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

PICTON MAHONEY
Asset Management

Picton Mahoney Income Opportunities Fund

AMENDED AND RESTATED OFFERING MEMORANDUM

Date:	June 7, 2018	
The Issuer		
Name:	**PICTON MAHONEY INCOME OPPORTUNITIES FUND**	
Head Office:	Address:	33 Yonge Street, Suite 830 Toronto, Ontario M5E 1G4
	Phone Number:	(416) 955-4108
	E-mail Address:	service@pictonmahoney.com
	Fax Number:	(416) 955-4100
Currently Listed or Quoted?	No. **These securities do not trade on any exchange or market.**	
Reporting Issuer?	No.	
SEDAR Filer?	Yes.	

The Offering

Securities Offered:	Class A, Class F, Class UA and Class UF units (the "Units") of Picton Mahoney Income Opportunities Fund (the "Fund").
Price per Security:	Class Net Asset Value per Unit as at the first Valuation Date following the date on which a subscription is received (the "Subscription Price").
Minimum Offering:	**There is no minimum. You may be the only purchaser.**
Maximum Offering:	There is no maximum to the number of Units offered. **Funds available under the offering may not be sufficient to accomplish our proposed objectives.**
Minimum Subscription Amount:	$25,000 for Class A and Class F Units; USD$25,000 for Class UA and Class UF Units.
Payment Terms:	Certified cheque or wire transfer together with sales commission (if any) payable to your Dealer, in the amount of the Subscription Price.
Proposed Closing Date(s):	Units will be offered on a continuous basis from the date of this Offering Memorandum, unless extended by the Manager, with closings to occur on the last business day of each week.
Income Tax Consequences:	There are important tax consequences to these securities. See Item 6.
Selling Agent(s):	None.

Resale Restrictions

You will be restricted from selling your securities for an indefinite period. See Item 10. You may redeem your securities in certain circumstances. See Item 5.3.

Purchasers' Rights

You have two (2) 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.

ITEM 1. USE OF AVAILABLE FUNDS

1.1 Net Proceeds

It is not possible to determine accurately what the net proceeds of the Offering will be as this is a continuous offering and the Subscription Price will vary depending on what the Class Net Asset Value is at the time each Unit is purchased. The Fund sells Units on a continuous basis, with closings to occur on the last business day of each week.

1.2 Use of Available Funds

The Fund intends to use the net proceeds from the sale of the Units to purchase its respective portfolio of securities in accordance with such Fund's stated objective. See Item 2.4 for a detailed description of the Fund's stated objective.

1.3 Reallocation

The Fund intends to spend the net proceeds as stated. The Fund does not intend to reallocate funds.

ITEM 2. BUSINESS OF THE FUND

2.1 Structure

The one (1) fund offered herein is:

Picton Mahoney Income Opportunities Fund

The Fund is an open-ended trust established under the laws of the Province of Ontario by an amended and restated master declaration of trust dated as of March 31, 2017, as further amended, restated or supplemented from time to time (the "Trust Declaration"). Picton Mahoney Asset Management acts as the trustee and the manager (the "Trustee", the "Manager" or "Picton Mahoney") of the Fund pursuant to the Trust Declaration. The office of the Fund and of the Manager is located at 33 Yonge Street, Suite 830, Toronto, Ontario, M5E 1G4. The Fund is permitted to issue trust units ("Units") in an unlimited number of classes pursuant to the Trust Declaration. The description of provisions of the Trust Declaration contained herein is subject to and qualified in its entirety by the Trust Declaration.

2.2 Our Business

The Fund is an investment fund that invests in assets in accordance with the investment objectives, strategies and restrictions described herein.

2.3 Development of Business

The Fund was established and commenced business on December 31, 2009. The Fund has expanded its business through the sale of Units. As of March 31, 2018, there were approximately 11,385,791.611 Class A Units, 38,466,108.491 Class F Units, 134,820.668Class UA Units, 1,024,635.072 Class UF Units and 451,522.660 Class I Units outstanding.

2.4 Investment Approach, Objective and Investment Strategies

Investment Approach

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

Investment Objective

The investment objective of the Fund is to maximize total return, consisting of interest and dividend income and capital appreciation and to provide holders of Units ("Unitholders") with monthly distributions targeted at 5% for 2018. See "Monthly Distribution".

Monthly Distribution

In accordance with the Fund's investment objective to provide Unitholders with monthly distributions, the Fund intends to make monthly distributions to Unitholders of record on the last business day prior to the last Valuation Date (as defined herein) of each month (the "Monthly Distribution"). Monthly Distributions will be paid on a business day designated by the Manager that will be no later than the 15th day of the following month. The Fund does not have a fixed Monthly Distribution but will determine and announce each January an expected distribution amount for the following 12 months. The Monthly Distribution for 2018 is targeted to be $0.0407 per Class A Unit, $0.0443 per Class F Unit, USD$0.0423 per Class UA Unit and USD$0.0436 per Class UF Unit.

Subject to applicable securities legislation, Monthly Distributions will be automatically reinvested in additional Units or fractional Units at the Class Net Asset Value per Unit. Potential investors should keep this policy in mind when determining whether or not an investment in the Fund is suitable for their particular circumstances. The Manager reserves the right to change such policy, and may elect to have distributions paid in cash.

It is expected that distributions to Unitholders will be characterized as capital gains, dividends and other income. If the return on the Fund (including net realized capital gains from the sale of securities) is less than the amount necessary to fund the Monthly Distributions, the Manager will return a portion of the capital of the Fund to Unitholders to ensure the distribution is paid and, accordingly, Net Asset Value per Unit will be reduced. A Unitholder may elect to have Monthly Distributions received from the Fund paid in cash by notifying the Manager.

If the Fund's net income for tax purposes, including net realized capital gains, for any year exceeds the aggregate amount of the regular Monthly Distributions made in the year to Unitholders, the Fund will also be required to pay one or more special distributions in such year to Unitholders as is necessary to ensure that the Fund will not be liable for income tax on such amounts under Part I of the *Income Tax Act* (the "Tax Act") (after taking into account all available deductions, credits and refunds) (See Item 6, "Income Tax Consequences and Eligibility for Investment").

There can be no assurance given as to the amount of targeted Monthly Distributions in the future.

Investment Strategies

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

Investing Long in Securities

Making long investments in securities of issuers identified as attractive investment candidates by the Manager's investment process. Eligible securities to include but not be limited to government bonds, investment grade corporate bonds, credit-linked notes, high-yield bonds, asset-backed securities, collateralized debt and loan obligations, government agency securities, bonds, convertible bonds, convertible debentures, preferred shares, bank loans, real estate investment trusts, master limited partnerships, equities, income trusts, Canadian royalty trusts, closed-end funds and exchange-traded funds.

Short Selling Securities

Short selling of securities of issuers identified as unattractive investments by the Manager's investment process and/or to hedge the market exposure of the Fund's long positions. Eligible securities to include but not be limited to government bonds, investment grade corporate bonds, credit-linked notes, high-yield bonds, asset-backed securities, collateralized debt and loan obligations, government agency securities, bonds, convertible bonds, convertible debentures, preferred shares, bank loans, real estate investment trusts, master limited partnerships, equities, income trusts, Canadian royalty trusts and exchange-traded funds.

Capital Structure Arbitrage

A capital structure arbitrage trade combines a long position in an issuer's senior debt with a short position in its junior debt or common equity using a hedge ratio.

Convertible Arbitrage

A convertible arbitrage trade combines a long position in an issuer's convertible securities (convertible bonds, warrants, convertible preferred shares) with a short position in its common equity.

Yield and Credit Curve Arbitrage

Yield and credit curve trades combine a long position in an issuer's bond at one maturity with a short position in the bonds of the same issuer at a different maturity.

