-cash operating balances	
Accounts payable and accrued liabilities	45,004
Due to related party	259,639
	<u>124,089</u>

Cash flows from financing activities

Proceeds from partners' units issued (Note 5)	2,220,200
Issuance costs	(227,184)
	<u>1,993,016</u>

Net increase in cash during the period and cash end of period	\$ 2,117,105
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The accompanying notes are an integral part of these financial statements.

Newlook Capital Industrial Services LP II

Notes to Financial Statements

August 31, 2018

1. Description of Business

Newlook Capital Industrial Services LP II (the "Partnership") is a limited partnership formed on May 16, 2018 under the laws of the Province of Ontario.

The purpose of the Partnership is to seek income and capital appreciation through one or more direct or indirect investments in securities of industrial and commercial service companies located in Canada and the United States.

Newlook Industrial Services GP II Inc., the general partner of the Partnership (the "General Partner"), was incorporated on April 26, 2018 under the laws of the Province of Ontario to act as the general partner. The General Partner contributed \$100 to the Partnership.

Newlook Capital Inc. ("Newlook Capital") is the parent company to the General Partner, and contributed \$10,000 to the Partnership.

The Partnership has its registered office at 1550 Appleby Line, Suite 100, Burlington, Ontario L7L 6V1.

2. Summary of Significant Accounting Policies

Statement of Compliance

The financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC").

The financial statements were authorized for issue by the General Partner on October 12, 2018.

Basis of Measurement

The financial statements have been prepared on an historical cost basis.

Functional and Presentation Currency

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

Critical Estimates and Judgements

The preparation of the financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may vary from these estimates.

Estimates and judgements are continually evaluated and are based on historical experience and other factors including expectations of future events that are believed to be reasonable under the circumstances. Accounting estimates will, by definition, seldom equal the actual results. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future years affected.

Newlook Capital Industrial Services LP II

Notes to Financial Statements

August 31, 2018

2. Summary of Significant Accounting Policies (Continued)

Financial Instruments

Recognition and Classification

Financial assets and financial liabilities are initially measured at fair value and are subsequently accounted for based on their classification as described below. The classification depends on the purpose for which the financial instruments were acquired and their characteristics. Except in very limited circumstances, the classification is not changed subsequent to initial recognition.

Financial Assets

The Partnership classifies its financial assets into one of the following categories depending on the purpose for which the asset was acquired:

- i) Fair value through profit or loss ("FVTPL");
- ii) Amortized cost; and
- iii) Fair value through other comprehensive income.

The Partnership does not have any financial assets that it classifies as fair value through profit or loss or fair value through other comprehensive income.

Amortized Cost

These assets incorporate other types of financial assets where the objective is to hold these assets in order to collect contractual cash flows and the contractual cash flows are solely payments of principal and interest. They are initially recognized at fair value plus transaction costs that are directly attributable to their acquisition or issue, and are subsequently carried at amortized cost using the effective interest rate method, less provision for impairment.

The Partnership's financial assets measured at amortized cost is comprised of cash.

Financial Liabilities

Financial liabilities are classified into one of two categories:

- i) Fair value through profit or loss; and
- ii) Other financial liabilities.

The Partnership units have been classified as fair value through profit or loss.

The Partnership classifies its accounts payable and accrued liabilities and due to related party as other financial liabilities and are carried at amortized cost.

Determination of Fair Value

The fair value of a financial instrument on initial recognition is the transaction price, which is the fair value of the consideration given or received. Subsequent to initial recognition, fair value is determined by management using available market information or other valuation methodologies.

Newlook Capital Industrial Services LP II

Notes to Financial Statements

August 31, 2018

2. Significant Accounting Policies (Continued)

Income Taxes

The income (loss) of the Partnership is subject to income taxes at the individual partner's level.

Income tax expense is comprised of current and deferred taxes. Current taxes and deferred taxes are recognized in net income except to the extent that it relates to a business combination, or items recognized directly in equity or in comprehensive income.

