Confidential Offering Memorandum

The securities referred to in this Offering Memorandum are being offered on a private placement basis. This Offering Memorandum constitutes an offering of securities only in those jurisdictions, and to those persons, where, and to whom, they may be lawfully offered for sale. The Offering Memorandum is not, and under no circumstances is to be construed as, a prospectus or advertisement or a public offering of these securities. The securities offered under this Offering Memorandum qualify for distribution in the jurisdictions in which they are offered pursuant to exemptions under securities laws in those jurisdictions.

This Offering Memorandum is for the confidential use of only those persons to whom it is transmitted in connection with this offering. By their acceptance of this Offering Memorandum, recipients agree that they will not transmit, reproduce or make available to anyone, other than their professional advisers, this Offering Memorandum or any information contained therein. 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. ACM Commercial Mortgage Fund may be considered to be a "connected issuer" of ACM Advisors Ltd. under applicable securities laws.

*In this Offering Memorandum, "**Fund**" means the ACM Commercial Mortgage Fund; "**you**", "**your**" and "**unitholder**" mean you and all other investors in units of the Fund; and "**Manager**" and "**ACMA**" mean ACM Advisors Ltd., the manager, portfolio advisor and promoter of the Fund.*

April 30, 2019 **Continuous Offering**

ACM COMMERCIAL MORTGAGE FUND

Net Asset Value per Unit

Minimum Subscription: $5,000.00 subject to compliance with applicable securities laws

IMPORTANT DISCLOSURE

The offering is being made with reliance on certain exemptions from the prospectus filing requirements available under the securities laws of the Provinces of British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Québec, New Brunswick, Nova Scotia, Prince Edward Island, Newfoundland and Labrador, the Yukon and the Northwest Territories. As a result, the securities offered herein will not be listed on any stock exchange and will be subject to the applicable resale and transfer restrictions under these laws. These securities will not be offered for sale in the United States of America. These securities are not "deposits" within the meaning of the *Canada Deposit Insurance Corporation Act* (Canada) and are not insured under that Act or any other legislation.

This Offering Memorandum constitutes a private offering of securities only in those jurisdictions and to those persons where and to whom they may be lawfully sold and therein only by those entities permitted to sell such securities. This Offering Memorandum is not, and under no circumstances is it to be construed as, a prospectus, advertisement or public offering of the securities referred to herein. No securities regulatory authority has assessed the merits of these securities or reviewed this Offering Memorandum. Any representation to the contrary is an offence.

If you purchase Units you will have certain rights. See **ITEM 12: PURCHASERS' RIGHTS**.

This Offering Memorandum does not constitute, and may not be used for or in conjunction with, an offer or solicitation by anyone in any jurisdiction or in any circumstances in which such offer or solicitation is not authorized, or to any person to whom it is unlawful to make such an offer or solicitation. You are directed to inform yourself of and observe such restrictions and all legal requirements of your jurisdiction of residence in respect of the acquisition, holding and disposition of the securities offered hereby. Subscribers should thoroughly review this Offering Memorandum and are advised to consult with their professional advisors to assess the business, legal, income tax and other aspects of this investment. This is a risky investment. The securities offered hereby will be issued only on the basis of information contained in this Offering Memorandum and no other information or representation is authorized or may be relied upon as having been authorized by the Trustees and the Fund. Persons who will be acquiring securities pursuant to this Offering Memorandum will not have the benefit of the review of the material by the securities commissions or similar authorities in Canada. Any subscription for the securities offered hereby made by any person on the basis of statements or representations not contained in this Offering Memorandum or so provided, or inconsistent with the information contained herein or therein, shall be solely at the risk of said person.

See **DEFINITIONS** for the meaning ascribed to certain capitalized terms used in this Offering Memorandum.

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SUMMARY

The following information is a summary only and is qualified in its entirety by the more detailed information appearing elsewhere in this Offering Memorandum.

Date	April 30, 2019
Issuer	
The Fund	ACM Commercial Mortgage Fund (defined above as the "**Fund**"), a private mutual fund trust formed under the laws of the Province of British Columbia
Head office	c/o ACM Advisors Ltd. 210-1140 Homer Street Vancouver, British Columbia V6B 2X6 Phone #: 604 682-4865 E-mail address: acmcmf@acma.ca Fax #: 604 682-3265
Currently listed or quoted?	**No. These securities do not trade on any exchange or market.**
Reporting issuer?	No
SEDAR filer?	Yes
The Trustee	ACM CMF Services Ltd.
The Manager	ACM Advisors Ltd., is the manager, portfolio advisor and promoter of the Fund.
The Offering	
Securities offered	An unlimited number of trust units (each, a "**Unit**" and collectively, "**Units**") consisting of Class A Units, Class B Units, Class C Units, Class D Units, Class E Units, Class F Units and Class I Units, being offered hereby on a continuous basis. Class A, D, and E Units are available only to Manager approved subscribers. Class B and C Units are available to all subscribers. Class F Units have lower fees than Class A, B, C, D and E Units and are only available to subscribers who have fee-based accounts with Representatives (as defined below). Class I Units are available to certain private and institutional subscribers. Each Unit represents an equal, undivided beneficial interest in the Fund. Each Unit has the attributes and characteristics described in this Offering Memorandum. Refer to **ITEM 2.7: Material Agreements and ITEM 2.8: Trust Agreement**.
Price per security	Net Asset Value Per Unit as determined from time to time.
Minimum/Maximum offering	**There is no minimum or maximum. You may be the only purchaser. Funds available under the offering may not be sufficient to accomplish the proposed objectives. However, Units have been sold in prior offerings (refer to ITEM 4.3: Prior Sales)**.
Minimum subscription amount	The minimum subscription amount that may be subscribed for by any one subscriber is $5,000. The Manager may waive this at its discretion.
Payment terms	For Class I Units, the subscription price is payable upon subscription, by cheque or electronic funds transfer. For Class A, B, C, D, E and F Units, the subscription price is payable 3 business days after each monthly Valuation Date by electronic means initiated by your Representative. No financing of

	the subscription price will be provided by the Fund, the Trustee or the Manager.
Proposed closing dates	Units will be offered on a continuous basis with the first closing to take place on **April 30, 2019** and thereafter on the last business day of every month.
Income tax consequences	There are important tax consequences to these securities (refer to **ITEM 6: INCOME TAX CONSEQUENCES & REGISTERED PLAN ELIGIBILITY)**.
Risk factors	This is a risky investment. Investors could lose all of the money they invest in units of the Fund. Certain risks associated with an investment in units of the Fund are described in **ITEM 8: RISK FACTORS**).
Selling agent?	No. **(refer to ITEM 7: COMPENSATION PAID TO SELLERS AND FINDERS)**.
Resale restrictions	You will be restricted from selling your Units for an indefinite period, and Units are subject to transfer restrictions **(refer to ITEM 11: RESALE AND TRANSFER RESTRICTIONS).** You may elect to redeem any or all of your Units on or before the last business day of any month (refer to the Redemption of Units subheading within **ITEM 2.7: Material Agreements and ITEM 2.8 Trust Agreement).**
Purchaser's rights	You have 2 business days to cancel your agreement to subscribe for Units. If there is a misrepresentation in this Offering Memorandum, you have the right to sue either for damages or to cancel the agreement. See **ITEM 12: PURCHASERS' RIGHTS.**
Custodian	Computershare Trust Company of Canada is the Custodian for and has registered title over the Fund's Mortgage investments, and Laurentian Bank Securities Inc. and RBC Dominion Securities as its Custodians for CMBS investments. The fees of the Custodians are paid by the Fund. See **ITEM 2.11 Custodial Agreements**.
Auditor	PricewaterhouseCoopers LLP, Vancouver, British Columbia, is the auditor of the Fund.
Legal counsel	Borden Ladner Gervais LLP, Vancouver, British Columbia, acts as the legal counsel to the Manager in relation to the Fund.
Year-end	December 31

No securities regulatory authority has assessed the merits of these securities or reviewed this Offering Memorandum. Any representation to the contrary is an offence. This is a risk investment. See ITEM 8: RISK FACTORS.

DEFINITIONS

The following terms used in this Offering Memorandum have the meanings set out below:

"**Administration Agreement**" means the Agreement between the Trustee and the Administrator dated January 15, 2007.

"**Administration Services**" means such record keeping, Register management, Unit transaction and similar services as may be provided to the Fund by the Administrator under the Administration Agreement or by such other party as may be retained from time to time by the Trustee on the direction of the Manager.

"**Administrator**" means the third party providing Administration Services to the Fund under the Administration Agreement.

"**Available Cash**" at any date means, as determined by the Manager and notified to the Trustee in writing, the remainder obtained when there is subtracted, as at such date, from the aggregate of:

(a) all cash of the Fund on hand or on deposit in any financial institution and all amounts held by the Fund as Liquid Investments;

(b) all Unfunded Subscription Amounts; plus

(c) funds available under any loan facilities established for the Fund;

the aggregate of:

(d) an amount equal to the amount of all Unfunded Commitments of the Fund as at such date;

(e) an amount determined sufficient by the Manager, in good faith, to provide the Fund with sufficient liquidity to negotiate potential investment opportunities known at such date to the Manager;

(f) all costs and expenses of the Fund accrued or due and payable as at such date; plus

(g) an amount equal to a reasonable reserve or allowance as determined by the Manager as at such date for any costs, expenses or contingencies of the Fund that may become payable after such date.

"**Cash Distribution Option**" means the option of a Unitholder to receive cash distributions of his Proportionate Share of net income, as more particularly described in the Trust Agreement.

"**Class A Units**" means the Class A Units offered under this Offering Memorandum, which will be made available to Manager approved subscribers.

"**Class B Units**" means the Class B Units offered under this Offering Memorandum, which will be made available to all subscribers.

"**Class C Units**" means the Class C Units offered under this Offering Memorandum, which will be made available to all subscribers.

"**Class D Units**" means the Class D Units offered under this Offering Memorandum, which will be made available to Manager approved subscribers.

"**Class E Units**" means the Class E Units offered under this Offering Memorandum, which will be made available to Manager approved subscribers.

"**Class F Units**" means the Class F Units offered under this Offering Memorandum, which will be made available only to subscribers who have fee-based accounts with Representatives.

"**Class I Units**" means the Class I Units offered under this Offering Memorandum, which will be made available only to certain private or institutional subscribers through the Manager's actions as an Exempt Market Dealer ("EMD").

"**CMBS**" means Canadian commercial mortgage-backed securities.

"**Commitment**" means an accepted, binding commitment approved and issued in writing by the Manager on behalf of the Fund:

(a) to a borrower stipulating the terms and conditions upon which the Fund is prepared to lend funds to the borrower, but does not include any letters of intent, draft memoranda of terms or other written material issued by the Manager to negotiate the terms of such loan; or

(b) to a third party in respect to an investment by the Fund in a Mortgage.

"**Custodial Agreements**" means the agreements between the Trustee and the Custodians.

"**Custodial Services**" means such custodial, depositary and similar services as may be provided to the Fund by the Custodians under the Custodial Agreements or by such other party as may be retained from time to time by the Trustee on the direction of the Manager.

"**Custodians**" means the third parties providing custodial and depository services to the Fund under Custodial Agreements.

"**Distribution Date**" means December 31 in each fiscal year of the Fund.

"**Distribution Reinvestment**" means the automatic reinvestment on behalf of Unitholders of their Proportionate Shares of distributions of net income in additional Units.

"**Early Redemption Fee**" means the fee, if applicable, to Class C Units, Class D Units and Class E Units set out in the applicable Subscription Agreement that declines to 0% over time.

"**First Mortgage**" means a first mortgage charge over Real Property.

"**Fund**" means ACM Commercial Mortgage Fund, a private mutual fund trust established under the laws of the Province of British Columbia.

"**IGC**" means the Independent Governance Committee formed September 30, 2015.

"**Initial Closing**" means the first closing of subscriptions and issuance of Units to Purchasers pursuant to this Offering Memorandum.

"**Liquid Investment**" at any date means an investment in or on the security of Canadian dollar obligations:

(a) having a term of up to ten (10) years if:

   (i) issued or guaranteed by the government of Canada or a province thereof and rated Aa2 or higher by Moody's Investors Service, Inc. or its successor, or given an equivalent rating by Standard & Poor's Corporation or its successor, or given an equivalent rating by Dominion Bond Rating Service or its successor; or

   (ii) issued as bonds and/or debentures by Canadian corporations and/or Canadian real estate investment trusts and rated Baa3 or higher by Moody's Investors Service, Inc. or its successor, or given an equivalent rating by Standard & Poor's Corporation or its successor, or given an equivalent rating by Dominion Bond Rating Service or its successor; or

(b) having a maturity date within 365 days of the purchase of such investment if:

   (i) issued by a corporation provided that such obligations have a credit rating of R1 issued by Dominion Bond Rating Service or its successor, or P1 issued by Moody's Investors Service, Inc. or its successor, or A1, A2 or A3 issued by Standard & Poor's Corporation or its successor, or an equivalent rating from another investment rating service providing investment rating services of a quality reasonably comparable to the investment rating services provided by Dominion Bond Rating Service, Moody's Investors Service, Inc., or Standard & Poor's Corporation; or

   (ii) the investment is in term deposit receipts or certificates of deposit issued, or drafts accepted by, a Canadian chartered bank which is referred to in Schedule A or B to the *Bank Act* (Canada) provided that such bank issues obligations which have a credit rating of at least R1 issued by Dominion Bond Rating Service.

"**Manager**" means ACM Advisors Ltd., a British Columbia company in its capacity as manager of the Fund.

"**Management Agreement**" means the management agreement made as of January 15, 2007 between the Trustee and the Manager in respect of the management of the business of the Fund, as amended and restated as of December 28, 2007 and as of February 12, 2008 to accommodate the creation of Class B, Class C, Class D and Class E Units of the Fund.

"**Management Fees**" means the management fees to be paid by the Fund to the Manager in respect of Class A Units, Class B Units, Class C Units, Class D Units, Class E Units, Class F Units and Class I Units issued and outstanding, in accordance with the Trust Agreement. For certain Unitholders of Class I Units, management fees may be paid directly by the Unitholder to the Manager.

"**Mortgage**" means any commercial mortgage containing a fixed charge over Real Property and includes:

(a) a trust agreement, debenture or similar security instrument containing such a fixed charge and securing bonds, debentures or other evidence of indebtedness;

(b) a certificate or other evidence of an interest in bonds, which are secured by a fixed charge over Real Property issued to a trustee or other party on behalf of the holders of the bonds, including commercial mortgage backed securities;

(c) an undivided co-ownership interest in one or more Mortgages or in a fund of Mortgages issued by one or more borrowers and held by a trustee on behalf of the beneficial owners of such Mortgage or Mortgages, which may be structured as commercial mortgage backed securities; and

(d) a partial interest in a Mortgage, including an interest in the entitlement to receive only the interest payable thereunder or the entitlement to receive only the repayment of the principal amount of the Mortgage, provided that in either case such interest in the Mortgage is evidenced to the satisfaction of counsel for the Fund.

"**Mortgaged Properties**" means those properties that are the subject of Mortgages.

"**Net Asset Value**" means at any particular time, in respect of the Fund, the value of the Trust Property at such time determined in accordance with the Trust Agreement.

"**NAVPU**" means at any particular time, the value of the Units obtained by dividing the Net Asset Value at that particular time by the number of issued Units of all classes of Units at that particular time.

"**Net Capital Gains**" means with respect to a particular fiscal year, the capital gains of the Fund for such year less the capital losses of the Fund for such year, calculated in accordance with the Tax Act.

"**Net Income**" means with respect to a particular fiscal year of the Fund, the net income of the Fund calculated in accordance with the Tax Act.

"**NI 31-103**" means National Instrument 31-103 *Registration Requirements, Exemptions and Ongoing Registrant Obligations*.

"**NI 45-106**" means National Instrument 45-106 *Prospectus Exemptions*.

"**Offering Memorandum**" means this offering memorandum dated April 30, 2019.

"**Promoter**" means ACM Advisors Ltd.

"**Proportionate Share**" means, when used to describe a Unitholder's interest in any amount, the portion of that amount calculated by multiplying it by a fraction obtained by dividing the number of Units registered in the name of such Unitholder by the total number of Units of all classes of the Fund then outstanding.

"**Purchasers"**' means purchasers of Units under this Offering Memorandum.

"**Real Property**" means a fee simple or leasehold interest in real property in Canada.

"**Representative**" means the duly authorized registered dealer, broker or investment advisor acting as the agent for a subscriber or Unitholder.

"**Second Mortgage**" means a second mortgage charge over Real Property.

"**Subscription Agreement**" means a subscription agreement for Class A Units, Class B Units, Class C Units, Class D Units, Class E Units, Class F Units or Class I Units in the forms set out in the applicable schedules hereto or in such other form as the Manager shall prescribe from time to time.

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

"**Trust Agreement**" means the trust agreement made as of January 15, 2007, as amended, pursuant to which the Fund was created, and executed by the Trustee, as such agreement may be amended, modified, supplemented or restated from time to time.

"**Trust Property**" at any time means any and all property, real or personal, tangible or intangible, moveable or immovable, which is hereafter transferred, conveyed or paid to the Trustee or held by it from time to time in its capacity as Trustee hereunder and the proceeds of any subscription for Units together with all renewals thereof, substitutions therefor, accretions thereto, and all income and proceeds thereof and therefrom and all investments held by the Fund, income thereon and proceeds therefrom.

"**Trustee**" means ACM CMF Services Ltd., a British Columbia company in its capacity as the Trustee of the Fund, and includes any additional or substitute trustee or trustees at any time and from time to time appointed and acting as a trustee or trustees of the Fund.

"**Unfunded Commitment**" means a Commitment under which the Trustee has not yet advanced funds.

"**Unfunded Subscription Amount**" means that portion of the funds in any Subscription Agreement which have not yet been received by the Trustee.

"**Unitholder**" means a person whose name appears on the register of Unitholders established and maintained pursuant to the Trust Agreement, as a holder of a Unit or Units.

"**Units**" means all of the trust units representing units of beneficial interest in the Fund offered under this Offering Memorandum consisting of Class A Units, Class B Units, Class C Units, Class D Units, Class E Units, Class F Units and Class I Units, and "**Unit**" means any of them.

"**Valuation Date**" means the last business day of each month.

FORWARD-LOOKING STATEMENTS

This Offering Memorandum includes forward-looking statements with respect to the Fund. In particular, the information contained in Items 2.2 Business and 2.4 Long Term Objectives may constitute "forward-looking information" for the purpose of securities legislation, as it contains statements of the intended course of conduct and future operations of the Fund. These statements are based on assumptions made by the Manager about the success of the Fund's investment strategies in certain market conditions, relying on the experience of the Manager's officers and employees and their knowledge of historical economic and market trends. Investors are cautioned that the assumptions the Manager makes and the success of the Manager's investment strategies are subject to a number of mitigating factors. Economic and market conditions may change, which may materially impact the success of the Manager's intended strategies, as well as the Fund's actual course of conduct. Investors are urged to read Item 8 Risk Factors for a discussion of other factors that will impact the Fund.

ITEM 1: USE OF AVAILABLE FUNDS

1.1 Available Funds

Units will be offered on a continuous basis. There is no minimum or maximum offering. The following table describes the available funds from two hypothetical fund raising scenarios:

		Assuming minimum offering of $0	***Assuming offering of $100,000,000***
A	Amount to be raised by this offering	NIL	$100,000,000
B	Selling commissions and fees	NIL	NIL
C	Estimated offering costs (e.g., legal, accounting, audit)	- $25,000	- $25,000
D	Available Funds: D = A - (B+C)	- $25,000	$99,975,000
E	Additional sources of funding required	$0	$0
F	Working capital deficiency	$0	$0
G	Total: G = (D+E) - F	- $25,000	$99,975,000

No selling agent is paid a commission or a fee by the Fund or the Trustee. Sales commissions, trailer fees and referral fees are paid by the Manager out of the Manager's Management Fees (refer to **ITEM 7: COMPENSATION PAID TO SELLERS AND FINDERS**).

Sales commissions charged by a Representative will vary depending on the fee arrangement negotiated by each investor with their Representative, if any.

1.2 Use of Available Funds

The Fund will use the total available funds raised pursuant to this Offering Memorandum to invest primarily in Mortgages. The Manager expects the portfolio of Mortgages held by the Fund to be comprised of approximately 80% First Mortgages and 20% Second Mortgages. The maximum loan-to-value ratio of any Mortgage will be 80% at the date of the investment; however, the Fund's investment objective is to have a minimum of 75% of all investments with a loan-to-value ratio not exceeding 75%. Mortgage terms will generally range up to 10 years depending on the specific attributes of each opportunity and market conditions at the time.