Fixed Income Arbitrage

Taking offsetting long and short positions in government bonds and investment grade corporate bonds, government agency securities, swap contracts, and futures and options on fixed income instruments that are mathematically, fundamentally, or historically interrelated.

Pairs Trading

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

Distressed Investments

Taking long positions in securities (typically bonds and bank debt) that are in turnaround situations, default, under bankruptcy protection, or in distress and heading towards bankruptcy.

Special Situations

Taking long and short positions in securities impacted by event driven situations such as mergers, divestitures, restructurings or other issuer events.

Private Placements and IPOs

Participating in initial public offerings, secondary offerings, and private financings (including special warrant financings) in existing publicly traded and private issuers.

Private Company Investments

Taking long and short positions in private company debt offerings.

Derivatives

The Fund may use derivatives to reduce or hedge against various risks including currency exchange risk associated with its foreign investments, and to obtain investment exposures on positions consistent with its investment objective, strategies and risk management. The derivatives that the Fund may use in this regard are options, swaps, swaptions, CFDs (Contracts for Difference), futures or forwards. The Fund may also employ various option strategies to increase its income return including, but not limited to, covered call and put writing.

The Canadian dollar value of the Fund's net assets attributable to its Class UA Units and Class UF Units will be hedged back to U.S. dollars using derivatives. Hedging will limit the opportunity for gain as a result of an increase in the Canadian dollar relative to the U.S. dollar.

Managing Long and Short Positions

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

Leverage

The Fund is authorized to borrow in order to increase its investment leverage. On average, over time the Fund expects to utilize leverage of two to three times its net assets, up to a maximum of four times its assets, at the time of investment.

Investments in other funds managed by the Manager

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

Risk Management

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

2.5 Investment Restrictions

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

Sole Undertaking

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

Fixed Price

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

Interest of Manager

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

Commodities

The Fund may not purchase any physical commodity.

Control Restrictions

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

Foreign Investment

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

The Fund will not invest in any property to the extent that such investment would result in the Fund being a “SIFT trust” as defined in the Tax Act (or amendments to such provisions as enacted into law or successor provisions thereto).

2.6 Material Agreements

The following is a description of all current and proposed material agreements relevant to the management, organization and administration of the Fund.

Trust Declaration

The Fund was created pursuant to the Trust Declaration entered into by Picton Mahoney as the Manager and Trustee to facilitate the administration of the Fund. The Trust Declaration is the Fund’s constating document and describes the terms and conditions respecting the issuance and redemption of Units, investment and valuation of the Fund’s assets, determination and distribution of gains, management and administration of the Fund, duties of the Manager and Trustee, meetings of Unitholders and how the Trust Declaration can be terminated or amended. The following is a summary of the material provisions of the Trust Declaration, which does not purport to be complete. Please refer to the Trust Declaration for full particulars of these provisions. You may view a copy of the Trust Declaration by contacting the Manager at 33 Yonge Street, Suite 830, Toronto, Ontario, Canada M5E 1G4.

The Manager

Picton Mahoney is the Manager of the Fund and is responsible for the day-to-day business of the Fund, including the management of the Fund’s investment portfolio. The Manager was formed as a general partnership under the laws of Ontario in 2004, to provide investment management services to the Canadian marketplace. The Manager is registered with the applicable securities regulatory authorities as an Investment Fund Manager, Exempt Market Dealer, Portfolio Manager and Commodity Trading Manager. The Manager carries out its advisory activities from 33 Yonge Street, Suite 830, Toronto, Ontario, Canada M5E 1G4.

Pursuant to the Trust Declaration, the Manager has authority to manage the business and affairs of the Fund and has authority to bind the Fund. The Manager will be responsible for managing the assets of the Fund, will have complete discretion to invest and reinvest the Fund’s assets, and will be responsible for executing all portfolio transactions. The Manager may delegate its powers, including its investment advisory role, to third parties where, in the discretion of the Manager, it would be in the best interests of the Fund to do so. The Manager is required to exercise its powers and discharge its duties honestly, in good faith, and in the best interests of the Fund and to exercise the care, diligence and skill of a reasonable prudent person in comparable circumstances. Among its other powers, the Manager may establish the Fund's operating expense budgets and authorize the payment of operating expenses. For a discussion of the fees payable to the Manager, see Item 2.7 "Fees and Expenses".

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

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

The Trustee

Picton Mahoney acts as the Trustee of the Fund pursuant to the Trust Declaration. The Trustee has those powers and responsibilities in respect of the Fund as described in the Trust Declaration. The Trustee is required to exercise its powers and discharge its duties honestly, in good faith and in the best interests of the Fund and to exercise the degree of care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances.

Pursuant to the Trust Declaration, the Manager may remove the Trustee and appoint a successor trustee from time to time on 90 days' written notice or in certain other circumstances. The Trustee or any successor appointed pursuant to the terms of the Trust Declaration may resign upon 90 days' written notice to the Manager, who shall use its best efforts to appoint a successor trustee. If no successor Trustee is appointed, the Fund shall be terminated.

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

Meetings of Unitholders

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

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

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

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

Amendment of the Trust Declaration

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

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

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

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

Conflicts of Interest

Services of the Manager not Exclusive to the Fund

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

Allocation of Investment Opportunities

Investment decisions for the Fund will be made independently of those made for other clients and independently of investments of the Manager. On occasion, however, the Manager may make the same investment for the Fund and for one or more of its other clients (including any Underlying Funds). If the Fund and one or more of the other clients of the Manager are engaged in the purchase or sale of the same security, the transactions will generally be effected on an equitable basis. However, the Manager may determine from time to time that some investment opportunities are appropriate for certain investment management clients and not others, including the Fund, due to differing objectives, time horizons, liquidity needs or availability, tax consequences and assessments of general market conditions and of individual securities. The Manager may also occasionally determine it to be necessary to allocate limited investment opportunities among the Fund and any other funds or managed accounts under its responsibility (including any Underlying Funds), on a basis deemed appropriate by the Manager. Certain funds or managed accounts may, therefore, show a gain or a loss that would otherwise not be present within other funds or accounts managed by the Manager.

Conflicts of Interest Policy

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

The Manager has adopted a conflict of interest policy to address and minimize those potential conflicts of interest. The policy states that the Manager will deal fairly, honestly and in good faith with all clients (including the Fund and the Underlying Funds) and not advantage one client over another. The securities laws of the Province of Ontario require securities dealers and advisers, when they trade in or advise with respect to their own securities or securities of certain other issuers to which they, or certain other parties related to them, are related or connected, to do so only in accordance with particular disclosure and other rules. These rules require dealers and advisers, prior to trading with or advising their customers or clients, to inform them of the relevant relationships and connections with the issuer of the securities. Clients and customers should refer to the applicable provisions of these securities laws for the particulars of these rules and their rights or consult with a legal adviser. The Fund is a related issuer and a connected issuer of the Manager within the meaning of applicable Canadian securities legislation.

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

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

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

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

Liability of Unitholders

To the full extent permitted by applicable law, no Unitholder will have any personal liability and no access will be had to the private property of any Unitholder for satisfaction of any obligation or claim arising out of any contract or obligation of the Fund or the Trustee or the Manager (See Item 8 "Certain Risk Factors – Liability of Unitholders"). The Trust Declaration provides that the Fund will indemnify, out of the property of the Fund, each Unitholder in the event any Unitholder is held personally liable.

2.7 Fees and Expenses

Expenses

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

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

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

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

Management Fee

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

The Class A Units and Class UA Units are charged a Management Fee equal to 0.50% per quarter (2% per annum) of the Net Asset Value of the Class A Units or the Class UA Units, as the case may be, plus applicable taxes, calculated and accrued on each Valuation Date, and payable on the last Valuation Date of each quarter.

