



Offering Memorandum

Rhocore Income Trust

Series A Units

May 26, 2017

Offering Memorandum

No securities regulatory authority or regulator has assessed the merits of these securities or reviewed this Offering Memorandum. Any representation to the contrary is an offence. The information disclosed on this page is a summary only. Purchasers should read the entire Offering Memorandum for full details about the Offering. This is a risky investment. See Item 8 – Risk Factors.

Date: May 26, 2017
 The Issuer: Rhocore Income Trust (the "**Trust**")
 Address: #2210, 8561 – 8A Avenue S.W., Calgary, Alberta, T3H 0V5
 Phone #: (587) 887-1541
 Email: distributions@rhocorefund.com

Currently listed or quoted? **No. These securities do not trade on any exchange or market.**
 Reporting Issuer? No.
 SEDAR filer? Yes, to the limited extent prescribed by Canadian Securities Administrators National Instrument 45-106 – *Prospectus Exemptions*.

The Offering

Securities Offered and Use of Available Funds	Series A Units (the " Offered Units ") of Rhocore Income Trust (the " Trust "). See Item 5 – <i>Terms of Securities</i> for the terms of the Offered Units. The gross proceeds of the Offering of Offered Units will be invested in 7% Holdco Bonds issued by Rhocore Income Ltd. (" Holdco "). Holdco will, in turn, invest the funds received from the Trust in 7.01% Stride Bonds issued by Stride Capital Corp. (" Stride "). Stride intends to use the funds received from Holdco, plus funds received from senior debt facilities, to finance its equipment financing & leasing business. See Item 1.2 – <i>Use of Available Funds</i> , Item 2.1 – <i>Structure</i> and Item 2.2 – <i>Our Business</i> .
Price Per Security	One dollar (\$1.00) per Offered Unit.
Maximum Offering	There is no maximum or minimum offering. You may be the only purchaser. Funds available under the Offering may not be sufficient to accomplish our proposed objectives. See Item 4 – <i>Capital Structure</i> .
Minimum Subscription Amount Per Subscriber	Except with the consent of the Administrator of the Trust, the minimum subscription is \$5,000 (5,000 Offered Units).
Payment Terms	Payment in full by certified cheque or bank draft of the aggregate subscription amount payable to the Trust with the delivery of a duly executed and completed Subscription Agreement. See Item 5.2 – <i>Subscription Procedure</i> .
Proposed Closing Date(s)	Closings will occur from time to time at the discretion of the Administrator.
Income Tax Consequences	There are important tax consequences to these securities. The Trust has been advised that, provided the Trust qualifies as a "mutual fund trust" for purposes of the Income Tax Act at all relevant times, the Offered Units will be qualified investments for Deferred Plans. Although it is intended that the Trust qualify as a "mutual fund trust" pursuant to the Income Tax Act, the Trust will not be a "mutual fund" under applicable securities laws. See Item 6 – <i>Canadian Federal Income Tax Consequences and Deferred Plan Eligibility</i> .
Resale Restrictions	The Offered Units are subject to restrictions on resale. There is no market for the Offered Units and none is expected to develop and, therefore, it may be difficult or impossible for the Subscriber to sell the Offered Units. You will be restricted from selling your Offered Units for an indefinite period. See Item 10 – Resale Restrictions. The Offered Units are subject to Redemption Rights. See Schedule A – Summary of the Declaration of Trust.
Purchaser's Rights	You have two business days to cancel your Subscription 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 Subscription Agreement. See Item 11 – Purchasers' Rights.

Selling Agents

Where allowed by applicable securities legislation, the Trust intends to pay a selling commission of up to 7% of the gross proceeds realized on the sale of Offered Units under this Offering. The Trust may also pay a fee to certain securities dealers in an amount of up to 1% per annum of the aggregate amount that remains invested in the Trust, beginning on the 3rd anniversary of such investment. See Item 7 – *Compensation Paid to Sellers and Finders*.

Stride has agreed to reimburse the Trust, the Administrator and Holdco for, or pay directly, all commissions, costs and expenses incurred by the Trust, Administrator and Holdco, in connection with the Offering for funds invested in Stride. Accordingly, Subscribers will not bear the cost of the commissions, costs and expenses paid in connection with capital raised for investment in Stride. See Item 2.7.3 – *Reimbursement Agreement*.

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CAUTIONARY STATEMENTS

About this Offering Memorandum

This Offering is being made pursuant to certain prospectus exemptions contained in NI 45-106. This Offering Memorandum constitutes an offering of securities only in those jurisdictions and only to those persons to whom they may be lawfully offered for sale. This Offering Memorandum is not, and under no circumstances is to be construed as, a prospectus or advertisement or a public offering of these securities.

Prospective investors should rely only on the information contained in this Offering Memorandum and should not rely on some parts of this Offering Memorandum to the exclusion of others. No person has been authorized to give any information or to make any representation not contained in this Offering Memorandum. Any such information or representation which is given or received must not be relied upon.

Forward-Looking Statements

This Offering Memorandum contains certain forward-looking statements and forward-looking information as defined under applicable securities legislation (collectively, "**forward-looking statements**"). These forward-looking statements relate to, among other things, future events or the Trust's and Stride's future performance. All statements other than statements of historical fact are forward-looking statements. Forward-looking statements are often, but not always, identified by the use of words such as "may", "will", "should", "expect", "plan", "anticipate", "believe", "estimate", "predict", "potential", "targeting", "intend", "could", "might", "continue", or the negative of these terms or other comparable terminology. These statements are only predictions. In addition, this Offering Memorandum may contain forward-looking statements attributed to third-party industry sources.

Forward-looking statements contained in this Offering Memorandum include, but are not limited to, statements with respect to: use of proceeds of the Offering; the structure of the Trust; the business to be conducted by the Trust, Holdco and Stride; long term and short term objectives; timing and payment of distributions; the Trust's, Holdco's and Stride's investment objectives and strategy; the sources of funding for Stride; the key employees of Stride; the terms of the 7% Holdco Bonds and the 7.01% Stride Bonds; the expected debt levels of the Trust, Holdco and Stride; treatment under government regulatory regimes and tax laws; results of investments and the methods of funding.

Forward-looking statements involves numerous assumptions, known and unknown risks, uncertainties, and other factors, including those risks described under Item 8 – *Risk Factors*, many of which are beyond the control of the Trust, the Trustees and the Administrator, that contribute to the possibility that the predictions, forecasts, projections and other forward-looking statements will not occur and may cause actual results or events to differ materially from those anticipated in such forward-looking statements. In addition to other factors and assumptions which may be identified in this Offering Memorandum, assumptions have been made regarding, among other things: the Trust's qualification as a "mutual fund trust" and not as a "SIFT trust" under the Income Tax Act; use of proceeds of the Offering; the retention of securities dealers in connection with the Offering and payment of fees to such dealers; the business to be conducted by the Trust, Holdco and Stride; the general stability of the economic and political environment in which the Trust, Holdco and Stride operate; the Trust's, Holdco's and Stride's investment objectives and strategy; timing and payment of distributions; treatment under governmental regulatory regimes and tax laws; the ability of the Trust, Holdco and Stride to obtain qualified staff, equipment and services in a timely and cost efficient manner; valuation of the Trust's investments; the possibility of substantial redemptions of Units of the Trust; the nature of the middle-market segment and the market opportunities therein available to Stride; the key factors underlying Stride's performance and ability to grow originations in the middle-market segment; and currency, exchange and interest rates. Although the Administrator believes that the expectations reflected in the forward-looking statements are reasonable, undue reliance should not be placed on these forward-looking statements as there can be no assurance that the plans, intentions or expectations upon which they are based will occur, or if any of them do so, what benefits the Trust will derive therefrom.

The forward-looking statements contained in this Offering Memorandum are expressly qualified by these cautionary statements. The forward-looking statements are given as of the date of this Offering Memorandum and the Trust and the Administrator, for itself and on behalf of the Trustees, disclaim any intent or obligation to update publicly any forward-looking statements, whether as a result of new information, future events or results or otherwise, other than as required by applicable securities laws.

Marketing Materials

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

Market and Industry Data

This Offering Memorandum and OM marketing materials incorporated by reference contain statistical data, market research and industry forecasts that were obtained from government or other industry publications and reports or are based on estimates derived from such publications and reports. Government and industry publications and reports generally indicate that they have obtained their information from sources believed to be reliable, but do not guarantee the accuracy and completeness of their information. While the Administrator believes this data to be reliable, market and industry data is subject to variations and cannot be verified with complete certainty due to limits on the availability and reliability of raw data, the voluntary nature of the data gathering process and other limitations and uncertainties inherent in any statistical survey. Neither the Trust nor the Administrator has independently verified any of the data from independent third party sources referred to in this Offering Memorandum or ascertained the underlying assumptions relied upon by such sources.

GLOSSARY OF TERMS

"7% Holdco Bonds" means the secured bonds issued by Holdco that will be purchased by the Trust from time to time with the gross proceeds from this Offering. See Item 2.7.4 – *7% Holdco Bonds*.

"7.1% Holdco Bonds" means the secured demand bonds issued by Holdco to the Trust in connection with lending arrangements with Tribucore.

"7.2% Holdco Bonds" means the secured demand bonds issued by Holdco to the Trust in connection with lending arrangements with Tribucore.

"7.01% Stride Bonds" means the bonds issued by Stride that will be purchased by Holdco from time to time with the gross proceeds from the sale of 7% Holdco Bonds. See Item 2.7.5 – *7.01% Stride Bonds*.

"ABCA" means the *Business Corporations Act* (Alberta), as amended from time to time.

"Administration Agreement" means the administration agreement dated January 8, 2016 between the Administrator and the Trust, as amended, supplemented or amended and restated from time to time.

"Administrator" means Rhocore Administration Ltd., a corporation formed under the laws of the Province of Alberta, and any successor or permitted assign thereof.

"affiliate" has the meaning ascribed to such term in the *Securities Act* (Alberta).

"associate" has the meaning ascribed to such term in the *Securities Act* (Alberta).

"Beneficial Unitholder" means the beneficial owner of a Trust Unit, and includes a beneficial owner of a Trust Unit represented by a global unit certificate held in the Book-Entry System.

"Book-Entry System" means the record-entry securities transfer and pledge system which is administered by CDS in accordance with the operating rules and procedures of CDS in force from time to time, or any successor system which CDS may offer from time to time.

"business day" means any day other than a Saturday, Sunday, a statutory holiday in the Province of Alberta or a day on which the principal chartered banks located at Calgary, Alberta are not generally open for business.

"CDS" means CDS Clearing and Depository Services Inc., or a successor thereof.

"Common Expenses" means those expenses or liabilities of the Trust which are not Series Expenses, and which are to be allocated to Units of some or all Series on a basis determined by the Trustees, in their sole discretion.

"Common Unit" means a common unit of beneficial interest in the Trust issued from time to time in accordance with the Declaration of Trust and having the rights, privileges, limitations, restrictions and conditions set out in the Declaration of Trust.

"Common Unitholder" or **"holder of Common Units"** means a person whose name appears on the register of the Trust as a holder of Common Units.

"control" and related terms, including **"controlling"** and **"controlled"**, shall have the meaning ascribed to such terms in the *Securities Act* (Alberta).

"Counsel" means Bennett Jones LLP, counsel to the Trust.

"Declaration of Trust" means the declaration of trust dated January 8, 2016 among the Trustees, the Administrator, the settlor of the Trust and each person who is or becomes a Unitholder, as such Declaration of Trust may hereafter be amended from time to time and any Supplement thereto, including Supplemental Indenture No. 1 dated January 27, 2016 to create the Series A Units.

"Deferred Plan" means any one of or collectively a RRSP, RRIF, RESP, DPSP, RDSP and a TFSA.

"Distributable Cash" of the Series A Units for, or in respect of, a Distribution Period shall be equal to:

- (a) all cash or cash equivalents which are received by the Trust for, or in respect of, the Trust Property exclusively allocated to the Series A Units during, or in respect of, such Distribution Period, including amounts on account of interest, income, distributions, dividends, returns of capital, amounts paid on debt held by the Trust, capital gains, and such other amounts as may be determined from time to time by the Trustees or the Administrator to be included in "Distributable Cash" (which may include amounts taken, in the discretion of the Trustees or the Administrator, out of the Trust's reserves allocated to Series A Units as well as amounts from the proceeds of any Offering in respect of Series A Units);

less the sum of:

- (b) all amounts paid on account of expenses and liabilities for, or in respect of, Series A Units during or in respect of such Distribution Period (including Series Expenses of Series A Units and the share of Common Expenses allocated by the Trustees to the Series A Units) as well as an amount for all expenses and liabilities (including Series Expenses of Series A Units and the share of Common Expenses allocated by the Trustees to the Series A Units) which, in the opinion of the Trustees or Administrator, may reasonably be considered to have accrued and become owing in respect of, or which relate to, the Series A Units in the Distribution Period or a prior Distribution Period if not accrued in such prior period;
- (c) all amounts which relate to the repayment of any amount (principal or interest) in respect of any indebtedness of the Trust during such Distribution Period attributable to the Series A Units;
- (d) all cash amounts used during such Distribution Period for or in connection with loans, advances, investments or other acquisitions of assets by the Trust attributable to the Series A Units;
- (e) the aggregate amount of all cash amounts used, or to be used, in respect of the redemption or repurchase of Series A Units called for redemption or repurchase;
- (f) any amount, in addition to those amounts set forth in clauses (b) to (d) above (inclusive), which the Administrator may reasonably consider to be necessary to provide for the payment of any liabilities which have been or will be incurred by the Trust attributable to Series A Units in the Distribution Period (including Series Expenses of Series A Units and the share of Common Expenses allocated by the Trustees to Series A Units), including any tax liability of the Trust in respect of Series A Units (to the extent that such liabilities have not otherwise been taken into account in determining the Distributable Cash hereunder), or for pursuing any purpose or activity of the Trust; and
- (g) an amount as determined in the discretion of the Trustees or the Administrator for reasonable reserves in respect of Series A Units, including reserves to be maintained for the purposes of satisfying payment of any of the amounts or liabilities referred to in clauses (b) to (f) above.

"Distribution Amount" has the meaning set forth in Item 5.1 – *Terms of Securities – Distributions*.

"Distribution Payment Date" means, for the Series A Units, unless otherwise determined in the discretion of the Trustees or the Administrator, the last day of the month that immediately follows a Distribution Period.

"Distribution Period" means, for the Series A Units, unless otherwise determined in the discretion of the Trustees or the Administrator, each one month period ending the last day of each month.

"Distribution Per Unit" has the meaning set forth in Item 5.1 – *Terms of Securities – Distributions*.

"Distribution Record Date" means, for the Series A Units, unless otherwise determined in the discretion of the Trustees or the Administrator, the last business day in a Distribution Period.

"DPSP" means a trust governed by a deferred profit sharing plan as defined for purposes of the Income Tax Act.

"DRIP" means the distribution reinvestment plan of the Trust.

"Exchangeable Securities" means units, shares, options, rights, warrants or other securities, whether or not issued by the Trust, that are convertible into, exchangeable for, or carry the right of the holder to purchase or otherwise acquire (or of the issuer of such security to cause the purchase or acquisition of) Trust Units and "Exchangeable Security" means any one of them.

"Holdco" means Rhocore Income Ltd.

"Income Tax Act" means the *Income Tax Act* (Canada) and the regulations thereunder, as amended from time to time.

"Initial Trustees" means Stephen Johnston, Michael Cook, Greg Tooth and Randy Smyth.

"meeting of Unitholders" shall mean and include, as the circumstances require, a meeting of Common Unitholders or one or more Series Meetings of the Unitholders.

"NI 45-106" means National Instrument 45-106 – *Prospectus Exemptions* of the Canadian Securities Administrators.

"Non-Resident" means a person who at the relevant time, for the purposes of the Income Tax Act and any applicable tax convention entered into by the Government of Canada, is not resident in Canada and is not deemed to be a resident in Canada, or is a partnership that is not a "Canadian partnership" within the meaning of the Income Tax Act.

"Offered Units" means the Series A Units offered pursuant to the Offering.

"Offering" means the offering of the Offered Units pursuant to the terms of this Offering Memorandum.

"Offering Memorandum" means this offering memorandum of the Trust dated May 26, 2017 as the same may be amended or amended and restated from time to time.

"Other Trust Securities" means any type of securities of the Trust other than Trust Units, including notes (including Redemption Notes), bonds and other debt securities, any other equity security, voting securities, Exchangeable Securities and options, rights, warrants or other securities convertible into, exchangeable for or carrying the right of the holder to purchase or otherwise acquire, or of the Trust to cause the purchase or other acquisition of, other securities of the Trust (including convertible debt securities, subscription receipts and installment receipts).

"person" includes an individual, corporation, limited partnership, general partnership, joint stock company, limited liability company, joint venture, society, syndicate, association, company, trust, bank, trust company, pension fund, labour union, business trust and other organization, whether or not a legal entity, and government and agency or political subdivision thereof.

"RDSP" means a trust governed by a registered disability savings plan as defined for purposes of the Income Tax Act.

"Redemption Maturity Date" means, for the Series A Units, the third anniversary after the date of issuance of such Unit.

"Redemption Notes" means, with respect to a redemption of Trust Units as provided herein and in the Declaration of Trust, promissory notes issued in series, or otherwise, by the Trust, which may be issued pursuant to a note indenture or otherwise, and issued to holders of Redemption Units in principal amounts equal to all or a portion of the redemption price of the Trust Units to be redeemed and having the following terms and conditions:

- (i) unsecured and bearing interest from and including the issue date of each such note at a market rate determined by the Trustees or the Administrator at the time of issuance, based on the advice of an independent financial advisor, with such interest payable only at the maturity date of the note (with interest after as well as before maturity, default and judgment at such rate);
- (ii) recourse under the Redemption Note shall be limited to, and satisfied only out of, and enforceable only against the Trust Property allocable to the Series of Units being redeemed;
- (iii) subordinated and postponed to (1) all Senior Indebtedness (and which for greater certainty may be subject to specific subordination and postponement agreements to be entered into with holders of such Senior Indebtedness) and (2) all payments and other obligations owed by the Trust in respect of the Units of such Series, including distribution entitlements and amounts payable on liquidation, dissolution or winding up of the Trust;
- (iv) except as otherwise set forth in the Declaration of Trust, due and payable prior to the first anniversary of the date of issuance, subject to earlier prepayment without premium or penalty; and
- (v) subject to such other customary terms and conditions as would be included in a note indenture for short-term promissory notes of this kind, as may be approved by the Trustees.

"Redemption Units" means any Units being redeemed in accordance with the terms of the terms of the Declaration of Trust.

"Reimbursement Agreement" means the agency and reimbursement agreement dated January 8, 2016 between the Trust, Holdco, the Administrator and Stride, as amended, supplemented or amended and restated from time to time.

"Resident Unitholder" has the meaning set forth in Item 6 - *Canadian Federal Income Tax Consequences and Deferred Plan Eligibility*.

"RESP" means a trust governed by a registered education savings plan as defined for purposes of the Income Tax Act.

"RRIF" means a trust governed by a registered retirement income fund as defined for purposes of the Income Tax Act.

"RRSP" means a trust governed by a registered retirement savings plan as defined for purposes of the Income Tax Act.

"Series" or **"Series of Units"** means a series of Units of the Trust, other than the Common Units.

"Series A Unit" means a Series A Unit of the Trust, which Series was created pursuant to Supplemental Indenture No. 1 dated January 27, 2016 to the Declaration of Trust.

"Series A(D1) Unit" means a Series A(D1) Unit of the Trust, which Series was created pursuant to Supplemental Indenture No. 4 dated February 5, 2017 to the Declaration of Trust.

"Series A1 Unit" means a Series A Unit of the Trust, which Series was created pursuant to Supplemental Indenture No. 2 dated November 15, 2016 to the Declaration of Trust.

"Series A2 Unit" means a Series A2 Unit of the Trust, which Series was created pursuant to Supplemental Indenture No. 3 dated November 15, 2016 to the Declaration of Trust.

"Series Unit" or **"Unit of a Series"** means a Unit of beneficial interest in the Trust of a particular Series, including the Series A Units, which for greater certainty does not include the Common Units.

"Series Unitholder" or **"holder of Series Units"** means a person whose name appears on the register of the Trust as a holder of Series Units, which includes holders of Series A Units.

"Series Expenses" means those expenses or liabilities of the Trust which are allocated only to one specific Series of the Trust on a basis determined by the Trustees, in their sole discretion.

"Senior Indebtedness" shall mean, at any time, all indebtedness, liabilities and obligations of the Trust which, by the terms of the instrument creating or evidencing the same, is not expressed to rank in right of payment in subordination to or *pari passu* with the indebtedness evidenced by the Redemption Notes or any of them.

"SMEs" means small and medium sized enterprises.

"Special Resolution" means:

- (i) a resolution passed by more than 66²/₃% of the votes cast by those Unitholders who were entitled to and did vote on such resolution, whether cast in person or by proxy, at a meeting of Unitholders, at which a quorum was present, called (at least in part) for the purpose of approving such resolution, or
- (ii) a resolution approved in writing, in one or more counterparts, by holders of Trust Units carrying more than 66²/₃% of the votes represented by those Trust Units entitled to be voted on such resolution.

"Subscribers" mean parties who subscribe for Offered Units pursuant to this Offering.

"Subscription Agreement" means the Subscription Agreement to be entered into between a Subscriber and the Trust with respect to the purchase of Offered Units by a Subscriber under this Offering.

"Supplement" means a supplemental trust indenture or other document or instrument supplemental to the Declaration of Trust.

"Stride" means Stride Capital Corp.

"TFSA" means a trust governed by a tax-free savings account as defined for purposes of the Income Tax Act.

"Tribucore" means Tribucore Capital Ltd.

"Trust" means Rhocore Income Trust, formed and governed pursuant to the Declaration of Trust.