The Fund will use the total available funds for the placement of Mortgages and purchase of Liquid Investments in accordance with its investment objectives and strategies set out herein.

Description of intended use of available funds in order of priority	***Assuming Minimum Offering of $0***	***Assuming Offering of $100,000,000***
Placement of Mortgages	$0	$95,000,000
Purchase of Liquid Investments	$0	$4,975,000

The proportion of the Fund's assets invested in Mortgages from time to time will vary. The targeted minimum and maximum proportions for First Mortgages and Second Mortgages are below. Any funds not invested in Mortgages will be invested in Liquid Investments.

Asset Class	***Targeted Minimum Percentage of Fund Assets***	***Targeted Maximum Percentage of Fund Assets***
First Mortgages	70.0%	100.0%
Second Mortgages	10.0%	25.0%

1.3 Reallocation

The Fund intends to invest the total available funds as stated in accordance with section 1.2 above. The Manager will reallocate funds only for sound business reasons.

ITEM 2: BUSINESS OF ACM COMMERCIAL MORTGAGE FUND

2.1 Structure

The Fund is an unincorporated, open-ended, private mutual fund trust which was formed on January 15, 2007 under the laws of the Province of British Columbia by a trust agreement made as of January 15, 2007 as amended on December 28, 2007, February 12, 2008 and April 20, 2012, that is intended to qualify as a "mutual fund trust" and a "unit trust" under the provisions of the Tax Act. Subject to earlier termination in accordance with the Trust Agreement, the Fund shall terminate on January 15, 2087, the 80^{th} anniversary of the date of commencement of the Fund. The head office of the Fund is located at 210-1140 Homer Street, Vancouver, British Columbia, V6B 2X6.

The Trustee was incorporated under the laws of the Province of British Columbia on December 12, 2006.

2.2 Business

Objectives and Strategies

The Fund has been established for the purpose of permitting persons who qualify as subscribers under the Trust Agreement to consolidate or pool funds, these funds are to be invested in Mortgages in accordance with the investment objectives, criteria, and restrictions set out in the Trust Agreement and described in this Offering Memorandum. All Mortgages held by the Fund will be Canadian commercial mortgages. Refer to **DEFINITIONS** for the definition of the term "Mortgage".

The Fund intends to provide its Unitholders with stable income while preserving invested capital through the efficient sourcing and management of a diverse pool of Mortgage investments in Canada. From the income generated by the Fund's investments, the Manager will calculate and allocate the Fund's distributable net income to Unitholders, which will be distributed by the Trustee upon direction from the Manager on a monthly basis in accordance with the Trust Agreement. Unless Unitholders elect the Cash Distribution Option, their Proportionate Share of monthly distributions of net income will be reinvested in additional Units of the same class at the NAVPU prevailing at the time. The Fund intends to distribute to Unitholders all of the net income earned by the Fund as calculated on the Distribution Date so that the Fund will not be liable for tax under Part I of the Tax Act in any taxation year.

Commercial Mortgage Market

Mortgages are a common form of financing within the real estate industry in Canada. All Mortgages will be written in Canada and the Trustee may acquire interests in Mortgages by way of participation agreements or otherwise. Documentation used with respect to Mortgages will provide that, in the event of a failure by the borrower to pay an amount owing under a Mortgage, the Fund or applicable lender will be entitled to enforce the Mortgage in accordance with applicable law. In the event of a failure by a borrower to make a monthly payment of interest and/or principal, the Fund or applicable lender will communicate with the borrower and failing rectification, the Fund or applicable lender will take steps to protect the Fund's interests by taking enforcement action appropriate under the circumstances provided by the terms of the Mortgage. Each of the Fund's Mortgages will be registered on title against the underlying real property securing the Mortgage. Except in circumstances where the Fund holds an interest in a Mortgage indirectly, title to each Mortgage will be held by and registered in the name of the Trustee or the Custodians.

Investments

The primary investment objective of the Fund is to generate income. The Fund intends to accomplish this goal by making prudent investments in Mortgages that are secured by Real Properties in Canada, including retail, office, multi-family and industrial properties (refer to **ITEM 2.4: Long Term Objectives**). The Fund will not provide construction financing.

The Fund will not make any direct investments in Real Property, but may hold title to Real Property acquired as a result of any foreclosure proceedings associated with the enforcement of any Mortgages held by the Fund, where such foreclosure is deemed necessary to protect the Fund's investment following a default by the borrower under such Mortgage. In these circumstances, the Fund will act prudently with respect to the disposition of any such Real Property, with a view to maximizing its recovery under such Mortgage investment.

Liquid Investments may be held from time to time as market conditions and cash flows dictate.

Manager

The Manager will manage the affairs of the Fund in accordance with the terms and conditions of the Trust Agreement and the Management Agreement, and shall exercise its duties and responsibilities diligently and in good faith and with the degree of care, diligence and skill that a reasonably prudent professional mortgage investment manager would exercise in comparable circumstances.

To achieve its objectives, the Fund will benefit from the Manager's expertise and experience in originating, underwriting and servicing Mortgage investments. The Manager is registered as a Mortgage Broker in the Province of British Columbia under the *Mortgage Brokers Act* (British Columbia), as a Mortgage Broker and Mortgage Administrator in the Province of Ontario under the *Mortgage Brokerages, Lenders and Administrators Act, 2006,* and as a Mortgage Agency in the Province of Quebec under the *Real Estate Brokerage Act*. The Manager will arrange, underwrite and service all investments on behalf of the Fund in accordance with specific investment and operating policies established by the Manager from time to time as are consistent with the provisions of the Trust Agreement and the Management Agreement.

In addition, the Manager is registered as a Portfolio Manager, Investment Fund Manager and EMD under NI 31-103. Under these registration requirements, certain employees of the Manager must maintain proficiency requirements and the Manager must maintain working capital and bonding insurance thresholds. The Manager acts as an EMD for Class I investors of the Fund as well as the following funds: Mortgage Fund One, Mortgage Fund Two and Debenture Fund One, and may act as an EMD for investors in other securities of these Funds or other funds managed by the Manager from time to time.

The Manager will be responsible for execution of the Fund's Mortgage investment strategy, including the identification and selection of investment opportunities, related due diligence, negotiation, documentation, approval and ongoing management and administration of assets in the portfolio. All Mortgage investment opportunities will be subject to specific investment policies, and the operation of the Fund will also be subject to specific operating policies. Investment opportunities will be screened, and those selected by the Manager will be chosen based on their expected return at the time investments are made, relative to the risk characteristics and credit quality of each transaction.

The Trustee will engage, at the expense of the Fund, an Administrator to provide Administrative Services to the Fund. The Administrator of the Fund will provide record keeping, register management, Unit transactions and similar services. As at the date of this Offering Memorandum, the Administrator is The Investment Administration Solution Inc.

The Manager was incorporated under the laws of the Province of British Columbia on December 10, 1993. The head office of the Manager is Suite 210 – 1140 Homer Street, Vancouver, British Columbia, V6B 2X6, and the registered office of the Manager is 1000 – 595 Burrard Street, Vancouver, British Columbia, V7X 1S8. The Manager operates branch offices at Suite 1901 –151 Yonge Street, Toronto, Ontario M5C 2W7, Suite 1100 – 1200 McGill College Avenue, Montreal, Quebec H3B 4G7 and Suite 1301 – 1959 Upper Water Street, Halifax, Nova Scotia, B3J 3N2. The Manager is controlled by Gordon Allan and Allan Collings, each of whom is a Director of the Manager. The Manager is also the Promoter of the Fund.

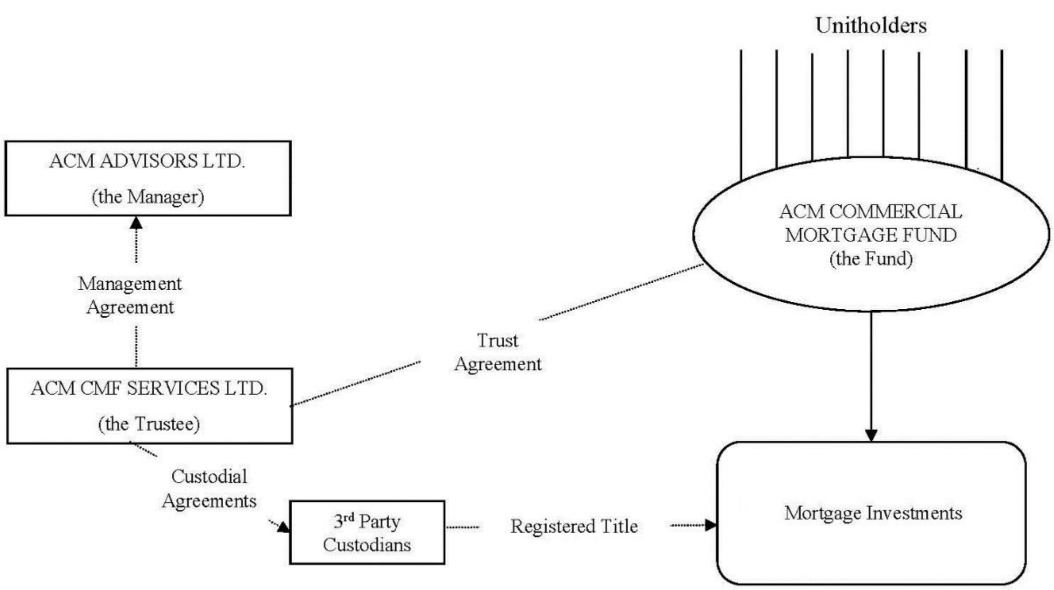
The Manager currently has approximately $2.7 billion of assets under management and administration in four funds. In addition to the Fund, the Manager manages two other Canadian commercial mortgage funds (Mortgage Fund One and Mortgage Fund Two), as well as administers Debenture Fund One which holds a senior unsecured debenture issued by a Canadian real estate investment trust. Refer to the *Manager Conflicts* subheadings within **ITEM 2.7: Material Agreements and ITEM 2.8: Trust Agreement**.

Trustee

The Trustee has such powers, duties and responsibilities as permitted by the Trust Agreement, which includes the holding of title of the Trust Property, the making of investments in Mortgages and Liquid Investments as directed by the Manager, and the entering into agreements as required for the operation of the Fund.

The Trustee was incorporated under the laws of the Province of British Columbia on December 12, 2006, and is owned by the Manager. The Trustee is not currently licensed or registered under applicable legislation governing trust companies in any jurisdiction. The head office of the Trustee is Suite 210-1140 Homer Street, Vancouver, British Columbia, V6B 2X6.

The chart below sets out the relationship between the Fund, the Manager and the Trustee.



Independent Governance Committee

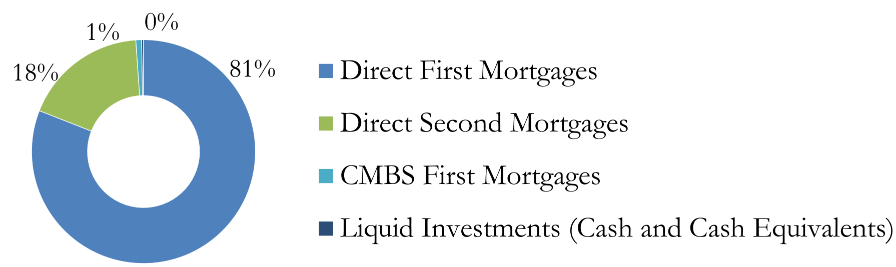
On September 30, 2015, an Independent Governance Committee was formed to contribute to the governance and oversight of the Fund. The IGC's key responsibilities are to review potential conflict of interest matters relating to the Fund, review proposed material changes to the Trust Agreement prior to being sent to Unitholders for consideration, and receive and review the Fund's reporting and annual audited financial statements. The committee members have extensive experience in the financial services industry and include, Ms. Kathy Leavens (former Chief Compliance Officer of Connor, Clark & Lunn), Mr. Robert Sanderson (current Chair of the Board of Canada Deposit Insurance Corporation) and Mr. David Scott (former Managing Director at CIBC World Markets).

2.3 Development of Business

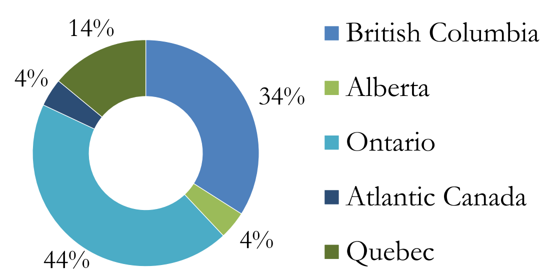
The Fund had its initial closing on May 31, 2007 with 151,033.1341 Units subscribed for an initial capitalization of $15,103,313.41. As of March 31, 2019, the Net Asset Value of the Fund had grown to $1,376,050,456 with total units outstanding of 12,092,170. The Fund's portfolio statistics as of **March 31, 2019** by market value are set out below.

Portfolio Metrics	
Weighted Loan-To-Value Ratio	55.8%
Weighted Debt Service Coverage	1.37 X
Weighted Term to Maturity	3.2 years
Duration	1.8 years

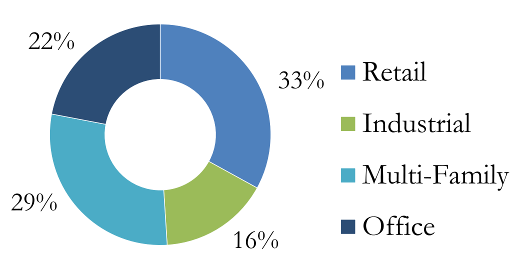
Investment Allocation



Diversification Across Canada



Diversification by Property Type



Property Type	Location	Priority Ranking	Maturity Date	Loan-to-Value Ratio	Portfolio Weighting
Retail	ON	First Mortgage	Aug-19	41.8%	0.4%
Retail	ON	First Mortgage	Oct-19	30.4%	0.4%
Retail	ATL	First Mortgage	Jan-21	46.1%	0.4%
Industrial	ON	First Mortgage	Feb-21	40.7%	0.3%
Industrial	SK	First Mortgage	Apr-19	6.6%	0.0%
Retail	AB	First Mortgage	Nov-22	67.2%	0.4%
Retail	ATL	First Mortgage	Mar-25	52.9%	0.6%
Retail	ON	First Mortgage	Aug-23	58.2%	0.1%
Retail	BC	First Mortgage	Oct-23	46.8%	0.6%
Industrial	ON	First Mortgage	Dec-20	37.9%	0.6%
Retail	ATL	First Mortgage	Aug-20	74.3%	0.7%
Retail	ATL	First Mortgage	Sep-20	78.7%	0.7%
Retail	ATL	First Mortgage	Nov-20	67.2%	0.3%
Industrial	AB	First Mortgage	Jan-21	39.1%	0.8%
Industrial	AB	First Mortgage	Mar-24	73.5%	0.8%
Retail	ON	First Mortgage	May-21	37.7%	0.5%
Office	AB	First Mortgage	May-24	76.3%	0.7%
Mixed-Use	ON	First Mortgage	Jun-24	54.9%	0.5%
Industrial	ON	First Mortgage	Oct-24	38.9%	0.5%
Office	BC	First Mortgage	Dec-24	44.1%	1.4%
Industrial	BC	First Mortgage	Jan-25	42.2%	1.0%
Industrial	BC	First Mortgage	Dec-23	41.6%	1.0%
Retail	ON	First Mortgage	Mar-23	58.1%	0.3%
Retail	ON	First Mortgage	Jan-25	53.4%	0.5%
Industrial	BC	First Mortgage	Oct-23	60.4%	1.6%
Retail	ON	First Mortgage	May-19	47.8%	0.2%
Industrial	ON	First Mortgage	May-22	57.0%	1.7%
Mixed-Use	BC	First Mortgage	May-21	46.6%	1.3%
Multi-Family	ON	First Mortgage	May-19	65.9%	1.2%
Mixed-Use	AB	First Mortgage	Oct-22	49.8%	0.4%
Office	BC	First Mortgage	Feb-21	16.6%	0.9%
Office	BC	First Mortgage	Feb-21	51.4%	3.3%
Retail	ON	First Mortgage	Dec-21	62.2%	0.8%
Industrial	ON	First Mortgage	Dec-25	64.0%	0.6%
Multi-Family	ON	First Mortgage	Jul-19	71.7%	1.4%
Multi-Family	ON	First Mortgage	Jul-19	37.2%	2.7%
Industrial	ON	First Mortgage	Jan-21	50.6%	0.4%
Mixed-Use	ATL	First Mortgage	Jan-21	63.7%	0.4%
Industrial	ON	First Mortgage	Feb-28	54.0%	1.8%
Multi-Family	ON	First Mortgage	Feb-22	52.7%	1.0%
Multi-Family	ON	First Mortgage	Feb-22	57.4%	1.0%
Retail	ON	First Mortgage	Mar-23	58.8%	1.2%
Office	ON	First Mortgage	Apr-26	29.9%	1.0%
Mixed-Use	BC	First Mortgage	Apr-21	54.1%	2.0%
Retail	ON	First Mortgage	Apr-21	48.3%	0.3%
Multi-Family	ON	First Mortgage	May-21	61.1%	1.3%
Multi-Family	ON	First Mortgage	May-21	56.0%	0.3%
Multi-Family	ON	First Mortgage	Jul-19	42.8%	0.6%
Industrial	ON	First Mortgage	Oct-23	50.0%	0.9%

Industrial	BC	First Mortgage	Jun-19	43.6%	1.5%
Multi-Family	ON	First Mortgage	Dec-19	61.8%	0.5%
Mixed-Use	ON	First Mortgage	Dec-26	38.1%	0.6%
Mixed-Use	QC	First Mortgage	Jan-27	60.5%	2.3%
Mixed-Use	QC	First Mortgage	Jan-25	65.3%	0.3%
Mixed-Use	BC	First Mortgage	Feb-22	35.7%	3.1%
Retail	BC	First Mortgage	Sep-20	54.9%	0.3%
Retail	ON	First Mortgage	Feb-22	60.7%	0.2%
Mixed-Use	BC	First Mortgage	Feb-23	58.5%	0.4%
Retail	QC	First Mortgage	Apr-22	60.7%	1.0%
Retail	ON	First Mortgage	May-20	65.9%	0.4%
Multi-Family	ON	First Mortgage	Jul-20	52.7%	0.2%
Retail	ON	First Mortgage	Aug-22	65.5%	0.6%
Industrial	QC	First Mortgage	Aug-27	70.5%	0.6%
Mixed-Use	ON	First Mortgage	Aug-20	28.8%	1.4%
Office	ON	First Mortgage	Sep-20	59.0%	0.2%
Retail	ON	First Mortgage	Sep-22	68.4%	0.4%
Office	ON	First Mortgage	Oct-22	32.1%	0.3%
Retail	BC	First Mortgage	Oct-19	33.5%	1.8%
Retail	QC	First Mortgage	Jun-20	55.0%	0.6%
Multi-Family	QC	First Mortgage	Dec-20	27.3%	0.3%
Retail	BC	First Mortgage	Dec-20	49.5%	2.9%
Multi-Family	ON	First Mortgage	Jun-20	64.4%	0.7%
Industrial	ON	First Mortgage	Jan-21	70.3%	0.5%
Office	ON	First Mortgage	Jul-19	59.3%	1.3%
Multi-Family	BC	First Mortgage	Mar-21	66.9%	0.4%
Retail	QC	First Mortgage	Mar-25	72.5%	2.9%
Mixed-Use	ON	First Mortgage	Apr-21	63.9%	0.9%
Retail	ATL	First Mortgage	May-23	65.5%	0.6%
Retail	BC	First Mortgage	Jun-23	51.9%	0.4%
Multi-Family	ON	First Mortgage	Jun-20	75.0%	0.4%
Multi-Family	QC	First Mortgage	Aug-21	53.5%	0.8%
Multi-Family	ATL	First Mortgage	Sep-23	70.4%	0.4%
Multi-Family	ON	First Mortgage	Nov-20	67.5%	0.4%
Multi-Family	ON	First Mortgage	Nov-20	68.1%	0.4%
Office	BC	First Mortgage	Nov-20	75.7%	0.5%
Mixed-Use	ON	First Mortgage	Dec-23	57.3%	1.0%
Mixed-Use	ON	First Mortgage	Jan-26	66.2%	1.3%
Multi-Family	ON	First Mortgage	Jan-21	72.4%	1.1%
Retail	ON	First Mortgage	Feb-24	66.7%	0.3%
Retail	BC	First Mortgage	Feb-26	58.6%	2.0%
Multi-Family	QC	First Mortgage	Feb-22	73.4%	0.9%
Multi-Family	ON	First Mortgage	Mar-21	66.7%	0.9%
Retail	ON	First Mortgage	Apr-26	72.6%	1.6%
Multi-Family	MB	Second Mortgage	Sep-19	67.2%	0.1%
Office	AB	Second Mortgage	Nov-19	73.0%	0.5%
Retail	ON	Second Mortgage	Oct-21	47.7%	2.1%
Multi-Family	BC	Second Mortgage	Feb-21	59.9%	0.3%
Multi-Family	BC	Second Mortgage	Dec-21	41.8%	0.1%
Multi-Family	BC	Second Mortgage	Dec-21	46.7%	0.1%
Retail	ATL	Second Mortgage	Jan-22	64.4%	0.1%

Multi-Family	QC	Second Mortgage	May-21	71.0%	1.2%
Multi-Family	BC	Second Mortgage	Nov-21	60.8%	0.3%
Multi-Family	QC	Second Mortgage	Jan-20	67.9%	1.6%
Multi-Family	BC	Second Mortgage	Dec-20	44.5%	2.6%
Retail	BC	Second Mortgage	Mar-26	58.8%	0.6%
Multi-Family	BC	Second Mortgage	Jul-21	46.7%	0.3%
Multi-Family	ON	Second Mortgage	Sep-23	57.1%	0.6%
Office	QC	Second Mortgage	Jun-23	71.6%	1.6%
Multi-Family	ON	Second Mortgage	Mar-28	77.0%	0.8%
Multi-Family	ON	Second Mortgage	Dec-20	76.6%	0.4%
Multi-Family	ON	Second Mortgage	Jun-23	64.2%	0.5%
Multi-Family	ON	Second Mortgage	Jan-22	69.7%	0.5%
Multi-Family	ON	Second Mortgage	Jun-23	74.8%	0.3%
Multi-Family	BC	Second Mortgage	Jul-23	74.6%	1.2%
Multi-Family	MB	Second Mortgage	Jan-24	78.5%	0.2%
Mixed-Use	BC	Second Mortgage	Apr-20	42.5%	0.5%
Multi-Family	ON	Second Mortgage	Jun-21	60.7%	0.2%
Retail	BC	Second Mortgage	Mar-22	74.2%	1.3%
Retail	ON	CMBS	Aug-23	39.4%	0.6%
Retail	ON	CMBS	Aug-20	37.3%	0.2%

As at the date of this Offering Memorandum, all investments are in good standing. As such, there is no allowance for loan losses. Loan-to-value for mortgage investments is calculated using the outstanding loan balance divided by the estimated market value of the asset.