Current income taxes are recognized for the estimated income taxes payable or receivable on taxable income or loss for the current year and any adjustment to income taxes payable in respect of previous years. Current income taxes are determined using tax rates and tax laws that have been enacted or substantively enacted by the year end date.

Deferred tax assets and liabilities are recognized where the carrying amount of an asset or liability differs from its tax base, except for taxable temporary differences arising on the initial recognition of goodwill and temporary differences arising on the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction affects neither accounting or taxable profit or loss.

Recognition of deferred tax assets for unused tax losses, tax credits and deductible temporary differences is restricted to those instances where it is probable that future taxable profit will be available against which the deferred tax asset can be utilized. At the end of each reporting period, the Partnership reassesses unrecognized deferred tax assets. The Partnership recognizes a previously unrecognized deferred tax asset to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

The amount of the deferred tax asset or liability is measured at the amount expected to be recovered from or paid to the taxation authorities. This amount is determined using tax rates and tax laws that have been enacted or substantively enacted by the year-end date and are expected to apply when the liabilities/(assets) are settled/(recovered).

Partners' Units

Partners' units represents the amount of interests that have been issued. Costs incurred in connection with the issue of units of the Partnership ("LP Units") are reflected as a reduction of Partners' Units. Distributions payable to Partners are payable when the distributions have been approved by the General Partner prior to the reporting date.

The Partnership has Series A, E, F, Special Limited Partner, Initial Partner and General Partner units issued and outstanding. Each Series of unit has certain non-identical features, including each class has a differing distribution of funds from the Partnership. Additionally, the Limited Partnership will have a limited life of five years from the initial Closing Date, which the date may be extended for up to two additional 18-month periods whereby at the termination date of the Partnership, the Partnership's then net assets will be distributed to the Limited Partners in accordance with their respective interest and distribution rights (Note 5). As a result, of the obligation of the Partnership to distribute the net assets of the Partnership within a pre-defined period and the differing features of each series of units, the units meet the definition of a financial liability under IAS 32 Financial Instruments: Presentation. Accordingly, the Partnership's units are classified as fair value through profit or loss.

Related Parties

For the purpose of these financial statements, a party is considered related to the Partnership if such a party or the Partnership has the ability to, directly or indirectly, control or exercise significant influence over the other entity's financial and operational decisions, or if the Partnership and such party are subject to common significant influence. Related parties may be individuals or other entities.

Newlook Capital Industrial Services LP II

Notes to Financial Statements

August 31, 2018

2. Significant Accounting Policies (Continued)

Impairment of Non-financial Assets

The carrying amounts of the Partnership's non-financial assets, other than deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

The recoverable amount of an asset is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. An impairment loss is recognized if the carrying amount of an asset exceeds its estimated recoverable amount. The Partnership has no impairment loss from non-financial assets.

Impairment of Financial Assets

At each reporting date, the Partnership assesses whether there is objective evidence that financial assets not carried at fair value through profit or loss are impaired. A financial asset or a group of financial assets is impaired when objective evidence demonstrates that a loss event has occurred after the initial recognition of the asset, and that the loss event has impact on the future cash flows of the asset that can be estimated reliably.

Objective evidence that financial assets are impaired can include significant financial difficulty of the borrower or issuer, default or delinquency by a borrower, restructuring of a loan or receivable by the Partnership on terms that the Partnership would not otherwise consider, indications that a borrower or issuer will enter bankruptcy, or other observable data relating to a group of assets such as adverse changes in the payment status of borrowers or issuers in the group, or economic conditions that correlate with defaults in the group.

The Partnership considers evidence of impairment for loans and receivables at both a specific asset and collective level. The Partnership has no impairment loss from financial assets.

New Standards, Interpretations and Amendments not yet Adopted

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

IFRS 16 Leases supersedes IAS 17 Leases, IFRIC 4 Determining whether an Arrangement contains a Lease, SIC-15 Operating Leases - Incentives and SIC-27 Evaluating the Substance of Transactions Involving the Legal Form of a Lease. It eliminates the distinction between operating and finance leases from the perspective of the lessee. All contracts that meet the definition of a lease will be recorded in the Statement of Financial Position with a "right of use" asset and a corresponding liability. The asset is subsequently accounted for as property, plant and equipment or investment property and the liability is unwound using the interest rate inherent in the lease. The accounting requirements from the perspective of the lessor remains largely in line with previous IAS 17 requirements. The effective date for IFRS 16 is January 1, 2019. The Partnership is in the process of evaluating the impact of IFRS 16 on its financial statements.