The Class F Units and Class UF Units are charged a Management Fee equal to 0.25% per quarter (1% per annum) of the Net Asset Value of the Class F Units or the Class UF Units, as the case may be, plus applicable taxes, calculated and accrued on each Valuation Date, and payable on the last Valuation Date of each quarter.

The Management Fee payable in respect of the Class UA Units or the Class UF Units is payable in Canadian dollars and is equal to the applicable percentage indicated above of the Canadian dollar equivalent of the Net Asset Value of the applicable Class of Units on the applicable Valuation Date.

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

Performance Fee

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

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

The Accrued Hurdle Amount per Unit on any Valuation Date is the accumulated Hurdle Amount per Unit since the last high water mark that occurred in the current financial year of the Fund. The Hurdle Amount per Unit is calculated and accrued on each Valuation Date and shall be equal to the product of (a) the Hurdle Rate equal to 5% per annum (prorated for the number of days in the year since the last Valuation Date); and (b) the Adjusted Class Net Asset Value per Unit on the applicable Valuation Date.

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

The Performance Fee payable in respect of the Class UA Units or the Class UF Units is calculated as indicated above using the U.S. dollar value of the Net Asset Value of the applicable Class of Units on the applicable Valuation Date, such U.S. dollar value to be determined using an exchange rate on the applicable Valuation Date.

To the extent permitted by applicable securities legislation, the Manager will pay an amount equal to a portion of the Performance Fee, if any, to certain Dealers.

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

Fee Rebates

To encourage large investments in the Fund and to be able to offer fees which are competitive for investments of that size, and in certain other circumstances, the Manager may from time to time reduce the Management Fee and/or the Performance Fee that it otherwise would be entitled to receive with respect to such an investor's investment in the Fund provided that the amount of the fee reduction is distributed (a "Fee Distribution") to such Unitholder. Fee Distributions, where applicable, will be computed on each Valuation Date and shall be payable quarterly, or at such other times as the Manager may determine, first out of net income and the net capital gains of the Fund and thereafter out of capital. Any such reduction in Management Fees and/or Performance Fees in respect of a large investment in the Fund will be negotiated by the Manager and the investor or the investor's Dealer and will be based primarily on the size of the investor's investment in the Fund and the total amount of services provided to the investor with respect to their investment in the Fund. The Manager may also reduce its fees to encourage investors to invest in a new fund. A qualified investor can choose to receive the Fee Distribution in cash or in additional Units. The amount of any Fee Distribution is income to the Unitholder receiving it, to the extent it is paid out of net income or net taxable capital gains of the Fund. See Item 6 "Income Tax Consequences and Eligibility for Investment" and Item 5.5 "Distributions".

The Underlying Fund Fees and Expenses

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

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

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

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

2.8 Custodial Arrangements

The assets of the Fund are held in the custody of the Fund's prime brokers (See Item 14 – Appendix A) in New York and Toronto, respectively. Each of the prime brokers is a "qualified custodian" under National Instrument 31-103 – *Registration Requirements, Exemptions and Ongoing Registration Exemptions.*

The Manager has entered into a prime brokerage agreement with each prime broker which contains provisions governing the relationship between the parties, such as where the assets of the Fund will be held, the manner in which the Fund's assets will be held, the standard of care of each prime broker, the responsibility for loss of the Fund's assets and the appointment of sub-custodians, where applicable.

In selecting the prime brokers of the Fund to act as custodians of the Fund's assets, the Manager considered such factors as: (i) ease of execution and speed of access to the markets on which the assets of the Fund are traded; (ii) the size, financial stability and strength of the prime broker; (iii) the reduction in the risk of loss to the Fund's assets through the selection of more than one prime broker to act as custodian; and (iv) the laws and regulations to which each prime broker is subject in its principal jurisdiction.

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

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

ITEM 3. DIRECTORS, MANAGEMENT, PROMOTERS AND PRINCIPAL HOLDERS

3.1 Compensation and Securities Held

The name, municipality of residence, positions held and securities held of the directors and officers of Picton Mahoney, Manager and Trustee of the Fund are as follows:

Name and Municipality of Principal Residence	Positions Held and the Date of Obtaining that Position	Compensation Paid by the Fund in the Most Recently Completed Financial Year and the Compensation Anticipated to be Paid in the Current Financial Year	Number, Type and Percentage of Securities Held[1]
David Picton Toronto, Ontario	President since September 2004	Nil	6,323.259 Class I Units
Arthur Galloway Toronto, Ontario	Chief Financial Officer since April 2005	Nil	4,134.451 Class A Units 701.237 Class I Units

Name and Municipality of Principal Residence	Positions Held and the Date of Obtaining that Position	Compensation Paid by the Fund in the Most Recently Completed Financial Year and the Compensation Anticipated to be Paid in the Current Financial Year	Number, Type and Percentage of Securities Held[1]
Catrina Duong Toronto, Ontario	Chief Compliance Officer since June 2017	Nil	Nil
Investor A[2]	Principal Holder	Nil	47,755.565 Class UA Units
Investor B[2]	Principal Holder	Nil	34,224.836 Class UA Units
Investor C[2]	Principal Holder	Nil	14,876.601 Class UA Units
Investor D[2]	Principal Holder	Nil	215,442.113 Class UF Units
Investor E[2]	Principal Holder	Nil	121,586.028 Class UF Units
Investor F[2]	Principal Holder	Nil	5,105,029.214 Class F Units
Picton Mahoney Diversified Strategies Fund Toronto, Ontario	Principal Holder	Nil	434,331.348 Class I Units

1 As at March 31, 2018, includes Units both held both directly and indirectly. As the Fund offers Units on a continuous basis, the number and percentage of securities held after completion of maximum offering cannot be determined.

2 To protect the privacy of investors who are not directors or officers of the Manager, we have omitted the name and municipality of principal residence of the principal holder. This information is available on request by contacting the Manager.

3.2 Management Experience

The following table provides information about the principal occupation and past employment history of the directors and executive officers of Picton Mahoney.

Name	Principal occupation and related experience
David Picton Toronto, Ontario	President and Chief Executive Officer of Picton Mahoney. David Picton has over 29 years of investment experience, including eight years as a top-ranked analyst and head of quantitative research at RBC Dominion Securities Inc. David has managed portfolios for Synergy Asset Management Inc. ("Synergy") since 1997, including the Synergy Canadian Class. David is a graduate of the University of British Columbia with a Bachelor of Commerce Honours degree. He also received a Leslie Wong Fellowship from UBC's prestigious Portfolio Management Foundation.
Arthur Galloway Toronto, Ontario	Chief Financial Officer, Chief Operating Officer and Corporate Secretary of Picton Mahoney. Arthur Galloway is responsible for company-wide financial operations, internal financial control and internal and external financial reporting. He is also responsible for the financial oversight and administration of Picton Mahoney's alternative investment funds. Before joining Picton Mahoney, he spent ten years with Investors Financial Services, most recently as a Director, where his clients included numerous global asset management firms. He holds a Bachelor of Business degree in Finance from Brock University and is a CFA charterholder.
Catrina Duong Toronto, Ontario	Chief Compliance Officer of Picton Mahoney. Catrina Duong is responsible for the monitoring and oversight of Picton Mahoney's compliance program. Ms. Duong has over 10 years of experience, most recently as a member of the Legal and Compliance Department at BlackRock Asset Management Canada Limited. She has a Bachelor of Arts (Hons) from the University of Toronto, a law degree from Queen's University and is a member of the Bar of the Province of Ontario.