2.4 Long Term Objectives

As the Fund grows, it will benefit from increased diversification, increased liquidity and economies of scale. The longer term (2-5 years) diversification targets for the Fund are as follows:

Asset Mix:

First Mortgages	70%-100%
Second Mortgages	10%-25%
Commercial Mortgage Backed Securities	0%-10%
Liquid Investments	0%-10%

Geographic Diversification:

British Columbia	20%-35%
Alberta	5%-20%
Prairies	0%-15%
Ontario	35%-55%
Québec	10%-25%
Atlantic Canada	0%-15%

Industry Diversification:

Retail	15%-35%

Industrial	15%-35%
Office	15%-35%
Multi-Family	15%-35%

Concentration:

The Fund will not lend or invest in respect of the same real property more than 10% of the Net Asset Value of the Trust Property determined as at the Valuation Date immediately preceding the granting of the applicable loan or the making of the applicable investment.

The Manager will seek to limit the maximum exposure to any single borrower to 10% of the Net Asset Value of the Trust Property.

2.5 Short Term Objectives

During the 12 month period following the Initial Closing under this Offering Memorandum and all subsequent closings, the Fund intends to invest the total available funds in the manner described in this Offering Memorandum.

It is the intention of the Manager that the proceeds of the Initial Closing and all subsequent closings will be invested as quickly as is reasonably possible subject to the Manager's prudent and rigorous underwriting of all transactions.

2.6 Insufficient Funds

Given that the Fund is an existing fund with a significant existing investment portfolio, the Fund does not anticipate that the funds available as a result of the offering will be insufficient to accomplish its objectives. However, there is no assurance that this will be the case.

2.7 Material Agreements

The material agreements of the Fund are described below.

2.8 Trust Agreement

The following is a summary of certain provisions of the Trust Agreement. Copies of the Trust Agreement are available to Unitholders upon request at the office of the Trustee.

Units

The beneficial interest in the Fund is divided into different classes of Units, each of which will have a separate Management Fee and may have such trailer fees, sales commissions and early redemption fees as the Manager may determine in its discretion. The classes of Units available under this Offering Memorandum are described below.

Class A Units, Class D Units and Class E Units are available to Manager approved subscribers and have trailer fees payable to the Representatives of the subscribers. Class B Units and Class C Units are available to all subscribers and have trailer fees payable to the Representatives of the subscribers. Class F Units have lower management fees than Class A Units, Class B Units, Class C Units, Class D Units and Class E Units, and are only available to subscribers who have fee-based accounts with Representatives. The Manager will not pay trailer fees to Representatives who sell Class F Units, which means the Manager can charge a lower management fee. Representatives will be responsible for determining whether subscribers are eligible to buy and continue to hold Class F Units. If the fee arrangement between a Unitholder and his or her Representative changes from a trailer fee-based account to a fee-based account or vice versa, the Representative may advise the Manager accordingly and can arrange to either redeem or exchange issued Units of one class for issued Units of another class, excluding Class I Units. Class I Units are available only to certain private or institutional subscribers. Management fees payable by the Fund with respect to the Class I Units will be specified by the Manager at the time of subscription based on the amount of the investment in Class I Units by the investor.

Each Unit and fractions thereof will be issued only as fully paid and non-assessable. There is no limit to the number of Units that may be issued. No Unit or fraction thereof shall have any rights, preferences or priorities over any other Unit. The Trustees may create additional classes of Units with different Management Fees, trailer fees, sales commissions and early redemption fees. Additional classes of Units will not require approval of the Unitholders and will not alter any rights attached to any existing classes at the time of such amendment. The Trustee shall give written notice to the Unitholders and to the Manager of any amendment to the Trust Agreement to establish additional classes of Units within 10 business days after the making thereof.

Voting

Each Unitholder will be entitled to one vote for each whole Unit held. No holder of a fraction of a Unit, as such, shall be entitled to notice of, or to attend or to vote at, meetings of Unitholders.

Price of Units

The subscription price per Unit purchased pursuant to a subscription will be the NAVPU determined on the Valuation Date on which the subscription is accepted.

Subscription Procedure

Refer to the **ITEM 5.2: Subscription Procedure**.

Distribution Policy

The Fund will be required to distribute all of its net income and net capital gains in each fiscal year as calculated on the Distribution Date so that no tax under Part I of the Tax Act will be payable. The Trustee will make monthly distributions of net income to the Unitholders as described under the *Objectives and Strategies* subheading of **ITEM 2.2: Business**.

Each Unit's Proportionate Share of the amount of net income and net capital gains will be determined by dividing the amount of such net income or net capital gains, as the case may be, by the number of issued and outstanding Units of all classes on the applicable Valuation Date. The Proportionate Share of each Unitholder will be based upon the number of Units owned by each such Unitholder of record on the Valuation Date.

Distribution Reinvestment

Subject to compliance with applicable securities laws, each Unitholder, except Unitholders who have selected the Cash Distribution Option, shall receive their Proportionate Share of net income by issuance of additional Units of the same class to which the distribution applies, at the NAVPU as of the applicable Valuation Date. The Trustee shall distribute to the Unitholders who have selected the Cash Distribution Option their respective Proportionate Shares of the net income of the Fund for a calendar month by the 15th day of the following month.

Redemption of Units

Each Unitholder will be entitled to make a request for redemption of all or any of his/her Units by giving notice to the Manager in the required form, which notice may be delivered directly or through Representatives. The redemption request shall stipulate the amount in dollars or the number of Units such Unitholder wishes to redeem. A redemption request must be received by the Manager at its offices by 1:00 pm Pacific Standard Time on the last business day of a month in order to be processed with respect to the Valuation Date for such month. Subject to the Fund having Available Cash sufficient to meet all redemption requests received in any month, the redemption amounts will be calculated as of the Valuation Date for such month and paid within three business days after such Valuation Date.

All redemption requests will be subject to the Fund's then current Available Cash. To the extent that there is insufficient Available Cash to pay the redemption amounts requested in respect of any particular Valuation Date, the Manager shall direct the Trustee to redeem Units on a pro rata basis. The unpaid balance of any redemption requests shall, subject to adjustment for the NAVPU applicable at the time of payment, be paid to redeeming Unitholders out of the first Available Cash which is calculated to be available as at the next succeeding Valuation Date or Valuation Dates and has priority of payment over any subsequent redemption requests on a first come first served basis. In addition, the Manager may suspend, or continue the suspension of, the right of Unitholders to require the Fund to redeem Units for any period during which the Manager determines that there is insufficient Available Cash to provide for a redemption of Units, the redemption would not be in the best interests of Unitholders or it is not reasonably practicable for the Trustee to calculate the NAVPU at a particular Valuation Date.

Redemption Price and Payment

The proceeds payable on redemption will be the Net Asset Value of the Units redeemed determined on the Valuation Date following receipt by the Manager of a redemption request less any applicable Early Redemption Fee. The Trustee will, within three business days after the Valuation Date upon direction by the Manager, arrange for the payment of the value of the Units being redeemed by electronic transfer, mailing or delivering a cheque in the relevant amount in Canadian funds to the Unitholder or his or her Representative.

Status of Unitholders

The ownership of all property of the Fund of every description and the rights to conduct the affairs of the Fund are vested exclusively in the Trustee, and the Unitholders have no interest other than their beneficial interest in the Units of the Fund.

Unitholder Meetings

The Trustee will, upon the written request of the Manager or of Unitholders holding not less than 10% of the outstanding Units, call a meeting of Unitholders, to be held in Vancouver, British Columbia, or such other place as the Trustee may determine or approve. The Trustee shall give at least 21 days' notice of every meeting of Unitholders, specifying the place, day and hour of the meeting and the terms of any resolutions to be proposed. The quorum for a meeting of Unitholders shall consist of two persons who are, or who represent by proxy, Unitholders who, in the aggregate, hold at least 10% of the issued Units entitled to be voted thereat.

Trustee, Auditors, Registrar and Transfer Agent

Title to the Trust Property will be vested in the Trustee. The Trustee will be responsible for the maintenance of the register of Unitholders and will retain the Administrator to provide record keeping, register management, Unit transaction and similar services to the Fund. The purchase and redemption of Class A Units, Class B Units, Class C Units, Class D Units, Class E Units and Class F Units will be processed by electronic means by Representatives through Fundserv Inc. The purchase and redemption of Class I Units will be processed directly through the Manager. The fiscal year end of the Fund will be December 31st of each year. The auditors of the Fund are PricewaterhouseCoopers LLP.

Powers and Duties of the Trustee

Subject to the specific limitations contained in the Trust Agreement, the Trustee has full, absolute, and exclusive power, control and authority over the Trust Property and over the business and affairs of the Fund to the same extent as if the Trustee was the sole owner thereof in its own right. The Trustee may from time to time sell any or all of such investments and reinvest the proceeds thereof or exchange any or all of such investments for other investments, in accordance with the directions of the Manager and the investment policies, practices, objectives and investment restrictions contained in the Trust Agreement.

The Trustee may amend the Trust Agreement without notice to the Unitholders if it considers that such amendment is advisable for the purpose of complying with applicable laws, maintaining, acquiring or losing any particular status of the Fund under applicable laws, regulations or other requirements, or curing any ambiguity or typographical error or to correct or supplement any provision contained in the Trust Agreement which may be defective or inconsistent with any other provision thereof or to simplify the Trust Agreement, and such amendment does not and will not in any way adversely affect the rights of any Unitholders.

Registration and Removal of Trustee

The Trustee may resign at any time by giving not less than 90 days' notice to Unitholders and the Manager, and in such event the Manager shall appoint a successor trustee. In addition, the Trustee may be removed by Unitholders by Extraordinary Resolution (as defined in the Trust Agreement) with notice to the Trustee not less than 90 days prior to the date that such removal is to take effect, and in such event the Manager shall appoint a successor trustee.

Powers and Duties of the Manager

The Trust Agreement grants the Manager exclusive power to manage and direct the investment of the assets of the Fund and the powers necessary to perform its duties. The Trustee has no responsibility for investment management of the securities or other property of the Fund or for any investment decisions.

Management Fees

The Fund pays the Manager a Management Fee for its services as manager. The Management Fees paid for various classes of Units are outlined below. The fees are calculated as a percentage of the Net Asset Value of the Fund as at each Valuation Date and paid monthly in arrears. In certain cases and situations, the Manager may waive its right to receive a portion or all of the Management Fees at any time.

Class A Units	0.85% per annum
Class B Units	1.05% per annum
Class C Units	1.05% per annum
Class D Units	1.05% per annum
Class E Units	1.05% per annum
Class F Units	0.60% per annum
Class I Units	Annual percentage to be stipulated by the Manager based on the amount invested

Any originating fees, commitment fees and renewal fees from borrowers on Mortgages of the Fund are earned and collected by the Fund, and not the Manager.

Loan Facilities

The Fund may enter into loan facilities with one or more Canadian chartered banks or other institutional lenders. Loan facilities may not exceed an aggregate principal amount of more than 10% of the Net Asset Value of the Fund at the time of borrowing. The loan facilities have two potential uses:

(a) to smooth the timing difference between the closing of potential new Mortgage investments and cash availability in the Fund. The Fund's investment portfolio will be built over time and with various maturities and repayment schedules; however, there may be times when a new Mortgage opportunity is available when the Fund does not have sufficient available cash to invest in it at the time. Consequently, the loan facilities would enable the Manager to draw upon the credit facility to invest in the new Mortgage opportunity with a view to repaying the advance as internally generated cash flow permits or as new Units are issued; and

(b) to provide liquidity in the event of Unitholder redemptions. It is the intention of the Manager to keep the Fund as close to fully invested in Mortgages as possible at all times. There is no secondary market for Mortgages so there is relatively little immediate liquidity for the Fund to meet unexpected redemption requests. The loan facilities could be used to fund redemptions and would be repaid as cash flow within the Fund permits.

The Manager expects the terms, conditions, interest rate, fees and expenses of loan facilities will be typical for loans of this nature. The lender(s) will be at arm's length to the Fund, the Trustee and the Manager. In connection with any such loans, the Fund may grant security over the assets of the Fund to secure repayment of such loans.

Manager Conflicts

The Fund may not make loans to or invest in the securities of the Trustee, the Manager or the Administrator or their respective affiliates, nor make loans to the directors, officers or employees of any of such parties.

The Manager's services are not exclusive. The Manager may serve as the manager of other investment funds or similar investment vehicles with similar investment objectives and may at certain times be simultaneously seeking to purchase or dispose of investments. The Manager is not under any obligation to recommend an investment in any mortgage investment opportunity of which the Manager becomes aware and is permitted to offer any of such mortgage opportunities to other clients, to other funds the Manager manages or to its affiliates.

2.9 Management Agreement

The rights and obligations of the Manager are governed by the Management Agreement. Pursuant to the Management Agreement, the Manager has exclusive authority to manage the business and affairs of the Fund and has authority to bind the Fund. The Manager may, pursuant to the Management Agreement, delegate certain powers to third parties where, in the discretion of the Manager, it would be in the best interests of the Fund and Unitholders to do so.

The Manager is required to exercise its powers and perform its duties honestly, in good faith and in the best interests of Unitholders and to exercise the care, diligence and skill that a reasonably prudent and qualified manager would exercise in comparable circumstances. The Management Agreement provides that the Manager will not be liable in any way for any default, failure or defect of the Fund and its assets if it has satisfied the duties and the standard of care, diligence and skill set forth above.

The Fund or Unitholders pays the Manager a Management Fee for its services as Manager (refer to the subheading "*Management Fees*" within **ITEM 2.7: Material Agreement and ITEM 2.8: Trust Agreement**).

2.10 Administration Agreement

The Administration Agreement describes the Administrative Services to be provided to the Fund by the Administrator. As at the date of this Offering Memorandum, the Administrator is The Investment Administration Solution Inc. The fees of the Administrator are paid by the Fund.

2.11 Custodial Agreements

The Custodial Agreements describe the Custodial Services to be provided to the Fund by the Custodians. The Fund has engaged Computershare Trust Company of Canada as its Custodian for and has registered title over the Fund's Mortgage investments, and Laurentian Bank Securities Inc. and RBC Dominion Securities as its Custodians for CMBS investments. The fees of the Custodians are paid by the Fund.

ITEM 3: INTERESTS OF DIRECTORS, MANAGEMENT, PROMOTERS AND PRINCIPAL HOLDERS

3.1 Compensation and Securities Held

Name and municipality of principal residence	***Positions Held and the date of obtaining that position (for both the Trustee and the Manager)***	***Compensation paid by buyer or related party in the most recently completed financial year***	***Number, type and percentage of securities of the Fund held after completion of minimum Offering of $0***	***Number, type and percentage of securities of the Fund held after completion of Offering of $100,000,000***
ACM Advisors Ltd., Vancouver	Manager and Promoter, as of January 2007	$7,630,795 as management fees inclusive of sales tax	0 Units	0 Units
ACM CMF Services Ltd., Vancouver	Trustee, as of January 2007	$Nil as trustee fees inclusive of sales tax.	0 Units	0 Units

As of the date of this Offering Memorandum, no person directly or indirectly beneficially owns or controls 10% or more of any class of Units.

3.2 Management Experience

The directors and executive officers of the Manager have a broad background of investment and real estate experience which will be brought to bear on the activities undertaken by the Manager on behalf of the Fund. The following table discloses the principal occupations of the directors and executive officers of the Manager for the past five-plus years.

Name	**Office, Principal Occupation and Related Experience**
Chad Mallow	***Director, President & Chief Executive Officer*:** Mr. Mallow was appointed President of the Manager in September, 2012. Prior to this appointment, Mr. Mallow was responsible for sales and the development of new client relationships for the Fund in the role of Vice President – Business Development. Mr. Mallow joined the Manager in 2004 and spent six years leading the investment team in sourcing and underwriting lending opportunities. His additional professional experience includes four years with Scotia Capital's Corporate Banking real estate division and a year as a commercial real estate advisor. Mr. Mallow is a CFA Charterholder, holds a

Master of Business Administration degree from Simon Fraser University and is registered as a sub-mortgage broker under the British Columbia *Mortgage Brokers Act* and a Principal Broker under the Financial Services Commission of Ontario.

Chad Mercer

Chief Operating Officer: Mr. Mercer joined the Manager in February, 2012 and is responsible for financial management, financial and operational reporting, compliance, corporate governance and administrative functions of the Manager and its funds. Prior to joining the Manager, Mr. Mercer worked for several years in the fund and insurance industries, including senior positions with Crown Global Life Insurance and Scottish Annuity & Life Insurance. Mr. Mercer is a CFA Charterholder, Chartered Professional Accountant and Certified Public Accountant (Illinois). He obtained his Bachelor of Business Administration from Simon Fraser University (1992) and has completed both the Canadian Securities Course and the Partners, Directors and Senior Officers Course through the Canadian Securities Institute.

Gordon Allan

Director, Co-Founder & Co-Chairman: Mr. Allan has been involved in real estate lending and fund management services for over 45 years. Mr. Allan has been a director of the Manager since its inception. Prior to founding the Manager, Mr. Allan worked as a commercial real estate banker with Citibank Canada and the Royal Bank of Canada specializing in all areas of financing including marketing, underwriting, analysis, administration and loan workouts. Mr. Allan has a Bachelor of Commerce and Business Administration from the University of British Columbia (1975) and a Master of Business Administration from the University of California-Berkeley (1976).

Allan Collings

Director, Co-Founder & Co-Chairman: Mr. Collings has an extensive background in business planning, financial analysis, management and administration. Mr. Collings has been a director of the Manager since its inception. Prior to founding the Manager, Mr. Collings served as Vice-President of Finance & Administration for Rogers Cablevision - Vancouver for three years. Mr. Collings also spent three years in Toronto and New York in senior financial management positions. Prior to moving to New York, Mr. Collings was employed for eight years in financial/accounting management positions primarily in British Columbia's forest industry. Mr. Collings holds a Bachelor of Commerce and Business Administration degree (Finance-Honours Dean's List) from the University of British Columbia (1975).

Graham Collings

Executive Vice President – Investments: Mr. Collings joined the Manager in March 2007 and is responsible for the sourcing and underwriting of investments for funds managed by the Manager. Prior to joining the Manager, Mr. Collings was employed with Colliers International in Vancouver, specializing in the brokerage of office towers, shopping centres, hotels and portfolios culminating in over $2.7 billion of sales transactions nationwide over 3 years. Mr. Collings holds a Bachelor of Business Administration (2002) from Simon Fraser University, is a registered sub-mortgage broker under the British Columbia *Mortgage Brokers Act*, has completed the Canadian Securities Course, and has a Master of Business Administration degree from the Queen's School of Business (2011).