Newlook Capital Industrial Services LP II

Notes to Financial Statements

August 31, 2018

3. Capital Management

The Partnership defines its capital as the aggregate of its Partners' Units. The Partnership's objective in managing its capital is to use the proceeds from the LP Units to acquire controlling interests or make strategic debt investments in industrial and commercial service companies located in Canada and the United States, and to ensure sufficient liquidity to pursue its strategy of growth combined with strategic acquisitions, and to provide returns to Limited Partners.

The Partnership will manage its capital structure and make changes to it in light of changes to economic conditions and the risk characteristics of the nature of the business. In order to maintain or adjust the capital structure, the Partnership may seek debt financing and adjust its capital spending to manage its current and projected capital structure.

The Partnership does not have any specific capital requirements on the subscription and redemption of units, other than certain minimum subscription requirements.

4. Related Party Transactions and Balances

The amount due to related parties are as follows:

Due to Newlook Capital Inc.	\$	245,400
Due to Newlook Capital Industrial Services Fund II		<u>14,239</u>
	\$	<u>259,639</u>

The amounts are due on demand with no specific terms of repayment.

During the period, the Partnership had the following related party transactions (as outlined in Note 6) with Newlook Capital Inc.:

Management fees	\$	6,471
Capital advisory fees		69,700
Consulting fees		25,048

5. Partners' Units

The Partnership is authorized to issue an unlimited number of LP Units, divided into one or more classes of LP Units (each a "Class") and each Class shall be divided into one or more series (each a "Series"), each representing a share of the aggregate interests in the assets of the Partnership attributable to that Class or Series. Each Limited Partner shall be entitled to one vote for each LP Unit held by such Limited Partner in respect of all matters to be voted upon by the Limited Partners.

The Partnership intends to offer Series A1 LP Units, Series A2 LP Units, Series A3 LP Units, Series A4 LP Units, Series E LP Units, Series F LP Units, Series M LP Units, Series N LP Units and other series of LP units to be determined by the General Partner from time to time.

Newlook Capital Industrial Services LP II

Notes to Financial Statements

August 31, 2018

5. Partners' Units (Continued)

As of August 31, 2018, the Partnership units and issuances are as follows:

	Initial Partner		General Partner	
	#	\$	#	\$
Balance , beginning of period	-	-	-	-
Issued	1	100	1	100
Balance , end of period	1	100	1	100

	Series A1		Series E	
	#	\$	#	\$
Balance , beginning of period	-	-	-	-
Issued	17,666	1,616,000	1,000	94,000
Balance , end of period	17,666	1,616,000	1,000	94,000

	Series F		Special Limited Partner	
	#	\$	#	\$
Balance , beginning of period	-	-	-	-
Issued	5,000	500,000	1	10,000
Balance , end of period	5,000	500,000	1	10,000

Subsequent to the period end, the Partnership issued 14,555 Series A1 units for cash consideration of \$1,336,133 and issued 5,980 Series F units for \$598,000.

Net income or loss of the Partnership will be calculated annually as at the end of the fiscal year of the Partnership. Net income or loss of the Partnership for each fiscal year shall be allocated among the Partners by the General Partner in a manner consistent with the distribution provisions of the Limited Partnership Agreement.

The Partnership will seek to make distributions on a regular basis, with the amount of any such distributions determined by the General Partner in its sole discretion. Distributions, if any, will generally be made on a quarterly basis; however, the General Partner reserves the right to make more frequent distributions in its sole discretion. Distributions shall be made only to Partners who were the holders of record of interests in the Partnership on the distribution date. Distributions will be paid on or before the 30th day following the distribution date.