3.3 Penalties, Sanctions and Bankruptcy

No director, officer or person holding a sufficient number of securities of the Manager to affect materially the control of the Manager has, in the last 10 years:

(a) been subject to any penalties or sanctions imposed by a court or by a regulatory authority;

(b) been a director, senior officer or control person of any issuer that has been subject to any penalties or sanctions imposed by a court or by a regulatory authority while the director, officer or control person was a director, officer or control person of such issuer;

(c) made any declaration of bankruptcy, voluntary assignment in bankruptcy or proposal under bankruptcy or insolvency legislation or been subject to any proceedings, arrangement or compromise with creditors or appointment of a receiver, receiver-manager or trustee to hold assets;

(d) been a director, senior officer or control person of any issuer that has made any declaration of bankruptcy, voluntary assignment in bankruptcy, proposal under bankruptcy or insolvency legislation, or been subject to any proceedings, arrangement or compromise with creditors or appointment of a receiver, receiver-manager or trustee to hold assets while the director, officer or control person was a director, officer or control person of such issuer; or

(e) been subject to any cease trade order that has been in effect for a period of more than 30 consecutive days.

3.4 Interest in Underlying Fund

Each of the above officers, directors and/or substantial securityholders of the Manager may each individually, or together in the aggregate, have a significant interest in an Underlying Fund through investments made in units of such Underlying Fund. In addition, each officer and/or director of the Manager may also be a substantial securityholder of the Manager.

ITEM 4. CAPITAL STRUCTURE

4.1 Authorized and Issued Capital

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

Class A Units and Class UA Units are designed for investors investing $25,000 or USD $25,000, respectively, or more, who are not eligible to purchase Class F Units or Class UF Units. Class UA Units are more suitable for investors who want to invest in the Fund in U.S. dollars and minimize the effect of the fluctuations in the exchange rate between the Canadian dollar and U.S. dollar while achieving similar performance and returns to the Class A Units.

Class F Units and Class UF Units are designed for investors who are enrolled in a dealer-sponsored fee for service or wrap program and who are subject to an annual asset based fee rather than commissions on each transaction or, at the discretion of the Manager, any other investor for whom the Manager does not incur distribution costs, investing $25,000 or USD$25,000, respectively, or more. Class UF Units are more suitable for investors who want to invest in the Fund in U.S. dollars and minimize the effect of the fluctuations in the exchange rate between the Canadian dollar and U.S. dollar while achieving similar performance and returns to the Class F Units.

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

Description of Security	Number authorized to be issued	Number outstanding as at March 31, 2018*
Class A Units	Unlimited	11,385,791.611
Class F Units	Unlimited	38,466,108.491
Class UA Units	Unlimited	134,820.668
Class UF Units	Unlimited	1,024,635.072
Class I Units	Unlimited	451,522.660

* As the Fund offers Units on a continuous basis, the number of Units of each Class after completion of maximum offering cannot be determined.

4.2 Long-term Debt Securities

The Fund has no long-term debt.

4.3 Prior Sales

Type of Security Issued	Date of Issuance	Number of Securities Issued and/or Subscribed For	Average Price per Security	Total Funds Received
Class A Units	April 1, 2017 to March 31, 2018	854,601.076	9.7899	8,366,445.09
Class F Units	April 1, 2017 to March 31, 2018	9,033,471.222	10.6535	96,238,171.78
Class UA Units	April 1, 2017 to March 31, 2018	20,171.774	12.8013	258,225.58
Class UF Units	April 1, 2017 to March 31, 2018	746,249.981	13.5483	10,110,430.44
Class I Units	April 1, 2017 to March 31, 2018	53,011.839	12.5778	666,771.55

ITEM 5. SECURITIES OFFERED

5.1 Terms of Securities

To date, the Fund has Class A Units, Class F Units, Class UA Units, Class UF and Class I Units, which, together with each future Class, are referred to collectively as the “Classes”.

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

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

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

All Units of the same Class are entitled to participate *pro rata*: (i) in any payments or distributions (other than Fee Distributions described in Item 2.6 "Fees and Expenses") made by the Fund to the Unitholders of the same Class; and (ii) upon liquidation of the Fund, in any distributions to Unitholders of the same Class of net assets of the Fund attributable to the Class remaining after satisfaction of outstanding liabilities of such Class. Units are not transferable, except by operation of law (for example, a death or bankruptcy of a Unitholder) or with the consent of the Manager. To dispose of Units, a Unitholder must have them redeemed.

Fractional Units carry the same rights and are subject to the same conditions as whole Units (other than with respect to voting rights) in the proportion which they bear to a whole Unit. Outstanding Units of any Class may be subdivided or consolidated in the Manager's discretion on 21 days' prior written notice. Units of a Class may be re-designated by the Manager as Units of any other Class having an aggregate equivalent Class Net Asset Value (as described in Item 5.4 "Determination of Net Asset Value") if such re-designation is approved by the holder of the Units to be re-designated or with 30 days' prior written notice.

5.2 Subscription Procedure

Purchase of Units

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

"PIC500" for Class A Units
"PIC501" for Class F Units
"PIC507" for Class UA Units
"PIC508" for Class UF Units

Funds in respect of any subscription will be payable by investors at the time of the subscription. Investors who wish to subscribe for Units may do so by delivering a subscription agreement (substantially in the form of the subscription agreement accompanying the Offering Memorandum or such other form of subscription agreement as the Manager may approve) to the Manager, either directly (in jurisdictions where it is registered to sell the securities) or through Dealers or other persons permitted by applicable securities laws to sell Units, accompanied by a cheque, bank draft or, in the discretion of the Manager, wire transferred funds, in an amount equal to the purchase price on or before (i) the last Business Day of the week with respect to a subscription of Class A Units or Class F Units, and (ii) the second last Business Day of the week with respect to a subscription of Class UA Units or Class UF Units. As required by National Instrument 45-106 – *Prospectus Exemptions*, the subscription amount received from investors to whom Units will be issued will be held in trust until at least midnight on the second Business Day after the investors pay such funds to the Fund.

Units will be offered at the Class Net Asset Value per Unit calculated as of the applicable Valuation Date. Units may be purchased in either Canadian dollars or U.S. dollars (the "U.S. dollar purchase option"). Class A Units and Class F Units can be purchased with Canadian dollars only, while Class UA Units and Class UF Units can be purchased with U.S. dollars only. For the purchase of Class UA Units or Class UF Units using the U.S. dollar purchase option, the Fund will convert the Class Net Asset Value of the applicable Class to U.S. dollars using an exchange rate on the trade date of the purchase order to determine the number of Class UA Units and/or Class UF Units purchased.

The U.S. dollar purchase option is offered only as a convenience and allows the investor to invest in the Fund using U.S. dollars. A Unitholder of Class UA Units or Class UF Units will receive U.S. dollars upon redemption of those Units and when receiving cash distributions from the Fund, if any. The purchase of Class UA Units and Class UF Units in U.S. dollars will not affect the investment return of the Fund and in particular, will not protect completely against changes in the exchange rate between the Canadian dollar and the U.S. dollar. The performance of the Fund will be determined by the performance of its investments, regardless of which currency used to purchase Units. However, the returns on the Class UA Units and Class UF Units will differ from the returns on the Fund's other Classes of Units because the entire effect of the currency hedging, as well as the costs associated with employing the hedging strategy, will be reflected only in the Class Net Asset Values of the Class UA Units and Class UF Units.

The Class Net Asset Value per Unit for subscriptions which are received and accepted by the Manager prior to 4:00 p.m. (Eastern time) on the last Business Day of a week with respect to the Class A Units and Class F Units and prior to 4:00 p.m. (Eastern time) on the second last Business Day of a week with respect to the Class UA Units and Class UF Units will be calculated as of the Valuation Date for that week. Subscriptions which are received and accepted by the Manager after 4:00 p.m. (Eastern time) on the last Business Day of a week with respect to the Class A Units and Class F Units and after 4:00 p.m. (Eastern time) on the second last Business Day of a week with respect to the Class UA Units and Class UF Units will be calculated as of the Valuation Date for the following week. See "Determination of Net Asset Value". All subscriptions for Units are to be forwarded by Dealers, without charge, the same day that they are received, to the Manager or purchased using the FundSERV network, as applicable.