"Trust Property", **"property of the Trust"** or **"assets of the Trust"**, at any time, means all of the money, properties, securities and other assets of any nature or kind whatsoever as are, at such time, held by the Trust or by the Trustees on behalf of the Trust, all Trust Property, other than the initial contribution and the funds received by the trust pursuant to the issuance of Common Units, shall be exclusively allocated to one or more Series of Units, and Trust Property in respect of a Series of Units shall include:

- (i) all funds realized from (1) the issue and sale of Units of such Series; and (2) the issuance and sale of Other Trust Securities convertible into, exchangeable for or carrying the right of the holder to purchase or otherwise acquire Units of such Series;
- (ii) all investments (and re-investments) made by the Trustees on behalf of or in relation to such Series from time to time using Trust Property in respect of such Series;
- (iii) any proceeds of disposition of investments and any other properties or assets constituting Trust Property of such Series; and
- (iv) all income, interest, profit, gains and accretions and additional rights arising from or accruing to any such investments or other money, property or other assets constituting Trust Property of such Series.

"Trustee" means at any time, a person who is, in accordance with the provisions hereof, a trustee of the Trust at that time and **"Trustees"** means all of them collectively. The Trustees are currently Stephen Johnston, Greg Tooth, Michael Cook and Randy Smyth.

"Trust Units" or **"Units"** means the Common Units or any Series Units, as the case may be, and references in this Offering Memorandum to Trust Units or Units shall be a reference to Common Units and/or any Series Units, as the context so requires.

"Unitholder" means, at any time, a holder at that time of one or more Units.

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

ITEM 1 – USE OF AVAILABLE FUNDS

1.1 Available Funds

The following table discloses the available funds of this Offering:

		Assuming \$20,000,000 Offering
A	Amount to be raised by issuance of this Offering	\$20,000,000
B	Selling commissions and fees ⁽¹⁾⁽²⁾	Nil
C	Estimated Offering costs (e.g. legal, accounting, audit, etc.) ⁽¹⁾⁽³⁾⁽⁴⁾	Nil
D	Available Funds: $D = A - (B + C)^{(5)}$	\$20,000,000
E	Additional sources of funding required ⁽⁶⁾	Nil
F	Working Capital Deficiency	Nil
G	Total: $G = (D + E) - F^{(5)}$	\$20,000,000

Notes:

- (1) Stride has agreed to reimburse the Trust, the Administrator and Holdco for, or pay directly, all commissions, costs and expenses to be incurred by the Trust, Administrator and Holdco, in connection with the Offering for funds invested in Stride. Accordingly, Subscribers will not bear the cost of the commissions, costs and expenses paid in connection with capital raised for investment in Stride. See Item 2.7.3 – *Material Agreements – Reimbursement Agreement*.
- (2) Assuming a \$20,000,000 Offering and that a maximum aggregated amount of 7% of the gross proceeds of the Offering will be paid as selling commissions, \$1,400,000 will be paid by Stride pursuant to the Reimbursement Agreement. See Item 7 – *Compensation paid to Sellers and Finders* and Item 2.7.3 – *Material Agreements – Reimbursement Agreement*.
- (3) Offering costs are estimated to be approximately \$30,000 which will be paid by Stride pursuant to the Reimbursement Agreement. See Item 2.7.3 – *Material Agreements – Reimbursement Agreement*.
- (4) The Trust may, from time to time, enter into agreements with third parties to provide marketing, administration and related services in connection with the Offering on such terms and conditions as may be deemed advisable by the Trustees or the Administrator. The above table does not assume any fees payable in connection with such arrangements.
- (5) Assuming a \$20,000,000 Offering, the Trust intends to invest the gross proceeds of \$20,000,000 it receives from the Offering in 7% Holdco Bonds. Holdco will, in turn, invest the gross proceeds of \$20,000,000 it receives from the Trust into 7.01% Stride Bonds. Pursuant to the Reimbursement Agreement, the net proceeds that will be available to Stride for investment in the business of Stride following the Offering, after payment of the selling commissions, administration fees and offering costs, will be approximately \$18,570,000.
- (6) Stride requires additional sources of funding in the form of senior debt facilities to finance its equipment financing & leasing business. See Item 2.2.2 – *Business of Stride*.

1.2 Use of Available Funds

1.2.1 Use of Available Funds by The Trust and Holdco

The following table provides a detailed breakdown of how the Trust and Holdco will use the available funds of this Offering:

Description of intended use of available funds	Assuming \$20,000,000 Offering
The gross proceeds from the Offering will be used by the Trust to invest in 7% Holdco Bonds.	\$20,000,000 ⁽¹⁾
The gross proceeds from the issue of 7% Holdco Bonds will be used by Holdco to invest in 7.01% Stride Bonds.	\$20,000,000 ⁽¹⁾

Note:

- (1) Stride has agreed to reimburse the Trust, the Administrator and Holdco for, or pay directly, all commissions, costs and expenses to be incurred by the Trust, Administrator and Holdco, in connection with the Offering for funds invested in Stride. Accordingly, Subscribers will not bear the cost of the commissions, costs and expenses paid in connection with capital raised for investment in Stride. See Item 2.7.3 – *Material Agreements – Reimbursement Agreement*.

1.2.2 Use of Available Funds by Stride

The following table provides a detailed breakdown of how Stride will use the available funds it receives from Holdco:

Description of intended use of available funds	Assuming \$20,000,000 investment by Holdco in 7.01% Stride Bonds
Reimbursement of selling commissions and offering costs incurred by the Trust	\$1,430,000 ⁽¹⁾
Stride will use the proceeds it receives from Holdco to expand the business of Stride. See Item 2.2.2 – <i>Business of Stride</i> .	\$18,570,000

Note:

(1) Stride has agreed to reimburse the Trust, the Administrator and Holdco for, or pay directly, all commissions, costs and expenses to be incurred by the Trust, Administrator and Holdco, in connection with the Offering for funds invested in Stride. Accordingly, Subscribers will not bear the cost of the commissions, costs and expenses paid in connection with capital raised for investment in Stride. See Item 2.7.3 – *Material Agreements – Reimbursement Agreement*.

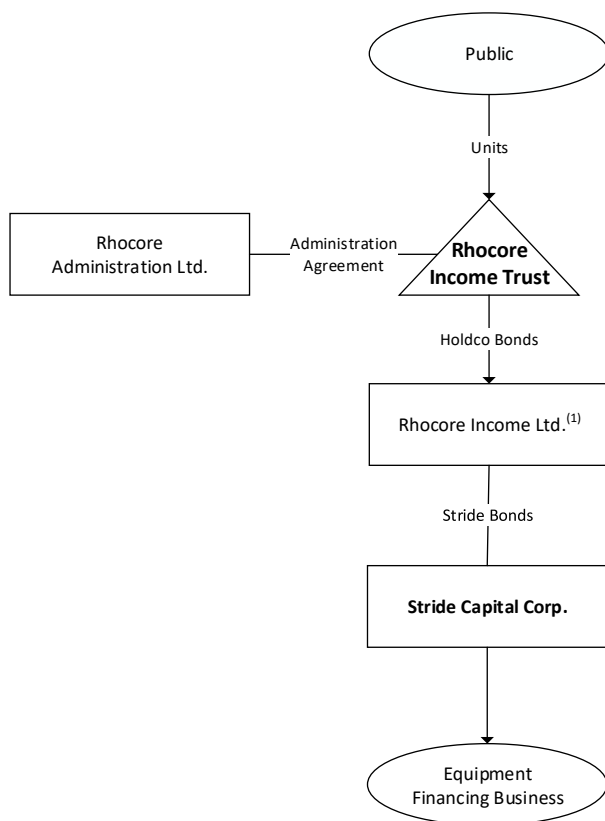
1.3 Reallocation

The Trust intends to utilize the available funds as stated above.

ITEM 2 – BUSINESS OF THE TRUST

2.1 Structure

The following diagram sets out the relationship between the Trust, the Administrator, Holdco and Stride.



2.1.1 The Trust

The Trust is an unincorporated trust formed under the laws of the Province of Alberta on January 8, 2016 pursuant to the Declaration of Trust. Although it is intended that the Trust qualify as a "mutual fund trust" pursuant to the Income Tax Act, the Trust will not be a "mutual fund" under applicable securities laws.

The Trustees are responsible for the management and control of the business and affairs of the Trust on a day to day basis in accordance with the terms of the Declaration of Trust. The Trustees, on behalf of the Trust, have retained the Administrator pursuant to the Administration Agreement to carry out the duties of the Trustees under the Declaration of Trust and have delegated to the Administrator the power and authority to manage and direct the day to day business, operations and affairs of the Trust.

The head office of the Trust is located at #2210, 8561 8A Avenue S.W., Calgary, Alberta, T3H 0V5.

The Trust operates as a "master fund" that offers its Units in multiple Series. Each Series has exclusively allocated thereto discrete Trust Property, and bears responsibility for liabilities and obligations directly related to the Series (being Series Expenses) or Trust level expenses allocated to the Series by the Trustees (being Common Expenses). Each Series invests in separate assets and property, which in the case of the Series A Units is 7% Holdco Bonds.

The Declaration of Trust contains "separateness covenants" that are designed to facilitate the segregation and separation of the assets and liabilities attributable to each Series of Units, such that the activity in relation to a particular Series of Units is independent from each other Series (other than with respect to Common Expenses). The Trust has the ability to make separate distributions on a Series of Units, and to effect separate redemptions or returns of capital on those securities and to separately terminate or unwind those securities. The Trust has the ability to create an unlimited number of Series of Units.

The Trust has, to the date of this Offering Memorandum, issued Series A Units for aggregate gross proceeds of \$9,539,174. Those gross proceeds were invested in 7% Holdco Bonds issued by Holdco, which in turn invested the funds in 7.01% Stride Bonds. The Trust has also issued: (i) Series A(D1) Units for aggregate gross proceeds of \$757,188; (ii) Series A1 Units for aggregate gross proceeds of \$3,015,100 and Series A2 Units for aggregate gross proceeds of \$150,500. Those gross proceeds were invested in secured bonds issued by Holdco of different series than the 7% Holdco Bonds. Holdco in turn invested the funds in subordinated unsecured bonds of Tribucore. See Item 4.3 – *Prior Sales*. The Series A Units, Series A(D1) Units, Series A1 Units, Series A2 Units and any future Series Units issued by the Trust are subject to the "separateness covenants" described above.

The Trustees of the Trust are also directors and officers of the Administrator, Holdco, Stride and Tribucore. See Item 3 – *Directors, Management, Promoters and Principal Holders*.

2.1.2 The Administrator

The Administrator was incorporated pursuant to the ABCA on January 8, 2016 and manages, along with the Trustees, the affairs of the Trust. The Administrator provides and performs certain administrative, management and governance services as required or advisable from time to time in order to administer, manage and govern the operations of the Trust pursuant to the terms of the Declaration of Trust and the Administration Agreement.

The registered and head office of the Administrator is located at #2210, 8561 8A Avenue S.W., Calgary, Alberta, T3H 0V5.

2.1.3 Holdco

Holdco was incorporated pursuant to the ABCA on January 8, 2016. The gross proceeds from this Offering will be used by the Trust to invest in 7% Holdco Bonds. See Item 2.7.4 – *7% Holdco Bonds*.

The registered and head office of Holdco is located at #2210, 8561 8A Avenue S.W., Calgary, Alberta, T3H 0V5.

2.1.4 Stride

Stride was incorporated pursuant to the ABCA on January 8, 2016. Holdco will invest the gross proceeds from the issuance of 7% Holdco Bonds to the Trust in 7.01% Stride Bonds. See Item 2.7.5 – *7.01% Stride Bonds*. Stride is an equipment financing & leasing company. See Item 2.2.2 – *Business of Stride*.

The registered office of Stride is located at #2210, 8561 8A Avenue S.W., Calgary, Alberta, T3H 0V5 and the head office of Stride is located at #420, 5119 Elbow Dr. S.W., Calgary, Alberta T2V 1H2.

2.1.5 Tribucore

Tribucore was incorporated pursuant to the ABCA on November 21, 2016. Tribucore is an active investor in consumer and commercial fixed income portfolios and one-off credit opportunities with a goal of creating a stable portfolio yielding appropriate risk adjusted returns. See Item 2.2.3 – *Business of Tribucore*.

The registered and head office of Tribucore is located at #2210, 8561 8A Avenue S.W., Calgary, Alberta, T3H 0V5.

2.2 Our Business

2.2.1 Business of the Trust

The purpose of this Offering is to allow Subscribers to indirectly participate in a debt-linked return stream expected to be generated by Stride. The Trust intends to indirectly acquire, with the gross proceeds of the Offered Units, 7.01% Stride Bonds. The cash distributions to the holders of Offered Units will be entirely dependent on the ability of Stride to make interest payments on the 7.01% Stride Bonds, which are dependent on the business operations of Stride.

See Item 8 – *Risk Factors*, Item 8 – *Risk Factors – No Guaranteed Return or Distributions* and Item 8 – *Risk Factors – Nature of Trust Units*.

2.2.2 Business of Stride



Stride Business Overview

Stride engages in the business of providing financing to SMEs located primarily in Western Canada for the acquisition of revenue-producing industrial and commercial equipment assets. In general, the Canadian equipment finance industry is served by three main industry participants: (i) independent lease finance companies like Stride, (ii) captive finance companies owned by manufacturers and distributors, and (iii) banks.

Stride focuses on the middle-market segment in the "A" rated credit segment only, where management of Stride has direct expertise and experience. Stride does not intend to target sub-"A" credit customers and only "A" credit customers may be included in pools supported by senior lenders in Stride's secured borrowing facilities.

Stride defines the middle-market segment as that segment of the market that requires leasing and/or financing amounts ranging from approximately \$50,000 to \$1,500,000.

The ratings and ratings criteria are established internally by Stride, with reference to third party industry standards. Generally, Stride considers both the financial background as well as the credit history of a prospective customer in determining whether a customer is deemed to be a suitable "A" credit customer.

With respect to the financial background of a customer, Stride considers:

- *Positive cash-flow* – Stride reviews the operating cash flow of the borrower over the previous two year period and the Borrower's ability to service the current portion of its long term debt;
- *Adequate working capital* – Stride reviews the working capital of a borrower to ensure that a customer can service its short term obligations; and
- *Debt to equity ratio* – When reviewing the financial background of a borrower and its ability to service future debt obligations, Stride considers the debt to equity ratio of a borrower.

With respect to reviewing the credit history of a customer, Stride considers:

- *PayNet MasterScore greater than 670* – a PayNet MasterScore, as used by Stride, is a number generated by PayNet, Inc. Canada, that provides a credit score for a customer in the commercial equipment financing industry. A PayNet MasterScore tracks equipment lease and loan history. In order to access PayNet MasterScore information, an entity must be a reporting entity to PayNet. Stride has been a reporting entity to PayNet since its inception. Stride believes that the information provided in a PayNet MasterScore is a more direct metric of a customer's historical payment practices in respect of their equipment financing contracts. PayNet MasterScores can range from 520 to 800; and
- *Beacon score greater than 650* – a Beacon score, as used by Stride, is a number generated by Equifax Credit Bureau to rank credit-worthiness. A Beacon score indicates a borrower's likelihood of default on a loan in the next 18 months. Beacon scores range from 280 to 850. Mathematical criteria involved in calculating a Beacon score can include late payments, current indebtedness, length of time an account has been open, types of credit and new applications for credit. The requirement for a

Beacon Score of greater than 650 is an internal benchmark that Stride has adopted in its adjudication model to evaluate entities for its "A" rated credit designation.

The middle-market segment is a high-volume business that requires technology and industry experience to meet market demand for fast credit decisions, quick funding of transactions and customer service excellence. Stride endeavours to respond to applications with details of a credit decision within four business hours for transactions up to \$750,000 and eight business hours for transactions up to \$1,500,000.

Stride has grown originations in the middle-market segment by filling a market void created by what Stride believes is the tendency of its Canadian bank competitors to have slower middle-market processes and a preference for financing larger-ticket equipment, and by Stride's flexibility and ability to address customer needs in an efficient manner. Stride believes its value proposition to originators is founded in its relationship- and service-based focus, together with its predictable credit decision-making processes.

Stride believes that its performance has been enhanced by its success in negotiating a competitive cost of funds. The majority of Stride's leases and loans are financed by securitization and bulk lease financing facilities, whereby Stride assigns the future payment stream of a tranche of leases/loans, on a discounted basis, to a third-party such as a life insurance company, credit union or bank. Stride's multiple funding partners have monitoring and audit processes, including thorough initial portfolio reviews; site visits; file audits to review credit decisions, documentation accuracy and security perfection; and monthly compliance certificates confirming the correctness of portfolio and financial statistics.

Industries and Eligible Collateral

Stride provides and facilitates asset-based leasing and financing solutions for various industrial and commercial business segments. As at December 31, 2016, no more than 33% of Stride's leases were attributed to a particular industry.

Although Stride may fund many types of equipment, Stride focuses on the following categories of eligible collateral:

- **Transportation** – Highway tractors, trailers, buses and motor coaches;
- **Construction** – Excavators, loaders, off highway trucks, crawlers, pipe layers, skid steers and rough terrain cranes;
- **Energy** – Hydro/combo vacuum trucks, production and service equipment;
- **Industrial** – Lift trucks, scissor lifts, boom trucks and power generation equipment, cranes, light towers and gen sets;
- **Forestry** – Skidders, delimiters, log loaders and feller bunchers;
- **Agriculture** – Tractors, seeders, sprayers, combines and grain bins; and
- **Manufacturing** – CNC lathes, machine tools, woodworking tools.

Lease and Loan Terms

Lease and loan terms typically range from 24 to 72 months and Stride does not take residual positions on leases or loans. The range of rates on leases and loans to clients are generally between 6.75% to 9.5% based on parameters of the proprietary Stride credit adjudication process.

Stride's standard leases and loans generally require that lessees/borrowers: (i) operate the equipment in the manner for which it was designed and for commercial or business purposes only; (ii) maintain and service the equipment; (iii) insure the equipment for the full insurable value and, where appropriate having regard to the nature of the equipment, for potential liability for injury to third parties; (iv) indemnify and hold Stride harmless for any liability resulting from the leased equipment; and (v) pay directly or reimburse Stride for all sales, use and other taxes associated with the equipment.

In addition, Stride's standard lease generally provides that in the event of a default, Stride can, at its discretion, require payment of the entire balance due under the lease or loan and repossess the equipment for subsequent sale, refinancing or other disposal, subject to any limitations imposed by law.

Stride's leases require that its lessees/borrowers pay or reimburse Stride for sales taxes along with any penalties or interest that may be due. Stride collects sales taxes on each lease's contract payment and remits it to the appropriate authorities on a regular basis. Stride's form of lease and loan provides for various fees and other charges to be paid by the lessee/borrower. If payable, these fees are due in addition to scheduled contract payments. Fees include late fees (for late payment of rent or other amounts), an administrative fee (for documentation and initiation of the contract) and registration fees.

Origination Process

Stride originates transactions through direct channels. Direct origination efforts are focused on soliciting transactions directly from equipment vendors, business owners and end users. Stride focuses primarily on Western Canada, with approximately 90% of its leases in 2016 originating in Alberta, British Columbia and Saskatchewan.

Funding

As at the date of this Offering Memorandum, Stride finances its loans and leases via the following methods:

- the issuance of 7.01% Stride Bonds; and
- securitization and bulk lease financing facilities, whereby Stride assigns the future payment stream of a tranche of leases/loans, on a discounted basis, to a third-party such as a life insurance company, credit union or bank.

Funding partners have monitoring and audit processes, in conjunction with their other internal requirements, which may include site visits and file audits. In addition to reviewing credit decisions, documentation accuracy and security perfection, there are periodic audits and signing of compliance certificates attesting to the correctness of portfolio and financial statistics.

Stride depends on the availability of credit from external financing sources to continue to finance new leases, refinance existing leases and satisfy its other working capital needs. These requirements will increase if lease originations increase.

In the future, Stride may consider additional sources of funding such as additional senior credit facilities and bank warehouse facilities to fund future lease and loan growth.

Competition

Stride's markets are highly competitive and characterized by various competitive factors that vary by business and by region. Stride's competitors are other independent equipment finance companies and regional and national banks. Competitors service this market through either the direct distribution channel, whereby the end-user of the equipment is the main customer, or through the vendor origination channel, whereby the equipment manufacturer or dealer/distributor network is the main customer.

Stride believes that it is well positioned to compete with its competitors by means of having an experienced management team with a track record of success, access to capital, a highly experienced in-house sales team and a creative structuring approach, as well as strong relationships with end-user customers and vendors and financial institution partnerships.

Management and Employees

Stride's management team represents a unique combination of equipment leasing experience and proven business success in multiple industries. The management team has origination, business development, operations and treasury experience that provides the knowledge, resources and structure for Stride's growth. See Item 3.2 – *Management Experience*.

The key employees of Stride are:

Randy Smyth

Mr. Smyth has over 30 years of experience in the financial services industry, primarily within the industrial equipment leasing & financing sector. His industry experience includes working in various lending capacities at two financial institutions (1982 through to 1991); a private merchant bank (1991 - 1992) and founding Mercado Capital Corporation, an independent leasing company providing financing to clients within the A & B credit space in 1992. He continued to manage the business until its sale in May 2007 to a B.C. Credit Union which continues to operate the business. Subsequent to the sale of Mercado Capital Corporation, Mr. Smyth spent time as a director of the Calgary Special Olympics and acted as a volunteer co-chair for the 2011/12 IIHF World Junior Hockey Championships. Most recently, Mr. Smyth founded Arundel Capital Corporation in June 2012, an indirect asset based lessor providing industrial equipment leasing to clients and/or transactions in the B & C credit space.

Randy Mannix

Mr. Mannix has been involved in the industrial equipment finance industry since 1998. His experience includes being an early stage employee with Mercado Capital Corporation, an independent leasing company, helping it grow the origination team as National Sales Manager prior to the company's sale to a B.C. Credit Union. Mr. Mannix was also a shareholder in one of the leasing portfolios at the time of the sale.