Newlook Capital Industrial Services LP II

Notes to Financial Statements

August 31, 2018

5. Partners' Units (Continued)

When determining amounts available for distribution, the General Partner will:

- (i) first, ascertain the sum of all cash amounts received by the Partnership since the previous distribution was declared by the Partnership (such aggregate amount being the "Gross Proceeds");
- (ii) second, subtract from the Gross Proceeds (A) amounts necessary for the payment of all outstanding common expenses for which reserves have not previously been made, (B) amounts reasonably reserved for future common expenses, and (C) amounts reasonably reserved having regard to current and anticipated commitments of the Partnership (the Gross Proceeds less the aggregate amounts in (A), (B) and (C) being the "Net Proceeds");
- (iii) third, divide the Net Proceeds among the various Series of LP Units and the General Partner and the Special Limited Partner based on the aggregate net proceeds on issue made by each such Series, the General Partner and the Special Limited Partner, respectively to the Partnership, with the Net Proceeds allocated to each Series, being the "Series Proceeds"; and
- (iv) fourth, subtract from the Series Proceeds of each Series (A) amounts necessary for the payment of all outstanding Series expenses with respect to the applicable Series for which reserves have not previously been made, and (B) amounts reasonably reserved for future Series expenses of the Series (the Series Proceeds less the aggregate amounts in (A) and (B) being the "Net Series Proceeds").

Once the Net Series Proceeds of a particular Series has been determined, then the General Partner will, to the extent possible based on the amount of such Net Series Proceeds, pay to the holder of each LP Unit of such Series an amount equal to the outstanding and accrued Preferred Return (being \$8 per annum) with respect to such LP Unit (or, to the extent such Net Series Proceeds are not sufficient to pay the outstanding and accrued Preferred Returns of all LP Units of such Series, an amount equal to such LP Unit's *pro rata* amount of the Net Series Proceeds based on the outstanding and accrued Preferred Return owed to such LP Unit relative to the aggregate outstanding and accrued Preferred Returns owed to all LP Units of such Series, with the Net Series Proceeds less such aggregate amounts paid with respect to such Series, being the "Distributable Proceeds").

The Distributable Proceeds with respect to a particular Series will then be apportioned equally among the LP Units of such Series. Following such apportionment, the Distributable Proceeds, in the sole discretion of the General Partner, will be either (i) reinvested in the Partnership or, (ii) distributed in the following amounts and order of priority:

- (i) first, 100% to the holder of the LP Unit until the holder has received aggregate distributions in an amount equal to \$100 with respect to such LP Unit (excluding any Preferred Return distributions received by such holder with respect to such LP Unit but including any other previous distributions received by the holder with respect to such LP Unit), such amounts being the "Return of Capital";
- (ii) second, 100% to the Special Limited Partner until the Special Limited Partner has received aggregate distributions under this paragraph (ii) equal to the SLP Percentage (see table below) of the total distributions made pursuant to paragraph (i) above and this paragraph (ii); and

Newlook Capital Industrial Services LP II

Notes to Financial Statements

August 31, 2018

5. Partners' Units (Continued)

- (iii) thereafter, the SLP Percentage to the Special Limited Partner and the LP Percentage (see table below) to the holder of the LP Unit, with amounts distributed to the Special Limited Partner pursuant to (ii) and (iii) being the "Carried Interest".

The SLP percentage is as follows:

Series	SLP Percentage	LP Percentage
A1	25%	75%
A2	30%	70%
A3	35%	65%
A4	40%	60%
E/F/M/N	20%	80%

The Special Limited Partner, in its capacity as a Limited Partner of the Partnership, shall hold a Limited Partner Interest in the Partnership and shall have the right to receive distributions in respect of that Interest as outlined above and expressly provided for in the Limited Partnership Agreement.

A Limited Partner may not assign or otherwise transfer its Interest in whole or in part to any Person without the prior written consent of the General Partner, which consent the General Partner may unreasonably withhold.

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, provided that in the event that a Limited Partner that is a mutual fund trust for the purposes of the Income Tax Act (Canada) makes a demand for redemption of any LP Units held by it, then the General Partner shall approve such redemption of LP Units, and shall redeem such LP Units in accordance with the provisions set forth in the Limited Partnership Agreement.