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

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

Minimum Investment

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

Distribution of Units

Units are offered under this Offering Memorandum only to investors resident in the Provinces of British Columbia and Newfoundland and Labrador (the "Offering Jurisdictions") pursuant to applicable exemptions from the prospectus requirements of the securities laws in the Offering Jurisdictions.

5.3 Redemption of Units

How to Redeem Units

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

Where the Units which are the subject of the notice of redemption were purchased from a distributor on the FundSERV network, a request for redemption may also be entered on the FundSERV system in the calendar week in which the Redemption Date occurs, and payment of the redemption proceeds will be made using the FundSERV network. Where the Units which are the subject of the notice of redemption were purchased through the Manager, payment of the redemption proceeds will generally be made by cheque, bank draft or wire transfer. Subject to applicable law, redemption proceeds may be made in kind if in the Manager's discretion circumstances do not permit a payment in cash. The Manager shall within three Business Days following the determination of the Class Net Asset Value per Unit for the applicable Redemption Date distribute an amount equal to the Class Net Asset Value per Unit determined as of the relevant Redemption Date. See Item 5.4 "Determination of Net Asset Value". Any payment referred to above, unless such payment is not honoured, will discharge the Fund, the Trustee, the Manager and their agents from all liability to the redeeming Unitholder in respect of the payment and the Units redeemed.

If the Units redeemed are Class UA Units or Class UF Units, the payment of redemption proceeds will be in U.S. dollars.

Suspension of Redemptions

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

Any suspension may apply to all requests for redemption received prior to the suspension but as to which payment has not been made, as well as to all requests received while the suspension is in effect. All Unitholders making redemption requests will (unless the suspension lasts for less than 48 hours) be advised by the Manager of the suspension and that redemption requests previously received will be effected as of the first Valuation Date following the termination of the suspension. All such Unitholders will (unless the suspension lasts for less than 48 hours) be advised that they have the right to withdraw any requests for redemption previously submitted.

The suspension will terminate on the first day on which the condition giving rise to the suspension has ceased to exist, provided that no other condition under which a suspension is authorized to be imposed then exists. To the extent not inconsistent with official rules and regulations promulgated by any government body having jurisdiction over the Fund, any declaration of a suspension of redemptions made by the Manager is conclusive. The Unitholder will receive payment of redemption proceeds based on the Class Net Asset Value per Unit on the Valuation Date that next follows the termination of the suspension.

Short-term Trading Deduction

In order to protect the interest of the majority of investors in the Fund and to discourage short-term trading in the Fund, investors may be subject to a short-term trading deduction. If an investor redeems Units within 120 days of purchasing such Units, the Fund may deduct and retain, for the benefit of the remaining Unitholders, five percent (5%) of the Class Net Asset Value of the Units being redeemed. The short-term trading deduction payable in respect of the Class A Units or the Class F Units are payable in Canadian dollars and the short-term trading deduction payable in respect of the Class UA Units or the Class UF Units is payable in U.S. dollars.

Mandatory Redemptions

The Manager may in its discretion cause the Fund to redeem all or a portion of a Unitholder's Units by giving 30 days' prior written notice to the Unitholder, specifying the number of Units to be redeemed. For example, the Manager may cause the Units of any Unitholder to be redeemed if at any time as a result of redemptions the value of the Unitholder's investment in the Fund is less than the minimum initial subscription amount. In addition, the Manager may cause the Fund to redeem Units owned by a person or partnership that is a "designated beneficiary" without notice if the continued ownership of Units by such person or partnership could have adverse tax consequences to the Fund. In addition, the Fund may redeem Units as described above under Item 5.2 "Securities Offered – Subscription Procedure – Purchase of Units".

Resale Restrictions

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

5.4 Determination of Net Asset Value

Valuation Dates

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

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

Valuation Principles

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

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

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

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

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

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

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

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

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

(i) the value of a futures contract, or a forward contract, shall be the gain or loss with respect thereto that would be realized if, at 4:00 p.m. (Eastern time), the position in the futures contract, or the forward contract, as the case may be, were to be closed out unless daily limits are in effect in which case fair value shall be based on the current market value of the underlying interest;

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

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

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

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

(n) the value of any security or property to which, in the opinion of the Valuation Agent, the above valuation principles cannot be applied (whether because no price or yield equivalent quotations are available as above provided, or for any other reason) shall be the fair value thereof determined in such manner as the Valuation Agent from time to time provides.

The Net Asset Value and the Class Net Asset Value of the Class A Units and Class F Units are calculated in Canadian dollars. The Net Asset Value and the Class Net Asset Value of the Class A Units and Class F Units are reported in Canadian currency.

The Class Net Asset Value for the Class UA Units and Class UF Units, which are purchased and redeemed only in U.S. dollars, is obtained by converting the Canadian dollar value of the Fund’s net assets attributable to its Class UA Units or Class UF Units to U.S. dollars using the exchange rate available on the applicable Valuation Date on which the Class Net Asset Value is being determined and then adjusted for the value of the currency forward hedges entered into solely in respect of such Units in order to minimize the effect of currency movements between the Canadian dollar and the U.S. dollar. The Class Net Asset Value per Class UA Unit or Class UF Unit is the U.S. dollar value of such net assets, as adjusted, divided by the number of such Class UA Units or Class UF Units, as applicable, outstanding at that Valuation Date. The costs associated with employing the currency hedging strategy will be allocated only to the Class UA Units and Class UF Units and therefore will be reflected only in the Class Net Asset Values of the Class UA Units and Class UF Units, and will not be reflected in the Class Net Asset Values of the other Classes of Units.

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

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

5.5 Distributions

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

Subject to applicable securities legislation, Monthly Distributions and all distributions other than Monthly Distributions made by the Fund (net of any deductions or withholdings required by law) will be automatically reinvested in additional Units or fractional Units at the Class Net Asset Value per Unit. The Manager reserves the right to change the foregoing policy. The Manager may make such designations, determinations and allocations for tax purposes of amounts or portions of amounts which the Fund has received, paid, declared payable or allocated to Unitholder as distributions or redemption proceeds.

A Unitholder may elect to have Monthly Distributions received from the Fund paid in cash by notifying the Manager. A Unitholder of Class UA Units or Class UF Units that has elected to have Monthly Distributions paid in cash will receive their distributions payment in U.S. dollars.

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

ITEM 6. INCOME TAX CONSEQUENCES AND ELIGIBILITY FOR INVESTMENT

The following is, as of June 7, 2018, a summary of certain of the principal Canadian federal income tax considerations generally applicable to the acquisition, holding and disposition of Units by certain Unitholders who acquire Units pursuant to this Offering Memorandum. This summary is applicable to a Unitholder who is an individual (other than a trust) and who, for the purposes of the Tax Act and at all relevant times, is resident in Canada, deals at arm's length, and is not affiliated with, the Fund, and holds Units as capital property.

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

This summary is based on the provisions of the Tax Act and the regulations thereunder, along with an understanding of the current published administrative and assessing practices of the Canada Revenue Agency (the "CRA"), all as of June 7, 2018, and all specific proposals to amend the Tax Act and the regulations thereunder publicly announced by or on behalf of the Minister of Finance (Canada) prior to June 7, 2018 (the "Proposed Amendments"). This summary does not otherwise take into account or anticipate any changes in law, whether by legislative, governmental or judicial action, nor does it take into account provincial, territorial or foreign income tax legislation or considerations.