In 2010, Mr. Mannix was hired by a start-up company, Element Financial Corporation, to lead the origination and business development team in Western Canada. The company went public in early 2012 (TSX: EFN). In his role as Vice President Sales, Western Canada, Mr. Mannix managed a team that originated over \$400 million of equipment leases in Western Canada from 2010 to 2015, all of which

were originally sourced (not acquired). Mr. Mannix has a thorough understanding of managing an equipment leasing portfolio through numerous business cycles and of the balance needed between risk management and origination to SMEs.

Investment Committee

Stride has an investment committee consisting of Stephen Johnston, Greg Tooth, Michael Cook, Randy Smyth and Randy Mannix. The investment committee has established parameters upon which Stride will grant financing. In addition, the investment committee must also approve any financing decision by Stride in excess of \$3,000,000. See Item 2.2.2 – *Business of Stride – Management and Employees* and Item 3.2 – *Management Experience*.

2.2.3 Business of Tribucore

Holdco from time to time invests funds received from the Trust in Tribucore in exchange for subordinated unsecured debt. Tribucore is an active investor in consumer and commercial fixed income portfolios and one-off credit opportunities with a goal of creating a stable portfolio yielding appropriate risk adjusted returns. None of the proceeds from the issuance of Series A Units will be used to fund any portion of the business of Tribucore.

The Declaration of Trust contains "separateness covenants" that are designed to facilitate the segregation and separation of the assets and liabilities attributable to each Series of Units, such that the activity in relation to a particular Series of Units is independent from each other Series (other than with respect to Common Expenses). The Trust has the ability to make separate distributions on a Series of Units, and to effect separate redemptions or returns of capital on those securities and to separately terminate or unwind those securities.

2.3 Development of Business

The Trust and Holdco were formed on January 8, 2016. The Trust was established for the purpose of indirectly investing in diversified portfolios of private debt assets through the purchase of bonds of Holdco. Holdco was established for the purpose of investing in operating entities that are invested in diversified portfolios of private debt assets. On January 8, 2016, Stride was incorporated and on November 21, 2016, Tribucore was incorporated.

Since the date of formation to May 26, 2017, the Trust has issued 4 Common Units, 9,436,649 Series A Units, 797,040 Series A(D1) Units, 3,015,100 Series A1 Units and 150,500 Series A2 Units.

Stride originated its first lease in April 2016. During 2016, Stride originated over 150 leases totalling greater than \$25 million. During the first four months of 2017, Stride originated over 70 leases totalling greater than \$13 million.

2.4 Long Term Objectives

2.4.1 Long Term Objectives of the Trust

The long term objective of the Trust is to achieve income generation for Unitholders from cash distributions from Holdco. In order to achieve its objectives, the Trust must successfully raise capital, including pursuant to the Offering, for subsequent investment into Holdco.

2.4.2 Long Term Objectives of Stride

The long term objective of Stride is to achieve income generation from the business of Stride in excess of aggregate borrowing costs. In order to achieve its objectives, Stride must successfully secure financing, including pursuant to the issuance of 7.01% Stride Bonds, for subsequent accretive investment into the business of Stride.

2.5 Short Term Objectives and How They are Intended to be Achieved

2.5.1 Short Term Objectives of the Trust and Holdco

The Trust and the Offered Units are governed by the Declaration of Trust. See Schedule A – *Summary of the Declaration of Trust* for a summary of the material terms.

The primary objective of the Trust for the ensuing 12 months is to seek out Subscribers for the Offered Units and invest the funds raised by the Offering in 7% Holdco Bonds. The Trust intends to sell Offered Units through registered exempt market dealers and investment dealers in all provinces and territories of Canada other than Québec. Holdco will, in turn, invest the funds received from the Trust in 7.01% Stride Bonds.

What we must do and how we will do it	Number of months to complete	Our cost to complete
The Trust must complete the Offering and invest in 7% Holdco Bonds.	6-12 months	\$20,000,000 ⁽¹⁾

Holdco must invest in 7.01% Stride Bonds.	6-12 months	\$20,000,000 ⁽¹⁾
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Note:

(1) Stride has agreed to reimburse the Trust, the Administrator and Holdco for, or pay directly, all commissions, costs and expenses to be incurred by the Trust, Administrator and Holdco, in connection with the Offering for funds invested in Stride. Accordingly, Subscribers will not bear the cost of the commissions, costs and expenses paid in connection with capital raised for investment in Stride. See Item 2.7.3 – *Material Agreements – Reimbursement Agreement*.

2.5.2 Short Term Objectives of Stride

Stride will use the funds received from Holdco, plus funds received from and loans secured by the future payment stream of a group of leases/loans to lenders such as life insurance companies, credit unions and banks, to finance its equipment financing & leasing business.

What Stride must do and how it will do it	Number of months to complete	Stride's cost to complete
Acquire capital through the issuance of 7.01% Stride Bonds	6-12 months	\$1,430,000 ⁽¹⁾
Invest the net proceeds received from the Trust in the business of Stride. See Item 2.2.2 – <i>Business of Stride</i> .	6-12 months	\$18,570,000 ⁽¹⁾

Note:

(1) Stride has agreed to reimburse the Trust, the Administrator and Holdco for, or pay directly, all commissions, costs and expenses to be incurred by the Trust, Administrator and Holdco, in connection with the Offering for funds invested in Stride. Accordingly, Subscribers will not bear the cost of the commissions, costs and expenses paid in connection with capital raised for investment in Stride. See Item 2.7.3 – *Material Agreements – Reimbursement Agreement*.

2.6 Insufficient Funds

The available funds raised from this Offering will be invested in 7% Holdco Bonds. The Trust does not intend to hold any significant cash reserves other than those amounts necessary to pay administrative expenses incurred by the Trust (which will be reimbursed by Stride). In some instances, the Trust may temporarily retain cash from an interest payment from Holdco in order to ensure regular distributions or redemptions. The Trust does not anticipate requiring additional funds to pursue its objectives.

In order for Stride to pursue its business objectives, Stride requires additional sources of funding in the form of loans secured by the future payment stream of a group of leases/loans to lenders such as life insurance companies, credit unions and banks. See Item 2.2.2 – *Business of Stride - Funding*.

2.7 Material Agreements

The following are the key terms of all material agreements which the Trust has entered into and which can reasonably be regarded as presently being material to the Trust or a prospective purchaser of Offered Units being offered pursuant to this Offering.

The following is a summary only of certain provisions in such material agreements which are qualified in their entirety by reference to the actual text of such agreement. A copy of such material agreements is available for review, upon request to the Administrator, at the offices of the Administrator during regular office hours.

2.7.1 Declaration of Trust

The Trust and the Offered Units are governed by the Declaration of Trust, See Schedule A – *Summary of the Declaration of Trust* for a summary of the material terms.

2.7.2 Administration Agreement

The Trust has entered into the Administration Agreement, pursuant to which the Trustees have delegated to the Administrator the obligation to provide and perform for and on behalf of the Trust essentially all services that are or may be required or advisable, from time to time, in order to manage and administer the operations of the Trust. The Administration Agreement sets forth all of the rights, restrictions and limitations (including, without limitation, limitations of liability and indemnification rights) which pertain to the performance by the Administrator of the duties delegated to it by the Trustees. The Administrator and its directors and officers, as well as their respective affiliates and associates, are permitted to have business and other interests or associations of whatever nature or kind apart from their activities related to the Trust.

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

In general, the Administrator's liability is limited, and it will be entitled to indemnification from the Trust, in respect of demands, claims and liabilities of any nature provided that the Administrator has acted honestly and in good faith.

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

2.7.3 Reimbursement Agreement

The Trust and Holdco are, with respect to the Series A Units, vehicles to obtain debt financing for Stride from time to time as may be required by Stride to enable it to invest in its business of providing financing to SMEs located primarily in Western Canada for the acquisition of revenue producing industrial equipment assets. The Trust, the Administrator and Holdco have therefore entered into the Reimbursement Agreement with Stride.

Under the terms of the Reimbursement Agreement, Stride has agreed to reimburse the Trust, the Administrator and Holdco for, or pay directly, all costs and expenses to be incurred by them in connection with the Trust, the Administrator and Holdco obtaining debt financing for Stride, including: (i) establishing the Trust's, the Administrator's and Holdco's existence so as to be in a position to undertake such financings; (ii) maintaining each of the Trust's, the Administrator's and Holdco's existence, which includes, but is not limited to, the Trust's obligations to Series A Unitholders under the Declaration of Trust, all accounting and legal costs and all costs of compliance with the Income Tax Act or any applicable taxation laws or regulations; (iii) costs and expenses incurred by the Trust, the Administrator and Holdco in respect of an offering of securities including legal, accounting and selling agents' fees; (iv) marketing and related services associated with the distribution and sale of securities; (v) administration of any unitholder rights plans, distribution reinvestment plans, unit purchase plans, incentive options and other compensation plans; and (vi) costs of ongoing compliance by the Trust, the Administrator and Holdco of applicable laws.

The Trust, the Administrator and Holdco have also entered into an agency and reimbursement agreement dated November 21, 2016 with Tribucore. The terms of that agreement with Tribucore are substantially the same as the Reimbursement Agreement with Stride, except that is with respect to the Series A1 Units, Series A2 Units and any future Series Units issued by the Trust the proceeds of which are used to obtain debt financing for Tribucore.

2.7.4 7% Holdco Bonds

The 7% Holdco Bonds are payable on demand and bear interest from the date of advance at 7.00% per annum, which is payable in equal installments monthly, one month in arrears, on the second last business day of each month. Holdco's debt obligations represented by the 7% Holdco Bonds are secured by the 7.01% Stride Bonds and rank *pari passu* amongst themselves.

Recourse under the 7% Holdco Bonds is limited to the 7.01% Stride Bonds purchased by Holdco with the gross proceeds from the 7% Holdco Bonds. There is no additional recourse by the Trust (against Holdco or others) for any deficiency in value of the 7% Holdco Bonds in the event of non-payment or default by Holdco.

2.7.5 7.01% Stride Bonds

The 7.01% Stride Bonds are payable on demand and bear interest from the date of advance at 7.01% per annum, which is payable in equal installments monthly, one month in arrears, on the second last business day of each month. The 7.01% Stride Bonds are direct, unsecured obligations of Stride and rank *pari passu* amongst themselves. The 7.01% Stride Bonds are subordinated and postponed to all senior indebtedness (being all indebtedness, liabilities and obligations of Stride not expressed to rank in right of payment subordinate to or *pari passu* with the indebtedness evidenced by the 7.01% Stride Bonds), including amounts owing by Stride to any senior lender under any secured loans. See Item 2.2.2 – *Business of Stride – Funding*.

2.7.6 Distribution Reinvestment Plan

The Trust has adopted a DRIP that allows eligible holders of Series A Units to elect to have their cash distributions reinvested in additional Series A Units of the Trust on the applicable distribution payment date at a purchase price equal to \$1.00 per Series A Unit (or such other price not less than the fair market value of the Series A Unit as may be determined by the Trust from time to time). All holders of Series A Units resident in Canada are eligible to participate in the DRIP. Holders of Series A Units who do not enroll in the DRIP will receive their regular cash distributions. The Trust reserves the right to limit the amount of new Series A Units available under the DRIP on any particular distribution payment date. Accordingly, participation may be prorated in certain circumstances. In the event of proration, or if for any other reason all or a portion of the distributions cannot be reinvested under the DRIP, holders of Series A Units enrolled in the DRIP will receive the portion of their distribution that cannot be reinvested as regular cash distributions. The Trust has also established a DRIP for other Series Units on similar terms and conditions to the DRIP applicable to Series A Units.

All Series Units acquired under the DRIP on the reinvestment of cash distributions will be issued from treasury of the Trust on the applicable distribution payment date. No commissions, service charges or brokerage fees will be payable in connection with the purchase of Series Units from treasury under the DRIP. Participation in the DRIP does not relieve holders of Series Units of any liability

for any income or other taxes that may be payable on or in respect of the distributions that are reinvested for their account under the DRIP.

An account will be maintained by the Administrator, or such other party as may be appointed by the Trust as plan agent, on behalf of the Trust, for each participant with respect to purchases of Series Units made under the DRIP for the participant's account.

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

ITEM 3 – DIRECTORS, MANAGEMENT AND PRINCIPAL HOLDERS

3.1 Compensation and Securities Held

The following table sets out information about each Trustee, director and officer of the Administrator and each person who, directly or indirectly, beneficially owns or controls 10% or more of any class of voting securities of the Trust (a "**Principal Holder**"). Where the Principal Holder is not an individual, the following table provides the name of any person that directly or indirectly, beneficially owns or controls more than 50% of the voting rights of the Principal Holder.

Name and municipality of principal residence	Position held and date of obtaining that position	Compensation paid by the Trust, Stride and/or Tribucore since inception and the compensation anticipated to be paid in current financial year ^{(1) (2) (3)}	Number, type and percentage of securities of the Trust held after completion of the Offering
Stephen Johnston Calgary, Alberta	Trustee of the Trust and Investment Officer and Director of the Administrator since January 8, 2016	2016 – Stride - \$25,000 2017 – Stride - \$35,000 2016 – Tribucore - \$nil 2017 – Tribucore - \$60,000	1 Common Unit (25%) ⁽⁴⁾ 50,000 Series A Units (0.52%) ⁽⁴⁾
Greg Tooth Calgary, Alberta	Trustee of the Trust and Investment Officer and Director of the Administrator since January 8, 2016	2016 – Stride - \$25,000 2017 – Stride - \$35,000 2016 – Tribucore - \$nil 2017 – Tribucore - \$60,000	1 Common Unit (25%) ⁽⁵⁾ 11,000 Series A Units (0.12%)
Michael Cook Calgary, Alberta	Trustee of the Trust and Investment Officer and Director of the Administrator since January 8, 2016	2016 – Stride - \$25,000 2017 – Stride - \$35,000 2016 – Tribucore - \$nil 2017 – Tribucore - \$60,000	1 Common Unit (25%) ⁽⁶⁾ 26,527 Series A Units (0.28%)
Randy Smyth Calgary, Alberta	Trustee of the Trust and Investment Officer and Director of the Administrator since January 8, 2016	2016 – Stride - \$25,000 2017 – Stride - \$35,000 2016 – Tribucore - \$nil 2017 – Tribucore - \$110,000	1 Common Unit (25%) ⁽⁷⁾ 54,878 Series A Units (0.58%)

Notes:

- (1) Stephen Johnston, Greg Tooth, Michael Cook and Randy Smyth are directors of Stride and Tribucore as well as members of Stride's and Tribucore's investment committees and each of them are entitled to compensation in such capacities.
- (2) Stride may need to pay financing placement fees to secure senior debt credit facilities. In connection with the foregoing, a contractual arrangement is expected to be entered into among Stride, Randy Smyth, Stephen Johnston, Greg Tooth and Michael Cook which will provide for a financing placement fee in the aggregate amount of 0.35% of the net amount outstanding on senior secured credit facilities of Stride, measured annually, which financing placement fee will be paid to Randy Smyth, Stephen Johnston, Greg Tooth and Michael Cook on a *pro rata* basis. As at the date of this Offering Memorandum, no such financing placement fee has been contracted or paid by Stride.
- (3) Tribucore may need to pay financing placement fees to secure senior debt credit facilities. In connection with the foregoing, a contractual arrangement is expected to be entered into among Tribucore, Randy Smyth, Stephen Johnston, Greg Tooth and Michael Cook which will provide for a financing placement fee in the aggregate amount of 0.45% of the net amount outstanding on senior secured credit facilities of Tribucore, measured annually, which financing placement fee will be paid to Randy Smyth, Stephen Johnston, Greg Tooth and Michael Cook on a *pro rata* basis. As at the date of this Offering Memorandum, no such financing placement fee has been contracted or paid by Tribucore.
- (4) The Series A Units and Common Unit are held by J2 Holdings Ltd.

- (5) The Common Unit is held by Tooth Holdings Ltd.
- (6) The Common Unit is held by Lexbury Holdings Ltd.
- (7) The Common Unit is held by The Smyth Family Trust (2007).

3.2 Management Experience

Set forth below is a description of the principal occupation and business experience of each of the Trustees of the Trust and the directors and officers of the Administrator.

Name and position	Principal Occupation and Related Experience
Stephen Johnston	Mr. Johnston is a co-founder of Capita Funds Asset Management, Agcapita Partners LP, a farmland investment fund, Petrocapita Income Trust, an energy and mid-stream assets investment fund, Enercapita Energy Trust, an oil and gas investment fund, Equicapita Income Trust, a private equity fund focused on acquiring controlling positions in small-medium enterprises, and Rhocore Income Trust, a fund focused on credit opportunities. In 1994, Mr. Johnston joined the London, England office of AT Kearney, a global consulting firm, as a strategy consultant implementing trading risk management systems, with a focus on default risk metrics of commercial real estate loan portfolios of Swedish investment banking clients. Mr. Johnston was then engaged as a banker by the European Bank for Reconstruction and Development on the Telecommunications and Media Team, providing debt and equity financing to companies based in Eastern Europe and the former Soviet Union until 1998. In 1998, Mr. Johnston became the head of the private equity team at Société Générale Asset Management - Emerging Markets UK. In this capacity, he was responsible for closed-end funds covering the Baltics, Central and Eastern Europe and the Middle East with US\$285 million under management. In 2000, he became a principal and part owner of a £12 million early stage technology fund based in London, UK, investing in European based start-ups. Mr. Johnston earned a Bachelor of Science Degree (1987) and a Bachelor of Laws Degree (1990) from the University of Alberta and, after being admitted to the Alberta Bar in 1991, graduated with a Masters of Business Administration (MBA) from the London Business School in 1994.
Greg Tooth	Mr. Tooth is a co-founder of Capita Funds Asset Management, Enercapita Energy Trust, an oil and gas investment fund, Equicapita Income Trust, a private equity fund focused on acquiring controlling positions in small-medium enterprises, and Rhocore Income Trust, a fund focused on credit opportunities. In 2011, Mr. Tooth worked in Private Equity, with North West Capital Partners Inc., to lead efforts to acquire a \$700 million gas-fired generation facility in Western Canada, with an aim to structure a high yield public equity offering. From 1998 to 2010, Mr. Tooth led business development efforts in the energy sector for a number of sophisticated, multinational commodity trading firms. In this capacity, Mr. Tooth was responsible for managing client energy portfolios in excess of \$300 million to achieve desired corporate risk management goals, in addition to identifying and evaluating associated energy infrastructure opportunities. Mr. Tooth has a Bachelor of Commerce Degree from the University of Alberta (1994) and holds the Chartered Financial Analyst (CFA) designation (1999).
Michael Cook	Mr. Cook is a co-founder of Capita Funds Asset Management, Enercapita Energy Trust, an oil and gas investment fund, Equicapita Income Trust, a private equity fund focused on acquiring controlling positions in small-medium enterprises, and Rhocore Income Trust, a fund focused on credit opportunities. From 2005 until co-founding Equicapita in 2013, Mr. Cook ran his own advisory business, Lexbury Financial Inc. During his tenure with Lexbury Financial Inc., Mr. Cook, worked with SME businesses to improve operations, implement financial controls, introduce benchmarking and assist with mergers & acquisitions and financing transactions. From 1997 to 2005, Mr. Cook worked in corporate finance and private equity with: Synergy Partners Inc. (1998 to 2000), a boutique SME focused mergers & acquisitions firm (acquired by Ernst & Young), Ernst & Young Corporate Finance Inc. (2001 to 2004), and Mercantile Bancorp Limited (2004 to 2005), an SME focused private equity firm. Mr. Cook holds Chartered Accountant (1999) and Chartered Business Valuator (2002) designations in addition to a Bachelor of Commerce in Marketing (1993) from the University of Manitoba.

Name and position	Principal Occupation and Related Experience
Randy Smyth	Mr. Smyth has over 30 years of experience in the financial services industry, primarily within the industrial equipment leasing & financing sector. His industry experience includes working in various lending capacities at two financial institutions (1982 through to 1991); a private merchant bank (1991 - 1992) and founding Mercado Capital Corporation, an independent leasing company providing financing to clients within the A & B credit space in 1992. He continued to manage the business until its sale in May 2007 to a B.C. Credit Union which continues to operate the business. Subsequent to the sale of Mercado Capital Corporation, Mr. Smyth spent time as a director for the Calgary Special Olympics and acted as a volunteer co-chair for the 2011/12 IIHF World Junior Hockey Championships. Most recently, Mr. Smyth founded Arundel Capital Corporation in June 2012, an indirect asset based lessor providing industrial equipment leasing to clients and/or transactions in the B & C credit space.

3.3 Penalties, Sanctions and Bankruptcy

No Trustee or control person of the Trust and no director, executive officer or control person of the Administrator has, within the ten years prior to the date of this Offering Memorandum, been subject to any penalties or sanctions or cease trade order that has been in effect for a period of more than 30 consecutive days, or been declared bankrupt or made a voluntary assignment in bankruptcy, made a proposal under any bankruptcy or insolvency legislation or been subject to or instituted any proceedings, arrangement, or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold the assets of that individual.

No Trustee or control person of the Trust and no director, executive officer or control person of the Administrator has been, in the past ten years, a director, executive officer or control person of an issuer that, while such individual served in such capacity, was subject to any penalty or sanction or cease trade order that has been in effect for a period of more than 30 consecutive days, or was declared bankrupt or made a voluntary assignment in bankruptcy, made a proposal under any legislation relating to bankruptcy or insolvency or been subject to or instituted any proceedings, arrangement, or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold the assets of the issuer.

ITEM 4 – CAPITAL STRUCTURE

4.1 Unit Capital

The unit capital of the Trust is as follows:

Description of Security	Number authorized to be issued	Price per security	Number outstanding as at May 26, 2017	Number outstanding assuming \$20,000,000 Offering
Common Units ⁽¹⁾	Unlimited	\$1.00	4	4
Series A Units ⁽²⁾	Unlimited	\$1.00	9,539,174	29,539,174
Series A(D1) Units	Unlimited	\$0.95	797,040	797,040
Series A1 Units	Up to 3,015,100	\$1.00	3,015,100	3,015,100
Series A2 Units	Up to 3,000,000	\$1.00	150,500	150,500

Notes:

(1) See Schedule A – *Summary of the Declaration of Trust* – Attributes of the Units of the Trust for the terms of the Common Units.