To request the redemption of a LP Unit, a Limited Partner must send a duly completed and properly executed notice, in a form approved by the General Partner, requesting the General Partner to redeem the LP Unit. Any expense associated with the preparation and delivery of redemption notices is for the account of the Limited Partner requesting the redemption.

If a redemption request is accepted by the General Partner then the Redemption Price with respect to a LP Unit being redeemed, means the lesser of: (A) \$100 multiplied by the redemption price percentage set out in the table below, minus any amount distributed in respect of such LP Unit in respect of a Return of Capital; and (B) the Appraised Value of such LP Unit, being the fair market value of such LP Unit determined in accordance with the provision of the Limited Partnership Agreement.

Newlook Capital Industrial Services LP II

Notes to Financial Statements

August 31, 2018

5. Partners' Units (Continued)

Redemption price percentage:

Period of Time between the Issuance Date of the LP Unit being Redeemed and the Date the Notice of Redemption is Provided	Series A1/A2/A3/A4	Series E	Series F/M/N
< 1 year	89%	92%	95%
1 year to < 2 years	91%	94%	97%
2 years to < 3 years	93%	96%	99%
3 years to < 4 years	95%	98%	100%
4 years to < 5 years	97%	100%	100%
5 years and greater	100%	100%	100%

The redemption request will be satisfied by way of a cash payment on the last day of the calendar quarter in which the redemption is accepted, provided that the entitlement of a Limited Partner to receive cash upon the redemption of a LP Unit shall be limited where:

- (i) the total amount payable by the Partnership in respect of such LP Unit and all other LP Units tendered for redemption in the same calendar quarter exceeds \$50,000 (the "Quarterly Limit"); provided that the General Partner may, in its sole discretion, waive such limitation in respect of all LP Units tendered for redemption in any calendar quarter;
- (ii) in the General Partner's opinion (in its sole discretion), the Partnership is or, after the redemption, would be unable to pay its other liabilities as they become due; or
- (iii) in the General Partner's opinion (in its sole discretion), the General Partner has insufficient liquid assets to fund such redemptions or that the liquidation of assets at such time would be to the detriment of the remaining Limited Partners or the Partnership, generally.

LP Units tendered for redemption in any calendar quarter in which the total amount payable by the Partnership exceeds the Quarterly Limit are to be redeemed for a combination of cash and a distribution of Redemption Notes on a *pro rata* basis, subject to any applicable regulatory approvals.

Redemption Notes are debt securities of the Partnership that may be created and issued from time to time, that are subordinated and unsecured, have a maturity of 5 years or less, may be prepaid at any time at the option of the issuer prior to maturity, without notice, bonus or penalty and pay an annual rate of interest equal to 2.01% plus the yield to maturity on five (5) year marketable bonds issued by the Government of Canada in Canadian Dollars, based on the mid-market closing yields of such bonds as published by the Bank of Canada on the business day preceding the day on which the notice of redemption of a LP Unit is given. Interest is payable quarterly in arrears.

The General Partner shall dissolve the Partnership and distribute the assets of the Partnership pursuant to the Limited Partnership Agreement to the Limited Partners of the Partnership by the fifth (5th) anniversary of the initial Closing Date, which date may be extended, in the sole discretion of the General Partner, for up to two additional 18-month periods.

Newlook Capital Industrial Services LP II

Notes to Financial Statements

August 31, 2018

6. Offering

Newlook Capital Industrial Services Fund II (the "Fund") has prepared an offering memorandum for the offering of units of the Fund ("Fund Units") (the "Offering") with up to an aggregate maximum gross proceeds of \$100,000,000 and no minimum gross proceeds. The price per Fund Unit shall be \$100, with a minimum subscription of 100 units for Series A1, A2, A3 and A4; the minimum investment for Series E, F, M and N is 1,000 units.

The net proceeds of the Offering will be used to purchase Corresponding LP units of the Partnership. The Offering may be closed in stages until the maximum offering is subscribed for or is otherwise terminated.