Ishbel Buchan

Senior Vice President - Investments (Eastern Region): Ms. Buchan has been involved in the origination and analysis of commercial mortgages throughout Canada and the United States for more than 30 years. Prior to joining the Manager, Ms. Buchan was responsible for all aspects of property finance at The Standard Life Assurance Company of Canada and, before that, spent 19 years with The Canada Life Assurance Company underwriting and structuring loans on properties across North America. Ms. Buchan is a registered mortgage agent under the Financial Services Commission of Ontario and has completed both the Canadian Securities Course and the Professional Financial Planning Course through the Canadian Securities Institute. Ms. Buchan holds a Bachelor of Science in Land Economics from the University of the West of Scotland.

Colin Young

Chief Financial Officer: Mr. Young joined the Manager in 2014 as Controller. As Chief Financial Officer, Mr. Young is responsible for overseeing and managing the financial management, financial and operational reporting and corporate governance functions of the Manager. Prior to joining the Manager, Mr. Young worked for several years in public practice and also has experience in the fund and insurance industries. Mr. Young is a Chartered Professional Accountant and holds a Bachelor of Commerce degree from the University of British Columbia. Mr. Young has also complete the Canadian Securities Course through the Canadian Securities Institute.

Paulman Hui

Chief Compliance Officer: Mr. Hui joined the Manager in December 2016 and is responsible for the compliance and regulatory risk management functions of the Manager. Prior to joining the Manager, Mr. Hui has worked with the Mutual Fund Dealers Association of Canada and in the fund management and banking industries, holding senior positions with UBS AG and HSBC Bank. Mr. Hui is a Chartered Professional Accountant, Certified Fraud Examiner, and Certified Accredited Mediator. He holds a Bachelor of Science from the University of British Columbia and has completed both the Canadian Securities Course and the Partners, Directors and Officers Course through the Canadian Securities Institute.

Pierre Leduc

Vice President – Investments: Mr. Leduc joined the Manager in 2017 as Vice President of Investments and is responsible for the origination, analysis and structuring of commercial mortgage investments in the province of Quebec. Mr. Leduc brings over 30 years of experience in commercial real estate including financing, sales, investments and asset management. Prior to joining the Manager, Mr. Leduc served as Vice President, Capital Markets with Colliers International negotiating the sale and financing of major assets on behalf of private and institutional clients. Mr. Leduc's professional experience also included origination and asset management leadership roles with Otera Capital, GE Real Estate and other Canadian financial institutions. Mr. Leduc has a Bachelor of Commerce degree from McGill University and is a Chartered Real Estate Broker in the province of Quebec.

Rob Stevens

Vice President - Investments: Mr. Stevens joined the Manager in 2015 and is responsible for the origination, structuring and analysis of commercial mortgage investments for funds managed by the Manager. Prior to joining the Manager, Mr. Stevens spent five years with KingSett Capital Inc. where he successfully contributed to the growth of their mortgage portfolio by sourcing and underwriting first and second mortgage loans across all asset classes. Rob has extensive experience in commercial real estate lending and holds a Bachelor of Science with a Minor in Business Administration from the University of Guelph. He is a Chartered Accountant and a Registered Mortgage Agent under the Financial Services Commission of Ontario.

Manisha Thacker — ***Vice President – Asset Management***: Ms. Thacker joined ACM Advisors in 2018 and is responsible for the ongoing asset management for ACM managed funds. Prior to joining ACM, Ms. Thacker spent 18 years with GE Capital where she held a number of roles in Finance, Origination, Underwriting and Asset Management. Manisha has extensive experience structuring, underwriting and managing commercial real estate financing solutions, including 1st and 2nd mortgages, CMBS, equity and joint ventures across all asset classes. Ms. Thacker holds a Bachelor of Business Administration from Wilfrid Laurier University and a Certificate in International Business from Groupe Ecole Superieure de Commerce.

3.3 Penalties, Sanctions and Bankruptcy

With respect to any director, executive officer or control person of the Fund, the Manager or the Trustee, or any issuer of which any such person was a director, executive officer or control person at the time (collectively referred to herein as the "**Persons**"):

(a) there have been no penalties or sanctions that have been in effect during the last 10 years, or any cease trade order that has been in effect for a period of more than 30 consecutive days during the past 10 years against any of the Persons; and

(b) there have been no declarations of bankruptcy, voluntary assignments in bankruptcy, proposals under any bankruptcy or insolvency legislation or proceedings, arrangements or compromises with creditors, or appointments of a receiver, receiver manager or trustee to hold assets, that have been in effect during the last 10 years with regard to any of the Persons.

3.4 Loans

As at the date of this Offering Memorandum, the Fund does not have any loans due to or from the Trustee, the Manager, the Promoter, any holder of 10% or more of any class of Units, or any director, executive officer or control person of such persons.

ITEM 4: CAPITAL STRUCTURE

4.1 Share Capital

Description of security	*Number authorized to be issued*	*Price per security (NAVPU) as at March 31, 2019*	*Number outstanding as at April 1 , 2019*	*Number outstanding after min. offering* (1)	*Number outstanding after max. offering* (1)
Class A Units	Unlimited	$113.7968	50,910.97	50,910.97	Unknown
Class B Units	Unlimited	$113.7968	203,222.68	203,222.68	Unknown
Class C Units	Unlimited	$113.7968	50,354.44	50,354.44	Unknown
Class D Units	Unlimited	$113.7968	0	0	Unknown
Class E Units	Unlimited	$113.7968	1,754.92	1,754.92	Unknown

Class F Units	Unlimited	$113.7968	1,298,972.51	1,298,972.51	Unknown
Class I Units	Unlimited	$113.7968	10,843,517.53	10,843,517.53	Unknown

Note: (1) There is no minimum or maximum offering.

4.2 Long Term Debt

As at the date of this Offering Memorandum, the Fund has no long term debt. However, the Fund is authorized under the Trust Agreement to borrow up to 10% of the Net Asset Value of the Fund at the time of such borrowing to smooth the timing differences between the closing of investments in new Mortgages and available cash flow and to provide liquidity in the event of Unitholder redemptions. Refer to the *Loan Facilities* subheadings within **ITEM 2.7: Material Agreements and ITEM 2.8 Trust Agreement**.

4.3 Prior Sales

The following table summarizes all issuances of Units by the Fund in the 12 months preceding the date of this Offering Memorandum, exclusive of Distribution Reinvestment.

Date of issuance	***Type of security issued***	***Number of securities issued***	***Price per security***	***Total funds received***
May 1, 2018	Class A Units	72.1509 Units	112.4524	$8,113.56
	Class B Units	102.2655 Units	112.4524	$11,500.00
	Class F Units	13,472.9938 Units	112.4524	$1,515,070.00
	Class I Units	24,285.8311 Units	112.4524	$2,731,000.00
June 1, 2018	Class A Units	64.2917 Units	112.5348	$7,235.04
	Class F Units	17,596.7789 Units	112.5348	$1,980,250.00
	Class I Units	2,212.6489 Units	112.5348	$249,000.00
July 1, 2018	Class A Units	163.3884 Units	112.6761	$18,409.95
	Class B Units	6,829.3099 Units	112.6761	$769,500.00
	Class F Units	18,987.3065 Units	112.6761	$2,139,415.58
	Class I Units	5,990.6226 Units	112.6761	$675,000.00
August 1, 2018	Class A Units	65.4007 Units	112.4612	$7,355.04
	Class B Units	4,445.9778 Units	112.4612	$500,000.00
	Class F Units	19,554.7445 Units	112.4612	$2,199,150.00
	Class I Units	126,319.1217 Units	112.4612	$14,206,000.00

September 1, 2018	Class A Units	65.3062 Units	112.6241	$7,355.04
	Class F Units	11,225.2616 Units	112.6241	$1,264,235.00
	Class I Units	20,211.3551 Units	112.6241	$2,276,285.68
October 1, 2018	Class A Units	48.8298 Units	112.3296	$5,485.04
	Class B Units	712.1898 Units	112.3296	$80,000.00
	Class F Units	11,500.9759 Units	112.3296	$1,291,900.00
November 1, 2018	Class A Units	58.1701 Units	112.1999	$6,526.68
	Class F Units	15,207.2330 Units	112.1999	$1,706,250.00
	Class I Units	328,181.9349 Units	112.1999	$36,821,980.27
December 1, 2018	Class A Units	58.6654 Units	112.5882	$6,605.04
	Class B Units	475.1830 Units	112.5882	$53,500.00
	Class F Units	13,840.3940 Units	112.5882	$1,558,265.00
	Class I Units	228,709.5806 Units	112.5882	$25,750,000.00
January 1, 2019	Class A Units	485.5762 Units	112.9792	$54,860.01
	Class B Units	354.0475 Units	112.9792	$40,000.00
	Class F Units	6,687.0717 Units	112.9792	$755,500.00
	Class I Units	301,669.5666 Units	112.9792	$34,082,386.28
February 1, 2019	Class A Units	173.9213 Units	113.2027	$19,688.36
	Class B Units	353.3485 Units	113.2027	$40,000.00
	Class F Units	28,810.0019 Units	113.2027	$3,261,370.00
	Class I Units	1,325.0567 Units	113.2027	$150,000.00
March 1, 2019	Class A Units	67.9193 Units	113.1983	$7,688.36
	Class F Units	10,017.7301 Units	113.1983	$1,133,990.00
April 1, 2019	Class A Units	86.4123 Units	113.7968	$9,833.44
	Class B Units	96.6635 Units	113.7968	$11,000.00
	Class F Units	44,056.3793 Units	113.7968	$5,013,475.00
	Class I Units	324,318.1882 Units	113.7968	$36,906,372.00

As further detailed in the table above, in the 12 months preceding the date of this Offering Memorandum, a total of 1,588,959.7954 Units ($179,331,550.37) were issued by the Fund, exclusive of Distribution Reinvestment.

4.4 Prior Redemptions

In the 12 months preceding the date of this Offering Memorandum, a total of 991,465.2522 Units ($111,641,915.07) were redeemed by the Fund.

ITEM 5: SECURITIES OFFERED

5.1 Terms of Securities

The beneficial interest in the Fund is divided into different classes of Units, each of which will have a separate Management Fee and may have such trailer fees, sales commissions and early redemption fees as the Manager may determine in its discretion. The Fund has seven different classes of Units that are offered under this Offering Memorandum: Class A Units, Class B Units, Class C Units, Class D Units, Class E Units, Class F Units and Class I Units. Class A Units, Class D Units and Class E Units are available to Manager approved subscribers. Class B Units and Class C Units are available to all subscribers. Class F Units have lower fees than Class A Units, Class B Units, Class C Units, Class D Units and Class E Units, and are only available to subscribers who have fee-based accounts with Representatives. Trailer fees are not paid to Representatives who sell Class F Units. Class I Units are available to certain private and institutional subscribers. All Units are charged their respective management fees.

Each Unit and fractions thereof will be issued only as fully paid and non-assessable. There is no limit to the number of Units that may be issued, subject to any determination to the contrary made by the Manager. No Unit or fraction thereof shall have any rights, preferences or priorities over any other Unit.

An unlimited number of each class of Units described above are being offered hereby on a continuous basis to subscribers in the Provinces of British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Québec, New Brunswick, Nova Scotia, Prince Edward Island, Newfoundland and Labrador, the Yukon and the Northwest Territories, pursuant to exemptions from the prospectus requirements contained in the securities legislation of those Provinces and Territories. The subscription price per Unit will be based upon the applicable NAVPU as at the last business day of the month in which the subscription is received. Unitholders may request the redemption of Units in accordance with the redemption procedure described under the subheading *Redemption of Units* within **ITEM 2.7: Material Agreements and ITEM 2.8: Trust Agreement**. The Manager reserves the right, in its sole discretion, to accept or reject subscriptions for Units in the Fund.

5.2 Subscription Procedure

The minimum initial investment in the Fund is $5,000 and the minimum additional investment (other than for Units purchased through Distribution Reinvestment) is $1,000. If the total value of Units held by any Unitholder falls below $5,000, the Manager may elect to redeem such Units after having provided at least 60 days' notice for the Unitholder, requiring the Unitholder to either purchase additional Units to bring the value of all Units held to $5,000 or more or have the Unitholder's Units redeemed.

Subscribers may purchase Units of the Fund through the Manager or through qualified Representatives. Qualified Representatives will process orders by electronic means through Fundserv Inc. Class I orders must be sent to the Manager at its principal office or such other address as specified by the Manager by courier, email or telecommunication facilities. The Manager will schedule closings on a monthly basis.

The subscription price is payable upon subscription pursuant to the terms of the applicable subscription agreement(s), by cheque or electronic transfer satisfactory to the Trustee. No financing of the subscription price will be provided by the Fund or the Trustee.

Each prospective and qualified investor who desires to subscribe for Units must:

(i) complete and sign the subscription agreement prescribed by the Fund from time to time (the "**Subscription Agreement**") specifying the investment amount and class of Units being subscribed for (the Fund reserves the right to use different forms of Subscription Agreements for different subscribers);

(ii) if the investor is resident in British Columbia or Newfoundland and Labrador and is an individual that does not qualify as an "accredited investor" as defined in NI 45-106 *or* is a non-individual that does not qualify as an "accredited investor" and is purchasing Units with an acquisition cost to the investor of less than $150,000, complete and sign two copies of the Form 45-106F4 – Risk Acknowledgement;

(iii) if the investor is resident in any Canadian Province or Territory and qualifies as an "accredited investor" as defined in NI 45-106, complete and sign the Accredited Investor Certificate and (if applicable) Form NI 45-106F9 For Individual Accredited Investors;

(iv) for Class I subscribers, complete and sign the Manager's Know Your Client and Suitability Assessment forms;

(v) deliver payment of the subscription price for the Units subscribed for, either directly or through his, her or its Representative, to the Trustee by cheque or other electronic transfer satisfactory to the Trustee. Payments delivered to the Trustee in advance of closing will be held in trust pending closing. Payment of the subscription price through a Representative will transact through Fundserv Inc. three business days after the applicable monthly closing; and

(vi) deliver to the Manager those documents outlined in (i) to (iv) above (as applicable) and any other forms, declarations and documents as may be required by the Manager or the investor's Representative to complete the subscription.

Subscriptions will be received subject to prior sale and acceptance of the investor's subscription, in whole or in part (subject to compliance with applicable securities laws), by the Manager on behalf of the Fund.

The purchase price per Unit will be an amount equal to the NAVPU on the Valuation Date of the calendar month in which the subscription is received and accepted, unless the subscription is received after 1:00 pm Pacific Standard Time on the Valuation Date, in which case the purchase price per Unit will be based on the NAVPU on the Valuation Date of the subsequent month.

The aforementioned cash amounts, Subscription Agreements and other documents will be held in trust and released upon closing. Where required pursuant to NI 45-106, the subscription amount will be held in trust until midnight on the second business day after the investor signs a Subscription Agreement. Closings will occur on a continuous basis.

Acceptance of Subscriptions

Subscriptions received are subject to rejection or allotment in whole or in part by the Manager on behalf of the Fund within three business days following the next Valuation Date. The Manager reserves the right to close the subscription books at any time without notice. Confirmation of the acceptance of a subscription will be forwarded by the Trustee to the investor or his or her Representative. The Manager is not obligated to accept any subscriptions and will reject any subscription which the Manager considers to be not in compliance with applicable securities laws and regulations. If any subscription is rejected, the Manager will notify the investor or his or her Representative and will return to the investor or his or her Representative the subscription funds comprising such subscription, without interest.

Units of the Fund will be issued to an investor pursuant to the relevant Subscription Agreement if a Subscription Agreement and other documentation requested therein is received by the Fund and accepted by the Manager and if payment of the subscription price is made by cheque or other electronic transfer satisfactory to the Trustee. An investor who subscribes for Units by executing and delivering a Subscription Agreement and other documentation requested therein will become a Unitholder after the Manager accepts such subscription and the Fund has received the subscription amount.

Qualified Subscribers

The Fund is offering for sale an unlimited number of Units on a continuous basis in each of the Provinces and Territories of British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Québec, New Brunswick, Nova Scotia, Prince Edward Island, Newfoundland and Labrador, the Yukon and the Northwest Territories, by way of private placement.

The offering is being conducted:

(a) in the Provinces of British Columbia and Newfoundland and Labrador pursuant to the exemption from the prospectus requirements afforded by Section 2.9 (offering memorandum) of NI 45-106; and

(b) in the Provinces and Territories of British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Québec, New Brunswick, Nova Scotia, Prince Edward Island, Newfoundland and Labrador, the Yukon and the Northwest Territories, pursuant to the exemptions from the prospectus requirements afforded by Section 2.3 (accredited investor), Section 2.10 (minimum amount - $150,000 for non-individual subscribers only) or Section 2.19 (additional investment in investment funds) of NI 45-106.

The exemption pursuant to Section 2.9 of NI 45-106 is available only for distributions to subscribers in British Columbia and Newfoundland and Labrador purchasing as principal, who receive this Offering Memorandum prior to signing the Subscription Agreement and who sign a risk acknowledgement in the prescribed form.

The exemption pursuant to Section 2.3 of NI 45-106 is available for distributions to subscribers in British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Québec, New Brunswick, Nova Scotia, Prince Edward Island, Newfoundland and Labrador, the Yukon and the Northwest Territories purchasing as principals who are "accredited investors" as defined in NI 45-106 and who sign an accredited investor risk acknowledgement in the prescribed form.

The exemption pursuant to Section 2.10 of NI 45-106 is available for distributions to non-individual subscribers in British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Québec, New Brunswick, Nova Scotia, Prince Edward Island, Newfoundland and Labrador, the Yukon and the Northwest Territories, purchasing as principal and who are acquiring Units with an aggregate acquisition cost to the subscriber of not less than $150,000 paid in cash at the time of Closing.

The exemption pursuant to Section 2.19 of NI 45-105 is available in British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Québec, New Brunswick, Nova Scotia, Prince Edward Island, Newfoundland and Labrador, the Yukon and the Northwest Territories for distributions by an investment fund, or the investment fund manager of the fund, of a security of the investment fund's own issue to a security holder of the investment if the security holder initially acquired securities of the investment fund as principal; for an acquisition cost of not less than $150,000 paid in cash at the time of distribution; the distribution is of a security of the same class or series as the securities initially acquired; and the security holder, as at the date of the distribution, holds securities of the investment fund that have an acquisition cost or net asset value of not less than $150,000.

The foregoing exemptions relieve the Fund from the provisions of the applicable securities laws which otherwise would require the Fund to file and obtain a receipt for a prospectus. Accordingly, prospective subscribers for Units will not receive the benefits associated with a subscription for securities issued pursuant to a filed prospectus, including the review of material by securities regulatory authorities.

No Unit Certificates

Units issued by the Trustee will be represented by a book entry in a book-based system maintained by the Administrator on behalf of the Trustee. Certificates evidencing ownership of the Units will not be issued to Unitholders.

Additional Subscriptions

Additional investments in the Fund are permitted in subscription amounts of not less than $1,000. At the time of making each additional investment in the Fund, each Unitholder will be deemed to have repeated to the Fund the covenants and representations contained in the Subscription Agreement delivered by the Unitholder to the Fund at the time of the initial subscription and, if applicable, that the Units held by the Unitholder have an aggregate acquisition cost or a net asset value, of not less than $150,000. The Manager reserves the right to change the minimum required amount for additional investments in the Fund at any time and from time to time, and to require a Unitholder to resubmit any forms required under **ITEM 5.2: Subscription Procedure** as part of the process of accepting additional subscriptions.

ITEM 6: INCOME TAX CONSEQUENCES & REGISTERED PLAN ELIGIBILITY

6.1 Caution

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

6.2 Summary of Canadian Income Tax Consequences

The following is, as of the date of this Offering Memorandum, a summary of the principal Canadian federal income tax considerations generally applicable under the Tax Act to a Unitholder who acquires Units under the offering and who, for the purposes of the Tax Act and at all relevant times, is an individual (other than a trust) resident in Canada, and deals at arm's length and is not affiliated with the Fund and holds the Units as capital property. Generally, the Units would be considered to be capital property to a Unitholder provided that the Unitholder does not hold the Units in the course of carrying on a business and has not acquired them in one or more transactions considered an adventure in the nature of trade. Certain Unitholders who might not otherwise be considered to hold their Units as capital property may, in certain circumstances, be entitled to have Units treated as capital property by making the irrevocable election permitted under the Tax Act.