(2) See Item 5.1 – *Terms of Securities* for the terms of the Series A Units.

4.2 Long Term Debt

4.2.1 Long Term Debt of the Trust

The Trust has no outstanding long term debt. The Trust does not presently anticipate undertaking any borrowing in order to finance its operations.

4.2.2 Long Term Debt of Holdco

Description of Long Term Debt	Interest Rate	Repayment Terms	Amount outstanding as at May 1, 2017
7% Holdco Bonds ⁽¹⁾	7%	Interest payable monthly, principal repayable on demand by the Trust	\$10,336,214
7.1% Holdco Bonds	7.1%	Interest payable quarterly, principal repayable on demand by the Trust	\$150,500
7.2% Holdco Bonds	7.2%	Interest payable quarterly, principal repayable on demand by the Trust	\$3,015,100

Note:

(1) See Item 2.7.4 – 7% Holdco Bonds for additional details.

4.2.3 Long Term Debt of Stride

Stride undertakes borrowing in order to finance its operations. Borrowing is undertaken at the discretion of the management of Stride and upon such terms and conditions as it determines appropriate and acceptable. All such additional indebtedness ranks in right of payment superior to the 7.01% Stride Bonds. See Item 2.2.2 – *Business of Stride – Funding*.

Description of Long Term Debt	Interest Rate	Repayment Terms	Amount outstanding as at May 1, 2017
7.01% Stride Bonds ⁽¹⁾	7.01%	Interest payable monthly, principal repayable on demand by Holdco	\$10,336,214
Stride loans secured by pledged equipment lease receivables	Weighted average 3.88%	Compounded annually, repayable to January 31, 2023, on the basis of amounts collected from the related pledge lease receivables	\$17,108,249

Note:

(1) See Item 2.7.5 – 7.01% Stride Bonds for additional details.

4.3 Prior Sales

The following table sets forth a description of the previously issued securities of the Trust from its formation to the date of this Offering Memorandum. These securities have not been issued as part of this Offering.

Date of Issuance	Type of Security Issued	Number of Securities Issued	Price per Security	Total Funds Received
January 8, 2016	Common Units	4	\$1.00	\$4.00
March 21, 2016 to April 18, 2017	Series A Units	9,436,649	\$1.00	\$9,436,649.00
March 31, 2016 to March 31, 2017	Series A Units (by DRIP)	102,525	\$1.00	\$102,525.00
February 10, 2017	Series A(D1) Units	789,474	\$0.95	\$750,000.30
February 28, 2017 to March 31, 2017	Series A(D1) Units (by DRIP)	7,566	\$0.95	\$7,187.70
December 19, 2016 to April 18, 2017	Series A1 Units	3,015,100	\$1.00	\$3,015,100.00
April 18, 2017	Series A2 Units	150,500	\$1.00	\$150,500.00
			Total:	\$13,461,966.00

ITEM 5 – SECURITIES OFFERED

5.1 Terms of Securities

Securities: The securities being offered pursuant to this Offering are Series A Units of the Trust. The price of each Offered Unit is one dollar (\$1.00). Except with the consent of the Administrator of the Trust, the minimum number of Offered Units that may be purchased by an individual Subscriber is 5,000, representing a \$5,000 investment.

Reference should be made to the Declaration of Trust for a complete description of all the terms of the Series A Units. The following is a summary only of certain material terms of the Series A Units which is qualified in its entirety by reference to the complete description of all the terms of the Series A Units set forth in the Declaration of Trust.

Voting Rights: No holder of Units of a Series shall be entitled to receive notice of, or to attend, any meeting of Unitholders or to vote at any such meeting or to vote in respect of any matter whatsoever requiring Unitholder approval pertaining to the Trust (whether at a meeting or by written resolution). The Trust shall call and hold a meeting of Unitholders, at which only holders of Units of a particular Series may attend and vote separately as a class, where the matter for which approval is being sought is not otherwise permitted in the Declaration of Trust and is:

- (a) to amend the rights, privileges, restrictions and conditions attaching to the Units of such Series, including amendments to:
 - (i) remove or change rights to distributions in a manner materially prejudicial to holders of Units of such Series;
 - (ii) add, remove or change, redemption rights in a manner materially prejudicial to holders of Units of such Series;
 - (iii) reduce or remove a distribution preference or a liquidation preference in respect of Units of such Series; or
 - (iv) add, remove or change, in a manner materially prejudicial to holders of Units of such Series, voting, transfer or pre-emptive rights, or rights to acquire other securities;
- (b) to carry out and give effect to any of the following actions if the resulting effect to the holders of Units of such Series would be materially prejudicial thereto:
 - (i) effect an exchange, reclassification or cancellation of all or part of the Units of such Series; or
 - (ii) effect an exchange or create a right of exchange of all or part of the units of another class or Series of Units of the Trust into the Units of such Series; or
- (c) to carry out and give effect to any action that would result in:
 - (i) the Trust Property exclusively allocated to such Series to be commingled with Trust Property allocated to another Series; or
 - (ii) any Trust Units (other than the Units of such Series) being granted rights to the Trust Property exclusively allocated to such Series;

provided, however, that all matters set forth above must also be approved by the Common Unitholders, voting separately as a class, in accordance with the terms of the Declaration of Trust.

At all such meetings of Units of a particular Series, matters put forth at such meetings, to be approved, must be approved by Special Resolution of the holders of Units of such Series, voting separately as a class. At all such meetings, each holder of Units of such Series shall be entitled to one (1) vote in respect of each Units of such Series held thereby.

Distributions: Distributions of Distributable Cash to holders of Series A Units shall occur as follows:

- (a) Holders of Series A Units shall be entitled to receive non-cumulative distributions if, as and when declared by the Trustees, and such distributions may be declared on the Series A Units to the exclusion of distributions in respect of any other Series of Units, and vice versa.
- (b) The Trustees, on behalf of the Trust, in respect of each Distribution Period, shall declare payable to holders of Series A Units of record as at the close of business on the Distribution Record Date for such Distribution Period, all or any part, or none of the Distributable Cash, as determined in the sole discretion of the Trustees, in respect of the Series A Units for such Distribution Period (such aggregate amount so declared being herein referred to as the "**Distribution Amount**").
- (c) Each Series A Unit issued and outstanding on the Distribution Record Date for a particular Distribution Period shall be entitled, without preference or priority, to an equal share of the amount of the Distribution Amount in respect of Series A Units which is declared payable to the holders of Series A Units for such particular Distribution Period, which share shall be determined by dividing the amount of such Distribution Amount in respect of Series A Units declared payable to the holders of Series A Units by the number of issued and outstanding Series A Units on such Distribution Record Date (the "**Distribution Per Unit**"). For greater certainty, the share of such Distribution Amount

in respect of Series A Units distributable to a particular Series A Unitholder shall be an amount equal to the Distribution per Unit multiplied by the number of Series A Units owned of record by such Unitholder on such Distribution Record Date.

- (d) In the event that a Series A Unit was not issued and outstanding on each day within such Distribution Period, then the Distribution Per Unit in respect of such Series Unit shall be adjusted to be the product obtained when the Distribution Per Unit is multiplied by the quotient obtained when: (i) the number of days in the Distribution Period during which such Series A Unit was issued and outstanding, is divided by (ii) the total number of days in the Distribution Period, and such amount shall be payable as the distribution in respect of such Series A Unit. Such adjustment calculation shall be made in respect of each Series A Unit which was not issued and outstanding on each day within the Distribution Period.
- (e) Subject to the Declaration of Trust, the Distributions Per Unit payable to holders of Series A Units in respect of a Distribution Period (as determined above) shall be paid in cash on or before the Distribution Payment Date attributable to such Distribution Period, provided that if the Distribution Record Date is on or after October 1 in any calendar year, then the distributions per Unit payable to holders of such Series of Units in respect of such distributions for the Distribution Period pertaining to such Distribution Record Date shall be due and payable as of 5:00 p.m. (Calgary time) on December 31 in such year.

Distribution Reinvestment Plan: The Trust has adopted a DRIP that will allow eligible holders of Series Units to elect to have their cash distributions reinvested in additional Series Units of the Trust on the applicable distribution payment date at a purchase price equal to \$1.00 per Series Unit (or such other price as may be determined by the Trust from time to time). See Item 2.7.6 – *Distribution Reinvestment Plan*.

Rights of Redemption: A holder of Series A Units is entitled to require the Trust to redeem, at any time at the demand of the holder, all or any part of the Series A Units registered in the name of the Series A Unitholder at the redemption price. There are certain procedural requirements, set forth in the Declaration of Trust, which must be adhered to in connection with any redemption of Series A Units.

On a redemption by a Series A Unitholder, the redemption price per Series A Unit shall be:

- (i) in the case of a Redemption Unit being redeemed prior to the Redemption Maturity Date, the lesser of:

- (A) 90% of the fair market value of such Redemption Unit as at the date upon which such Redemption Unit was tendered for redemption; and

- (B) \$0.90; and

- (ii) in the case of a Redemption Unit being redeemed on or after the Redemption Maturity Date, the lesser of:

- (A) the fair market value of such Redemption Unit as at the date upon which such Redemption Unit was tendered for redemption; and

- (B) \$1.00.

In the case of a redemption of Series A Units by a Unitholder, the payment of the redemption price shall be paid in cash, provided that the Trust shall only be obligated to pay up to \$10,000 in cash in respect of redemptions of Series A Units in any calendar month, unless the Administrator determines a greater cash amount. Such cash amount shall be paid pro-rata to redeeming Unitholders. The remainder of the redemption price shall be paid via the issuance of Redemption Notes and/or distribution, *in specie*, of Trust Property allocated to the applicable Series of Units.

The Trust is entitled at any time and from time to time to redeem all or any part of the issued and outstanding Series A Units of the Trust. There are certain procedural requirements, set forth in the Declaration of Trust, which must be adhered to by the Trust in connection with any redemption of Series A Units of the Trust. The redemption price per Series A Unit to be received upon such redemption by the Trust is the lesser of: (A) the fair market value of such Redemption Unit as at the date of the redemption notice; and (B) \$1.00.

See Schedule A – *Summary of the Declaration of Trust – Redemption Rights*.

Participation upon Liquidation or Winding Up: In the event of the liquidation, dissolution or winding up of the Trust or the Series A Units or other distribution of Trust Property exclusively allocated to the Series A Units among the holders of Series A Units for the purpose of winding up the affairs of the Trust or the Series A Units, the holders of Series A Units shall be entitled to participate in the distribution. The distribution to which the holders of Series A Units are entitled shall be made in equal amounts per Series A Unit on all the Series A Units at the time outstanding without preference or distinction.

5.2 Subscription Procedure

Subscribing for Offered Units: Subscribers will be required to enter into a Subscription Agreement with the Trust which will contain certain representations, warranties and covenants by the Subscriber, which include, among other things: (i) the representation that the Subscriber meets the conditions of the applicable prospectus exemption in purchasing Offered Units pursuant to this Offering and is thus entitled under such prospectus exemption to purchase such securities without the benefit of a prospectus qualified under applicable securities laws; (ii) an acknowledgement that the Subscriber, upon purchase of Offered Units, is bound by the terms of the Declaration of Trust; and (iii) that the Subscriber irrevocably nominates, constitutes and appoints the Trustees as his or her true and lawful attorney with the full power and authority as set out in the Subscription Agreement and the Declaration of Trust.

An investor who wishes to subscribe for Offered Units must:

1. complete and execute the Subscription Agreement which accompanies this Offering Memorandum, including all applicable schedules thereto;
2. pay the Aggregate Subscription Amount (as set forth in the Subscription Agreement) by certified cheque or bank draft to "Rhocore Income Trust" (or as the Administrator otherwise directs); and
3. complete and execute any other documents deemed necessary by the Administrator to comply with applicable securities laws;

and deliver the foregoing to the Administrator at #2210, 8561 – 8A Avenue S.W., Calgary, Alberta, T3H 0V5 or such other location which the Administrator may specify.

Subject to applicable securities laws and the Subscriber's two-day cancellation right, a subscription for Offered Units, evidenced by a duly completed Subscription Agreement delivered to the Trust, shall be irrevocable by the Subscriber. The subscription funds will be held until midnight of the second business day subsequent to the date that the Subscription Agreement is signed by the Subscriber. Thereafter the funds will be deposited and held in escrow by the Trust pending closing of the sale of Offered Units to Subscribers. Closings will occur at such times and on such dates as may be determined by the Administrator from time to time. Interest will not be payable on a Subscriber's subscription funds held in escrow pending closing and interest earned, if any, will be paid to and retained by the Trust.

Subscriptions will be received subject to rejection or allotment in whole or in part and the Trust reserves the right to close the subscription books at any time and without notice. The Administrator has the right, in its sole and absolute discretion, to reject any subscription for Offered Units in whole or in part, for any reason. If subscriptions are not received and accepted and certain other conditions have not been satisfied or waived on or before the date selected by the Administrator (in its sole discretion), subscriptions and subscription funds will be returned to Subscribers without interest or deduction. A Subscriber will become a Series A Unitholder following the acceptance of a subscription by the Administrator.

Upon closing of the sale of Offered Units, the Subscriber shall become a Series A Unitholder of the Trust and each Subscriber who becomes a Unitholder will be entered in the records and/or registers of the Trust as a Unitholder in respect of those Offered Units subscribed for and accepted by the Trust.

ITEM 6 – CANADIAN FEDERAL INCOME TAX CONSEQUENCES AND DEFERRED PLAN ELIGIBILITY

General

The following summary has been prepared by Counsel and describes the principal Canadian federal income tax considerations generally applicable as of the date hereof under the Income Tax Act to a Subscriber who acquires Offered Units as beneficial owner pursuant to this Offering and who, for purposes of the Income Tax Act and at all relevant times, is resident in Canada, deals at arm's length with, and is not affiliated with, the Trust and holds the Offered Units as capital property (in this section, referred to as a **"Resident Unitholder"**). Generally, Offered Units will be capital property of a Resident Unitholder provided the Resident Unitholder does not hold the Offered Units in the course of carrying on a business and has not acquired them in one or more transactions considered to be an adventure in the nature of trade.

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

This summary is based upon information and facts set out in this Offering Memorandum and in a certificate of the Trust as to certain factual matters, the provisions of the Income Tax Act in force as of the date hereof, all specific proposals to amend the Income Tax Act that have been publicly announced by or on behalf of the Minister of Finance (Canada) prior to the date hereof (the **"Proposed**

Amendments") and Counsel's understanding of the current published administrative and assessing policies of the Canada Revenue Agency that have been made publicly available in writing as of the date hereof. There can be no assurance that the Proposed Amendments will be enacted in the form proposed, or at all. This summary is not exhaustive of all possible Canadian federal income tax considerations applicable to the Offering and, except for the Proposed Amendments, does not take into account or anticipate any changes in the law, whether by legislative, governmental or judicial action or changes in the administrative policies or assessing practices of the Canada Revenue Agency. This summary does not take into account provincial, territorial or foreign tax considerations, which may differ significantly from those discussed herein.

This summary is of a general nature only and is not intended to be relied on as legal or tax advice or representations to any particular Unitholder. The income and other tax consequences of acquiring, holding or disposing of Offered Units will vary depending on the Unitholder's particular circumstances. You should consult your own professional advisers to obtain advice on the income tax consequences that apply to you.

Status of the Trust

This summary assumes that the Trust qualifies as a "mutual fund trust" for purposes of the Income Tax Act at all relevant times. This assumption is based on a certificate of the Trust as to certain factual matters.

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

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

Taxation of the Trust

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

The Trust has advised Counsel that it generally intends to deduct, in computing its income, the full amount available for deduction in each year to the extent of its taxable income for the year otherwise determined and to make payable to Unitholders an amount equal to its remaining taxable income. Net income of the Trust for each year will be paid or made payable to Unitholders by way of cash distributions, or in the event that the Trust does not have sufficient cash to distribute all of its net income by way of such cash distributions, such net income will be payable to holders of Units in the form of additional Units. Counsel has been advised by the Trust that it is expected that the Trust will not be liable for any material amount of tax under Part I of the Income Tax Act; however, Counsel can provide no assurance in this regard.

Taxation of Unitholders Resident in Canada

Trust Distributions

A Resident Unitholder will generally be required to include in computing its income for a particular taxation year any amount paid or made payable to the Resident Unitholder by the Trust in that year, whether in cash, additional Units, Trust Property or otherwise.

Provided that appropriate designations are made by the Trust, that portion of (1) the taxable dividends received by it from taxable Canadian corporations, and (2) net realized taxable capital gains, as is paid or payable to a Resident Unitholder will effectively retain their respective characters and be treated as taxable dividends or taxable capital gains, as the case may be, in the hands of the Resident Unitholder for purposes of the Income Tax Act. To the extent that amounts are designated as taxable dividends received or deemed to be received on shares of a taxable Canadian corporation, the normal gross-up and dividend tax credit provisions will be applicable in respect of Resident Unitholders who are individuals, the refundable tax under Part IV of the Tax Act will generally be payable by Resident Unitholders that are "private corporations" and "subject corporations", each as defined in the Tax Act, and the deduction in computing taxable income will generally be available to Resident Unitholders that are corporations.

The non-taxable portion of any net realized capital gains of the Trust that is paid or payable to a Resident Unitholder in a taxation year will not be included in computing the Resident Unitholder's income for the year and will not reduce the adjusted cost base of the Resident Unitholder's Units. Any other amount in excess of the net income of the Trust that is paid or made payable by the Trust to a Resident Unitholder in a year will generally not be included in the Resident Unitholder's income for the year but will reduce the adjusted cost base of the Units held by such Resident Unitholder. To the extent that the adjusted cost base to a Resident Unitholder of a Unit would be

reduced below zero at any time in a taxation year, such "negative" amount will be deemed to be a capital gain of the Resident Unitholder from the disposition of the Unit in that year and the adjusted cost base of such Unit to the Resident Unitholder will then be nil.

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

Disposition of Units

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

Redemption of Units

The redemption of Units in consideration for cash, Trust Property or Redemption Notes, as the case may be, will be a disposition of such Units for proceeds equal to the amount of such cash or the fair market value of such Trust Property or Redemption Notes, less any portion thereof that is considered to be a distribution of the income of the Trust. Redeeming Resident Unitholders will consequently realize a capital gain (or a capital loss) equal to the amount by which the proceeds of disposition (less any portion thereof that is considered a distribution of the Trust's income) is greater (or less) than the Resident Unitholder's aggregate adjusted cost base of the Units so redeemed and any reasonable costs of disposition.

Where income or capital gain realized by the Trust as a result of the transfer of securities on the redemption of Units has been designated by the Trust to a redeeming Resident Unitholder, the Resident Unitholder will be required to include, in computing the Resident Unitholder's income, the income and the taxable portion of the capital gain so designated. The cost of any security transferred by the Trust to a Resident Unitholder upon a redemption of Units will be equal to the fair market value of that security at the time of the transfer less, in the case of a debt security, any accrued interest on the debt security. The Resident Unitholder will thereafter be required to include in income interest on any debt security so acquired in accordance with the provisions of the Income Tax Act.

Capital Gains and Capital Losses

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

Where a Resident Unitholder that is a corporation or trust (other than a "mutual fund trust") disposes of a Unit, the Resident Unitholder's capital loss from the disposition will generally be reduced by the amount of dividends previously designated by the Trust to the Resident Unitholder except to the extent that a loss on a previous disposition of a Unit has been reduced by those dividends. Analogous rules apply where a corporation or trust (other than a "mutual fund trust") is a member of a partnership that disposes of Units.

If a Resident Unitholder is a "Canadian-controlled private corporation", as defined in the Tax Act, the Resident Unitholder may be liable to pay an additional tax, a portion of which is refundable, on certain investment income for the year, including amounts in respect of taxable capital gains.

Eligibility for Investment by Deferred Plans

Provided that the Trust is a "mutual fund trust" for purposes of the Income Tax Act at all relevant times, and subject to the provisions of any particular Deferred Plan, the Units, when issued, will be a qualified investment under the Income Tax Act for Deferred Plans.

Notwithstanding the foregoing, an annuitant under a RRSP or RRIF or the holder of a TFSA, as the case may be, who holds Units will be subject to a penalty tax if the Units are a "prohibited investment" (as defined in the Tax Act) for the RRSP, RRIF or TFSA, as the case may be. The Units will generally not be a prohibited investment for a trust governed by a RRSP, TFSA or RRIF, provided that the annuitant under the RRSP or RRIF or the holder of the TFSA, as the case may be, deals at "arm's length" with the Trust for the purposes of the Income Tax Act and such annuitant or holder does not have a "significant interest" (within the meaning of the Income Tax Act) in

the Trust. Unitholders should consult their own tax advisors as to whether the Units will be a prohibited investment in their particular circumstances.

On March 22, 2017, the Minister of Finance (Canada) announced proposals ("**Tax Proposals**") to amend the Tax Act to extend the "prohibited investment" rules and corresponding provisions, which are currently applicable to RRSPs, RRIAs and TFSAs, to RESPs and RDSPs. The Tax Proposals are intended to apply to transactions occurring and investments acquired after March 22, 2017, subject to certain transitional rules.

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

Prospective investors who intend to hold the Units in Deferred Plans should consult their own tax advisors regarding their particular circumstances and requirements and rules regarding holding and transferring securities therein.

ITEM 7 – COMPENSATION PAID TO SELLERS AND FINDERS

Where allowed by applicable securities legislation, the Trust pays a selling commission of up to 7% of the gross proceeds realized on the sale of Offered Units under this Offering.

In addition to the above, depending on relevant factors such as market conditions, prevalent interest rates and redemption rates of the Series A Units, the Trust may also pay a fee to certain securities dealers of up to 1% per annum of the aggregate amount that remains invested in the Trust, beginning on the 3rd anniversary of such investment, from holders of Series A Units that were introduced to the Trust by such securities dealers.

The Trust may also incur marketing and other professional services expenses in connection with the Offering.