The Partnership will seek to invest in Portfolio Companies that have: (i) a component of their revenue arising from recurring service provision, such as assuring code compliance; (ii) a sustainable competitive position; (iii) a history of generating positive cash flow; and (iv) where the Partnership sees an opportunity to enhance value by driving operational improvements.

The Partnership is expected to hold and have responsibility for all of the assets of the business. The Partnership may acquire and hold shares, debt or other securities of Portfolio Companies from time to time, and may issue securities to additional investors. The ability of the Partnership to make distributions to the Fund will be completely dependent upon the Partnership receiving payments from Portfolio Companies pursuant to the securities of Portfolio Companies acquired by the Partnership. If the Partnership does not receive payment from the Portfolio Companies pursuant to the securities of the Portfolio Companies held by it, the Partnership will not have sufficient cash flow to make cash distributions to Limited Partners, including the Fund.

Newlook Capital has engaged experienced professionals to assist with the structuring and execution of the Offering. Newlook Capital shall pay to such individuals a base fee of up to \$13,000 per month (plus reasonable discretionary bonuses) until approximately December 31, 2019, which shall be reimbursed by the Partnership based on the proportion of time spent by such individuals on the Offering relative to other offerings by entities managed by or affiliated with Newlook Capital. In addition, the Partnership shall pay to such individuals a fee equal to 0.75% of the gross proceeds from the sale of Fund Units until approximately December 31, 2019.

The Partnership will pay Newlook Capital a monthly fee equal to an annual rate of 2% of the gross purchase price by investors to the Fund and the Partnership for each of the Series A1, Series A2, Series A3, Series A4, Series E and Series F units of each of the Fund and the Partnership, as at the last date of the preceding month, calculated and payable, in advance, at the beginning of each month.

For services related to the research, identification, due diligence, financing and acquisition of a Portfolio Company, Newlook Capital will receive a fee upon the acquisition of a Portfolio Company equal to 1% of the total purchase price of such Portfolio Company, plus additional capital committed to such Portfolio Company, not including transaction costs.

Other Expenses

The Partnership will pay for all ongoing expenses associated with the operation of the Partnership, including all general and administrative expenses, marketing and operating expenses, insurance costs, office space and staffing costs, expenses related to the acquisition and disposition of portfolio companies, legal, banking, audit and accounting fees, investor reporting costs, printing and mailing costs and costs incurred in connection with any governmental or regulatory filing requirements.

Newlook Capital Industrial Services LP II

Notes to Financial Statements

August 31, 2018

6. Offering (Continued)

Other Expenses (continued)

Newlook Capital provides to the Partnership office space, furniture, day-to-day office supplies and services, internal accounting staff, payroll, information technology, the maintenance of books and records and assistance with all continuous disclosure obligations imposed on the Partnership by applicable laws, the costs of providing such services are reimbursed by the Partnership to Newlook Capital on a cost recovery basis, provided that the costs of the above services reimbursed by the Partnership shall not exceed \$250,000 per annum.

ITEM 13 - CERTIFICATE

Dated: October 12, 2018

This Offering Memorandum does not contain a misrepresentation.

Newlook Capital Industrial Services Fund II by its Administrator, Newlook Capital Services II Inc.

(signed) "Elroy Gust"

Elroy Gust
President

(signed) "Anthony Diab"

Anthony Diab
Chief Financial Officer

On behalf of the Administrator, Newlook Capital Services II Inc.

(signed) "Elroy Gust"

Elroy Gust
President

(signed) "Anthony Diab"

Anthony Diab
Chief Financial Officer

On behalf of the Board of Directors of Newlook Capital Services II Inc.

(signed) "Elroy Gust"

Elroy Gust
Director

(signed) "Anthony Diab"

Anthony Diab
Director

(signed) "Abbas Osman"

Abbas Osman
Director

(signed) "Gavin Treanor"

Gavin Treanor
Director

On behalf of the Promoter, Newlook Capital Inc.

(signed) "Elroy Gust"

Elroy Gust
President and Chief Executive Officer