This summary is based upon the provisions of the Tax Act and the regulations under the Tax Act in force at the date of this Offering Memorandum and the current published administrative and assessing practices of the Canada Revenue Agency ("**CRA**") and takes into account all specific proposals to amend the Tax Act and the regulations under the Tax Act which have been publicly announced by or on behalf of the Minister of Finance (Canada) prior to the date of this Offering Memorandum ("**Tax Proposals**"). There can be no assurance that any of the Tax Proposals will be implemented in their current form or at all. This summary does not otherwise take into account or anticipate any changes in law, whether by legislative, governmental or judicial decision or action, and does not take into account provincial, territorial or foreign tax legislation or considerations, which may differ significantly from the tax considerations discussed in this Offering Memorandum.

This summary is not exhaustive of all possible Canadian federal income tax considerations applicable to an investment in the Units. Moreover, the tax consequences of acquiring, holding or disposing of Units will vary depending on the Unitholder's particular circumstances, including the province or territory or provinces or territories in which the Unitholder resides or carries on business. Accordingly, this summary is of a general nature only and is not intended to be legal or tax advice to any prospective holder of Units. **Subscribers should**

consult their own tax advisors for advice with respect to the tax consequences of an investment in the Units based on their particular circumstances.

6.3 Status of the Fund

This summary is based on the assumption that the Fund qualifies as a "mutual fund trust", as defined in the Tax Act. In order for the Fund to qualify as a mutual fund trust, generally, the following conditions must be met:

(a) there must have been a lawful distribution of Units to the public in a Province or Territory of Canada pursuant to an offering exempt from any prospectus requirement;

(b) there must be at least 150 holders of Units in one class each of whom owns not less than one "block" of Units of that class having a fair market value of not less than $500 (a "block" of Units means 10 Units if the fair market value of each Unit is at least $100);

(c) the undertaking of the Fund must be restricted to the investing of its funds in property (other than real property) or the acquiring, holding, maintaining, improving, leasing or managing of any real property (or an interest in real property) that is capital property of the Fund, or a combination of these activities; and

(d) either:

  (i) at least 80% of the property of the Fund must consist of certain permitted investments including Mortgages, cash and debt; at least 95% of the annual income of the Fund must be derived from, or from the disposition of, such permitted investments; and not more than 10% of the property of the Fund must consist of bonds, shares or securities issued by any single corporation or debtor other than any branch of government in Canada; or

  (ii) at least 95% of the issued Units must be redeemable upon demand of the holder.

The Fund will be deemed not to be a mutual fund trust if it can reasonably be considered that the Fund, having regard to all the circumstances, was established or is maintained primarily for the benefit of non-resident persons or partnerships which are not "Canadian partnerships". A partnership will only qualify as a Canadian partnership at a particular time if all of its members at that time are resident in Canada.

It is intended, and this summary assumes, that these requirements are satisfied and that the Fund will continue to qualify as a mutual fund trust at all relevant times. If the Fund does not qualify as a mutual fund trust, the income tax considerations described below would, in some respects, be materially different.

The Manager and the Trustee represent that the Fund is and will continue to be qualified as a mutual fund trust at all relevant times.

6.4 Qualified Investment

Provided that the Fund qualifies as a mutual fund trust under the Tax Act effective at all material times, if issued on the date hereof, the Units will be qualified investments for trusts governed by registered retirement saving plans, registered retirement income funds, deferred profit sharing plans, registered education savings plans, registered disability savings plans and tax-free savings accounts (collectively, the "**Registered Plans**"), subject to the specific provisions of any particular Registered Plan. If the Fund ceases to qualify as a mutual fund trust, the Units would cease to be qualified investments for Registered Plans.

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

6.5 Taxation of the Fund

The taxation year of the Fund is the calendar year. In each taxation year, the Fund will be subject to tax under Part I of the Tax Act on its net income for the year, including taxable capital gains, less the portion thereof that it deducts in respect of the amounts paid or payable in the year to Unitholders. An amount will be considered to be payable to a Unitholder in a taxation year if it is paid to the Unitholder in the year by the Fund or if the Unitholder is entitled in that year to enforce payment of the amount. The Fund intends to make sufficient distributions in each year so that the Fund will generally not be liable in that year for income tax under Part I of the Tax Act.

The Fund will include in its income for each taxation year its share of the net interest income from Mortgages plus any other earnings from its investment portfolio. Income from the investment portfolio may include dividends, interest, capital gains and allocations of trust income.

In computing its income, the Fund may deduct reasonable administrative costs, interest and other expenses incurred by it for the purpose of earning income. The Fund may also deduct from its income for the year a portion of the reasonable expenses, if any, incurred by the Fund to issue Units pursuant to the offering. The portion of such issue expenses deductible by the Fund in a taxation year is 20% of such issue expenses that are not otherwise deductible, pro-rated when the Fund's taxation year is less than 365 days. Interest paid on money borrowed to fund redemptions will not be deductible by the Fund.

Under the Trust Agreement and pursuant to the distribution policy of the Fund, an amount equal to all of the net income of the Fund for each taxation year and net capital gains realized by the Fund but excluding capital gains in respect of which the Fund is entitled to a Capital Gains Refund (defined below), will be payable in the year to the Unitholders by way of cash distributions, subject to the exceptions described below. To the extent that cash of the Fund is applied to fund redemptions of Units for cash or is otherwise unavailable for cash distributions, the Fund's net income will be distributed to Unitholders in the form of additional Units. Net income of the Fund payable to Unitholders, whether in cash, additional Units or otherwise, will generally be deductible by the Fund in computing its net income. Losses incurred by the Fund cannot be allocated to Unitholders but may be deducted by the Fund in future taxation years in accordance with the Tax Act. In certain circumstances, losses of the Fund may be suspended or restricted, and therefore would not be available to shelter income or capital gains.

The Fund may be entitled, for each taxation year, to reduce (or receive a refund in respect of) its liability, if any, for tax on its net realized taxable capital gains by an amount determined under the Tax Act based on the redemption of Units during the year (the "**Capital Gains Refund**"). In most circumstances, the Capital Gains Refund in a particular taxation year will not offset the Fund's tax liability for that taxation year arising as a result of the sale of assets. The Trust Agreement provides that the taxable portion of any net capital gain realized by the Fund may, at the discretion of the Trustee, be treated as income paid to, and designated as a taxable capital gain of, the redeeming Unitholders. Any amount so designated must be included in the income of the redeeming Unitholders and will be deductible by the Fund in computing its income.

The 2019 Federal Budget proposes to introduce a new rule that would deny a mutual fund trust a deduction in respect of the portion of an allocation made to a unitholder on a redemption of a unit of the mutual fund trust that is greater than the capital gain that would otherwise have been realized by the unitholder on the redemption, if the following conditions are met:

- the allocated amount is a capital gain; and
- the unitholder's redemption proceeds are reduced by the allocation.

The 2019 Federal Budget also proposes to introduce a new rule that will deny a mutual fund trust a deduction in respect of an allocation made to a unitholder on a redemption, if:

- the allocated amount is ordinary income, and
- the unitholder's redemption proceeds are reduced by the allocation.

These measures will apply to taxation years of mutual fund trusts that begin on or after the budget date.

If the budget measures are enacted as proposed, starting January 1, 2020, the Fund will limit its allocation to redeeming Unitholders, if any, accordingly.

Subscribers should consult their own tax advisors for advice with respect to the tax consequences of an investment in the Units based on their particular circumstances.

6.6 Taxation of Unitholders

Fund Distributions

A Unitholder will generally be required to include in income for a particular taxation year the portion of the net income of the Fund for a taxation year, including taxable capital gains, that is paid or payable to the Unitholder in the particular taxation year, whether that amount is received in cash, additional Units or otherwise. The non-taxable portion of any realized net capital gains of the Fund that is paid or payable to a Unitholder in a taxation year will not be included in computing the Unitholder's income for the year.

As the Fund will generate its income principally from interest on mortgages on Canadian real estate, it is unlikely that the Fund will receive taxable dividends. Nonetheless, provided that appropriate designations are made by the Fund, that portion of its taxable dividends received or deemed to be received from taxable Canadian corporations will effectively retain its character and be treated as such in the hands of the Unitholder for purposes of the Tax Act. To the extent that amounts are designated as taxable dividends from taxable Canadian corporations, the gross-up and dividend tax credit provisions will be applicable in respect of Unitholders.

Any other amount in excess of the net income of the Fund that is paid or payable to a Unitholder in that year (other than as proceeds of disposition in respect of the redemption of Units), will not generally be included in the Unitholder's income for the year; however, any such amount will reduce the adjusted cost base of the Units held by the Unitholder. Where reductions to a Unitholder's adjusted cost base of Units would result in the adjusted cost base becoming a negative amount, such amount will be treated as a capital gain realized by the Unitholder and the Unitholder's adjusted cost base of the Units will be nil immediately thereafter. The taxation of capital gains is discussed below.

The cost to a Unitholder of additional Units received in lieu of a cash distribution of income will be the amount of net income distributed by the issue of those Units. For the purpose of determining the adjusted cost base of Units to a Unitholder, the cost of the newly acquired Unit will be averaged with the adjusted cost base of all of the Units owned by the Unitholder as capital property immediately before that acquisition. A consolidation of Units will not be considered to result in a disposition of Units by Unitholders. The aggregate adjusted cost base to a Unitholder of all of the Unitholder's Units will not change as a result of a consolidation of Units; however, the adjusted cost base per Unit could change.

Dispositions of Units

On the disposition or deemed disposition of a Unit whether on a redemption or otherwise, the Unitholder will realize a capital gain (or a capital loss) equal to the amount by which the Unitholder's proceeds of disposition exceed (or are less than) the aggregate of the adjusted cost base of the Unit and any reasonable costs of disposition. Any such capital gain or loss will be subject to the general rules relating to the taxation of capital gains described below.

Capital Gains and Capital Losses

One half of any capital gain (a "**taxable capital gain**") realized by a Unitholder and the amount of any net taxable capital gains distributed and designated by the Fund in respect of a Unitholder will be included in the Unitholder's income as a taxable capital gain. One half of any capital loss (an "**allowable capital loss**") realized by a Unitholder may generally be deducted only from taxable capital gains realized or considered to be realized by the Unitholder, subject to and in accordance with the provisions of the Tax Act.

Alternative Minimum Tax

In general terms, net income of the Fund, paid or payable to a Unitholder who is an individual (including most trusts), that is designated as taxable capital gains or taxable dividends, or as taxable capital gains and capital gains realized on the disposition of Units, may increase the Unitholder's potential liability for alternative minimum tax.

Tax Information Reporting

The Fund has due diligence and reporting obligations under the U.S. Foreign Account Tax Compliance Act (as implemented in Canada by the Canada-United States Enhanced Tax Information Exchange Agreement and Part XVIII of the Tax Act, collectively "FATCA") and the OECD's Common Reporting Standard (as implemented in Canada by Part XIX of the Tax Act, "CRS"). Generally, unitholders (or in the case of certain unitholders that are entities, the "controlling persons" thereof) will be required by law to provide the Fund and/or their registered dealer with information related to their citizenship or tax residence and, if applicable, their foreign tax identification number. If a unitholder (or, if applicable, any of its controlling persons) does not provide the information or, for FATCA purposes, is identified as a U.S. citizen (including a U.S. citizen living in Canada) or, for CRS purposes, is identified as a tax resident of a country other than Canada or the U.S., information about the unitholder (or, if applicable, its controlling persons) and his, her or its investment in the Fund will generally be reported to the CRA. The CRA will provide that information to, in the case of FATCA, the U.S. Internal Revenue Service and in the case of CRS, the relevant tax authority of any country that is a signatory of the Multilateral Competent Authority Agreement on Automatic Exchange of Financial Account Information or that has otherwise agreed to a bilateral information exchange with Canada under CRS.

ITEM 7: COMPENSATION PAID TO SELLERS AND FINDERS

When subscribers purchase Units in the Fund, Representatives may charge a commission or sales charge in addition to those charges noted below. These charges are negotiated between the Representative and their clients and are not paid by the Fund or the Manager.

The Fund may also use qualified Representatives to sell Units of the Fund and may enter into non-exclusive agency agreements with such Representatives in connection with such sales.

7.1 Trailer Fees

The Manager will pay trailer fees on Class A Units, Class B Units, Class C Units, Class D Units and Class E Units to Representatives. Trailer fees will be calculated as a percentage of the net asset value of the applicable Units held by such Representative's clients or by the Representative on behalf of its clients. The annual trailer fee is payable quarterly in arrears in the amounts outlined in the following table:

Class A Units	0.25% per annum
Class B Units	0.45% per annum
Class C Units	0% per annum for the first 24 months after Units are acquired, and 0.45% per annum thereafter

Class D Units	0.25% per annum for the first 48 months after Units are acquired, and 0.45% per annum thereafter
Class E Units	0% per annum for the first 48 months after Units are acquired, and 0.45% per annum thereafter

Trailer fees are included in the Management Fees for Class A Units, Class B Units, Class C Units, Class D Units and Class E Units and will affect the return for subscribers of those Classes of Units. No trailer fees are payable with respect to Class F Units or Class I Units.

7.2 Sales Commission

The Manager will pay sales commissions on Class C Units, Class D Units and Class E Units to Representatives. Sales commissions will be calculated as a percentage of the net asset value of the applicable Units purchased. Sales commissions are payable to the Representative in the month a subscriber becomes a Unitholder within the relevant class of Units (refer to **ITEM 5.2: Subscription Procedure**) as outlined in the following table:

Class C Units	1.25% of purchase price
Class D Units	1.50% of purchase price
Class E Units	2.25% of purchase price

As per the terms set out in the subscription agreement the Manager reserves the right to charge at its sole discretion Early Redemption Fees where a Unitholder redeems Class C Units, Class D Units or Class E Units within a specified time period that follows the purchase of these Units. The Early Redemption Fee shall decline to 0% over a period of holding these applicable Units. All Units issued pursuant to Distribution Reinvestment shall not be charged any Early Redemption Fee. The Early Redemption Fee may be modified or cancelled by the Manager at any time and is outlined in the following table:

Class C Units	Year 1: 1.50% Year 2: 1.00%
Class D Units	Year 1: 2.00% Year 2: 1.50% Year 3: 1.25% Year 4: 1.00%
Class E Units	Year 1: 2.50% Year 2: 2.00% Year 3: 1.50% Year 4: 1.00%

7.3 Referral Fees

A referral arrangement is any arrangement in which the Manager agrees to pay a referral or finder's fee to a third-party person who assists the Manager in the capital raising efforts for the Fund as permitted under securities laws. Referral fees will generally be based on the net asset value of all Units purchased by a Unitholder introduced to the Manager by the third-party person. The referral fee payable in such circumstances will be paid entirely out of the Management Fees collected by the Manager, and is not recoverable by or reimbursable to the Manager through the Fund or through Unitholders, either directly or indirectly.

ITEM 8: RISK FACTORS

Risks Associated with an Investment in the Fund

The purchase of Units involves a number of significant risks. Investing in the Fund is only suitable for subscribers who understand and are capable of bearing the risks of an investment in the Fund. An investment in the Fund is not intended as a complete investment program. All investments in securities, mortgages and other financial instruments risk the loss of some or all of the money you invest. There is no assurance that the Fund will achieve its overall investment objective. Prospective subscribers should carefully consider the following risk factors, which do not purport to be a complete list of the potential risks involved in an investment in the Fund. The NAVPU will vary directly with the market value and returns of the investment portfolio of the Fund. Investors should speak to a qualified advisor before making an investment.

8.1 General Risk

The Mortgages held by the Fund will be commercial mortgages. There are several risk factors associated with commercial real estate lending that are generally viewed to be different from those found in residential real estate lending. Firstly, commercial real estate loans tend to be large and therefore do not provide the kind of diversification found in a portfolio of a large number of residential mortgages with smaller outstanding balances. As well, the ability of the commercial borrower to meet its obligations under the mortgage is generally dependant on the financial performance of the property rather than on the independent assets or income of the borrower. An increase in vacancy rates, a reduction in potential rental rates, an increase in operating expenses and/or an increased requirement for capital expenditures may impair a borrower's ability to service the mortgage debt and may impact the value of a property. The income from and value of a commercial property may also be adversely affected by such factors as changes in the general economic climate and the existence of an oversupply of comparable space.

8.2 Property Characteristics

The location and age of a property, its construction quality and access to transportation generally impacts its potential to generate sustainable income during its economic life. The characteristics of an area in which a property is located can change over time and may adversely affect the property's financial performance.

8.3 Leases

Borrowers rely upon periodic lease or rental payments from tenants to pay for a property's maintenance and other operating expenses, to fund capital improvements and to service debt. There is no guarantee that tenants will renew leases upon expiration or that they will continue operations throughout the terms of their leases. Accordingly, repayment of a Mortgage loan may be affected by the expiration or termination of leases and the ability of the borrowers to renew those leases with the existing occupants or to re-lease the space on economically favourable terms. No assurance can be given that leases that expire can or will be renewed, that the space covered by leases that expire or are terminated can or will be leased in a timely manner at comparable rents or on comparable terms, or that the borrowers will be able to fund any required tenant improvements. If a significant portion of a mortgaged property is leased to a single tenant, the consequences of the failure of the borrower to re-lease such portion of such mortgaged property in the event that such tenant vacates the space leased to it, or a failure of such tenant to perform its obligations under the related lease will be more pronounced than if such mortgaged property were leased to a greater number of tenants.

8.4 Competition

Commercial real estate is subject to the usual competitive forces of supply, demand and availability of substitutes (i.e., the proximity and availability of competing properties to the mortgaged properties). These competitive forces may impact the overall financial performance of the property including occupancy levels and potential rental rates. As a result, increased competition could adversely affect income from, and the value of, the mortgaged properties.

8.5 Quality of Property Management

The financial performance of a property is also dependent on the performance, capability and viability of its property manager. Property managers observe and assess market conditions and make recommendations to owners/borrowers regarding capital improvements, ongoing maintenance and changes to rental rate structures. There can be no assurance regarding the performance of any existing or future property manager of a mortgaged property or that any such property manager will at all times continue to fulfill its management responsibilities under the related management agreement.

8.6 Mortgages Not Insured

Generally speaking, mortgages are not insured or guaranteed, in whole or in part, by any government or governmental entity, underwriter or any other person, except in circumstances where recourse to the borrower and its financial strength is negotiated as part of a particular underwriting. In these cases, the ability of any borrower (or guarantor) to satisfy its recourse obligations will be limited by the extent of their respective available assets. No representation is made as to the adequacy of the assets of any borrower or guarantor available to satisfy their respective recourse obligations with respect to any mortgages.

8.7 Portfolio Concentration

A mortgage pool with few borrowers is subject to the potential risk that any such borrower may have a disproportionately greater effect on the performance of the mortgage pool than if such borrower concentration did not exist. Such a mortgage pool may be subject to losses that are more severe than other pools having the same or a similar aggregate principal balance and composed of smaller average loan balances and a great number of mortgages.

8.8 Refinancing Issues

The availability of credit for borrowers to refinance the mortgage or sell the mortgaged properties will be significantly dependent on economic conditions in the markets where mortgaged properties are located, the creditworthiness of the borrower, as well as the willingness and ability of lenders to make such loans. The availability of funds in the credit markets fluctuates and there can be no assurance that the availability of such funds will exist at the time mortgages mature.

8.9 Interest Rates

The Fund's value will be influenced by changes in the general level of interest rates. If interest rates fall, the value of the Fund's units will tend to rise. If interest rates rise, the value of the Fund's units will tend to fall.

8.10 Credit

Credit risk is the possibility that a borrower or issuer is unable or unwilling to repay its loan, obligation or interest payment, either on time or at all. The Fund can lose money if the borrower or the issuer of a bond or other fixed income security cannot pay interest or repay principal when it is due.

The debt securities issued by companies, governments and special purpose entities (such as entities that issue commercial mortgage-backed securities) that act as a counterparty or borrow money are often rated by specialized rating agencies. Debt securities issued by well-established companies or by governments tend to have lower credit risk (higher rated debt). A downgrade in an issuer's credit rating or other adverse news regarding an issuer can influence a debt security's market value. There is no guarantee that third party credit ratings represent an accurate assessment of the risk of owning a particular issuer's securities. If a rating agency has given a higher rating to an issuer's securities than those securities inherently deserve, the value of the securities may decrease substantially as the market becomes aware of the issuer's true risk. Other factors can also influence a debt security's market value or the ability of an issuer to pay interest or repay principal when due, such as a change in the market perception of the creditworthiness of the security, the parties involved in structuring the security and the underlying assets or collateral, if any. Lower rated and unrated debt instruments generally offer a higher return than higher grade debt instruments but have the potential for substantial loss. A credit spread is the difference between interest rates payable on an issuer's fixed income security and a government-issued fixed income security that are similar in term. If the market determines that a higher return is necessary to compensate for the higher risk of a lower rated fixed income security, the credit spread will increase. If a credit spread increases after the purchase of a fixed income security, the value of that security will decrease.