Stride has agreed to reimburse the Trust, the Administrator and Holdco for, or pay directly, all commissions, costs and expenses to be incurred by the Trust, Administrator and Holdco, in connection with the Offering for funds invested in Stride. Accordingly, Subscribers will not bear the cost of the commissions, costs and expenses paid in connection with capital raised for investment in Stride. See Item 2.7.3 – *Material Agreements – Reimbursement Agreement*.

ITEM 8 – RISK FACTORS

An investment in Offered Units should only be made after consultation with independent qualified sources of investment, tax and legal advice. An investment in Offered Units involves a substantial degree of risk and is highly speculative due to the nature of the Trust's business, the risks inherent in the equipment financing & leasing business in which Stride operates, and the fact that the Trust, Holdco and Stride have limited operating history. Prospective purchasers of the Trust's securities must rely upon the ability, expertise, judgment, discretion, integrity and good faith of the management of the Administrator. As a result, only investors who do not require immediate liquidity of their investment and who can afford the loss of their entire investment should consider the purchase of Offered Units.

There is no established market for the Offered Units and none is expected to develop. Therefore, it may be difficult or impossible for a Subscriber to sell such securities. The subscription price per Offered Unit (\$1.00) was determined arbitrarily by the Trust.

The following is a summary of certain risk factors pertaining to the Trust, Holdco and Stride but does not purport to be a complete summary of all the risks associated with an investment in securities of the Trust. The business, operations, financial condition, revenues and profitability of the Trust could be materially adversely affected by any of these risks.

Investment Risk

Risks that are specific to the Offered Units being offered hereunder include the following:

Blind Pool: This is a "blind pool" offering, meaning the assets to be acquired indirectly with the proceeds of this Offering may not have yet been identified. The Trust will invest in Holdco via the purchase of 7% Holdco Bonds, Holdco will invest in Stride via the purchase of 7.01% Stride Bonds, however, the specific assets which Stride will acquire with the proceeds from the sale of 7.01% Stride Bonds may not yet be identified nor determined. If Stride is unable to identify and acquire suitable investments or its investments do not prove to be profitable, Stride's business, operating results and financial condition could be adversely affected and Stride will not have earnings to support the payment of interest and principal pursuant to the 7.01% Stride Bonds.

No Guaranteed Return or Distributions: The recovery of your initial investment is at risk, and the anticipated return on your investment is based on many performance assumptions. There is no guarantee that an investment in Offered Units will earn any positive return in

the short or long-term. While the Trust intends to make distributions to its Series A Unitholders out of Distributable Cash, no assurance can be given that such distribution will be made. A return on investment on Offered Units, including distributions, is dependent upon the success of Stride in generating sufficient earnings on the assets of Stride in order to service the interest and principal payments on the 7.01% Stride Bonds. If the Trust does not have sufficient cash flow to make cash distributions to Series A Unitholders, it is possible that the Trust will make non-cash distributions and accordingly a Unitholder's tax liability for a year arising from its status as a Unitholder may exceed the amount of cash distributions received from the Trust by the Unitholders.

Distributions may Consist of Proceeds of Offerings: Distributions to Series A Unitholders may consist, directly or indirectly, of the proceeds from the sale of securities by the Trust (including this Offering) and may also, in certain circumstances, exceed the cash flow of the Trust for any particular distribution period.

Lack of Marketability of Series Units of the Trust: There is currently no market through which the Offered Units may be sold and purchasers may not be able to resell Offered Units purchased under this Offering Memorandum. Offered Units are transferable subject to the terms of the Declaration of Trust and Canadian securities law restrictions. Under certain conditions, redemptions may not be payable in cash but rather satisfied through the distribution of other Trust Property or Redemption Notes, in respect of each of which there will not be a market for such securities. An investment in Offered Units is hence suitable only for investors who are able to make a long-term investment and do not need full liquidity with respect to this investment.

Nature of Trust Units: The Offered Units do not represent a direct ownership interest in the assets of the Trust but rather a fractional beneficial interest in the Trust. The Trust's sole assets in respect of the Series A Units will be the 7% Holdco Bonds. The Offered Units do not represent debt instruments and there is no principal amount owing to Series A Unitholders under the Offered Units. The Offered Units should not be viewed by investors as shares or partnership units. Corporate law does not govern the Trust or the rights of Unitholders. As Series A Unitholders, such holders will not have the statutory rights normally associated with ownership of shares of a corporation including, for example, the right to bring "oppression" or "derivative" actions. Further, in the event of insolvency or restructuring under the *Bankruptcy and Insolvency Act* (Canada) or the *Companies' Creditors Arrangement Act* (Canada) a Unitholder's position may be quite different than that of a shareholder of a corporation. The Offered Units are not "deposits" within the meaning of the *Canada Deposit Insurance Corporation Act* and are not insured under the provisions of such Act or any other legislation. Furthermore, the Trust is not a trust company and, accordingly, is not registered under any trust and loan company legislation as it does not carry on or intend to carry on the business of a trust company.

Terms of 7% Holdco Bonds: The 7% Holdco Bonds will rank equally with one another and will be secured by the 7.01% Stride Bonds. Recourse under the 7% Holdco Bonds will be limited to the 7.01% Stride Bonds purchased by Holdco with the gross proceeds from the 7% Holdco Bonds. There is no additional recourse by the Trust (against Holdco or others) for any deficiency in value of the 7% Holdco Bonds in the event of non-payment or default by Holdco.

Terms of 7.01% Stride Bonds: The 7.01% Stride Bonds will be direct, unsecured obligations of Stride and will rank equally among themselves and with Stride's other unsecured creditors (such as trade creditors). The payment of the principal and premium, if any, of, and interest on, the 7.01% Stride Bonds will be subordinate in right of payment to the prior payment in full of all senior indebtedness of Stride, which includes all indebtedness, liabilities and obligations of Stride not expressed to rank in right of payment subordinate to or *pari passu* with the indebtedness evidenced by the 7.01% Stride Bonds, including any indebtedness referred to under Item 2.2.2 – *Business of Stride – Funding*. Furthermore, since the 7.01% Stride Bonds are unsecured obligations of Stride, they are effectively subordinate to all of Stride's existing and future secured indebtedness to the extent of the value of the assets securing such indebtedness. Therefore, in the event of the insolvency, bankruptcy, liquidation, reorganization, dissolution or winding up of Stride, Stride's assets will be available to pay its obligations with respect to the 7.01% Stride Bonds and to other unsecured creditors only after it has paid all of its secured creditors and all holders of senior indebtedness. There may be insufficient assets remaining following such payments to pay amounts due on any or all of the 7.01% Stride Bonds then outstanding.

No Voting Rights: The Offered Units are non-voting except in certain limited circumstances as set forth in the Declaration of Trust, which includes where there is a proposal to amend the rights, privileges, restrictions and conditions attaching to the Offered Units. Accordingly, Unitholders will have no ability to affect the governance or management of the Trust.

Redemption of Units: Offered Units may be redeemed by the Trust or by the holder, but the terms of redemption contain limitations. First, in the case of redemption by the holder, the redemption price per Unit will be determined as: (i) if redeemed prior to the Redemption Maturity Date applicable to such Redemption Unit, the lesser of: (A) 90% of the fair market value of such Redemption Unit as at the date upon which such Redemption Unit was tendered for redemption; and (B) \$0.90; or (ii) if redeemed on or after the Redemption Maturity Date applicable to such Redemption Unit, the lesser of: (A) the fair market value of such Redemption Unit as at the date upon which such Redemption Unit was tendered for redemption; and (B) \$1.00. The effect is that redemption may be at a discount to fair market value of a Unit. Second, the fair market value of a Unit is determined by the Administrator in its sole discretion, acting reasonably, having regard to factors set out in the Declaration of Trust. Third, the aggregate redemption amount that may be paid in cash in a calendar month is \$10,000. Once the cash threshold of \$10,000 is reached, Unitholders may receive from the Trust (in lieu of cash) Redemption Notes. Redemption Notes may not be a qualified investment under Deferred Plans.

Substantial Redemptions: Series A Unitholders have the right to redeem their Series Units upon the terms outlined in the Declaration of Trust. A substantial redemption of Series A Units may lead the Trust to cause Holdco to make a demand for payment under the 7.01% Stride Bonds. A substantial redemption of Series A Units may adversely affect the available capital required by Stride to carry out its business.

Unitholder Liability: The Declaration of Trust provides that no Unitholder will be subject to any liability in connection with the Trust or its assets or obligations and that, in the event that a Unitholder becomes subject to any such liabilities, the Unitholder shall be entitled to indemnity and reimbursement out of the Trust Property exclusively allocated to the Series A Units to the full extent of such liability. The Declaration of Trust further provides that the Trustees and the Administrator shall make all reasonable efforts to include as a specific term of any obligations or liabilities being incurred by the Trust, or the Trustees on behalf of the Trust, a contractual provision to the effect that neither the Unitholders nor the Trustees have any personal liability or obligations in respect of the obligations and liabilities of the Trust. The Trustees have waived any right at law to indemnification from any Unitholder. Notwithstanding the foregoing, there remains some risk that a Unitholder may be personally liable in respect of certain liabilities and obligations of the Trust. Unitholders will not have the benefit of the *Income Trusts Liability Act* (Alberta), as the Trust is not a reporting issuer as defined under the *Securities Act* (Alberta).

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

Tax Risks: No assurance can be given that changes in the Income Tax Act, or changes in the administrative policies and assessing practices of the Canada Revenue Agency, or future court decisions, or the implementation of new taxes will not adversely affect the Trust or fundamentally alter the income tax consequences to Unitholders with respect to acquiring, holding or disposing of Units. Legal, tax or administrative changes, which occur during the life of the Trust, could have an adverse effect on the Trust, the Unitholders or both. Investors are strongly encouraged to consult their tax advisors as to the tax consequences of acquiring, holding and disposing of Units purchased pursuant to the Offering. There can be no assurance that cash distributions, if any, made by the Trust will be sufficient to satisfy a Unitholder's tax liability for a year arising from its status as a Unitholder of the Trust. Deferred Plans that hold Trust Property, Redemption Notes or other securities distributed by the Trust may have adverse tax consequences under the Income Tax Act. See Item 6 – *Canadian Federal Income Tax Consequences and Deferred Plan Eligibility*.

Lack of Independent Counsel Representing Unitholders: The Trust, the Trustees and the Administrator have consulted with and retained for their benefit Counsel to advise them in connection with the formation and terms of the Trust and the offering of Offered Units. Unitholders have not, however, as a group been represented by independent legal counsel. Therefore, to the extent that the Unitholders could benefit by further independent review, such benefit will not be available unless individual Unitholders retain their own legal counsel.

Separateness of Series of Units: The Declaration of Trust contains "separateness covenants" that are designed to facilitate the segregation or separation of the assets and liabilities attributable to each Series of Units. However, each Series of Units does not represent a separate legal entity, and it is therefore possible that Trust Property that is exclusively allocated to the Series A Units could be utilized to pay or satisfy liabilities or obligations that are properly the responsibility of another Series of Units. This could arise in different scenarios, including a situation where a creditor commenced legal proceedings against the Trust and seized Trust Property of the Series A Units to satisfy a claim relating to another Series of Units. In the situation where the Trust Property exclusively allocated to the Series A Units has been applied to pay or satisfy obligations that are properly the responsibility of another Series, the separateness covenants provide that the Trustees are to re-allocate Trust Property from that other Series of Units so that it becomes Trust Property of the Series A Units and the holders of Series A Units are effectively reimbursed and kept whole. However, there is no certainty that the other Series of Units will have sufficient Trust Property to permit the re-allocation, or that this mechanism will otherwise be effective in all circumstances.

Issuer Risk

Risks that are specific to the Trust include the following:

Achievement of Investment Objective: There can be no assurance that the Trust's investment strategies will be successful, that its investment objective will be achieved or that it will be able to make distributions. The Trust and the businesses in which the Trust invests could realize substantial losses.

Limited Operating History: The Trust, Holdco and Stride have limited operating history. The past investment performance of management should not be construed as a guarantee or expectation of future results of any investment in the Trust.

Reliance on the Administrator: All decisions with respect to the Trust Property and the operations of the Trust are expected to be made exclusively by the Administrator or the Trustees. Unitholders will have no right to make any decisions with respect to the management, disposition or other realization of any investment, or other decisions regarding the Trust's business and affairs. No prospective investor should purchase an Offered Unit unless such prospective investor is willing to entrust all aspects of the management of the Trust to the Administrator and/or the Trustees.

Operational Dependence: The Trust is, with respect to its Series A Units, entirely dependent upon the operations and assets of Stride. The distributions to Series A Unitholders are dependent upon the ability of Stride to generate cash flow in order to service the interest and principal payments on the 7.01% Stride Bonds. The success of Stride depends, to a large extent, on the good faith, experience, ability and judgment of its management to make appropriate decisions with respect to the operations of Stride. As an indirect holder of 7.01% Stride Bonds, the Trust has limited ability to exercise influence over the operation of Stride's business. Investors must rely on the good faith, experience, ability and judgment of management of Stride, and this investment would not be appropriate for those unwilling to do so.

Conflicts of Interest: The Trustees and the directors and officers of the Administrator currently are directors and/or officers and/or controlling persons of other entities that are engaged in activities that are the same as, or similar to, the business and activities which are to be undertaken by the Trust, Stride and Tribucore, including Arundel Capital Corporation (an indirect an indirect asset based lessor founded by Randy Smyth that provides industrial equipment leasing to clients and/or transactions in the B & C credit space). The Trustees and the directors and officers of the Administrator will not be devoting all of their time to the affairs of the Trust, but will be devoting such time as required to effectively manage the Trust. The directors and officers of the Administrator are engaged and will continue to be engaged in the search for business prospects on their own behalf and on behalf of others. Further, some of the Trustees of the Trust and the directors and officers of the Administrator also serve as directors and officers of Stride and Tribucore, which may lead to conflict of interest as between any of the Trust, the Administrator, Stride, Tribucore, the Trustees (or any of them), the directors and officers of the Administrator or their respective affiliates or associates (or any of them), and the directors and officers of Stride or their respective affiliates or associates (or any of them).

Sale of Additional Units: The Trust may issue additional Units in the future, whether Series A Units or other Series of Units. The authorized number of Series A Units and Series A(D1) Units for issuance by the Trust is unlimited and number of Series A1 Units and Series A2 Units is limited to up to 3,015,100 and 3,000,000, respectively. Additional Units may be issued without the approval of Unitholders, and may be issued in such number and for such price as is determined in the sole discretion of the Trustees. Unitholders have no pre-emptive rights in connection with such additional issuances. It is not possible to predict the effect, if any, that future issuances of Units will have on the fair market value of Units. With any additional issuance of Units, existing holders of Units will experience dilution.

Status of the Trust: The Trust is not a reporting issuer "mutual fund" for securities law purposes. As a result, some of the protections provided under such laws to those that invest in mutual funds will not be available to investors who invest in the Series A Units of the Trust and certain restrictions imposed on mutual funds under Canadian securities laws, including National Instrument 81-102 – *Investment Funds*, will not apply to the Trust.

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

Risks Associated With the Level of Foreign Ownership: Currently, one of the conditions for the Trust to qualify as a mutual fund trust is that the Trust cannot reasonably be considered to have been established or maintained primarily for the benefit of Non-Resident persons. The Declaration of Trust contains a limitation on Non-Resident ownership which provides that at no time may Non-Residents of Canada be the beneficial owners of more than 49% of the Units outstanding. The Declaration of Trust provides powers to the Trustees to enforce this limitation, including by selling the Units of a Non-Resident Unitholder without their consent. The exercise of the Trustees' powers to enforce such Non-Resident ownership limitation may have an adverse effect on one or more Unitholders or the Trust, and could adversely impact the ability of the Trust to raise financing in the future or could affect the liquidity of Units and the future market price for Units.

Changes in Applicable Law: Legal, tax and regulatory changes in law may occur that can adversely affect the Trust and Unitholders. There can be no assurance that income tax, securities and other laws will not be changed in a manner which adversely affects the distributions received by the Trust or by the Unitholders. There can be no assurance that Canadian federal income tax laws and the administrative policies and assessing practices of the Canada Revenue Agency respecting the treatment of mutual fund trusts will not be changed in a manner which adversely affects the Unitholders.

SIFT Trust Status: The Trust could become a "SIFT trust" for the purposes of the Income Tax Act if, at any time during a taxation year, any "investment" in the Trust (within the meaning of the Income Tax Act), which includes Series Units of the Trust, become listed or traded on a stock exchange or if another public market develops on which any investment in the Trust (including Series Units of the Trust) are listed or traded. If the Trust became a "SIFT trust", material and adverse tax consequences could result to the Trust and the Unitholders. In particular, if the Trust were a SIFT trust, certain income earned by the Trust could be subject to tax as if the Trust were a corporation, thus reducing the amount available for distribution to Unitholders. There is no intention to list on a stock exchange Series Units of the Trust or any other investment in the Trust.

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

Risks Pertaining to the Business of Stride

Risks that are specific to the business of Stride include the following:

Dependence on Key Personnel: Stride depends to a large extent upon the abilities and continued efforts of its key operating and sales (leasing) personnel and senior management team. If any of these persons become unavailable to continue in such capacity, or if Stride is unable to attract and retain other qualified employees, it could have a material adverse impact on its business, financial conditions and results of operations and the amount of cash available to service the interest and principal payments on the 7.01% Stride Bonds.

Relationships with Brokers and Other Origination Sources: Stride originates transactions through direct channels by forming relationships with origination sources, comprised primarily of equipment vendors, business owners and end users. Other origination sources include brokers and financial institutions. Stride relies on these relationships to generate lease applications and originations. The failure to maintain effective relationships with its origination sources or decisions by them to refer leasing transactions to, or to sign contracts with, other financing sources could impede Stride's ability to generate lease transactions, which could have a material adverse impact on the business, financial condition and results of operations and on the amount of cash available to service the interest and principal payments on the 7.01% Stride Bonds.

Portfolio Delinquencies; Inability to Underwrite Lease and Loan Applications: Stride's receivables consist primarily of lease and loan receivables originated under programs designed to serve smaller SMEs and some larger corporations that are often owner-operated businesses that have limited access to traditional financing. While Stride focusses on lessees/borrowers in the "A" rated credit segment that have established credit and financial history, Stride still expects to experience a certain level of loss and delinquencies. In addition, since defaulted leases and loans and certain delinquent leases and loans cannot be used as collateral under financing facilities, higher than anticipated lease defaults and delinquencies could adversely affect Stride's ability to obtain such financing arrangements. Furthermore, increased rates of delinquencies or loss levels could result in adverse changes to the terms of future financing arrangements, including higher interest rates payable to lenders and the imposition of more burdensome covenants and increased credit enhancement requirements.

Risk of Future Legal Proceedings: Stride may be threatened from time to time with, or be named as a defendant in, or may become subject to, various legal proceedings in the ordinary course of conducting its business. A significant judgment or the imposition of a significant fine or penalty on Stride (or on a company engaged in a similar business, to the extent Stride operates in a similar manner) could have a material adverse impact on the business, financial condition and results of operation of Stride and on the amount of cash available to service the interest and principal payments on the 7.01% Stride Bonds.

Deterioration in Economic or Business Conditions: Stride's operating results may be negatively impacted by various economic factors and business conditions, including the level of economic activity in the markets in which it operates. To the extent that economic activity or business conditions deteriorate, delinquencies and credit losses may increase. Delinquencies and credit losses generally increase during economic slowdowns or recessions. As Stride extends credit primarily to SMEs, many of Stride's customers may be particularly susceptible to economic slowdowns or recessions, and may be unable to make scheduled lease payments during these periods. Unfavourable economic conditions may also make it more difficult for Stride to maintain new lease origination volumes and the credit quality of new leases at desired levels. Unfavourable economic conditions could also increase funding costs or operating cost

structures, limit access to credit facilities, securitizations and other capital markets or result in a decision by lenders not to extend further credit. Any of these events would have a material adverse impact on the business, financial condition and results of operations of Stride and on the amount of cash available to service the interest and principal payments on the 7.01% Stride Bonds. In addition, the leasing industry generally may be affected by changes in accounting treatment for leases, and negative publicity with respect to, among other things, fraud or deceptive practices by certain participants in the industry. Greater governmental scrutiny is also a risk, especially as to the tax treatment of certain transaction structures or other aspects of these transactions that, if changed, could result in additional tax, fee or other revenue to that governmental authority. Any of these factors may make leasing less attractive or diminish the profitability of the existing financing alternatives offered by Stride.

Losses from Leases: Losses from leases in excess of Stride's expectations would have a material adverse impact on the business, financial condition and results of operations of Stride and on the amount of cash available to service the interest and principal payments on the 7.01% Stride Bonds. Changes in economic conditions, the risk characteristics and composition of the portfolio, bankruptcy laws, and other factors could impact Stride's actual and projected net credit losses and the related allowance for credit losses. Should there be a significant change in the above noted factors, then Stride may have to set aside additional reserves which could have a material adverse impact on its business, financial condition and results of operations and on the amount of cash available to service the interest and principal payments on the 7.01% Stride Bonds. Determining the appropriate level of allowance for losses is an inherently uncertain process and therefore the determination of this allowance may prove to be inadequate to cover losses in connection with a portfolio of leases. Factors that could lead to the inadequacy of an allowance for credit losses may include the inability to appropriately underwrite credit risk of new lease originations, effectively manage collections, or anticipate adverse changes in the economy or discrete events adversely affecting specific leasing customers, industries or geographic areas.

Adverse Events: Adverse economic conditions, judicial or other governmental rulings or actions or interpretations of laws adverse to the leasing business in general or to business practices engaged in by Stride, or the occurrence of other significant events such as natural disasters and terrorist attacks affecting any geographic region where a high concentration of lessees or leased equipment is located, could have a material adverse impact on lease collections and/or realization of residual values which could have a material adverse impact on the business, financial condition and results of operation of Stride and the amount of cash available to service the interest and principal payments on the 7.01% Stride Bonds.