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

6.1 Taxation of the Fund

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

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

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

In computing its income for tax purposes, the Fund may deduct reasonable administrative and other expenses incurred to earn income, generally including interest payable by the Fund on money borrowed to purchase securities. Provided that the Fund qualifies as a “unit trust” for the purposes of the Tax Act, the Fund may generally deduct the costs and expenses of the offering of Units under this Offering Memorandum that are paid by the Fund at a rate of 20% per year, pro-rated where the Fund’s taxation year is less than 365 days.

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

The Fund may be subject to the “straddle losses” rules contained in the Tax Act, which generally defer the realization of any loss on the disposition of a “position” to the extent of any unrealized gain on an offsetting “position”. For the purposes of these rules, a “position” held by the Fund includes any interest in actively traded personal properties such as commodities, derivatives, and certain debt obligations. An offsetting “position” is any similar interest that has the effect of eliminating all or substantially all of the Fund’s risk of loss and opportunity for gain in respect of the underlying “position”.

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

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

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

6.2 Taxation of Unitholders

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

All amounts not denominated in Canadian dollars, including the cost and proceeds of disposition of Class UA Units and Class UF Unit and any distributions denominated in US dollars in respect thereof, will be determined for the purposes of the Tax Act in Canadian dollars at the exchange rate prevailing at the time of the transaction, as more particularly determined in accordance with section 261 of the Tax Act. Accordingly, a Unitholder who holds Class UA Units or Class UF Units may realize gains or losses by virtue of the fluctuation in the value of foreign currencies relative to Canadian dollars.

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

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

On the disposition or deemed disposition of a Unit, the Unitholder will realize a capital gain (or capital loss) to the extent that the Unitholder's proceeds of disposition (other than any amount payable by the Fund which represents an amount that is otherwise required to be included in the Unitholder's income as described above) exceed (or are exceeded by) the aggregate of the adjusted cost base of the Unit and any reasonable costs of disposition. For the purpose of determining the adjusted cost base to a Unitholder of Units of a particular Class, the cost of newly acquired Units will be averaged with the adjusted cost base to the Unitholder of all Units of the Class owned by the Unitholder as capital property before the acquisition. If the Fund distributes property in kind, a Unitholder's proceeds of disposition would generally be equal to the aggregate of the fair market value of the distributed property and the amount of any cash received, less any capital gain realized by the Fund on the disposition. Based on published administrative positions of the CRA, a re-designation of Units of a particular Class to another Class denominated in the same currency should not result in a disposition of the Units.

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

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

6.3 International Tax Information Reporting

In March 2010, the U.S. enacted the Foreign Account Tax Compliance Act ("FATCA"), which imposes certain reporting requirements on non-U.S. financial institutions. The governments of Canada and the United States have entered into an Intergovernmental Agreement ("IGA") which establishes a framework for cooperation and information sharing between the two countries and may provide relief from a 30% U.S. withholding tax under U.S. tax law (the "FATCA Tax") for Canadian entities, such as the Fund, provided that (i) the Fund complies with the terms of the IGA and the Canadian legislation implementing the IGA in Part XVIII of the Tax Act, and (ii) the government of Canada complies with the terms of the IGA. The Fund will endeavour to comply with the requirements imposed under the IGA and Part XVIII of the Tax Act. Under Part XVIII of the Tax Act, Unitholders are required to provide identity and residency and other information to the Fund (and may be subject to penalties for failing to do so), which, in the case of "Specified U.S. Persons" or certain non-U.S. entities controlled by "Specified U.S. Persons", will be provided, along with certain financial information (for example, account balances), by the Fund to the CRA and from the CRA to the U.S. Internal Revenue Service. The Fund may be subject to FATCA Tax if it cannot satisfy the applicable requirements under the IGA or Part XVIII of the Tax Act, or if the Canadian government is not in compliance with the IGA and if the Fund is otherwise unable to comply with any relevant and applicable U.S. legislation. Any such FATCA Tax in respect of the Fund would reduce the Fund's distributable cash flow and net asset value.

On December 15, 2016, Part XIX of the Tax Act was enacted, which came into force on July 1, 2017, and which implements the Common Reporting Standard developed by the Organisation for Economic Co-operation and Development. Pursuant to Part XIX of the Tax Act, "Canadian financial institutions" that are not "non-reporting financial institutions" (as both terms are defined in Part XIX of the Tax Act) are required to have procedures in place to identify accounts held by residents of foreign countries (other than the U.S.) or by certain entities the "controlling persons" of which are resident in a foreign country, and to report required information to the CRA. Such information is expected to be exchanged on a reciprocal, bilateral, basis with the tax authorities of the foreign country in which the account holders or such controlling persons are resident, pursuant to the Multilateral Convention on Mutual Administrative Assistance in Tax Matters or the relevant bilateral tax treaty. Pursuant to Part XIX of the Tax Act, Unitholders are required to provide certain information regarding their investment in the Fund for the purpose of such information exchange (which information exchange is expected to occur beginning in May 2018), unless the investment is held within certain Registered Plans

6.4 Eligibility for Investment

Provided the Fund qualifies as a "mutual fund trust" for purposes of the Tax Act, Units will be qualified investments for trusts governed by registered retirement savings plans ("RRSPs"), registered retirement income funds ("RRIFs"), deferred profit sharing plans, registered education savings plans ("RESPs"), registered disability savings plans ("RDSPs") and tax-free savings accounts ("TSFAs"). Investors should consult the Manager as to whether the Fund qualifies as a "mutual fund trust" at any particular time.

Notwithstanding the foregoing, if Units are "prohibited investments" for a TFSA, an RDSP, an RRSP, an RRIF or an RESP, the holder of the TFSA or the RDSP, the annuitant of an RRSP or the RRIF, or the subscriber of the RESP, as the case may be, (each a "Plan Holder") will be subject to a penalty tax as set out in the Tax Act. A "prohibited investment" includes (but is not limited to) a unit of a trust which does not deal at arm's length (for purposes of the Tax Act) with the Plan Holder, or in which the Plan Holder, either alone or together with persons with whom the Plan Holder does not deal at arm's length (for purposes of the Tax Act), owns Units that have a value equal to 10% or more of the value of the trust's outstanding units. Plan Holders should consult their own tax advisors with respect to whether Units are "prohibited investments" for their TFSAs, RRSPs, RRIFs, RDSPs or RESPs and the tax consequences of Units being acquired or held by trusts governed by such accounts, plans or funds.

ITEM 7. COMPENSATION PAID TO SELLERS AND FINDERS

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

Sales Commissions

In the event of a Dealer sale, a sales commission of up to 5% may be deducted from the purchase order and paid by the investor to the Dealer. The remaining amount will be invested in the Fund. Sales commissions may be negotiated between the Dealer and the investor. Units issued on a reinvestment of distributions as described under Item 5.5 "Distributions" will not be subject to a sales commission.

No deferred sales charge option is available.

Servicing Fees

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

Performance-Based Servicing Fees

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

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

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

ITEM 8. CERTAIN RISK FACTORS

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

The Fund may invest in the Underlying Funds. Therefore, the return of the Fund will be affected by the risks described herein associated with an investment not only in the Fund, to the extent applicable, but also in the Underlying Funds. In addition to the Fund, the following risk factors may apply to one or more, or all, of the Underlying Funds.

No Assurance of Achieving Investment Objectives

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

Call Risk

If the securities in which the Fund invests are redeemed by the issuer before maturity (or "called"), the Fund may have to reinvest the proceeds in securities that pay a lower interest rate, which may decrease the Fund's yield. This will most likely happen when interest rates are declining.