8.11 Performance and Marketability of Underlying Investments

The NAVPU will vary in accordance with the value of the mortgages and other investments held in the Fund's portfolio. There is no formal market through which mortgages can be sold and, accordingly, there is no assurance that the mortgages invested in by the Fund could be sold for the values used to calculate the NAVPU.

8.12 Large Unitholder

The securities of the Fund may be held in significant percentages by an investor, including another fund. In order to meet purchase and redemption requests by the investor, the Fund may have to alter its holdings significantly and purchase or sell investments at unfavourable prices and incur capital gains or losses and transaction costs. This can reduce the returns of the Fund.

8.13 Liquidity

Liquidity refers to the speed and ease with which an asset can be sold and converted into cash. In highly volatile markets, such as in periods of sudden interest rate changes, certain securities may become less liquid, which means they cannot be sold as quickly or easily. Some securities may be illiquid because of legal restrictions, the nature of the investment, certain features (such as guarantees), or a lack of buyers interested in the particular security or market. Difficulty in selling securities may result in higher volatility, a loss or reduced return for the Fund.

8.14 Market

Market risk is the risk of being invested in the fixed income markets. The market value of the Fund's investments will rise and fall based on specific issuer developments and broader fixed income market conditions. Market value will also vary with changes in the general economic and financial conditions as well as the real estate sector.

8.15 Reliance on the Manager

The Fund will be dependent on the knowledge and expertise of the Manager. There is no certainty that the persons who are currently officers and directors of the Manager will continue to be officers and directors of the Manager.

8.16 Loan Facilities

The Fund may from time to time be utilizing a loan facility, as outlined in **ITEM 2.8: Trust Agreement – Loan Facilities**, to smooth the timing differences between investment funding and cash availability in the Fund or to provide liquidity in the event of redemptions. During times when such loan facilities are available, the lenders generally have a security interest over the assets of the Fund which rank ahead of the interest of Unitholders. If for any reason such loan facilities are in default, the assets of the Fund will be used firstly to repay all such loan facilities prior to the distribution of any assets to the Unitholders.

8.17 Limited Role of the Trustee and Relationship to the Manager

The Trustee does not supervise or monitor the Manager in any respect. The powers, authorities and responsibilities of the Trustee are limited to those expressly set forth in the Trust Agreement. All other powers, authorities and responsibilities with respect to the management and operation of the Fund are delegated to the Manager. The Trustee acts on the basis of instructions from the Manager, without independent investigation. The Trustee may not in all instances hold all of the Trust property. The Trustee is a company without material assets. Should a claim be made against the Trustee, it will likely be difficult to realize upon any judgment which might be obtained against the Trustee. In addition, the Trustee is owned by the Manager and has common directors and officers with the Manager.

8.18 Marketability of Units

There is currently no market through which the Units may be sold nor is one expected to develop. Redemptions are permitted only as described herein and there are circumstances in which the Fund may suspend redemptions. Accordingly, Units of the Fund may not be appropriate for subscribers seeking greater liquidity. Also, Units are only transferable in limited circumstances with the approval of the Manager.

8.19 Operating History

The Fund has been in continuous operation since May 31, 2007. Although the Manager has significant experience and success in making Mortgage investments, the past performance of those investments is not necessarily indicative of the future results of the Fund's performance.

8.20 Availability of Mortgage Investments

The Fund primarily invests directly or indirectly in commercial Mortgages in Canada which meet the investment criteria of the Fund. There is no guarantee that the Fund will be fully invested in such Mortgages or that it will be able to assemble a portfolio of Mortgage investments adequate to meet its financial projections of return.

8.21 Change in Legislation or Regulations

There is no assurance that the laws, regulations, policies or current administrative practices of any government body, or regulatory agency in British Columbia, or any other jurisdiction will not be changed, applied or interpreted in a manner which will fundamentally alter the ability of the Fund to operate as outlined herein.

8.22 No Guaranteed Return

There is no guarantee that an investment in Units will earn any positive return in the short or long term. Moreover, the interest rates being charged for mortgages reflect the general level of interest rates and as interest rates fluctuate, the Manager expects that the aggregate yield on mortgage investments will also change.

8.23 Conflicts of Interest

The Manager has sole discretion in determining which mortgages and investments it will make available to the Fund for investment and may, at the same time and on an on-going basis, be sourcing investment opportunities for its own account or the account of others. The Manager, in exercising its discretion, will use its best judgment and act in such manner as it sees fit, having regard to the relative sizes, investment objectives, portfolio composition and financial capabilities of all of the entities involved, including the Fund. See **ITEM 9: MANAGER CONFLICTS OF INTEREST**.

8.24 Risk of Using Borrowed Money to Finance an Investment

If you are considering using borrowed money to finance any part of the purchase of your investment, please be aware that using borrowed money to finance the purchase of an investment involves greater risk than a purchase using cash resources only. If you borrow money to make an investment, your responsibility to repay the loan and pay interest as required by its terms remains the same even if the value of the investment purchase declines.

8.25 Cyber Security Risks

Dependence on information technology systems may render the business at risk for potential cyber security breaches. Possible impacts of a cyber security incident may include and is not limited to compromising of confidential customer or employee information, unauthorized access to proprietary or sensitive information, destruction or corruption of data, lost revenue due to disruption of activities, incurring of remediation costs, litigation, fines and liability related to privacy and information security law non-compliance, reputational harm, diminished competitive advantage and negative impact on future opportunities. Such inherent cyber security risks may be reduced but not completely eliminated through the use of multi-layered defences that includes and is not limited to training individuals, implementing security processes and technology.

8.26 Tax Risk

If the Fund experiences a "loss restriction event", (i) the Fund will be deemed to have a year-end for tax purposes, and (ii) the Fund will become subject to the loss restriction rules generally applicable to corporations that experience an acquisition of control, including a deemed realization of any unrealized capital losses and restrictions on its ability to carry forward losses. Generally, the Fund could be subject to a loss restriction event when a person becomes a "majority-interest beneficiary" of the Fund, or a group of persons becomes a "majority-interest group of beneficiaries" of the Fund, as those terms are defined in the affiliated persons rules contained in the Tax Act, with appropriate modifications. Generally, a majority-interest beneficiary of the Fund will be a beneficiary who, together with the beneficial interests of persons and partnerships with whom the beneficiary is affiliated, has a fair market value that is greater than 50% of the fair market value of all interest in the income or capital, respectively, in the Fund. Generally, a person is deemed not to become a majority-interest beneficiary, and a group of persons is deemed not to be a majority-interest group of beneficiaries of the Fund, if the Fund meets certain investment requirements and qualifies as an "investment fund" under the rules.

ITEM 9: MANAGER CONFLICTS OF INTEREST

Under applicable securities legislation, the Manager is required to identify material conflicts of interest which may arise between it (including any individual acting on its behalf) and its clients. Further, the Manager must inform an investor of the nature and extent of an identified conflict if a reasonable investor would expect to be informed of such conflict.

Below, the Manager has identified and described potential conflicts of interest that it believes are relevant to you. Additional potential conflicts of interest related to the Fund are disclosed elsewhere in this Offering Memorandum or other disclosure documents, as applicable.

The Manager seeks to avoid or minimize conflicts where reasonably possible; however, some conflicts cannot be avoided and in certain circumstances, while others could be avoided, the Manager may choose to manage these conflicts. The Manager has policies and procedures in place to manage conflicts of interest which it believes are sufficient to protect the interests of, and fulfill its obligations to, its clients. The following are examples of significant conflicts of interest that may affect the services provided to you.

9.1 Related and Connected Issuers

An issuer of securities is "related" to the Manager if, through ownership or direction and control over voting securities, it exercises a controlling influence over that issuer or that issuer exercises a controlling influence over the Manager or the same third party exercises a controlling influence over both the Manager and the issuer. An issuer is "connected" to the Manager if, due to indebtedness or other relationships, a reasonable prospective purchaser might question whether that issuer and the Manager are independent of each other.

In carrying on business as an EMD with respect to securities of related and/or connected issuers and in the course of a distribution, the Manager may:

(a) make recommendations regarding these securities to you; and

(b) sell these securities to you.

These related and connected issuers will include investment funds, or other similar collective investment vehicles established, managed, administered and promoted by the Manager and/or its related companies. In addition, in the course of providing services to you, the Manager may also enter into transactions or arrangements and perform services for or accept services from entities that are related to or connected to it. These services, transactions and arrangements will be carried on in the ordinary course of business in accordance with usual practices and procedures, and in accordance with all applicable disclosure and other regulatory requirements. It is the Manager's policy to comply fully with all applicable securities laws and to make all required disclosures.

9.2 Manager Conflicts

Services provided by the Manager are not exclusive. The Manager may provide services to other investment funds or similar investment vehicles with similar investment objectives and may at certain times be simultaneously seeking to purchase or dispose of investments. The Manager is not under any obligation to recommend an investment in any mortgage investment opportunity of which it becomes aware; in addition, it is permitted to offer any of such mortgage opportunities to other clients, to other funds that it manages or to any of its affiliates.

9.3 Personal Trading Activities

The Manager has a Code of Ethics for Personal Trading ("Code of Ethics"), which sets out certain expected standards of conduct of its employees, officers and directors and includes restrictions and controls on personal trading of its employees, officers and directors. The Code of Ethics is designed to ensure the fair treatment of clients through the highest standards of integrity and ethical business conduct by all of its employees, officers and directors, and in particular to ensure that they act in accordance with applicable Canadian securities laws and other applicable laws, that they act in the best interests of their clients, avoid actual or potential conflicts of interest, and do not engage in personal securities transactions that are prohibited by law, such as insider trading, or that negatively impact their clients.

The employees, officers and directors are required to put the interests of their clients first, ahead of their own personal self-interests. In particular, any individual who has, or is able to obtain access to, material non-public information concerning the portfolio holdings, the trading activities or the ongoing investment programs of its funds, is prohibited from using such information for his or her direct or indirect personal benefit or in a manner which would not be in the best interests of their clients. These individuals also must not use their position to obtain special treatment or investment opportunities not generally available to their clients or the public. These individuals are only allowed to make a personal trade if it falls within a general exception in the Manager's personal trading policy or if the Chief Compliance Officer has determined that such a trade will not conflict with the best interest of their clients. The Manager encourages its employees, officers and directors to invest in its funds, thereby reducing the likelihood of a conflict of interest arising between them and their clients.

9.4 Outside Activities

Individuals acting on behalf of the Manager are prohibited from engaging in any outside activity which could interfere with the proper discharge of the individual's duties to it and its clients.

ITEM 10: REPORTING OBLIGATIONS

The Trustee shall, within 90 days of the end of each fiscal year of the Fund, provide to each Unitholder an annual statement reflecting the Unitholder's Proportionate Share of Net Asset Value and the NAVPU as at the applicable fiscal year end date. In addition, as required under the Tax Act, the Trustee shall issue annually to Unitholders the allocation of the Fund's net income and taxable capital gains distributed to Unitholders on a T3 Statement of Trust Income Allocations and Designation Form.

The Fund does not currently intend on becoming a reporting issuer and therefore obligations of the Fund to publicly disclose documents are limited.

Delivery of Financial Statements

As the Fund is not a "reporting issuer" under applicable securities laws, the continuous reporting requirements under those laws do not apply to the Fund. The Fund intends to prepare and make available to unitholders annual audited financial statements within 90 days of the end of each fiscal year. The Fund's fiscal year end is currently December 31. Unitholders may request a printed copy of the financial statements by contacting the Manager at the address, numbers, or e-mail address set out within this document.

Authorization of Collection, Use and Disclosure of Personal Information

By subscribing for Units in the Fund, each investor acknowledges that its name, residential address and telephone number and other specified information, including the number of Units it has purchased, the aggregate purchase price paid by the investor therefore and the prospectus exemption relied upon in making the investor's purchase, may be disclosed to Canadian securities regulatory authorities and other authorities governing the operations of the Fund, the Trustee and the Manager, and may therefore become available to the public in accordance with the requirements of applicable Canadian laws. By subscribing for Units in the Fund, each investor shall authorize such indirect collection of personal information. The Manager's Privacy Policy governing the collection, use and disclosure of Unitholder's personal information is disclosed on the Manager's website at www.acma.ca.

ITEM 11: RESALE AND TRANSFER RESTRICTIONS

11.1 General Statement

Under applicable securities laws, Units will be subject to a number of resale restrictions, including a restriction on trading. You will not be able to trade Units unless the Fund prepares and files a prospectus with applicable securities regulatory authorities or you comply with an exemption from the prospectus and registration requirements under applicable securities legislation.

This offering of Units is made only on a private placement basis to subscribers who are eligible, pursuant to the Trust Agreement, to purchase on an exempt basis under, and subject to compliance with, applicable securities laws. The Fund is not a reporting issuer in any of the Provinces or Territories of Canada and does not intend to become a reporting issuer in any Province or Territory of Canada. **There is no market for the Units.**

The transferability of the Units will also be subject to resale restrictions under applicable securities laws. Subscribers will be able to transfer Units to another person pursuant to an exemption from the prospectus requirements of applicable securities laws, or pursuant to an order permitting such trade granted by applicable securities regulatory authorities. The Fund will be entitled to require and may require, as a condition of allowing any transfer of any Unit, the transferor or transferee, at their expense, to furnish to the Fund evidence satisfactory to it in form and substance (which may include an opinion of counsel satisfactory to the

Fund) in order to establish that such transfer will not constitute a violation of the securities laws of any jurisdiction whose securities laws are applicable thereto.

Each Unitholder or a Representative of the Unitholder may, by written notice to the Manager, elect to convert issued Units of one class for the same number of Units of another class, excluding Class I Units, effective on the next Valuation Date following the receipt by the Manager of such notice. Any Early Redemption Fee applicable to the issued Units to be converted will be charged at the time of the conversion of such Units to Units of another Class (**refer to ITEM 7: COMPENSATION PAID TO SELLERS AND FINDERS**).

ITEM 12: PURCHASERS' RIGHTS

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

12.1 Rights of Action for Damages or Rescission

Securities legislation in Alberta (depending on the exemption relied upon), Manitoba, Saskatchewan, Ontario, New Brunswick, Nova Scotia, Prince Edward Island, Newfoundland and Labrador, Yukon and Northwest Territories provides investors resident in those jurisdictions with certain rights of action if this Offering Memorandum, any amendment hereto or any document incorporated herein by reference, or in some cases, any advertising or sales literature used in connection with the Offering Memorandum, contains a misrepresentation. A summary of these rights is set out below. Such summaries are subject to the express provisions of applicable securities legislation, and the rules, regulations and other instruments thereunder, and reference is made to the complete text of such provisions contained therein. Such provisions may contain certain limitations and statutory defences on which the Fund may rely. These rights are in addition to, and without derogation from, any other right an investor may have at law. Although securities legislation in British Columbia, Alberta (depending on the exemption relied upon) and Québec do not provide or require the Fund to provide to investors resident in these jurisdictions any rights of action if the Offering Memorandum, any amendment hereto or any document incorporated herein by reference, contains a misrepresentation, the Fund hereby grants to such investors the contractual rights of action in each of British Columbia, Alberta and Québec that are described below.

For these purposes, "**misrepresentation**" means an untrue statement of a material fact or an omission to state a material fact that is required to be stated or that is necessary to make any statement in the Offering Memorandum or any amendment hereto not misleading in light of the circumstances in which it was made. A "**material fact**" means a fact that significantly affects, or would reasonably be expected to have a significant effect on, the market price or value of the units.

Two Day Cancellation Right – You can cancel your agreement to purchase these securities. 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 securities.

12.2 Statutory Rights of Action for Investors Resident in Alberta

If the Offering Memorandum or any amendment hereto contains a misrepresentation, and is delivered to a purchaser resident in Alberta in reliance on the prospectus exemption in section 2.10 (the minimum amount investment) of NI 45-106, an investor is deemed to have relied upon the misrepresentation and will have a right of action for damages against the Fund, every director of the Fund and every person who signed the Offering Memorandum (if applicable), or alternatively, while still the owner of the purchased units, for rescission against the issuer, provided that:

1. no action may be commenced to enforce a right of action:

    (a) for rescission more than 180 days after the date of the purchase; or

(b) for damages more than the earlier of (i) 180 days after the purchaser first had knowledge of the facts giving rise to the cause of action, or (ii) three years after the date of purchase that give rise to the cause of action;

2. no person or company will be liable if the person or company proves that the purchaser purchased the securities with knowledge of the misrepresentation;

3. no person or company (but excluding the Fund) will be liable if the person or company proves that: (i) the Offering Memorandum was delivered to the purchaser without the person's or company's knowledge or consent and that, on becoming aware of its delivery, the person or company gave reasonable notice to the Fund that it was delivered without the person's or company's knowledge or consent; (ii) on becoming aware of any misrepresentation in the Offering Memorandum, the person or company withdrew the person's or company's consent to the Offering Memorandum and gave reasonable notice to the Fund of the withdrawal and the reason for it; or (iii) with respect to any part of the Offering Memorandum purporting to be made on the authority of an expert or to be a copy of, or an extract from, a report, an opinion, or a statement of an expert, the person or company had no reasonable grounds to believe and did not believe that there had been a misrepresentation, or the relevant part of the Offering Memorandum did not fairly represent the report, opinion, or statement of the expert, or was not a fair copy of, or an extract from, the report, opinion, or statement of the expert;

4. no person or company (but excluding the Fund) will be liable with respect to any part of the Offering Memorandum not purporting to be made on the authority of an expert, or to be a copy of, or an extract from, a report, opinion, or statement of expert unless the person or company failed to conduct an investigation to provide reasonable grounds for a belief that there had been no misrepresentation, or believed that there had been a misrepresentation;

5. in an action for damages, the defendant will not be liable for all or any portion of the damages that the defendant proves does not represent the depreciation in value of the securities as a result of the misrepresentation; and

6. in no case shall the amount recoverable exceed the price at which the securities were sold to the purchaser.

12.3 Statutory Rights of Action for Investors Resident in Saskatchewan

If the Offering Memorandum, together with any amendment to the Offering Memorandum, is sent or delivered to an investor resident in Saskatchewan and contains a misrepresentation at the time of purchase, the investor is deemed to have relied upon that misrepresentation and will have a right for damages against the Fund, every promoter and director of the Fund, every person or company whose consent has been filed respecting the offering, but only with respect to reports, opinions or statements that have been made by them, every person who signed the Offering Memorandum (if applicable) and every person or company who sells securities on behalf of the Fund, or alternatively, while still the owner of the purchased units, for rescission against the Fund, provided that:

1. no action shall be commenced to enforce the foregoing rights:

   (a) in the case of an action for rescission, more than 180 days after the date of the transaction that gave rise to the cause of action; or

   (b) in the case of any action, other than an action for rescission, more than the earlier of (i) one year after the investor first had knowledge of the facts giving rise to the cause of action, or (ii) six years after the date of the transaction that gave rise to the cause of the action;

2. no person or company will be liable if the person or company proves that the investor purchased the units with knowledge of the misrepresentation;

3. no person or company (other than the Fund) will be liable if the person or company proves that (i) the Offering Memorandum or amendment was sent or delivered without the person's or company's knowledge or consent and that, on becoming aware of it being sent or delivered, the person or company immediately gave reasonable general notice to the Fund that it was sent or delivered without the person's or company's knowledge, (ii) on becoming aware of any misrepresentation, the person or company withdrew the person's or company's consent to the Offering Memorandum and gave reasonable general notice to the Fund of the withdrawal and the reason for it, or (iii) with respect to any part of the Offering Memorandum purporting to be made on the authority of an expert or to be a copy of, or an extract from, a report, an opinion or a statement of an expert, the person or company had no reasonable grounds to believe and did not believe that there had been a misrepresentation, or the relevant part of the Offering Memorandum did not fairly represent the report, opinion or statement of the expert, or was not a fair copy of or extract from the report, opinion or statement of the expert;

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

5. in no case shall the amount recoverable exceed the price at which the units were sold to the investor.

An investor resident in Saskatchewan who has entered into an agreement for the purchase of units, which has not yet been completed, and who receives an amendment to the Offering Memorandum that discloses (i) a material change in the affairs of the Fund, (ii) a change in the terms or conditions of the offering as described in the Offering Memorandum or (iii) securities to be distributed that are in addition to the units described in the Offering Memorandum, that occurred or arose before the investor entered into the agreement for the purchase of the units, may within two business days of receiving the amendment deliver a notice to the Fund or agent through whom the units are being purchased indicating the investor's intention not to be bound by the purchase agreement.

These rights are (i) in addition to and do not derogate from any other right the investor may have at law; and (ii) subject to certain defences as more particularly described in *The Securities Act, 1988* (Saskatchewan).