External Financing: Stride depends on the availability of credit from external financing sources to continue to finance new leases, refinance existing leases and satisfy its other working capital needs. These requirements will increase if lease originations increase. If Stride is unable to obtain sufficient financing from the issuance of 7.01% Stride Bonds or from other external financing facilities on acceptable terms or at all, Stride may not have access to the financing necessary to conduct its business, which would limit its ability to finance its operations and could have a material adverse impact on its business, financial condition and results of operations, and on the amount of cash available to service the interest and principal payments on the 7.01% Stride Bonds.

Interest Rate Fluctuations: Stride is exposed to fluctuations in interest rates under its financing facilities. Increases in interest rates (to the extent not mitigated by interest hedging arrangements) may have a material adverse impact on the business, financial condition and results of operation of Stride and on the amount of cash available to service the interest and principal payments on the 7.01% Stride Bonds.

Characterization Risk: If an applicable court or regulatory authority were to make an adverse finding, or take an adverse action on the basis that one of Stride's leases is not a true lease, for commercial law, tax law, or other legal purposes, the following adverse consequences could result with respect to such lease: (i) the lessee, rather than Stride as lessor, would be considered to be the owner of the leased property (with Stride having only a security interest in the leased property), and Stride would not have the special rights of a lessor in a bankruptcy proceeding or otherwise that generally entitle a lessor to more speedy remedies and higher recoveries than exist for a mere secured party; (ii) if Stride did not file a financing statement describing the leased property, naming the lessee as a debtor/lessee with respect to the leased property, and otherwise complying with applicable personal property security legislation, Stride would not be recognized as having a security interest in the leased property in the context of a bankruptcy of the lessee or otherwise, and could therefore be precluded from recovering significant amounts on its claim, since unsecured creditors often recover much less than their total claims; and/or (iii) Stride could be determined to owe additional taxes (and related penalties).

Defenses to Enforcement of a Significant Amount of Leases: Certain defenses and recovery impediments are more common in small and medium-ticket equipment finance transactions than with respect to equipment finance providers in other segments of the equipment finance industry. Management believes that certain of these risks are sufficiently addressed in Stride's existing lease documentation and related business practices. However, there are other risks that Stride has not addressed for various reasons, including that certain of these risks are not susceptible to being addressed either at all, or without incurring cost inefficiencies or taking other measures deemed unacceptable by Stride's management based on a risk-reward assessment.

If, due to changes in law or adverse judicial or administrative determinations, lease provisions or business practices affecting a material portion of Stride's leases were determined to be unenforceable, illegal, or impracticable, there could be a material adverse effect on the business, financial condition, and results of operations of Stride and on the amount of cash available to service the interest and principal payments on the 7.01% Stride Bonds.

Changes in Governmental Regulations, Licensing and Other Laws and Industry Codes of Practice: Finance companies are subject to laws and regulations relating to extending financing generally and are also members of industry associations which have adopted, among other things, codes of business practice. Laws, regulations and codes of business practice may be adopted with respect to existing leases and loans or the leasing, marketing, selling, pricing, financing and collections processes, which might increase the costs of compliance, or require Stride to alter its business, strategy or operations in a fashion that could hamper the ability to conduct business in the future and which could have a material adverse impact on the business, financial condition and results of operations of Stride and on the amount of cash available to service the interest and principal payments on the 7.01% Stride Bonds.

Licensing Requirements: If an applicable court or regulatory authority were to make an adverse finding or otherwise take adverse action with respect to Stride based on its failure to have a finance lender's or other license or registration required in the applicable jurisdiction, Stride would have to change business practices and could be subject to financial or other penalties that could have a material adverse impact on the business, financial condition and results of operations of Stride and on the amount of cash available to service the interest and principal payments on the 7.01% Stride Bonds.

Fees and Charges: Some of Stride's documents require payment of late payment fees, late charge interest, and other charges either relating to the non-payment, or enforcement of its leases and loans. It could be determined that these fees and/or the interest rates charged exceed applicable statutory or other legal limits. If the charges are deemed to be punitive and not compensatory, or to have other attributes that are inconsistent with or in violation of applicable laws, they could be difficult to enforce. Fee income will be important to Stride and the failure of Stride to collect most or all such fees could have a material adverse impact on the business, financial condition and results of operations of Stride and on the amount of cash available to service the interest and principal payments on the 7.01% Stride Bonds.

Insurance: A lease or loan requires that the lessee/borrower maintain insurance covering a loss of, or physical damage to, the related equipment or vehicle in an amount that, if paid pursuant to a total loss, is intended to allow the lessor/funder to recover its investment in the property suffering that loss. It is the lessee's/borrower's responsibility to purchase insurance for the equipment and Stride's documents state that Stride will not purchase insurance or replacement insurance. Additionally, Stride's documents state that any charges or fees payable for the lessee's/borrower's failure to purchase insurance do not constitute insurance. To ensure that the lessor or funder of the item of leased or financed property suffering a loss receives the related insurance proceeds, the lease or loan also requires that the lessor or funder be named as a loss payee under the requisite casualty coverage. However, each lessee/borrower is ultimately relied upon to obtain and maintain the required coverage for financed equipment but there is no certainty that they will obtain the requisite coverage either conforming to the requirements of the lease or loan, or at all. Additionally, there are often policy provisions including exclusions, deductibles and other conditions that by their terms, or by reason of a breach, could limit, delay or deny coverage. There can be no assurance that any insurance will protect Stride's interest in the equipment, and the failure by the lessee/borrower to obtain insurance or the failure by Stride to receive the proceeds from such insurance policies could have a material adverse impact on the business, financial condition and results of operations of Stride and on the amount of cash available to service the interest and principal payments on the 7.01% Stride Bonds.

Lessor Liability: There is a risk that a lessor, such as Stride, could be deemed liable for harm to persons or property in connection with, among other things, the ownership or leasing of the leased property, or the conduct or responsibilities of the parties to the lease relating to that property. The liability may be contractual (such as warranties regarding the equipment), statutory (such as federal, state or provincial environmental liability) or pursuant to various legal theories (such as negligence). There have been cases in which a lessor has been held responsible for damage caused by leased property without a showing of negligence or wrong-doing on the lessor's part. Even if a lessor ultimately succeeds in defending itself or settling any related litigation, the related costs and any settlement amount could be significant, which could have a material adverse impact on the business, financial condition and results of operations of Stride and on the amount of cash available to service the interest and principal payments on the 7.01% Stride Bonds.

Liability for Misuse of Leased Equipment: There is no practical manner to ensure that leased equipment will be used, maintained or caused to comply with applicable law. Stride requires its lessees to deliver evidence of compliance with same as a condition to funding but has no assurance that a lessee will take the appropriate actions during the lease term to address any use, maintenance or compliance issues which may arise. A lessee's conduct (or lack thereof) could subject Stride to liability to third parties, which could have a material adverse impact on the business, financial condition and results of operations of Stride and on the amount of cash available to service the interest and principal payments on the 7.01% Stride Bonds.

Estimates Relating to Value of Leases: Based on the particular terms of a lease, equipment finance companies estimate the residual value of the financed equipment, which is recorded as an asset on its statement of financial position. At the end of the lease term, equipment finance companies seek to realize the recorded residual value for the equipment by selling the equipment to the lessee or in the secondary market or through renewal of the lease by the lessee. The ultimate realization of the recorded residual value depends on numerous factors, including: accurate initial estimate of the residual value; the general market conditions and interest rate environment at the time of expiration of the lease; the cost of comparable new equipment; the obsolescence of the leased equipment; any unusual or excessive wear and tear on or damage to the equipment; and the effect of any additional or amended government regulations. If Stride (in connection with those leases where the lessee is not obligated to either purchase the equipment or guarantee the residual

value of the equipment at the end of the term of the lease) is unable to accurately estimate or realize the residual values of the leased equipment subject to its leases, the amount of recorded assets on its statement of financial position will have been overstated.

Competition From Alternative Sources of Equipment Financing: The business of small and medium-ticket equipment finance in Canada is highly fragmented and competitive. Stride focuses its business on the medium-ticket equipment finance involving SMEs in the "A" rated credit segment that have established credit and financial history.

Stride's main competition comes from traditional financing sources, including: national, regional and local finance companies; captive finance and equipment finance companies affiliated with major equipment manufacturers; and financial services companies, such as commercial banks, thrifts and credit unions.

Many of the firms and institutions providing financing alternatives are substantially larger than Stride and have considerably greater financial, technical and marketing resources. Some of them may have a lower cost of funds and access to funding sources that are unavailable to Stride. A lower cost of funds could enable a competitor to offer leases with pricing lower than that of Stride, potentially forcing Stride to decrease its prices or lose origination volume. In addition, some financing sources may have higher risk tolerances or different risk assessments, which could allow them to establish more origination sources and customer relationships to increase their market share.

Further, because there are fewer barriers to entry with respect to the small and medium-ticket equipment finance market, new competitors could enter this market at any time, especially if an improvement in the economy leads to a greater ability of small businesses to establish improved levels of creditworthiness. For example, firms and institutions that typically provide financing for large-ticket transactions, which generally require higher levels of creditworthiness, could begin competing with Stride on small and medium-ticket leases. Also, due to the already large number of diverse financing alternatives for customers with higher creditworthiness, it may be difficult for Stride to develop additional products to attract customers with whom it has not historically done business. Because of all these competitive factors, Stride may be unable to sustain its operations or generate growth in revenues or operating income, which could have a material adverse impact on the business, financial condition and results of operations of Stride and on the amount of cash available to service the interest and principal payments on the 7.01% Stride Bonds.

Certain Origination Transactions: While not the focus of Stride, certain of Stride's leases and loans may be assignments of transactions already documented by brokers. Acquiring leases/loans by this "indirect" process subjects Stride to various risks, including risks that might arise by reason of the broker's insolvency, administrative inadequacies or fraudulent practices, as well as any third party claims against the broker or its rights with respect to the assigned lease or loan. Any of these broker related risks can impair Stride's rights with respect to recovering the rents and/or property under its leases and loans.

Fraud by Lessees, Vendors or Brokers: While Stride makes every effort to verify the accuracy of information provided to it when making a decision whether to underwrite a lease or loan and has implemented systems and controls to protect against fraud, Stride may be a victim of fraud by lessees, borrowers, vendors and brokers. In cases of fraud, it is difficult and often unlikely that Stride will be able to collect amounts owing under a lease/loan or repossess the related equipment. Increased rates of fraud could have a material adverse impact on the business, financial condition and results of operations of Stride and on the amount of cash available to service the interest and principal payments on the 7.01% Stride Bonds.

ITEM 9 – REPORTING OBLIGATIONS

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

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

The Trust is not a "reporting issuer" or equivalent under the securities legislation of any jurisdiction. Accordingly, the Trust is not subject to the "continuous disclosure" requirements of any securities legislation and there is therefore no requirement that the Trust make ongoing disclosure of its affairs including, without limitation, the disclosure of financial information on a quarterly basis or the disclosure of material changes in the business or affairs of the Trust.

ITEM 10 – RESALE RESTRICTIONS

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

legislation. Additionally, Unitholders will not be permitted to transfer their securities without the consent of the Trustees or the Administrator. See Schedule A – *Summary of the Declaration of Trust – Transfer of Units*.

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

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

- (a) the Trust has filed a prospectus with the regulator in Manitoba with respect to the securities you have purchased and the regulator in Manitoba has issued a receipt for that prospectus; or
- (b) you have held these securities for at least 12 months.

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

Since the Trust is not a reporting issuer in any province or territory, and has no intention to become a reporting issuer, the applicable hold period for Subscribers may never expire, and if no further exemption may be relied upon and if no discretionary order is obtained, this could result in a Subscriber having to hold the Offered Units acquired under the Offering for an indefinite period of time.

The Administrator must approve of any proposed disposition. The Declaration of Trust provides that no transfer or other disposition of Units shall be effective unless the transferor provides the proper documentation described in the Declaration of Trust, reports to the Administrator the details of the disposition and all outstanding liabilities of the transferor to the Trust have been paid, or arrangements made satisfactory to the Administrator for the assumption of such liabilities by the transferee.

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

ITEM 11 – PURCHASERS' RIGHTS

If you purchase Offered Units you will have certain rights, some of which are described below. These rights may not be available to you if you purchase the Offered Units pursuant to an exemption from prospectus requirements other than the offering memorandum exemption in Section 2.9 of NI 45-106. For complete information about your rights, you should consult a lawyer.

Two Day Cancellation Right

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

Rights of Action in the Event of a Misrepresentation

Applicable securities legislation in the provinces and territories of Canada provides purchasers with a statutory right of action for damages or rescission in cases where an offering memorandum or any amendment thereto contains an untrue statement of a material fact or omits to state a material fact that is required to be stated or is necessary to make any statement contained therein not misleading in light of the circumstances in which it was made (a "**misrepresentation**"). These rights, or notice with respect thereto, must be exercised or delivered, as the case may be, by purchasers within the time limits prescribed and are subject to the defenses and limitations contained under applicable securities legislation.

The following summaries are subject to the express provisions of the securities legislation applicable in the relevant province or territory of Canada and the regulations, rules and policy statements thereunder. Purchasers should refer to the securities legislation applicable in their province along with the regulations, rules and policy statements thereunder for the complete text of these provisions or should consult with their legal advisor. The contractual and statutory rights of action described in this Offering Memorandum are in addition to and without derogation from any other right or remedy that purchasers may have at law. **The Offering is not being made in Québec and subscriptions will not be accepted from persons resident in Québec.**

Rights of Purchasers in Alberta

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

- (a) the Trust to cancel your agreement to buy these securities, or
- (b) for damages against the Trust, every person who was a director of the Administrator at the date of this Offering Memorandum and every person or company who signed this Offering Memorandum.

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

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

If you intend to rely on the rights described in (a) or (b) above, you must do so within strict time limitations. You must commence your action to cancel the agreement within 180 days after the date that you purchased the securities. You must commence your action for damages within the earlier of 180 days after you first had knowledge of the facts giving rise to the cause of action and three (3) years after the date you purchased the securities.

Rights of Purchasers in British Columbia

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

- (a) the Trust to cancel your agreement to buy these securities, or
- (b) for damages against the Trust, every person who was a director of the Administrator at the date of this Offering Memorandum and every person who signed this Offering Memorandum.

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

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

If you intend to rely on the rights described in (a) or (b) above, you must do so within strict time limitations. You must commence your action to cancel the agreement within 180 days after the date that you purchased the securities. You must commence your action for damages within the earlier of 180 days after you first had knowledge of the facts giving rise to the cause of action and three (3) years after the date you purchased the securities.

Rights of Purchasers in Saskatchewan

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

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

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

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

If you intend to rely on the rights described in (a) or (b) above, you must do so within strict time limitations. You must commence your action to cancel the agreement within 180 days after the date that you purchased the securities. You must commence your action for damages within the earlier of one (1) year after you first had knowledge of the facts giving rise to the cause of action and six (6) years after the date you purchased the securities.

Rights of Purchasers in Manitoba

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

- (a) the Trust to cancel your agreement to buy these securities, or
- (b) for damages against the Trust, every person who was a director of the Administrator at the date of this Offering Memorandum and every person or company who signed this Offering Memorandum.

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

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

If you intend to rely on the rights described in (a) or (b) above, you must do so within strict time limitations. You must commence your action to cancel the agreement within 180 days after the date that you purchased the securities. You must commence your action for damages within the earlier of 180 days after you first had knowledge of the facts giving rise to the cause of action or two (2) years after the date you purchased the securities.

Rights of Purchasers in Ontario

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

- (a) the Trust to cancel your agreement to buy these securities, or
- (b) for damages against the Trust.

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

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

If you intend to rely on the rights described in (a) or (b) above, you must do so within strict time limitations. You must commence your action to cancel the agreement within 180 days after the date that you purchased the securities. You must commence your action for damages within the earlier of 180 days after you first had knowledge of the facts giving rise to the cause of action and three (3) years after the date you purchased the securities.

Rights of Purchasers in Nova Scotia

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

- (a) the Trust to cancel your agreement to buy these securities, or
- (b) for damages against the Trust, every person who was a director of the Administrator at the date of this Offering Memorandum and every person who signed this Offering Memorandum.

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

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

If you intend to rely on the rights described in (a) or (b) above, you must do so within strict time limitations. You must commence your action to enforce the right of action discussed above not later than 120 days after the date on which payment was made for the securities

or after the date on which the initial payment for the securities was made where payments subsequent to the initial payment are made pursuant to a contractual commitment assumed prior to, or concurrently with, the initial payment.

Rights of Purchasers in New Brunswick

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

- (a) the Trust to cancel your agreement to buy these securities, or
- (b) for damages against the Trust.

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

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

If you intend to rely on the rights described in (a) or (b) above, you must do so within strict time limitations. You must commence your action to cancel the agreement within 180 days after the date that you purchased the securities. You must commence your action for damages within the earlier of one (1) year after you first had knowledge of the facts giving rise to the cause of action and six (6) years after the date you purchased the securities.

Rights of Purchasers in Newfoundland and Labrador

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

- (a) the Trust to cancel your agreement to buy these securities, or
- (b) for damages against the Trust, every person who was a director of the Administrator at the date of this Offering Memorandum and every person or company who signed this Offering Memorandum.

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

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

If you intend to rely on the rights described in (a) or (b) above, you must do so within strict time limitations. You must commence your action to cancel the agreement within 180 days after the date that you purchased the securities. You must commence your action for damages within the earlier of 180 days after you first had knowledge of the facts giving rise to the cause of action and three (3) years after the date you purchased the securities.

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

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

- (a) the Trust to cancel your agreement to buy these securities, or
- (b) for damages against the Trust, every person who was a director of the Administrator at the date of this Offering Memorandum and every person who signed this Offering Memorandum.

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

This statutory right to sue is available to you whether or not you relied on the misrepresentation. However, there are various defences available to the persons or companies that you have a right to sue. In particular, they have a defence if you knew of the misrepresentation when you purchased the securities. In an action for damages, the amount recoverable shall not exceed the price at which the securities

were offered and the defendant will not be liable for all or any portion of such damages that the defendant proves does not represent the depreciation in value of the securities as a result of the misrepresentation.

If you intend to rely on the rights described in (a) or (b) above, you must do so within strict time limitations. You must commence your action to cancel the agreement within 180 days after the date that you purchased the securities. You must commence your action for damages within the earlier of 180 days after you first had knowledge of the facts giving rise to the cause of action and three (3) years after the date you purchased the securities.

ITEM 12 – FINANCIAL STATEMENTS



Financial Statements

Rhocore Income Trust

For the period of incorporation to December 31, 2016



Tel: 403 266 5608
Fax: 403 233 7833
www.bdo.ca

BDO Canada LLP
620, 903 - 8th Avenue SW
Calgary AB T2P 0P7 Canada

Independent Auditor's Report

To the Trustees of Rhocore Income Trust

We have audited the accompanying financial statement of Rhocore Income Trust, which comprise the statement of financial position as at December 31, 2016 and the statement of comprehensive income, statement of changes in unitholders' surplus and statement of cash flows for the period then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

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

BDO Canada LLP

Chartered Professional Accountants
Calgary, Alberta
April 21, 2017

Rhocore Income Trust
Statement of Financial Position
As at December 31, 2016
(expressed in Canadian dollars)

	Notes	December 31, 2016
		\$
ASSETS		
Cash		202,165
Accounts receivable	3	42,001
Notes receivable from related party	3	8,275,677
Total assets		8,519,843
LIABILITIES		
Due to related parties	3	4,086
Distributions payable	5	29,394
Series A units, current	5	120,000
Series A1 units, current	5	120,000
Total current liabilities		273,480
Series A units	5	7,218,359
Series A1 units	5	1,028,000
Total liabilities		8,519,839
UNITHOLDERS' SURPLUS		
Common trust units	4	4
Total unitholders' surplus		4
Total liabilities and unitholders' surplus		8,519,843

Approved by the Board of Trustees:

Signed: "Michael Cook", Trustee

Signed: "Randy Smyth", Trustee

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

Rhocore Income Trust
Statement of Comprehensive Income
For the period of incorporation to December 31, 2016
(expressed in Canadian dollars)

	Notes	December 31, 2016
		\$
Finance income		
Interest income	3	200,091
Advisory fee	3	9,564
Finance expense		
Distribution expense	5	(209,655)
Operating expenses		
General and administrative expenses		(4,876)
Costs reimbursed by related parties	3	4,876
Net comprehensive income		-

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

Rhocore Income Trust
Statement of Changes in Unitholders' Surplus
For the period of incorporation to December 31, 2016
(expressed in Canadian dollars)

\$	Number of Common Trust Units	Trust Units Stated Value	Surplus	Unitholders' Surplus
Balance, January 8, 2016	4	4	-	4
Net comprehensive income	-	-	-	-
Balance, December 31, 2016	4	4	-	4

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

Rhocore Income Trust
Statement of Cash Flows
For the period of incorporation December 31, 2016
(expressed in Canadian dollars)

	Notes	December 31, 2016
		\$
Operating activities		
Net comprehensive income		-
Items not affecting cash		
Interest income	3	(209,655)
Distribution expense	3	209,655
Changes in non-cash working capital		
Accounts receivable	3	(360)
Due to related parties	3	4,086
Cash generated from operating activities		3,726
Investing activities		
Note issued to related parties	3	(7,462,365)
Interest income received	3	168,014
Change in non-cash working capital		
Distributions reinvested	3	(48,622)
Cash used in investing activities		(7,342,973)
Financing activities		
Proceeds received on issuance of Series A units	5	7,277,055
Commissions paid on issuance of Series A units	3	(684,330)
Proceeds received on issuance of Series A1 units	5	1,148,000
Commissions paid on issuance of Series A1 units	3	(80,360)
Proceeds received on issuance of common units	4	4
Change in non-cash working capital		
Distributions paid	5	(118,957)
Cash generated from financing activities		7,541,412
Cash, end of period		202,165

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

Rhocore Income Trust

Notes to the Financial Statements

For the period of incorporation December 31, 2016

(expressed in Canadian dollars)

1. General information

Rhocore Income Trust (the "Trust") was formed pursuant to a Declaration of Trust dated January 8, 2016. The Trust has been established with the objective of investing in a diversified portfolio of debt linked returns via Series A, A1 and A2 Units. The Trust invests in Stride Capital Corporation ("Stride") and Tribucore Capital Ltd. ("Tribucore"), businesses providing financing to SMEs in Western Canada, through its investment in Rhocore Income Ltd. ("Ltd."), a company related by virtue of common ownership. The Trust will offer multiple series units which will be invested in separate assets and property. The beneficiaries of the unincorporated Trust are the Unitholders.