Corporate Debt Securities Risks

Corporate debt securities are fixed income securities issued by businesses. The market value of corporate debt may be affected by changes in the market rate of interest, the credit rating of the corporation, the corporation's performance, and perceptions of the corporation in the market place. Corporate issuers may not be able to meet their obligations on interest or principal payments at the time called for by an instrument.

Concentration Risk

The Fund may concentrate its investments in securities of a small number of issuers, sectors, or countries. A relatively high concentration of assets in a small number of investments may reduce the diversification of the Fund's portfolio. The Fund may be unable to satisfy redemption requests if it cannot sell these investments in a timely and orderly manner. The Fund's performance may be more volatile due to the impact of the changes in value of these investments on the Fund.

Credit Risk

An issuer of a bond or other fixed income investment may not be able to pay interest or to repay the principal at maturity. The risk of this occurring is greater with some issuers than with others. For example, the risk of default is quite low for most government and high quality corporate securities. Where this risk is considered greater, the interest rate paid by the issuer is generally higher than for an issuer where this risk is considered to be lower. This risk could increase or decline during the term of the fixed income investment.

Companies and governments that borrow money, as well as their debt securities, may be rated by specialized rating agencies. A downgrade in an issuer's credit rating or other adverse news regarding an issuer can reduce a security's market value. Other factors can also influence a debt security's market value, such as the level of liquidity of the security or a change in the market perception of the creditworthiness of the security, the parties involved in structuring the security and the underlying assets, if any. Lower rated debt instruments such as an instrument that has a credit rating below investment grade or may not be rated at all (sometimes referred to as "high yield"), generally offer a better yield than higher-grade debt instruments, but have the potential for substantial loss as compared to higher grade instruments.

Fixed Income Investment Risk

Certain general investment risks can affect fixed income investments in a manner similar to equity investments. For example, specific developments relating to a company and general financial, political and economic (other than interest rate) conditions in the country in which the company operates. For government fixed income investments, general economic, financial and political conditions may affect the value of government securities. Since the Fund's unit price is based on the value of its investments, an overall decline in the value of its fixed income investments will reduce the value of the Fund and therefore, the value of an investment. However, an investment will be worth more if the value of the fixed income investments in the portfolio increases.

Investment in the Fund should be made with an understanding that the value of the underlying debt securities will be affected by changes in the general level of interest rates. Generally, debt securities will decrease in value when interest rates rise and increase in value when interest rates decline. The value of the bonds held by the Fund will be affected by the risk of default in the payment of interest and principal and price changes due to such factors as general economic conditions and the issuer's creditworthiness.

Fund of Fund Risk

The Fund may invest directly in, or obtain exposure to, other mutual funds and/or exchange-traded funds as part of their investment strategy. Consequently, the Fund is also subject to the risk of the Underlying Funds. If an Underlying Fund suspends redemptions, the Fund may be unable to value part of its portfolio and may be unable to redeem its investment in the Underlying Fund, which may have an adverse impact on the Fund's ability to satisfy redemption requests from its Unitholders.

Interest Rate Risk

The Fund invests in fixed income securities, such as bonds, and money market instruments, and, as a result, is sensitive to changes in interest rates. In general, when interest rates are rising, the value of these investments tends to fall. When rates are falling, fixed income securities tend to increase in value. Fixed income securities with longer terms to maturity are generally more sensitive to changes in interest rates. Certain types of fixed income securities permit issuers to repay principal before the security's maturity date. There is a risk that an issuer will exercise this prepayment right after interest rates have fallen and the Fund holding these fixed income securities will receive payments of principal before the expected maturity date of the security and may need to reinvest these proceeds in securities that have lower interest rates.

Operating History and Illiquidity of Units

The Fund is an investment trust formed on December 31, 2009. An investment in the Fund entails a degree of risk.

There is not now, and there is not likely to develop, any market for the resale of the Units. Approval of the transfer by the Manager and satisfaction of certain requirements specified in the Trust Declaration would be required before any transfer may occur. In addition, the Units are offered pursuant to prospectus and registration exemptions and, accordingly may not be transferred unless appropriate exemptions are available. The Units are subject to limited redemption rights which may be suspended or postponed in certain circumstances.

General Economic and Market Conditions

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

Foreign Market Exposure

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

Foreign Currency Exposure

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

In addition, movements in the exchange rate between the U.S. dollar and the Canadian dollar value of the net assets attributable to the Class UA Units and Class UF Units could reduce the U.S. dollar value of those Units. While the Fund seeks to hedge this exposure, any such hedging may not fully offset this risk.

Investors should note that an investment in Class UA Units and Class UF Units may be more suitable for investors who want to invest in the Fund in U.S. dollars. The Canadian dollar value of the Fund's net assets attributable to its Class UA Units and Class UF Units respectively will be hedged back to U.S. dollars using derivative instruments such as foreign currency forward contracts in an attempt to minimize the effect of the fluctuations in the exchange rate between the Canadian dollar and U.S. dollar and to achieve substantially similar performance and returns as the Class A Units and Class F Units respectively. However, the returns on the respective Class UA Units and Class UF Units will differ from the returns on the respective Class A Units and Class F Units because the entire effect of this currency hedging, as well as the costs associated with employing the hedging strategy (such as derivative transaction costs and incentive fees), will be reflected in the Class Net Asset Values of the Class UA Units and the Class UF Units only. As such, Class UA Units and Class UF Units are intended for investors who wish to invest in the Fund, which is a Canadian denominated fund, in U.S. dollars but wish to minimize the effect of the fluctuations in exchange rate between the U.S. and Canadian currencies. There may be circumstances where the Fund may not be able to fully hedge at all times its Canadian dollar exposure back to U.S. dollars in respect of the Class UA Units and Class UF Units, in which case the fluctuations in exchange rate between the U.S. and Canadian currencies will affect the returns of the Class UA Units and Class UF Units. Class UA Units and Class UF Units are not suitable for investors who want to speculate on changes in the exchange rate between the Canadian dollar and U.S. dollar.

Leverage

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

Derivatives Risk

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

Risk of Short Sales

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

Counterparty Risk

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

Use of a Prime Broker

Some or all of the assets of the Fund may be held in one or more margin accounts due to the fact that the Fund may from time to time sell securities short. The margin accounts may provide less segregation of customer assets than would be the case with a more conventional custody arrangement. The prime broker may also lend, pledge or hypothecate the assets of the Fund in such accounts, which may result in a potential loss of such assets. As a result, the assets of the Fund could be frozen and inaccessible for withdrawal or subsequent trading for an extended period of time if the prime broker experiences financial difficulty. In such case, the Fund may experience losses due to insufficient assets of the prime broker to satisfy the claims of its creditors. In addition, the possibility of adverse market movements while its positions cannot be traded could adversely affect the total return to the Fund.

Portfolio Turnover

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

Liquidity of Investments

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

Class Risk

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

Class Risk with respect to the Class UA Units and Class UF Units

With respect to Class UA Units and Class UF Units, the Manager intends to hedge against movements of the Canadian dollar relative to the U.S. dollar. While the Manager will attempt to hedge this risk there can be no guarantee that it will be successful in doing so. Hedging transactions will be attributable to a specific share class, in this case, the Class UA Units and Class UF Units. The costs and gains/losses of hedging transactions will accrue solely to the relevant hedged Class UA Units and Class UF Units and will be reflected in the Class Net Asset Value per Unit of that class. However, investors should note that there is no segregation of liability between Classes of Units. Unitholders therefore are exposed to the risk that hedging transactions undertaken in one Class may impact unfavorably the net asset value of another Class.