12.4 Statutory Rights of Action for Investors Resident in Manitoba

If the Offering Memorandum or any amendment hereto contains a misrepresentation, an investor is deemed to have relied on the misrepresentation and has a right of action for damages against the Fund, every director of the Fund at the date of the Offering Memorandum and every person who signed the Offering Memorandum (if applicable), or alternatively, while still the owner of the purchased units, a right of rescission against the Fund, provided that:

1. no action may be commenced to enforce a right of action:

    (a) for rescission more than 180 days after the date of the purchase that gave rise to the cause of action; or

    (b) for damages, more than the earlier of (i) 180 days after the investor first had knowledge of the facts giving rise to the cause of action, or (ii) two years after the date of the purchase that gave rise to the cause of action;

2. no person or company will be liable if the person or company proves that the investor purchased the units with knowledge of the misrepresentation;

3. no person or company (other than the Fund) will be liable if the person or company proves that (i) the Offering Memorandum was sent to the investor without the person's or company's knowledge or consent, and that, after becoming aware of its delivery, the person or company promptly gave reasonable notice to the Fund that it was sent without the person's or company's knowledge or consent, (ii) on becoming aware of the misrepresentation, the person or company withdrew their respective consent to the Offering Memorandum and gave reasonable notice to the Fund of the withdrawal and the reason for it, or (iii) with respect to any part of the Offering Memorandum purporting to be made on the authority of an expert or to be a copy of, or an extract from, an expert's report, opinion or statement, the person or company proves that they had no reasonable grounds to believe and did not believe that there had been a misrepresentation, or the relevant part of the Offering Memorandum did not fairly represent the expert's report, opinion or statement, or was not a fair copy of, or an extract from, the expert's report or statement;

4. no person or company (other than the Fund) will be liable with respect to any part of the Offering Memorandum not purporting to be made on the authority of an expert and not purporting to be a copy of, or an extract from, an expert's report, opinion or statement, unless the person or company (i) did not conduct an investigation sufficient to provide reasonable grounds for a belief that there had been no misrepresentation or (ii) believed that there had been a misrepresentation; and

5. in no case shall the amount recoverable exceed the price at which the units were sold to the investor.

The summary above is subject to the express provisions of the *Securities Act* (Manitoba) and the rules, regulations and other instruments thereunder, and reference is made to the complete text of such provisions contained therein. These provisions may contain limitations and statutory defences on which the Fund may rely.

12.5 Statutory Rights of Action for Investors Resident in Ontario

If the Offering Memorandum, together with any amendment hereto, is delivered to an investor resident in Ontario and contains a misrepresentation, without regard to whether the misrepresentation was relied upon by the investor, the investor will have a right of action against the Fund for damages or, alternatively, while still the owner of the purchased units, for rescission, provided that:

1. no action may be commenced to enforce a right of action:

    (a) for rescission more than 180 days after the date of the purchase that gave rise to the cause of action; and

    (b) for damages more than the earlier of (i) 180 days after the investor first had knowledge of the facts giving rise to the cause of action, and (ii) three years after the date of purchase that gave rise to the cause of action;

2. the Fund will not be liable if it proves that the investor purchased the units with knowledge of the misrepresentation;

3. in an action for damages, the Fund will not be liable for all or any portion of the damages that it proves do not represent the depreciation in value of the units as a result of the misrepresentation relied upon;

4. in no case shall the amount recoverable exceed the price at which the units were sold to the investor; and

5. the Fund will not be liable for a misrepresentation in forward-looking information if the Fund proves that:

    (a) the Offering Memorandum contains, proximate to the forward-looking information, reasonable cautionary language identifying the forward-looking information as such, and identifying material factors that could cause actual results to differ materially from a conclusion, forecast or projection in the forward-looking information, and a statement of material factors or assumptions that were applied in drawing a conclusion or making a forecast or projection set out in the forward-looking information; and

(b) the Fund had a reasonable basis for drawing the conclusions or making the forecasts and projections set out in the forward-looking information.

The rights referred to in section 130.1 of the *Securities Act* (Ontario) do not apply in respect of an offering memorandum (such as this Offering Memorandum) delivered to a prospective purchaser in connection with a distribution made in reliance on the exemption from the prospectus requirements in section 2.3 of 45-106 (the "accredited investor" exemption) if the prospective purchaser is:

1. a Canadian financial institution or a Schedule III bank;

2. the Business Development Bank of Canada incorporated under the *Business Development Bank of Canada Act* (Canada); or

3. a subsidiary of any person referred to in paragraphs (a) and (b), if the person owns all of the voting securities of the subsidiary, except the voting securities required by law to be owned by directors of that subsidiary.

The summary above is subject to the express provisions of the *Securities Act* (Ontario) and the rules, regulations and other instruments thereunder, and reference is made to the complete text of such provisions contained therein. These provisions may contain limitations and statutory defences on which the Fund may rely.

12.6 Statutory Rights of Action for Investors Resident in New Brunswick

If the Offering Memorandum, together with any amendment hereto, is delivered to an investor resident in New Brunswick and contains a misrepresentation that was a misrepresentation at the time of purchase, the investor will be deemed to have relied on the misrepresentation and will have a right of action against the Fund, every director of the Fund at the date of the Offering Memorandum and every person who signed the Offering Memorandum for damages or, alternatively, while still the owner of the purchased units, for rescission against the Fund, provided that:

1. no action may be commenced to enforce a right of action:

   (a) for rescission more than 180 days after the date of the purchase that gave rise to the cause of action; and

   (b) for damages more than the earlier of (i) one year after the investor first had knowledge of the facts giving rise to the cause of action, and (ii) six years after the date of purchase that gave rise to the cause of action;

2. the Fund will not be liable if it proves that the investor purchased the units with knowledge of the misrepresentation;

3. in an action for damages, the Fund will not be liable for all or any portion of the damages that it proves do not represent the depreciation in value of the units as a result of the misrepresentation relied upon; and

4. in no case shall the amount recoverable exceed the price at which the units were sold to the investor.

The summary above is subject to the express provisions of the *Securities Act* (New Brunswick) and the rules, regulations and other instruments thereunder, and reference is made to the complete text of such provisions contained therein. These provisions may contain limitations and statutory defences on which the Fund may rely.

12.7 Statutory Rights of Action for Investors Resident in Nova Scotia

If the Offering Memorandum, together with any amendment to the Offering Memorandum or any advertising or sales literature (as defined in the Securities Act (Nova Scotia)), contains a misrepresentation and it was a misrepresentation at the time of purchase, the investor resident in Nova Scotia will be deemed to have relied upon the misrepresentation and will have a right of action against the Fund, every director of the Fund at the date of the Offering Memorandum and every person who signed the Offering Memorandum (if applicable), for damages or, alternatively, while still the owner of the purchased units, for rescission against the Fund, provided that:

1. no action may be commenced to enforce a right of action more than 120 days:

    (a) after the date on which payment was made for the units; or

    (b) after the date on which the initial payment for the units 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;

2. no person or company will be liable if the person or company proves that the investor purchased the units with knowledge of the misrepresentation;

3. no person or company (other than the Fund) will be liable if the person or company proves that (i) the Offering Memorandum was delivered to the investor without the person's or company's knowledge or consent and that, on becoming aware of its delivery, the person or company gave reasonable general notice that it was delivered without the person's or company's knowledge or consent, (ii) after delivery of the Offering Memorandum and before the purchase of the units by the investor, on becoming aware of any misrepresentation in the Offering Memorandum, the person or company withdrew the person's or company's consent to the Offering Memorandum and gave reasonable general notice of the withdrawal and the reason for it, or (iii) with respect to any part of the Offering Memorandum purporting to be made on the authority of an expert or to be a copy of, or an extract from, a report, an opinion or a statement of an expert, the person or company had no reasonable grounds to believe and did not believe that there had been a misrepresentation, or the relevant part of the Offering Memorandum did not fairly represent the report, opinion or statement of the expert, or was not a fair copy of, or an extract from, the report, opinion or statement of the expert;

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

5. in an action for damages, the defendant will not be liable for all or any portion of the damages that the defendant proves does not represent the depreciation in value of the units as a result of the misrepresentation relied upon; and

6. in no case will the amount recoverable in any action exceed the price at which the units were sold to the investor.

The summary above is subject to the express provisions of the *Securities Act* (Nova Scotia) and the rules, regulations and other instruments thereunder, and reference is made to the complete text of such provisions contained therein. These provisions may contain limitations and statutory defences on which the Fund may rely.

12.8 Statutory Rights of Action for Investors Resident in Prince Edward Island, Yukon and Northwest Territories

If the Offering Memorandum, together with any amendment to the Offering Memorandum, delivered to an investor resident in Prince Edward Island, Yukon and Northwest Territories contains a misrepresentation and it was a misrepresentation at the time of purchase, the investor will be deemed to have relied upon the misrepresentation and will have a right of action against the Fund, every director of the Fund at the date of the Offering Memorandum and every person who signed the Offering Memorandum (if applicable), for damages or, alternatively, while still the owner of the purchased units, for rescission against the Fund, provided that:

1. no action shall be commenced to enforce the foregoing rights:

    (a) in the case of an action for rescission, more than 180 days after the date of the transaction that gave rise to the cause of action; or

    (b) in the case of any action, other than an action for rescission, more than the earlier of (i) 180 days after the date the investor first had knowledge of the facts giving rise to the cause of the action, or (ii) three years after the date of the transaction that gave rise to the cause of the action;

2. no person or company will be liable if the person or company proves that the investor purchased the units with knowledge of the misrepresentation;

3. no person or company (other than the Fund) will be liable if it proves that (i) the Offering Memorandum was delivered to the investor without the person's or company's knowledge or consent and that, on becoming aware of its delivery, the person or company gave reasonable general notice that it was delivered without the person's or company's knowledge or consent, (ii) after the delivery of the Offering Memorandum and before the purchase of the units by the investor, on becoming aware of any misrepresentation in the Offering Memorandum, the person or company withdrew the person's or company's consent to the Offering Memorandum and gave reasonable general notice of the withdrawal and the reason for it, or (iii) with respect to any part of the Offering Memorandum purporting to be made on the authority of an expert or to be a copy of, or an extract from, a report, an opinion or a statement of an expert, the person or company had no reasonable grounds to believe and did not believe that there had been a misrepresentation, or the relevant part of the Offering Memorandum did not fairly represent the report, opinion or statement of the expert, or was not a fair copy of, or an extract from, the report, opinion or statement of the expert;

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

5. in an action for damages, the defendant will not be liable for all or any portion of the damages that it proves do not represent the depreciation in value of the units as a result of the misrepresentation relied upon;

6. in no case shall the amount recoverable exceed the price at which the units were sold to the investor; and

7. the Fund will not be liable for a misrepresentation in forward-looking information if the Fund proves that:

   (a) the Offering Memorandum contains, proximate to the forward-looking information, reasonable cautionary language identifying the forward-looking information as such, and identifying material factors that could cause actual results to differ materially from a conclusion, forecast or projection in the forward-looking information, and a statement of material factors or assumptions that were applied in drawing a conclusion or making a forecast or projection set out in the forward-looking information; and

   (b) the Fund had a reasonable basis for drawing the conclusions or making the forecasts and projections set out in the forward-looking information.

The summary above is subject to the express provisions of the *Securities Act* (Prince Edward Island), the *Securities Act* (Yukon) and the *Securities Act* (Northwest Territories) and the rules, regulations and other instruments thereunder, respectively, and reference is made to the complete text of such provisions contained therein. These provisions may contain limitations and statutory defences on which the Fund may rely.

12.9 Statutory Rights of Action for Investors Resident in Newfoundland and Labrador

If the Offering Memorandum, together with any amendment to the Offering Memorandum or any record incorporated by reference in, or considered to be incorporated into the Offering Memorandum contains a misrepresentation and it was a misrepresentation at the time of purchase, an investor in the Province of Newfoundland and Labrador has, in addition to any other right that the investor may have under law and without regard to whether the investor relied on the misrepresentation, a right of action for damages against the Fund, every director of the Fund at the date of the Offering Memorandum and every person or company who signed the Offering Memorandum (if applicable), for damages or, alternatively, while still the owner of the purchased units, for rescission against the Fund (in which case the investor will cease to have a right of action for damages), provided that:

1. no action shall be commenced to enforce the foregoing rights:

   (a) in the case of an action for rescission, more than 180 days after the date of the purchase that gave rise to the cause of action; or

   (b) in the case of any action, other than an action for rescission, more than the earlier of: (i) 180 days after the investor first had knowledge of the facts giving rise to the cause of the action; or (ii) three years after the date of the purchase that gave rise to the cause of action;

2. no person or company will be liable if the person or company proves that the investor purchased the units with knowledge of the misrepresentation;

3. no person or company (other than the Fund) will be liable if:

   (a) the person or company proves that the Offering Memorandum was sent to the investor without the person's or company's knowledge or consent and that, on becoming aware of its being sent, the person or company promptly gave reasonable notice to the Fund that it was sent without the knowledge and consent of the person or company;

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

(c) with respect to any part of the Offering Memorandum purporting to be made on the authority of an expert or to be a copy of, or an extract from, a report, an opinion or statement of an expert, the person or company proves that they did not have any reasonable grounds to believe and did not believe that: (i) there had been a misrepresentation; or (ii) the relevant part of the Offering Memorandum did not fairly represent the report, opinion or statement of the expert, or was not a fair copy of, or an extract from, the report, opinion or statement of the expert; and

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

4. in an action for damages, the defendant will not be liable for all or any part of the damages that it proves do not represent the depreciation in value of the units as a result of the misrepresentation; and

5. in no case shall the amount recoverable exceed the price at which the units were offered to the investor under the Offering Memorandum.

The summary above is subject to the express provisions of *the Securities Act* (Newfoundland and Labrador) and the rules, regulations and other instruments thereunder, and reference is made to the complete text of such provisions contained therein. These provisions may contain limitations and statutory defences on which the Fund may rely.

12.10 Contractual Rights of Action of Action For Investors Resident in British Columbia, Alberta and Québec

Although securities legislation in British Columbia, Alberta (depending on the exemption relied upon) and Québec does not provide or require the Fund to provide to investors resident in these jurisdictions rights of action if this Offering Memorandum, any amendment hereto or any document incorporated herein by reference, contains a misrepresentation, in circumstances where such rights are not available under such legislation the Fund hereby grants to such investors the equivalent contractual rights of action as are described above for securityholders resident in Ontario.

ITEM 13: FINANCIAL STATEMENTS

ACM Commercial Mortgage Fund

Financial Statements
December 31, 2018

Independent Auditor's Report

To the Unitholders of ACM Commercial Mortgage Fund (the Fund)

Our opinion

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Fund as at December 31, 2018 and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS).

What we have audited

The Fund's financial statements comprise:

- the statement of financial position as at December 31, 2018;
- the statement of comprehensive income for the year then ended;
- the statement of changes in net assets attributable to holders of redeemable units for the year then ended;
- the statement of cash flows for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies.

Basis for opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report.

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

Independence

We are independent of the Fund in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada. We have fulfilled our other ethical responsibilities in accordance with these requirements.

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Responsibilities of management and those charged with governance for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS, 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.

In preparing the financial statements, management is responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Fund or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Fund's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

(Signed) "PricewaterhouseCoopers LLP"

Chartered Professional Accountants

Vancouver, British Columbia
March 1, 2019

ACM Commercial Mortgage Fund

Statement of Financial Position

As at December 31, 2018

	2018 $	2017 $
Assets		
Current assets		
Cash and cash equivalents	39,332,967	80,853,782
Accrued interest receivable	4,671,775	4,293,709
Restricted cash/cash held in trust	373,259	407,019
Prepaid expenses	23,395	21,656
Investments - at fair value through profit or loss	186,955,719	128,824,142
	231,357,115	214,400,308
Non-current assets		
Investments - at fair value through profit or loss	1,120,162,115	1,083,112,510
Total assets	1,351,519,230	1,297,512,818
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities (note 7)	778,757	1,077,595
Trust liabilities	373,259	407,019
Income distributions payable	7,028,143	5,022,944
Deposits held	419,020	29,000
Subscriptions received in advance of issuance of units (note 5)	14,850,000	-
Redemptions payable (note 5)	2,730,543	19,677,512
Total liabilities (excluding net assets attributable to holders of redeemable units)	26,179,722	26,214,070
Net assets attributable to holders of redeemable units	1,325,339,508	1,271,298,748
Redeemable units outstanding (note 6)	11,730,823.13	11,266,558.05
Net assets attributable to holders of redeemable units per unit	112.98	112.84

Commitments (note 5)

Subsequent events (note 14)

Approved by the Trustee, ACM CMF Services Ltd.

_______________________ Trustee

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

ACM Commercial Mortgage Fund

Statement of Comprehensive Income

For the year ended December 31, 2018

	2018 $	2017 $
Income		
Interest for distribution purposes	57,948,482	47,570,034
Processing and other fees for distribution purposes	1,715,493	1,410,965
Capital gains on sale of investments	318,221	-
Net change in unrealized gain (loss) on investments	1,806,693	(9,445,457)
Total income - net	61,788,889	39,535,542
Expenses		
Portfolio management (note 7)	7,630,795	7,264,033
Fund administration	643,160	751,599
Custodial fees	62,045	92,901
Independent Governance Committee (note 12)	46,545	47,088
Audit	40,116	40,104
Legal	1,710	879
Total expenses	8,424,371	8,196,604
Increase in net assets attributable to holders of redeemable units	53,364,518	31,338,938

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

ACM Commercial Mortgage Fund

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

For the year ended December 31, 2018

	2018 $	2017 $
Net assets attributable to holders of redeemable units - balance at beginning of year	1,271,298,748	1,022,620,630
Increase in net assets attributable to holders of redeemable units	53,364,518	31,338,938
Transactions with holders of redeemable units: (note 6)		
Proceeds from issuance of redeemable units	137,307,760	310,697,967
Distributions declared to holders of redeemable units	(51,557,827)	(40,784,395)
Distributions reinvested in redeemable units	45,142,159	37,525,922
Redemption of redeemable units	(130,215,850)	(90,100,314)
	676,242	217,339,180
Net assets attributable to holders of redeemable units - balance at end of year	1,325,339,508	1,271,298,748

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

ACM Commercial Mortgage Fund

Statement of Cash Flows

For the year ended December 31, 2018

	2018 $	2017 $
Cash provided by (used in)		
Operating activities		
Increase in net assets attributable to holders of redeemable units	53,364,518	31,338,938
Adjustments for items not affecting cash:		
Net change in unrealized (gain) loss on investments	(1,806,693)	9,445,457
Amortization of premium/discount on CMBS and mortgages	116,761	(181,490)
Interest for distribution purposes	(58,065,243)	(47,388,544)
Interest (income) expense	(425)	92,658
Mortgage and bank interest received	57,816,048	46,222,382
Interest paid	(76,013)	(13,151)
Change in operating assets and liabilities	(111,373)	497,257
Mortgages issued and CMBS purchased	(247,085,634)	(356,538,079)
Principal repayments received and CMBS sold	153,742,767	112,972,610
Net cash used in operating activities	(42,105,287)	(203,551,962)
Financing activities		
Proceeds from issuance of redeemable units	152,157,760	298,385,467
Payments on redemption of redeemable units	(147,162,819)	(73,903,122)
Distributions paid to holders of redeemable units	(4,410,469)	(3,343,753)
Net cash provided by financing activities	584,472	221,138,592
Net (decrease) increase in cash and cash equivalents	(41,520,815)	17,586,630
Cash and cash equivalents – Beginning of year	80,853,782	63,267,152
Cash and cash equivalents – End of year	39,332,967	80,853,782

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

ACM Commercial Mortgage Fund

Schedule of Investments

As at December 31, 2018

	Number of investments	Interest rate From %	Interest rate To %	Cost $	Fair value $
Mortgages - maturity					
Term loans					
Less than 1 year	17	3.050	8.000	187,173,519	187,277,678
Greater than 1 year, less than 5 years	79	3.157	7.000	854,381,711	851,736,718
Greater than 5 years, less than 10 years	20	3.249	6.250	259,789,430	260,133,668
	116			1,301,344,660	1,299,148,064
Investment grade CMBS					
Greater than 5 years, less than 10 years	2	5.018	5.145	11,694,619	11,441,719
Total investments (note 10)	118			1,313,039,279	1,310,589,783
Unamortized application fees				(3,471,949)	(3,471,949)
Net investments				1,309,567,330	1,307,117,834

1 Description of the Fund

ACM Commercial Mortgage Fund (the “Fund”) is an unincorporated, open-ended, private mutual fund trust established under the laws of the Province of British Columbia pursuant to a trust agreement (the “Trust Deed”) made as of January 15, 2007, and as amended and restated by agreements dated December 28, 2007, February 12, 2008, and April 20, 2012 that is intended to qualify as a “mutual fund trust” and a “unit trust” under the provisions of the Income Tax Act (Canada). The Fund is offering on a private placement basis an unlimited number of units. The initial offering was completed, via Offering Memorandum, on May 31, 2007, which is the date of inception.