The Trust is managed by the Administrator, Rhocore Administration Ltd. The address and principal place of business of the Trust is Suite 2210, 8561 - 8A Avenue SW, Calgary, Alberta, T3H 0V5.

The financial statements were authorized for issue by the Administrator and approved by the Board of Trustees on April 21, 2017.

2. Summary of significant accounting policies

(a) Basis of preparation

These financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC"). These financial statements have been prepared on the historical cost basis and are presented in Canadian dollars, which is the Trust's functional currency.

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

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future years affected. These financial statements do not include any critical estimates or assumptions in determining the value of assets, liabilities or equity.

(b) Cash

Cash consists of amounts on deposit with financial institutions.

(c) Financial instruments

Financial instruments are measured at fair value on initial recognition. Measurement in subsequent periods depends on whether the financial instrument has been classified as "fair value through profit or loss", "loans and receivables", "available-for-sale", "held-to-maturity", or "other financial liabilities".

The Trust classifies its cash, accounts receivable, and notes receivable from related party as loans and receivables. The Trust classifies due to related parties, distributions payable, and Series units as other financial liabilities. Loans and receivables and other financial liabilities are initially measured at fair value net of related transaction costs and are measured subsequent to initial recognition at amortized cost using the effective interest method of

Rhocore Income Trust
Notes to the Financial Statements
For the period of incorporation December 31, 2016
(expressed in Canadian dollars)

amortization. Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market.

(d) Equity instruments

The Common Trust Units are classified as equity. Incremental costs directly attributable to the issue of Common Trust Units are recognized as a deduction from equity.

(e) Impairment of financial assets

The Trust assesses at each reporting date whether there is objective evidence that financial assets, other than those designated as "fair value through profit or loss" are impaired. When impairment has occurred, the cumulative loss is recognized in the statement of comprehensive income. For financial assets carried at amortized cost, the amount of the impairment loss recognized is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate. When an available-for-sale financial asset is considered to be impaired, cumulative gains or losses previously recognized in other comprehensive income are reclassified to the statement of profit or loss in the period. Impairment losses may be reversed in subsequent periods.

(f) Income taxes

The Trust qualifies as a mutual fund trust under the Income Tax Act (Canada). Therefore, all of the Trust's net comprehensive income is required to be distributed to unitholders such that no income tax is payable by the Trust. As a result the Trust does not record income taxes.

(g) Revenue recognition

Interest income is recognized on time-proportion basis using the effective interest rate method.

Advisory revenue is recognized at the time evidence of an agreement exists, price is fixed and determinable, the service has been provided and collectability is reasonable assured.

(h) Recent accounting pronouncements not yet adopted

The IASB or the IFRIC have issued a number of new or revised standards or interpretations that will become effective for future periods and have a potential implication for the Trust.

IFRS 9 - Financial Instruments

In July 2014, the IASB issued the final version of IFRS 9 Financial Instruments that replaces IAS 39 Financial Instruments: Recognition and Measurement and all previous versions of IFRS 9. IFRS 9 brings together all three aspects of the accounting for the financial instruments project: classification and measurement; impairment; and hedge accounting. IFRS 9 is effective for annual periods beginning on or after 1 January 2018, with early application permitted. The Trust is in the process of evaluating the impact of the standard on the financial statements.

Rhocore Income Trust

Notes to the Financial Statements

For the period of incorporation December 31, 2016

(expressed in Canadian dollars)

IFRS 15 - Revenue from Contracts with Customers

IFRS 15 was issued in May 2014 and establishes a five-step model to account for revenue arising from contracts with customers. Under IFRS 15, revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The new revenue standard will supersede all current revenue recognition requirements under IFRS. Either a full retrospective application or a modified retrospective application is required for annual periods beginning on or after 1 January 2018, with early application permitted. The Trust is in the process of evaluating the impact of the standard on the financial statements.

IAS 7 – Statement of Cash Flows

The IASB has published amendments to IAS 7 'Statement of Cash Flows'. The amendments are intended to clarify IAS 7 to improve information provided to users of financial statements about an entity's financing activities. They are effective for annual periods beginning on or after January 1, 2017, with early application permitted. The Trust is in the process of evaluating the impact of the amendments on the financial statements.

3. Related parties

Due to/from Stride

The Trust has an advisory agreement with Stride where it provides advisory services for activities related to Stride. The Trust charged Stride advisory fees totalling \$9,564 of which \$360 was receivable at year end.

The Trust has a reimbursement agreement with Stride where it will be reimbursed for costs incurred for activities related to Stride. During the period, the Trust incurred \$3,776 of costs reimbursed by Stride; at December 31, 2016, \$3,186 is due to Stride. The amounts are unsecured, due on demand, non-interest bearing and have no set terms for repayment.

Due to Tribucore

The Trust has a reimbursement agreement with Tribucore where it will be reimbursed for costs incurred for activities related to Tribucore. During the period, the Trust incurred \$100 of costs reimbursed by Tribucore; at December 31, 2016, \$900 is due to Tribucore. The amounts are unsecured, due on demand, non-interest bearing and have no set terms for repayment.

Grid note receivable from Ltd.

At December 31, 2016, the Trust has a grid note receivable from Ltd. in the amount of \$7,325,677. The grid note is due on demand and bears interest of 7% per annum from and including the date of each advance. The balance in grid note receivable from Ltd. is made up of \$6,592,725 advanced in cash, \$684,330 held back as a reserve to cover commissions and \$48,622 of cash distributions at the Trust level reinvested into Ltd. Interest is receivable monthly, one month in arrears on the second last business day of each month, commencing on the second last business day of the month following the month the note is executed. At December 31, 2016, the Trust has received \$168,014 in interest income and accrued \$41,641 in interest receivable from Ltd.

At December 31, 2016, the Trust has a grid note receivable from Ltd. in the amount of \$950,000. The grid note is due on demand and bears interest of 7.2% per annum from and including the date that is four months following the date of the first advance. The balance in grid note receivable from Ltd. is made up of \$869,640 advanced in cash and \$80,360 held back as a reserve to cover commissions. After the fourth month, interest is receivable monthly, one month in arrears on the second last business day of each month, commencing on the second last business day of the month following the month the interest is accrued.

Rhocore Income Trust
Notes to the Financial Statements
For the period of incorporation December 31, 2016
(expressed in Canadian dollars)

4. Common Trust Units

(a) Authorized

Unlimited number of Common Trust Units, redeemable by the Unitholder at the lesser of fair market value of the unit and \$1.00. The market value is determined solely by the administrator. Cash redemptions are limited to \$10,000 per month, and any redemption requested in excess of that amount will be repaid through the issuance of a redemption note or distribution of Trust property which are not due until three years from the Series A unit's issuance date.

(b) Issued

The Trust issued 4 Common Trust Units for gross proceeds of \$4 upon formation of the Trust.

5. Series units

(a) **Authorized**

Series A units

Unlimited number of Series A units, redeemable (i) by the Trust at the lesser of fair market value of the unit and \$1.00; and (ii) by the Unitholder at the lesser of 90% of the unit's fair market value and \$0.90 if redeemed prior to the redemption maturity date and at the lesser of the unit's fair market value and \$1.00 if redeemed on or after the redemption maturity date. Cash redemptions are limited to \$10,000 per month, and any redemption requested in excess of that amount will be repaid through the issuance of a redemption note or distribution of Trust property which are not due until three years from the Series A unit's issuance date.

Each Series A unitholder is entitled to one vote per unit but may only vote on matters related to the rights of the Series A unitholders. Such unitholders shall be entitled to receive a fixed preferential distribution at a rate of \$0.07 per unit per annum paid monthly, one month in arrears.

Series A1 units

Unlimited number of Series A1 units, redeemable (i) by the Trust at the lesser of fair market value of the unit and \$1.00; and (ii) by the Unitholder at the lesser of 90% of the unit's fair market value and \$0.90 if redeemed prior to the redemption maturity date and at the lesser of the unit's fair market value and \$1.00 if redeemed on or after the redemption maturity date. Cash redemptions are limited to \$10,000 per month, and any redemption requested in excess of that amount will be repaid through the issuance of a redemption note or distribution of Trust property which are not due until three years from the Series A1 unit's issuance date.

Each Series A1 unitholder is entitled to one vote per unit but may only vote on matters related to the rights of the Series A1 unitholders. Such unitholders shall be entitled to receive a fixed preferential distribution at a rate of \$0.072 per unit per annum with an additional variable distribution at a rate up to \$0.035; Distributions begin to accrue following the four month anniversary of investment and are paid monthly, one month in arrears.

Rhocore Income Trust
Notes to the Financial Statements
For the period of incorporation December 31, 2016
(expressed in Canadian dollars)

Series A2 units

Unlimited number of Series A2 units, redeemable (i) by the Trust at the lesser of fair market value of the unit and \$1.00; and (ii) by the Unitholder at the lesser of 90% of the unit's fair market value and \$0.90 if redeemed prior to the redemption maturity date and at the lesser of the unit's fair market value and \$1.00 if redeemed on or after the redemption maturity date. Cash redemptions are limited to \$10,000 per month, and any redemption requested in excess of that amount will be repaid through the issuance of a redemption note or distribution of Trust property which are not due until three years from the Series A2 unit's issuance date.

Each Series A2 unitholder is entitled to one vote per unit but may only vote on matters related to the rights of the Series A2 unitholders. Such unitholders shall be entitled to receive a fixed preferential distribution at a rate of \$0.071 per unit per annum with an additional variable distribution at a rate up to \$0.033; Distributions begin to accrue following the four month anniversary of investment and are paid monthly, one month in arrears.

(b) Issued

Series A units are considered to be a financial liability as they priority over common units. The amount outstanding consists of the following:

	Number of Units	Total Amount (\$)
Balance at January 8, 2016	-	-
Issuance for cash	7,277,055	7,277,055
Issuance by way of DRIP	61,304	61,304
Balance at December 31, 2016	7,338,359	7,338,359
Short-term portion		120,000
Long-term portion		7,218,359

Series A1 units are considered to be a financial liability as they have priority over the common units. The amount outstanding consists of the following:

	Number of Units	Total Amount (\$)
Balance at January 8, 2016	-	-
Issuance for cash	1,148,000	1,148,000
Balance at December 31, 2016	1,148,000	1,148,000
Short-term portion		120,000
Long-term portion		1,028,000

(c) Distributions

For the period ended December 31, 2016, the Trust incurred distribution expense of \$209,655 of which \$61,304 related to distributions reinvested. At December 31, 2016, distributions payable of \$29,394 were accrued.

Rhocore Income Trust

Notes to the Financial Statements

For the period of incorporation December 31, 2016

(expressed in Canadian dollars)

6. Financial instruments and risk management

The Trust's activities expose it to a variety of financial risks that arise as a result of its operating and financing activities such as:

- credit risk
- liquidity risk
- market risk
- fair value risk

This note presents information about the Trust's exposure to each of the above risks, the Trust's objectives, policies and processes for measuring and managing risk, and the Trust's management of capital.

The Trust employs risk management strategies and policies to ensure that any exposure to risk is in compliance with the Trust's business objectives and risk tolerance levels. The Administrator has the overall responsibility for the Trust's risk management framework and also to administer and monitor these risks.

(a) Credit risk

Credit risk is the risk of financial loss to the Trust if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The maximum exposure to credit risk at December 31, 2016 are amounts due from related parties. The Trust manages the credit exposure related to amounts due from related parties by monitoring the activities of the related parties.

b) Liquidity risk

Liquidity risk is the risk that the Trust will not be able to meet its financial obligations as they become due. The Trust's approach to managing liquidity is to hold back sufficient cash to cover expenses as they become due as well as through the reimbursement agreement. The Company's ongoing liquidity is impacted by various external events and conditions.

The following table represents the contractual maturities of the Trust's financial liabilities:

December 31, 2016			
\$	< 1 year	1-3 years	Total
Due to related parties	4,086	-	4,086
Distributions payable	29,394	-	29,394
Series A units	120,000	7,218,359	7,338,359
Series A1 units	120,000	1,028,000	1,148,000
Total	273,480	8,246,359	8,519,839

c) Market risk

Market risk is the risk that changes in market prices, such as commodity prices, interest rates and foreign exchange rates will affect the Trust net earnings or the value of financial instruments. The objective of the Trust is to manage and mitigate market risk exposures within acceptable limits, while maximizing returns.

Rhocore Income Trust
Notes to the Financial Statements
For the period of incorporation December 31, 2016
(expressed in Canadian dollars)

Interest rate risk

Interest rate risk is the risk that future cash flows will fluctuate as a result of changes in market interest rates. Consequently, the Trust is not directly exposed to material interest rate cash flow risk. However, inherently, changes in interest rates may affect the general economy. The Trust had no interest rate swaps or financial contracts in place as at or during the period ending December 31, 2016.

d) Fair value risk

Fair values have been determined for measurement and/or disclosure purposes based on the following methods. When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

The carrying amounts of cash, accounts receivable, notes receivable from related party, due to related parties, distributions payable, Series A units and Series A1 units approximate fair value due to their short-term nature. Due to the use of subjective judgments and uncertainties in the determination of fair values, these values should not be interpreted as being realizable in an immediate settlement of the financial instruments.

7. Capital risk management

The Trust's objective when managing capital is to safeguard its ability to continue as a going concern, so that it can provide returns to the Unitholders and benefits for other stakeholders. The Trust manages its capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets.

The Trust's objective is met by retaining adequate equity to guard against the possibility that cash flows from assets will not be sufficient to meet future cash flow requirements. The Trust does not establish a quantitative return on capital criteria for management, but rather promotes year over year sustainable growth in net comprehensive income and cash flow. The Trust defines capital as 'Unitholders' Surplus'.

8. Subsequent events

Subsequent to period end the Trust issued 2,185,850 Series A units and 1,867,100 Series A1 units for proceeds of \$2,185,850 and \$1,867,100 respectively.

Subsequent to period end the Trust authorized for issuance Series A(D1) units. The Trust issued 792,343 Series A(D1) units for proceeds of \$752,869.

Subsequent to period end the Trust issued a grid note receivable from Ltd. in the amount of \$2,990,875. The grid note is due on demand and bears interest of 7% per annum.

Subsequent to period end the Trust issued a grid note receivable from Ltd. in the amount of \$2,065,100. The grid note is due on demand and bears interest of 7.2% per annum.

ITEM 13 – DATE AND CERTIFICATE

Dated: May 26, 2017

This Offering Memorandum does not contain a misrepresentation.

RHOCORE INCOME TRUST, by its administrator, RHOCORE ADMINISTRATION LTD.

(signed) "Stephen Johnston"

Stephen Johnston
Investment Officer

(signed) "Greg Tooth"

Greg Tooth
Investment Officer

(signed) "Michael Cook"

Michael Cook
Investment Officer

(signed) "Randy Smyth"

Randy Smyth
Investment Officer

RHOCORE ADMINISTRATION LTD.

(signed) "Stephen Johnston"

Stephen Johnston
Investment Officer

(signed) "Greg Tooth"

Greg Tooth
Investment Officer

(signed) "Michael Cook"

Michael Cook
Investment Officer

(signed) "Randy Smyth"

Randy Smyth
Investment Officer

By the Board of Directors of RHOCORE ADMINISTRATION LTD.

(signed) "Stephen Johnston"

Stephen Johnston
Director

(signed) "Greg Tooth"

Greg Tooth
Director

(signed) "Michael Cook"

Michael Cook
Director

(signed) "Randy Smyth"

Randy Smyth
Director

SCHEDULE A

Summary of the Declaration of Trust

The rights and obligations of Unitholders are governed by the Declaration of Trust. A copy of the Declaration of Trust is available for review, upon request to the Administrator, at the offices of the Administrator during regular office hours.

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

Undertaking of the Trust

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

- (a) acquiring, holding, transferring, disposing of, investing in, lending to, and otherwise dealing with, assets, securities (whether debt or equity) and other interests or properties of whatever nature or kind of (except for real property or an interest in real property unless any such real property or interest in real property is capital property of the Trust), or issued by, any person and making such other investments as the Trustees in their sole discretion determine;
- (b) holding cash and other investments in connection with and for the purposes of the Trust's activities, including paying liabilities of the Trust (including Series Expenses and Common Expenses expenses), paying any amounts required in connection with the redemption or repurchase of Units, and making distributions to Unitholders;
- (c) disposing of all or any part of the Trust Property of a Series of Units or of all Units;
- (d) issuing Units, installment receipts, and Other Trust Securities (including debt instruments, securities convertible into or exchangeable for Units or other securities of the Trust, or warrants, options or other rights to acquire Units or other securities of the Trust), for the purposes of, without limitation: (i) conducting, or facilitating the conduct of, the activities and undertaking of the Trust (including for the purpose of raising funds for acquisitions); (ii) repayment of any indebtedness or borrowings of the Trust or any affiliate thereof; (iii) establishing and implementing Unitholder rights plans, distribution reinvestment plans, Trust Unit purchase plans, and incentive option and other compensation plans of the Trust, if any; (iv) satisfying obligations to deliver securities of the Trust, including Units, pursuant to the terms of securities convertible into or exchangeable for such securities of the Trust, whether or not such convertible or exchangeable securities have been issued by the Trust; (v) carrying out any of the transactions contemplated by any offering documents and satisfying all obligations in connection with such transactions; and (vi) making non-cash distributions to Unitholders, including in specie redemptions as well as distributions;
- (e) selling, repurchasing or redeeming Units or Other Trust Securities, subject to the provisions of the Declaration of Trust and applicable law;
- (f) issuing debt securities or otherwise borrowing funds, as well as mortgaging, pledging, charging, granting a security interest in or otherwise encumbering all or any part of the Trust Property, whether as security for obligations of the Trust or otherwise;
- (g) guaranteeing (whether as guarantor, surety or co-principal obligor, or otherwise) any obligations, indebtedness or liabilities, present or future, direct or indirect, absolute or contingent, matured or not of any person for, or in pursuit of pursuing or facilitating the business and purposes of the Trust, and mortgaging, pledging, charging, granting a security interest in or otherwise encumbering all or any part of the Trust Property as security for such guarantee;
- (h) carrying out any of the transactions, and exercising, performing and satisfying any of the rights, liabilities and obligations of the Trust under any agreements or arrangements, entered into in connection with pursuing the permitted activities of the Trust; and
- (i) engaging in all activities, and taking all such actions, ancillary or incidental to any of those activities set forth in (a) through (h) above.

Different Investments

Each Series of Units will be invested in separate assets and property, as may be further provided in an offering memorandum of the Trust from time to time. The Trustees or the Administrator may take any actions that it, in their sole discretion, considers necessary in order to equitably reflect the fact that different Series of Units of the Trust are invested in separate assets and property. Such actions include, but are not limited to, making such adjustments to the amounts distributable to Unitholders pursuant to the Declaration of Trust as is necessary to permit the Trustees or the Administrator, to the extent possible, to take into account the assets, liabilities, income

(including realized capital gains), losses and expenses determined by the Trustee or the Administrator to be attributable to each Series of Units.

Trustees

The election of a Trustee, other than the Initial Trustees who are appointed by the Declaration of Trust, shall be by a majority resolution of the Trustees then in office. Trustees may appoint one or more Trustees to fill a vacancy among the Trustees. The Trust shall have a minimum of two and not more than eleven trustees. The number of trustees of the Trust within such range shall be determined by resolution of the Trustees, and may be changed by resolution of the Trustees from time to time. As of the date hereof, the number of trustees of the Trust has been fixed at four (4), and shall continue at such number until such time as the Trustees pass a resolution to fix the number of trustees of the Trust at a new number. The Declaration of Trust provides that, subject to the specific limitations contained in the Declaration of Trust, the Trustees have full, absolute and exclusive power, control and authority over the Trust Property and over the affairs of the Trust to the same extent as if the Trustees were the sole owners of such property in their own right and may do all such acts and things as they, in their sole judgment and discretion, deem necessary or incidental to, or desirable for, the carrying out of the terms of the trust created by the Declaration of Trust. All determinations of the Trustees and any agent to whom the Trustees have delegated duties (including the Administrator), where such determinations are made in good faith with respect to any matters relating to the Trust, shall be final and conclusive and shall be binding upon the Trust and all Unitholders.

The Declaration of Trust provides that the Trustees must act honestly and in good faith with a view to the best interests of the Trust and, in connection therewith, exercise that degree of care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances (herein the "**Standard of Care**"). In general, each Trustee shall be indemnified against all liabilities or claims against them or the Trust, and they shall have no liability to any Unitholders, where such liabilities or claims arise out of being or having been a trustee of the Trust, unless such liabilities or claims arise as a result of the Trustee failing to satisfy the Standard of Care or, in the case of a criminal or administrative action or proceeding that is enforced by monetary penalty, where such Trustee did not have reasonable grounds for believing that his conduct was lawful. A Trustee shall not be required to devote his entire time to the affairs of the Trust.

The Administrator

The Trustees have delegated to the Administrator, under the terms of the Administration Agreement, full and absolute right, power and authority to undertake, perform and provide, for and on behalf of the Trust, all acts, duties and responsibilities as the Administrator considers, in its sole discretion, necessary or desirable in connection with all matters required for and in connection with completion of any closing in connection with any offering of Trust Units or Other Trust Securities of the Trust from time to time. The Administration Agreement sets forth all of the rights, restrictions and limitations (including, without limitation, limitations of liability and indemnification rights) which pertain to the performance by the Administrator of the duties delegated to it by the Trustees. Pursuant to the terms of the Declaration of Trust, those rights, restrictions and limitations also apply in all respects to the Administrator in the exercise and performance by it of all powers, duties and authorities conferred upon or delegated to the Administrator under the terms of the Declaration of Trust.