Performance Fee to the Manager

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

Lack of Management Control by Unitholders

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

Early Termination

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

Large Transaction Risk

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

Conflicts of Interest

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

Liability of Unitholders

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

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

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

Taxation of the Fund

If the Fund fails or ceases to qualify as a “mutual fund trust” under the Tax Act, the income tax considerations described under Item 6 “Income Tax Consequences and Eligibility for Investment” would be materially and adversely different in certain respects. There can be no assurance that Canadian federal income tax laws and the administrative policies and assessing practices of the CRA respecting the treatment of “mutual fund trusts” will not be changed in a manner which adversely affects Unitholders.

Under special rules contained in the Tax Act, trusts that constitute “SIFT trusts” (as defined in the Tax Act) will generally be precluded from deducting certain amounts that would otherwise be deducted for tax purposes if they were paid or become payable to Unitholders in a particular taxation year. If the Fund were found to be a “SIFT trust”, the amounts available to be distributed by the Fund to Unitholders could be materially reduced.

Trust Loss Restriction Rule Risk

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

US FATCA Compliance

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

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

XVIII of the Tax Act. Accordingly, the Fund anticipates that Unitholders may be required to provide identity, residency and other information to the Fund, which (in the case of specified U.S. persons or specified U.S.-owned non-U.S. persons) will be provided by the Fund to the CRA and from the CRA to the IRS. However, the Fund may be subject to FATCA Tax if it cannot satisfy the applicable requirements under the IGA or Part XVIII of the Tax Act, or if the Canadian government is not in compliance with the IGA and if the Fund is otherwise unable to comply with the relevant US legislation. Any such tax would reduce the Fund's distributable cash flow and NAV.

Change of Law

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

Investment Risk Classification Methodology

The methodology used to determine the investment risk level of the Fund for purposes of disclosure in this Offering Memorandum is the historical volatility risk as measured by the standard deviation of fund performance, which is the standard methodology outlined in Appendix F – *Investment Risk Classification Methodology* to National Instrument 81-102 – *Investment Funds*.

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

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

The risk rating categories of this methodology are:

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

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

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

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

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

The investment risk level of the Fund is reviewed periodically.

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

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

ITEM 9. REPORTING OBLIGATIONS

Reporting to Unitholders

The fiscal year end of the Fund is December 31st. Unitholders will be sent audited annual financial statements within 90 days of the Fund's fiscal year-end and unaudited semi-annual financial statements within 60 days of June 30th, or as otherwise required by law. Additional interim reporting to Unitholders will be at the discretion of the Manager. The Fund may enter into other agreements with certain Unitholders which may entitle such Unitholders to receive additional reporting. Unitholders will receive the applicable required tax form(s) within the time required by applicable law to assist Unitholders in making the necessary tax filings. The Fund is relying on the exemption pursuant to section 2.11 of National Instrument 81-106 – *Investment Fund Continuous Disclosure*, not to file its financial statements with the Ontario Securities Commission.

ITEM 10. RESALE RESTRICTIONS

10.1 General Statement

The securities offered under this Offering Memorandum and acquired by investors 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 these securities unless you comply with an exemption from the prospectus and registration requirements under securities legislation. In addition, no Unit may be transferred without the approval of the Manager. Investors are advised to seek legal advice prior to any resale of the Units.

You may redeem your Units with the Fund in accordance with the Trust Declaration. See Item 5.3 "Redemption of Units".

10.2 Restricted Period

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

ITEM 11. PURCHASER'S RIGHTS

If you purchase these securities you will have certain rights, some of which are described below. For information about your rights you should consult a lawyer.

1. **Two Day Cancellation Right**

You can cancel your agreement to purchase these securities. To do so, you must send a notice to the Manager by midnight on the 2nd Business Day after you sign the agreement to buy the securities.

2. **Statutory and Contractual Rights of Action in the Event of a Misrepresentation**

The following summary of statutory or contractual rights of action for damages or rescission will apply to a purchase of Units. The applicable securities legislation in certain jurisdictions provides purchasers, or requires purchasers be provided, with remedies for rescission or damages, or both, if this Offering Memorandum or any amendment to it contains a misrepresentation. However, these remedies must be exercised within the time limits prescribed. Purchasers should refer to the applicable legislative provisions, which may be subject to change after the date of this Offering Memorandum, for the complete text of these rights and/or consult with a legal advisor.

In this section “misrepresentation” means: (i) an untrue statement of material fact, or (ii) an omission to state a material fact that is required to be stated or that is necessary to make a statement not misleading in the light of the circumstances in which it was made.

If a misrepresentation is contained in a record incorporated by reference in, or deemed incorporated into, the Offering Memorandum, or amendment thereto, the misrepresentation is deemed to be contained in the Offering Memorandum or amendment thereto.

The rights of action to cancel the agreement or for damages described herein are in addition to and without derogation from any right you may have at law are subject to the express provisions of securities legislation in the province where you resided and the rules, regulations and other instruments thereunder. The following additional provisions apply to statutory or contractual rights of action for damages or rescission will apply to a purchase of Units by purchasers in the provinces listed below:

British Columbia

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 Units; or

(b) for damages against the Fund and every person who signed this Offering Memorandum.

This statutory right to sue is available to you whether or not you relied on the misrepresentation. However, in an action for damages, the amount you recover will not exceed the price you paid for your Units and will not include any part of the damages the Fund proves does not represent the depreciation in value of the Units resulting from the misrepresentation. The Fund has a defence if it proves you knew of the misrepresentation when you purchased the Units.

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 the action to cancel the agreement within 180 days after you signed the agreement to purchase the Units. You must commence your action for damages within the earlier of 180 days after learning of the misrepresentation and three years the date of the transaction that gave rise to the cause of action.

Newfoundland and Labrador

The applicable securities legislation in the Province of Newfoundland and Labrador provides as follows:

In an action for cancellation or damages, the defendant is not liable if you had knowledge of the misrepresentation. In an action for damages, the defendant is not liable for all or any portion of the damages that it proves do not represent the depreciation in value of the security as a result of the misrepresentation relied upon and the amount recoverable under the right of action shall not exceed the price at which the security was offered to you.

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

(a) the Offering Memorandum was sent to you without the person’s or company’s knowledge or consent and that, on becoming aware of its delivery, the person or company gave reasonable notice to the Fund that it was sent without the person’s or company’s knowledge or consent;

(b) on becoming aware of any misrepresentation in the Offering Memorandum, the person or company proves they withdrew the person’s or company’s consent to the Offering Memorandum, and gave reasonable notice to the Fund of the withdrawal and the reason for it;

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

(d) with respect to any part of the Offering Memorandum not purporting to be made on the authority of an expert unless the person or company did not conduct an investigation sufficient to provide reasonable grounds for a belief that there had been no misrepresentation, or believed there had been a misrepresentation.

The right of action for cancellation or damages described herein is conferred by section 130.1 of the *Securities Act* (Newfoundland and Labrador).

Pursuant to section 138 of the *Securities Act* (Newfoundland and Labrador), you are not able to enforce a right of cancellation unless action is commenced no later than 180 days after the date of the transaction that gave rise to the cause of action and any other action must be commenced by the earlier of:

(i) 180 days after you first knew of the facts giving rise to the cause of action, or

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

ITEM 12. FINANCIAL STATEMENTS

The audited Financial Statements for the period ended December 31, 2017 are attached hereto and form part hereof.

ITEM 13. DATE AND CERTIFICATE

Dated June 7, 2018.

This offering memorandum does not contain a misrepresentation.

PICTON MAHONEY INCOME OPPORTUNITIES FUND,
by its Manager and Promoter,
PICTON MAHONEY ASSET MANAGEMENT

By: "David Picton"	By: "Arthur Galloway"
David Picton	Arthur Galloway
President	Chief Financial Officer

ITEM 14. APPENDIX A

DIRECTORY

ISSUER

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MANAGER AND TRUSTEE

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

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