Conflict of Interest

In addition to his interest as a Trustee of the Trust, a Trustee may have other interests or associations of whatever nature or kind. Without limiting the foregoing, the Declaration of Trust expressly provides that each Trustee is permitted: (a) to be an associate, affiliate, securityholder, director, officer, trustee, employee, agent or consultant of, or otherwise involved with, a person from or to whom assets of the Trust, or of its associates or affiliates, have been or are to be purchased or sold; (b) to be a person, or to be an associate, affiliate, securityholder, director, officer, trustee, employee, agent or consultant of (or otherwise involved with) a person, with whom the Trust or its associates or affiliates contracts or deals or which supplies services to the Trust or its associates or affiliates; (c) to acquire, hold and dispose of, for such Trustee's own account, any property (real, personal, tangible or intangible) even if such property is of a character which could be held by the Trust, and to exercise all rights of an owner of such property as if such Trustee were not a Trustee; (d) to acquire, hold and sell Units as principal, or as an affiliate or associate of or fiduciary for any other person, and to exercise all rights of a holder thereof as if such Trustee was not a Trustee; and (e) to have business interests of any nature and to continue such business interests while a Trustee.

Under the terms of the Declaration of Trust, the Unitholders acknowledge and accept that there are, and will continue to be, potential or actual interests of one or more of the Trustees, or their associates or affiliates (including conflicts of interest) with respect to business or other interests held directly or indirectly by, and/or contractual arrangements or transactions directly or indirectly involving, one or more of the other Trustees, or their respective associates or affiliates, or the Trust or its associates and affiliates, and the Unitholders agree that: (a) any Trustee is permitted (notwithstanding any liability which might otherwise be imposed by applicable law or in equity upon such Trustee as a trustee of the Trust) to derive direct or indirect benefit, profit or advantage from time to time as a result of dealing with another Trustee or his associates or affiliates or the Trust or its associates or affiliates or as a result of the relationships, matters, contracts, transactions, affiliations or other interests it may have and such Trustee shall not be liable in law or in equity to pay or account to the Trust, or to any Unitholder (whether acting individually or on behalf of itself, holders of Units of a Series as a class or all Unitholders as a class) for any such direct or indirect benefit, profit or advantage nor, in such circumstances, will any contract or transaction be void

or voidable at the instance of the Trust of any Unitholder or any other person; and (b) interests of any Trustee, or their respective associates or affiliates, including any conflicts of interest, will not form the basis for any claim against such Trustee, or their respective affiliate or associate, or for any attempt to challenge or attack the validity of any contract, transaction or arrangement (or renewal, extension or amendments of same) which the Trustees may enter into on behalf of the Trust; provided, in each case, that the Trustee in question has otherwise exercised its powers and discharged its duties, as set out in the Declaration of Trust, honestly and in good faith in respect to the matter, contract, transaction or interest in question.

Attributes of the Units of the Trust

The beneficial interests in the Trust shall be represented and constituted by Common Units and Units of one or more Series, which may be subdivided into one or more classes or series. The Trustee shall have sole discretion in determining the attributes that shall attach to each Series of Units and whether any Series of Units may or will be redesignated as a different class or series of Units from time to time.

The only securities being offered pursuant to this Offering Memorandum are the Series A Units. See Item 5 – *Securities Offered*.

Distribution Entitlement

- (a) Distributions of Distributable Cash to Unitholders of a particular Series of Units shall occur as follows:
 - (i) Holders of such Series of Units shall be entitled to receive non-cumulative distributions if, as and when declared by the Trustees in accordance with the Declaration of Trust, and such distributions may be declared on such Series of Units to the exclusion of distributions in respect of any other Series of Units.
 - (ii) The Trustees, on behalf of the Trust, in respect of each Distribution Period, shall declare payable Unitholders of a particular Series of Units of record as at the close of business on the Distribution Record Date for such Distribution Period, all any part, or none of the Distributable Cash, as determined in the sole discretion of the Trustees, in respect of such Series of Units for such Distribution Period (such aggregate amount so declared being herein referred to as the "**Distribution Amount**").
 - (iii) Each Unit of such Series of Units issued and outstanding on the Distribution Record Date for a particular Distribution Period shall be entitled, without preference or priority, to an equal share of the amount of the Distribution Amount in respect of such Series of Units which is declared payable to the holders of such Series of Units pursuant to the Declaration of Trust for such particular Distribution Period, which share shall be determined by dividing the amount of such Distribution Amount in respect of such Series of Units declared payable to the holders of such Series of Units by the number of issued and outstanding Units of such Series on such Distribution Record Date (the "**Distribution Per Unit**"). For greater certainty, the share of such Distribution Amount in respect of a Series of Units distributable to a particular Unitholder shall be an amount equal to the Distribution per Unit multiplied by the number of Units of such Series owned of record by such Unitholder on such Distribution Record Date.
 - (iv) In the event that a Series Unit was not issued and outstanding on each day within such Distribution Period, then the Distribution Per Unit in respect of such Series Unit shall be adjusted to be the product obtained when the Distribution Per Unit is multiplied by the quotient obtained when (i) the number of days in the Distribution Period during which such Series Unit was issued and outstanding, is divided by (ii) the total number of days in the Distribution Period, and such amount shall be payable as the distribution in respect of such Series Unit. Such adjustment calculation shall be made in respect of each Series Unit which was not issued and outstanding on each day within the Distribution Period.
 - (v) Subject to the Declaration of Trust, the Distributions Per Unit payable to holders of such Series of Units in respect of a Distribution Period (as determined pursuant to Declaration of Trust) shall be paid in cash on or before the Distribution Payment Date attributable to such Distribution Period, provided that if the Distribution Record Date is on or after October 1 in any calendar year then the distributions per Unit payable to holders of such Series of Units in respect of such distributions for the Distribution Period pertaining to such Distribution Record Date shall be due and payable as of 5:00 p.m. (Calgary time) on December 31 in such year.
- (b) The Distribution Period in respect of each Series of Units may be changed at any time, and from time to time, by the Trustees or the Administrator in their discretion and without notice to the Unitholders of such Series of Units or any other Series of Units.
- (c) The holders of the Common Units shall not be entitled to receive distributions.

Redemption Rights

Right of the Series Unitholder – Each Series Unitholder shall be entitled to require the Trust to redeem at any time and from time to time at the demand of the holder, in accordance with the terms and conditions set forth in the Declaration of Trust, all or any part of the Series Units registered in the name of such Unitholder. There are certain procedural requirements, set forth in the Declaration of Trust, which must be adhered to by such Unitholder in connection with any redemption of Units.

On a redemption by a Series Unitholder, the redemption price per Series Unit shall be: (i) in the case of a Redemption Unit being redeemed prior to the Redemption Maturity Date applicable to such Redemption Unit, the lesser of: (A) 90% of the fair market value of such Redemption Unit as at the date upon which such Redemption Unit was tendered for redemption; and (B) \$0.90; and (ii) in the case of a Redemption Unit being redeemed on or after the Redemption Maturity Date applicable to such Redemption Unit, the lesser of: (A) the fair market value of such Redemption Unit as at the date upon which such Redemption Unit was tendered for redemption; and (B) \$1.00;

In the case of a redemption of Series Units by a Unitholder, the payment of the redemption price shall be paid in cash, provided that the Trust shall only be obligated to pay up to \$10,000 in cash in respect of redemptions of a particular Series in any calendar month, unless the Administrator determines a greater cash amount. Such cash amount shall be paid pro-rata to redeeming Unitholders. The remainder of the redemption price shall be paid via the issuance of Redemption Notes and/or distribution, *in specie*, of Trust Property allocated to the applicable Series of Units.

Right of the Trust – The Trust is entitled at any time and from time to time, redeem all or any part of the issued and outstanding Series Units of the Trust. There are certain procedural requirements, set forth in the Declaration of Trust, which must be adhered to by the Trust in connection with any redemption of Series Units of the Trust. The redemption price per Series Unit of the Trust to be received upon such redemption by the Trust is the lesser of: (A) the fair market value of such Redemption Unit as at the date of the redemption notice; and (B) \$1.00.

Fair Market Value

The fair market value of a Redemption Unit shall be determined by the Administrator in its sole discretion, acting reasonably, but having regard to:

- (a) all prices at which trades of Units of the same Series as the Redemption Units have been transacted, as reported to the Trust, and which have occurred during the 6 month period (or such other period as the Administrator determines relevant and reasonable) immediately preceding the date on which such Redemption Units tendered for redemption or the date the Trust gives notice of the redemption, as applicable;
- (b) the issue prices for Units of the same Series as the Redemption Units issued in any offering during the 6 month period (or such other period as the Administrator determines relevant and reasonable) immediately preceding the date on which such Redemption Units tendered for redemption or the date the Trust gives notice of the redemption, as applicable;
- (c) the fair market value of equity interests in, or enterprise values of, comparable entities substantially similar to the Trust; and
- (d) any other considerations which the Administrator, in its discretion, determines relevant for purposes of determining the fair market value of such Redemption Units.

Series of Units and Trust Property

Each Series of Units is separate and discrete from each other. Accordingly, the Declaration of Trust contains provisions whereby the Trustees, the Administrator and all holders of Units of all Series expressly agree:

- (a) Subject to the terms of the Declaration of Trust, holders of Units of a Series shall have exclusive rights with respect to Trust Property exclusively allocated to that Series, and to any asset, liability, investment, income, expense, obligations, profit, income or loss forming part of or associated with such Trust Property and all proceeds derived therefrom;
- (b) The Trustees shall determine, in their sole discretion, acting reasonably, whether an expense or liability is a Series Expense (and the Series of Units that is responsible therefor) or a Common Expense;
- (c) The Trust Property exclusively allocated to a Series shall be the only Trust Property applied to pay or satisfy Series Expenses of that Series;

- (d) The Trustees shall allocate among the Series, in their sole discretion, acting reasonably, the responsibility for payment or satisfaction of Common Expenses;
- (e) The Trust Property exclusively allocated to each Series shall be applied to pay or satisfy Common Expenses in proportion to the allocation of responsibility therefor by the Trustees;
- (f) Notwithstanding paragraphs (b) to (e) above, in the event that Trust Property of a Series (the "**Entitled Series**") is for any reason applied to pay or satisfy Series Expenses of another Series, or Common Expenses in excess of that Series' allocated responsibility for those Common Expenses, as determined by the Trustees, then in such circumstances, (i) the Unitholders of the Entitled Series shall have a claim (in this paragraph (f), a "**Claim**") against the Trust Property of those Series whose Series Expenses or whose allocated responsibility for Common Expenses the Unitholders of the Entitled Series effectively assumed responsibility for (the "**Obligated Series**"); (ii) the Trustees shall re-allocate Trust Property that was formerly exclusively allocated to the Obligated Series to thereafter be exclusively allocated to the Entitled Series to the extent of the Claim; (iii) the Trustees shall determine, in their sole discretion, acting reasonably, the particular Trust Property that shall be re-allocated as provided in item (ii) above, and (iv) such re-allocation and determination by the Trustees shall be final and binding on both the Unitholders of the Entitled Series and the Obligated Series;
- (g) Records shall be maintained for each Series that shall reasonably identify its exclusively allocated Trust Property, its Series Expenses and its allocated share of Common Expenses;
- (h) No Trust Property of a Series may be commingled with Trust Property of another Series, and separate bank accounts shall be maintained for Trust Property of each Series; and
- (i) Notwithstanding anything contained above, the Trustees and the Administrator are only required to comply with the obligations set forth above and otherwise in the Declaration of Trust with respect to the separate nature of each Series and the Trust Property exclusively allocated to each Series to the extent reasonably within the control of the Trustees and the Administrator. It is acknowledged that applicable circumstances, such as claims of a third party creditor of the Trust, may prevent the Trustees and the Administrator from ensuring that such obligations are complied with.

Meetings of Unitholders

There is no requirement to hold annual meetings of the Unitholders, Common Unitholders or holders of any Series of Units. Except for certain limited circumstances, no Series Unitholder shall be entitled to receive notice of or to attend any meeting of Unitholders or to vote at any such meeting or to vote in respect of any matter whatsoever requiring Unitholder approval.

Limitation on Non-Resident Ownership

It is in the best interest of the Unitholders that the Trust always qualifies as a "mutual fund trust" under the Income Tax Act and this requires, among other things, that the Trust shall not be established or maintained primarily for the benefit of Non-Residents. Accordingly, for so long as it is required by the Income Tax Act for the Trust to maintain its status as a "mutual fund trust", at no time may Non-Residents be the beneficial owners of more than 49% of the outstanding Units, on both a non-diluted and fully-diluted basis, and on a fair market value basis, and it shall be the responsibility of the Administrator to monitor compliance by the Trust with this Non-Resident restriction in accordance with the published policies of the relevant taxation authority. The Declaration of Trust grants the Administrator the power and authority to take all such action as it determines in its discretion is reasonable and practicable in the circumstances in order to ensure compliance by the Trust with the Non-Resident restriction, including the ability of the Administrator to sell Units beneficially owned by Non-Residents.

Transfer of Units

No Unitholder shall transfer or dispose of its Trust Units to any other person except with the consent of the Administrator and in compliance with applicable securities laws and the Declaration of Trust. The Declaration of Trust provides that no transfer or other disposition of Units shall be effective unless certain terms and conditions are met, including: (a) delivery to the transfer agent of a duly executed instrument of transfer and accompanied by all necessary transfer or other taxes imposed by applicable law, and the Unit Certificate(s) representing such Units being transferred (if certificates representing such Units have been issued) properly endorsed and accompanied by evidence of the genuineness of such endorsement, execution and authorization; (b) reporting to the Trustees or the Administrator the details concerning the transfer, including name, address, citizenship and country of residence of the transferee, as well as the price per Unit at which the sale and transfer has occurred together with such other information as the Trustee or Administrator may reasonably request, and evidenced by appropriate documentation; and (c) all outstanding liabilities of the transferor to the Trust shall have been paid, or arrangements made satisfactory to the Administrator for the assumption of such liabilities by the transferee.

Amendments to the Declaration of Trust

Except in certain limited circumstances below where the Trustees are entitled without the approval of the Unitholders to make amendments to the Declaration of Trust (refer to full text of Declaration of Trust), the Declaration of Trust may only be amended or altered by Special Resolution of Common Unitholders. Amendments to the Declaration of Trust or any Supplement may be proposed solely by the Trustees or the Administrator.

The provisions of Declaration of Trust may be amended by the Trustees at any time and from time to time, without the consent, approval or ratification of the Unitholders (or holders of a Series of Units), any other person or any governing Authority for the purpose of: (a) creating new Series of Units from time to time; (b) ensuring continuing compliance, by the Trust, with applicable laws, regulations, requirements or policies of any governing authority having jurisdiction over the Trustees or the Trust; (c) providing, in the opinion of the Trustees, additional protection for the Unitholders or to obtain, preserve or clarify the provision of desirable tax treatment to Unitholders; (d) making amendments which, in the opinion of the Trustees, are necessary or desirable in the interests of the Unitholders as a result of changes in taxation laws or in their interpretation or administration (including changes in the administrative practices and assessing policies of the Canada Revenue Agency); (e) making corrections, or removing or curing any conflicts or inconsistencies between the provisions of the Declaration of Trust or any supplemental agreement and any other agreement of the Trust or any offering document with respect to the Trust, or any applicable law or regulation of any jurisdiction, provided that in the opinion of the Trustees, the rights of the Unitholders are not materially prejudiced thereby; (f) making amendments as are necessary or desirable for correcting typographical mistakes or for curing, correcting or rectifying any ambiguities, defective or inconsistent provisions, errors, mistakes or omissions; (g) making amendments as are required to undertake an internal reorganization of the Trust or its affiliates; or (h) making amendments for any purpose in addition to those stated above, provided that, in the opinion of the Trustees, the rights of the Unitholders are not materially prejudiced thereby.

Power of Attorney

Upon becoming a Unitholder of the Trust, each Unitholder, pursuant to the terms of the Declaration of Trust, grants to the Trustees a power of attorney constituting the Trustees (whether acting individually or collectively), with full power of substitution, as the true and lawful attorney of such Unitholder to act on his behalf, with full power and authority to execute, under seal or otherwise, swear to, acknowledge, deliver, make, file or record (and to take all requisite actions in connection with such matters), when, as and where required: (a) the Declaration of Trust and any other instrument required or desirable to qualify, continue and keep in good standing the Trust as a mutual fund trust in all jurisdictions that the Trustees deem appropriate and to ensure that the Trust is not a SIFT trust in all jurisdictions that the Trustees deem appropriate; (b) any instrument, deed, agreement or document in connection with carrying on the affairs of the Trust; (c) all conveyances, transfers and other documents required in connection with the dissolution, liquidation or termination of the Trust, or of a Series of Units of the Trust; (d) any and all elections, determinations or designations whether jointly with third parties or otherwise, under the Income Tax Act or any other taxation or other legislation or similar laws of Canada or of any other jurisdiction in respect of the affairs of the Trust or of a Unitholder's interest in the Trust; (e) any instrument, certificate and other documents necessary or appropriate to reflect and give effect to any amendment to the Declaration of Trust which is authorized from time to time as contemplated by the terms of the Declaration of Trust; (f) all transfers, conveyances and other documents required to deal with Units of non-tendering offerees pursuant to a take-over bid, but subject to the provisions respect same as contained in the Declaration of Trust; and (g) any instrument, deed, agreement or document as may be necessary or appropriate in connection with carrying on the business and undertaking of the Trust; and, for further certainty, it is acknowledged and agreed by each Unitholder that the Trustees may exercise any of the powers granted under this power of attorney irrespective of whether the Administrator has been expressly authorized to take any such actions referred to above, and that the Trustees may substitute the Administrator as a delegate, in whole or in part, of the powers granted herein.

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

Rights of Unitholders

Unitholders do not have the protections, rights and remedies as an investor would have as a shareholder of a corporation (such as one governed by the ABCA). Unlike shareholders of an ABCA corporation, Unitholders do not have a comparable right to make a unitholder proposal at a meeting of Unitholders of the Trust. The matters in respect of which Unitholder approval is required under the Declaration of Trust are generally less extensive than the rights conferred on the shareholders of an ABCA corporation. Unitholders do not have

recourse to a dissent right under which shareholders of an ABCA corporation are entitled to receive the fair value of their shares where certain fundamental changes affecting the corporation are undertaken. As an alternative, Unitholders seeking to terminate their investment in the Trust are entitled to redeem their Units. Unitholders similarly do not have recourse to the statutory oppression remedy that is available to shareholders of an ABCA corporation where the corporation undertakes actions that are oppressive, unfairly prejudicial or in disregard to the interests of securityholders and certain other parties. Shareholders of an ABCA corporation may apply to a court to order the liquidation and dissolution of the corporation in those circumstances, whereas Unitholders can rely only on the general provisions of the Declaration of Trust or any applicable common law rights. Finally, unlike Unitholders, shareholders of an ABCA corporation can bring a "derivative action" in the name of the corporation or may apply to a court for the appointment of an inspector, subject to court oversight and other investigative procedures, to investigate the manner in which the business of the corporation and its affiliates is being carried on where there is reason to believe that fraudulent, dishonest or oppressive conduct has occurred.

Confidentiality

Each Unitholder acknowledges that all records, material and information pertaining to the business and affairs of the Trust are and shall remain the exclusive property of the Trust. For so long as the Trust is in existence, each Unitholder keep in the strictest confidence, not disclose and not use (except in connection with managing its investment in the Trust), without the express prior written consent of the Trustees, the terms of the Declaration of Trust, as well as any non public information pertaining to or concerning the business and affairs of the Trust and any of its affiliates and associates, including all budgets, forecasts, analyses, financial results, information with respect to Trust Property held from time to time, and all other information not generally known to the public (the "**Confidential Information**"); however, no Unitholder shall be obliged to keep in confidence or shall incur any liability for disclosure of information or use of information which:

- (a) is already in the public domain or comes into the public domain without any breach of the Declaration of Trust or any other confidentiality agreement or obligation of such Unitholder;
- (b) is required to be disclosed pursuant to applicable laws or pursuant to policies or regulations of any regulatory authority having jurisdiction over such Unitholder, and only for the purposes of such disclosure, after such Unitholder has made a reasonable attempt to prevent and limit such disclosure and after notification to the Trustees or the Administrator, in which event such Unitholder shall request confidentiality in respect of such disclosure; or
- (c) is required to be disclosed in any valuation, arbitration or legal proceeding arising under or in connection with the Declaration of Trust,

and in these circumstances, the applicable information shall cease to be Confidential Information hereunder. Further, each Unitholder shall be permitted to make disclosure of Confidential Information to:

- (a) persons who are beneficially entitled to the interest of the Unitholder in the Units, and to a professional or other advisor of such disclosing Unitholder, in which event such disclosing Unitholder shall, insofar as is reasonably possible, cause the recipient to comply with the terms of the Declaration of Trust as if he, she or it were a Unitholder subject to the Declaration of Trust, and such disclosing Unitholder shall be liable for any breach of the confidentiality and non-use obligations hereunder by any such recipient; or
- (b) a proposed transferee in connection with a proposed transfer of Units that is permissible under the Declaration of Trust, in which event such disclosing Unitholder shall, before making any disclosure, require the proposed transferee to execute a confidentiality agreement, which agreement shall include the terms of the Declaration of Trust.

The Unitholders acknowledge and agree that the restrictions contained in the Declaration of Trust are reasonable and valid and that all defences to the strict enforcement of such restrictions are hereby waived, and that any breach of any restrictions in the Declaration of Trust cannot adequately be compensated for by an award of damages. Accordingly, the Trustees and the Administrator shall be entitled to temporary and permanent injunctive relief and to an order for specific performance against every Unitholder and recipient of Confidential Information that is in breach of the Declaration of Trust without having to prove damages or post any bond or other security. Any such remedy shall be in addition to and not in substitution for or dependent upon any other remedy.