The Trustee of the Fund is ACM CMF Services Ltd. ACM Advisors Ltd. is the Manager of the Fund. The fiscal year-end of the Fund is December 31. Subject to earlier termination in accordance with the Trust Agreement, the Fund shall terminate on January 15, 2087, the 80th anniversary of the date of commencement of the Fund. The head office of the Manager is Suite 210 - 1140 Homer Street, Vancouver, British Columbia, V6B 2X6. The registered office of the Manager is 1000 - 595 Burrard Street, Vancouver, British Columbia, V7X 1S8. The Manager operates three branch offices at 804 - 80 Richmond Street West, Toronto, Ontario M5H 2A4, 400 - 3 Place Ville Marie, Montreal, Quebec H3B 2E3 and 1301 - 1959 Upper Water Street, Halifax, Nova Scotia, B3J 3N2.

The Fund has been established for the purpose of providing stable income through investments primarily in commercial mortgages secured by real estate properties in Canada including retail, office, multi-family residential and industrial properties.

2 Basis of preparation and adoption of IFRS

a) Statement of compliance

These financial statements have been prepared in compliance with International Financial Reporting Standards (“IFRS”) as published by the International Accounting Standards Board (“IASB”).

IFRS 9 ‘Financial Instruments’ became effective for annual periods beginning on or after January 1, 2018. It addresses the classification, measurement and derecognition of financial assets and liabilities and replaces the multiple classification and measurement models in IAS 39.

Classification and measurement of debt assets is driven by the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets. A debt instrument is measured at amortized cost if the objective of the business model is to hold the financial asset for the collection of the contractual cash flows and the contractual cash flows under the instrument solely represent payments of principal and interest (SPPI). A debt instrument is measured at fair value through other comprehensive income if the objective of the business model is to hold the financial asset both to collect contractual cash flows from SPPI and to sell. All other debt instruments, neither held to collect contractual cash flows from SPPI nor held both to collect contractual cash flows from SPPI and to sell, must be recognized at fair value through profit or loss. An entity may however, at initial recognition, irrevocably designate a financial asset as measured at fair value through profit or loss if doing so eliminates or significantly reduces a measurement or recognition inconsistency. Derivative and equity instruments are measured at fair value through profit or loss unless, for equity instruments not held for trading, an irrevocable option is taken to measure at fair value through other comprehensive income. IFRS 9 also introduces a new expected credit loss (ECL) impairment model.

As permitted by the transition provisions of IFRS 9, the Fund elected not to restate comparative period results; accordingly, all comparative period information is presented in accordance with previous accounting policies, as indicated in note 3.

IFRS 9 has been applied by the Fund on January 1, 2018 and did not result in a change to the classification or measurement of financial instruments as outlined in note 3. The Fund's investment portfolio continues to be classified as fair value through profit or loss and other financial assets which are held for collection continue to be measured at amortized cost. There was no material impact on adoption from the application of the new impairment model.

There are no other standards, amendments to standards or interpretations that are effective for annual periods beginning on January 1, 2018 that have a material effect on the financial statements of the Fund.

These financial statements were authorized for issue by the Trustee of the Fund on March 1, 2019.

b) Use of critical accounting estimates and judgments

The preparation of financial statements in conformity with IFRS requires the Manager to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. A significant area requiring the use of estimates is the determination of the fair value of investments and the categorization of investments within the fair value hierarchy. Actual results could differ from those estimates. Note 3 discusses the policies used by management for the estimates used in determining fair value.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognized prospectively in the period in which the estimates are revised and in any future period affected.

3 Summary of significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

a) Financial instruments: Financial assets and financial liabilities

i) Classification

Accounting policies applied until December 31, 2017

Financial assets and financial liabilities are required to be classified into one of the following categories: held-for-trading, fair value through profit or loss ("FVTPL"), available-for-sale, assets held to maturity, loans and receivables, and other financial liabilities.

The FVTPL category has two sub-categories: financial assets or financial liabilities held for trading; and those designated at FVTPL at inception.

Financial assets and liabilities held-for-trading

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

The Fund does not classify any of its investments as held-for-trading.

Financial assets and liabilities designated at FVTPL at inception

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

The Fund classifies and designates all investments in debt securities, which primarily include investments in commercial mortgages and Canadian Mortgage Backed Securities ("CMBS"), as financial assets or liabilities at FVTPL on initial recognition as it manages these securities on a fair value basis in accordance with its documented investment strategy. Internal reporting and performance measurement of these securities are on a fair value basis.

Accounting policies applied since January 1, 2018

The Fund classifies its investments based on both the Fund's business model for managing those financial assets and the contractual cash flow characteristics of the financial assets. The portfolio of financial assets that is managed and performance is evaluated on a fair value basis is neither held to collect contractual cash flows nor held both to collect contractual cash flows and to sell . The Fund is primarily focused on fair value information and uses that information to assess the assets' performance and to make decisions. The Fund has not taken the option to irrevocably designate any equity securities as fair value through other comprehensive income. The contractual cash flows of the Fund's debt securities are solely principal and interest and the collection of contractual cash flows is only incidental to achieving the Fund's business model's objective. Consequently, all investments, which include investments in commercial mortgages and Canadian Mortgage Backed Securities ("CMBS") are measured at fair value through profit or loss.

Investments in financial assets previously designated at fair value through profit or loss

The Fund holds debt securities of $1,307,117,834 (2017 – $1,211,936,652), which had previously been designated at fair value through profit or loss. On adoption of IFRS 9 these securities are mandatorily classified as fair value through profit or loss.

The Fund's obligation for net assets attributable to holders of redeemable units has been presented at the redemption amount and is considered a liability as the units provide investors with the right to require redemption, subject to available liquidity, for cash at a unit price based on the Funds' valuation policies at each redemption date and the Trust Deed has a pre-determined termination date.

All other financial assets and liabilities are carried at amortized cost, which approximates fair value due to their short-term nature.

Cash and cash equivalents consist of cash on deposit with financial institutions.

Restricted cash/cash held in trust and trust liabilities represent amounts held in trust with financial institutions on behalf of certain mortgagors as required by contractual obligations requiring the segregation of cash for purposes of fulfilling the mortgagors' obligations.

ii) Recognition and measurement

Financial assets and financial liabilities at FVTPL are initially recognized on the trade date, which is the date the Fund becomes a party to the contractual provisions of the financial instrument. Other financial assets and financial liabilities are recognized on the date they are originated.

Financial assets and financial liabilities at FVTPL are initially recognized at fair value. Transaction costs are expensed as incurred in the statement of comprehensive income. Financial assets or financial liabilities not at FVTPL are initially recognized at fair value plus transaction costs that are directly attributable to their acquisition or issue.

Subsequent to initial recognition, all financial assets and financial liabilities at FVTPL are measured at fair value at each reporting period. Gains and losses arising from changes in the fair value of the "financial assets or financial liabilities at FVTPL" category are presented in the statement of comprehensive income within other net changes in fair value of financial assets and liabilities a FVTPL in the period in which they arise.

Interest income is recorded on an accrual basis based on coupon rate except for mortgage loans being in default. Interest on mortgages in default would be recognized when received.

The interest for distribution purposes shown on the statement of comprehensive income represents the coupon interest on an accrual basis in addition to yield maintenance received on the early prepayment of a mortgage prior to its maturity date.

Premiums or discounts on the purchases of CMBS are deferred and amortized over the life of the investment. The amortization of premiums or discounts is recorded and included in interest income for distribution purposes on the statement of comprehensive income. The total amortization of premium or discounts on CMBS and mortgages that was recognized in interest for distribution purposes on the statement of comprehensive income in 2018 was $116,761 (2017 - $181,490).

Application fees are deferred and amortized over the term of the underlying mortgage loan and recognized as processing fees and other fees on the statement of comprehensive income. The Fund's deferred and unamortized portion of its application fees is netted against its investments reported at FVTPL on the statement of financial position.

iii) Fair value measurement

The fair value of financial assets and liabilities that are unlisted or non-exchange traded in an active market, including the Fund's investments in commercial mortgages and CMBS, are valued at their fair value as determined by the Fund using appropriate and accepted industry valuation techniques including valuation models. If there is no quoted price in an active market, then the Fund uses valuation techniques that maximize the use of relevant observable inputs and minimize the use of unobservable inputs. The fair value determined using valuation models requires the use of inputs and assumptions based on observable market data including volatility and other applicable rates or prices. Valuation techniques include the use of comparable recent arm's length transactions, reference to other instruments that are substantially the same, discounted cash flow analysis, and other valuation techniques commonly used by market participants and which make the maximum use of observable data and inputs, to the extent practical.

The fair value of the Fund's investments is calculated as the net present value determined by discounting the value of future cash flows at current market interest rates. Current market interest rates are based on the current published yields on risk-free bonds with comparable terms plus observed credit spreads of comparable financial instruments, adjusted as necessary based on current market conditions, related credit activity and pricing trends in the market. CMBS utilize a fair valuation technique using comparable rates. For fixed rate mortgages with a stated interest rate that varies over the term to maturity, an effective fixed rate of interest for the remaining term is used to compute the net present value.

The valuation models used to determine fair values are validated and periodically reviewed by the Manager. Significant inputs to these models include risk-free interest rate and credit spreads. In reviewing the valuation models, the Manager exercises judgments on whether these inputs are market corroborated inputs and therefore considered Level 2 inputs within the fair value hierarchy. The Manager also considers if there are any other inputs which do not meet the criteria of Level 2 inputs such as adjustments to the observed rates and credit spreads.

The resulting values for unlisted or non-exchange traded investments may differ from values that would be determined had a ready market existed, and the difference could be significant.

iv) Derecognition

The Fund derecognizes a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers substantially all risks and rewards of ownership.

On derecognition of a financial asset, the difference between the carrying amount of the asset and the consideration received is recognized in profit or loss. Any interest in such transferred financial assets that is created or retained by the Fund is recognized as a separate asset or liability.

The Fund derecognizes a financial liability when its contractual obligations are discharged or cancelled, or expire.

v) Offsetting

Financial assets and liabilities are offset and the net amount is reported in the statement of financial position only when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Fund or the counterparty. The Fund has not offset any financial assets or financial liabilities in 2018 and 2017.

b) Structured entities

The Fund purchases and invests in CMBS which directly or indirectly represent a participation in, or are secured by and payable from, mortgage loans on real property. The CMBS are created from pools of commercial mortgage loans, including mortgage loans made by various savings and financial or other loan institutions, mortgage bankers, commercial banks and other alternative investment vehicles. The debt and equity securities issued by these securities may include tranches with varying levels of subordination. The CMBS held by the Fund provide a monthly payment which consists of both interest and principal payments.

As at December 31, 2018, the carrying value of the CMBS included in the statement of financial position at fair value is $11,441,719 (2017 - $36,672,856). This amount also represents the maximum exposure to losses at that date.

The net unrealized gain (loss) of the CMBS can be derived based on information from the schedule of investments.

c) Income distributions

The Fund allocates and distributes income in accordance with the terms of the Trust Deed. The Manager calculates the net income of the Fund, for distribution purposes, in accordance with the Income Tax Act (Canada), and provides to the Trustee, on a monthly basis, a calculation of the estimated proportionate share of net income of the Fund applicable to each class of unitholder. The Trustee shall distribute to the unitholders who have selected the cash distribution option, their respective proportionate share of net income of the Fund on the third business day of the following month. All other distributable net income is reinvested in units of the Fund on a monthly basis.

d) Income taxes

The Fund qualifies as a Unit Trust under the Income Tax Act (Canada). Pursuant to the Trust Deed, the Fund distributes 100% of its income for income tax purposes each period to such an extent that the Fund will not be liable for income tax under the Income Tax Act (Canada). Consequently, no provision for income taxes has been made in these financial statements.

4 Unit valuation and valuation date

Units are issued and redeemed at the net assets attributable to holders of redeemable units per unit. As specified in the Trust Deed, net assets attributable to holders of redeemable units per unit is determined monthly as of the close of business on the last day of the month. The unit valuation is calculated by dividing the net assets attributable to holders of redeemable units by the number of units outstanding.

5 Subscriptions and redemptions

Subscriptions are recorded within the statement of changes in net assets attributable to holders of redeemable units, and included in the month following the unitholder's subscription request. Subscriptions will be received subject to prior sale and acceptance of the investor's subscription, in whole or in part (subject to compliance with applicable securities laws), by the Trustee on behalf of the Fund. The subscription price per unit will be an amount equal to the net assets attributable to holders of redeemable units per unit at the end of the calendar month in which the subscription is made, subject to such adjustments as determined by the Trustee in applicable cases.

Unitholders enter into Subscription Agreements to purchase units in the Fund. Units can be purchased either through the unitholders' investment dealer or through the Manager. Units of the Fund will be issued to an investor pursuant to the relevant Subscription Agreement if a Subscription Agreement is received by the Fund and accepted by the Manager and if payment of the subscription price is received by the settlement date of the Fund. An investor who subscribes for Units by executing and delivering a Subscription Agreement will become a unitholder after the Manager accepts such subscription and the Fund has received the subscription amount. Units are issued based on the unit value at the end of the month in which the Subscription Agreements are received by the Fund

Redemptions are recorded as a redemption payable on receipt of the redemption request from the unitholder. The proceeds payable on redemption are based on the number of units redeemed at the net assets attributable to holders of redeemable units per unit determined on the last business day of the calendar month following the receipt by the Manager of a redemption request less any applicable Early Redemption Fee. The Trustee will, within three business days, upon direction by the Manager, arrange for the payment of the value of the units being redeemed.

As at December 31, 2018, the Fund had received additional outstanding requests from institutional unitholders to purchase/redeem units in the amount of $1.7 million (2017 - $14.7 million) to be transferred to/from another fund which is managed by the Manager.

6 Units outstanding

There are seven classes of units, and the number of units that may be issued is unlimited. Each unit represents a proportionate undivided interest in the net assets attributable to holders of redeemable units, and no unit has any preference or priority over any other. Fund units are issued and redeemed in accordance with the Trust Deed at the prevailing net assets attributable to holders of redeemable units per unit.

Changes to the number of units outstanding are summarized as follows:

2018	Balance - Beginning of year	Units issued for cash	Reinvested distributions and transfers	Redemptions	Balance - End of year
Class A	104,744.13	1,058.56	(11,653.70)	(37,764.26)	56,384.73
Class B	291,570.70	17,307.36	(11,551.44)	(90,226.79)	207,099.83
Class C	108,483.06	-	(40,876.68)	(12,115.05)	55,491.33
Class D	4,663.73	-	(3,180.78)	(1,482.95)	-
Class E	1,674.59	-	56.73	-	1,731.32
Class F	1,210,683.74	166,824.18	105,691.13	(258,000.82)	1,225,198.23
Class I	9,544,738.10	1,035,303.39	362,580.28	(757,704.08)	10,184,917.69
	11,266,558.05	1,220,493.49	401,065.54	(1,157,293.95)	11,730,823.13

2017	Balance - Beginning of year	Units issued for cash	Reinvested distributions and transfers	Redemptions	Balance - End of year
Class A	106,374.96	1,795.33	3,365.99	(6,792.15)	104,744.13
Class B	444,758.23	51,833.27	(88,235.17)	(116,785.63)	291,570.70
Class C	156,323.38	-	(32,581.33)	(15,258.99)	108,483.06
Class D	5,898.97	-	158.58	(1,393.82)	4,663.73
Class E	1,756.63	-	54.79	(136.83)	1,674.59
Class F	1,230,332.23	150,780.31	160,928.96	(331,357.76)	1,210,683.74
Class I	7,047,450.44	2,533,551.67	286,292.79	(322,556.80)	9,544,738.10
	8,992,894.84	2,737,960.58	329,984.61	(794,281.98)	11,266,558.05

Each unit, regardless of class, represents a proportionate undivided interest in the Fund.

7 Portfolio management fees and expenses

The Manager receives a fee for portfolio management services provided in accordance with the Trust Deed and based upon the various classes of units subscribed to. This fee is based upon the net asset value of the Fund and is calculated and paid monthly as follows:

i) Class A units - 0.85% per annum

ii) Class B units - 1.05% per annum

iii) Class C units - 1.05% per annum

iv) Class D units - 1.05% per annum

v) Class E units - 1.05% per annum

vi) Class F units - 0.60% per annum

vii) Class I units - such percentage per annum stipulated by the Manager and based upon the amount invested in the Fund by the applicable unitholder; and

viii) Additional Classes units - such percentage per annum stipulated by the Manager and described in any amendment to the Trust Deed by the Trustee to create Additional Classes.

The various services provided by the Manager include the provision of key management personnel to facilitate and assist with the underwriting of mortgage investments, loan administration, and the administration of the Fund. The Manager pays all applicable trailer fees out of the management fees. Management fees payable at December 31, 2018 amounted to $607,196 (2017 - $652,343).

8 Credit facility

The Fund has a line of credit of $50 million available through Scotiabank which is generally used to assist in the financing of day to day liquidity requirements of the Fund. Interest on the facility is charged at Scotiabank prime rate plus 0.25%, and a standby fee of 0.20% per annum on the daily undrawn portion of the facility is paid monthly by the Fund. The facility is secured by a demand debenture of up to $75 million creating a first ranking security interest and charge on all the assets of the Fund. As of December 31, 2018, $nil (2017 - $nil) was drawn on the credit facility.

The facility is subject to periodic review by Scotiabank at its sole discretion.

9 Financial instruments risks

a) Financial risks

The Fund's exposure to financial risks is concentrated in its term loan mortgages, CMBS and short-term investments.

The Manager mitigates these risks by ensuring each term loan mortgage underwritten complies with its Underwriting Criteria and Asset Review Guidelines. The Manager employs and oversees a team of professionals who regularly monitor each of the investments in the Fund. This ongoing monitoring process includes the annual physical inspections of each property and the review by the Manager of the properties' annual financial statements as well as the borrower's compliance with mortgage covenants.

Due diligence on CMBS purchases is undertaken, and only investment grade rated securities are considered for investment. Once CMBS are purchased, CMBS service reports are monitored monthly.

b) Currency risk

All investments are in Canadian dollars. As at December 31, 2018, the Fund did not have any exposure to currency risk (2017 - $nil).

c) Interest rate risk

Interest rate risk is the risk that the fair value of the Fund's interest bearing investments will fluctuate due to changes in market interest rates.

The following table summarizes the maturity dates of the Fund's total interest bearing investments on a fair value basis:

					2018
(in millions)	**< 1 year $**	**1 - 5 years $**	**5 - 10 years $**	**10+ years $**	**Total $**
Investments	187.3	863.2	260.1	-	1,310.6

					2017
(in millions)	**< 1 year $**	**1 - 5 years $**	**5 - 10 years $**	**10+ years $**	**Total $**
Investments	128.9	758.7	291.8	36.2	1,215.6

As at December 31, 2018, if the prevailing interest rates had been raised or lowered by 1%, assuming a parallel shift in the yield curve, with all other factors remaining constant, net assets would decrease or increase, respectively, by approximately $23.3 million (2017 - $23.7 million). The Fund's interest rate sensitivity was determined based on portfolio weighted duration. In practice, actual results may differ from this sensitivity analysis and the difference could be material.

d) Credit risk

Credit risk is the risk that a borrower will fail to meet the financial obligations that it has entered into with the Fund. The total assets of the Fund represent the maximum credit risk exposure.

The ability of a commercial borrower to meet its obligations under a mortgage is generally dependent on the financial performance of the property and the financial strength of the borrower. An increase in vacancy rates, a reduction in potential rental rates, an increase in operating expenses, and/or an increased requirement for capital expenditures may impair a borrower's ability to service the mortgage debt and may have an impact on the value of the property.

Credit risk is mitigated by a number of factors. A portion of the portfolio consists of term loan mortgages in the Fund that amortize, and after the application of the borrower's monthly payment of principal and interest, the principal amount of the mortgage loan outstanding is reduced. In the event of a default under the mortgage, the Fund has the ability to attorn the rents of the tenants of the property and have them pay their rental payments directly to the Fund. In many cases, the Fund has direct recourse to the borrower and the borrower's other assets in the event of a default. The Fund has several remedies available to it in the event of a financial default by the borrower. As at December 31, 2018, all loans were fully compliant and there was no evidence of impairment (2017 - $nil).

CMBS investments in the Fund are investment grade at the time of purchase. As of December 31, 2018, the Fund held CMBS investments with the following credit ratings:

	Number of securities	Number of underlying mortgaged properties	Percentage of total investments %
Debt instruments by credit rating			
BBB	2	2	0.9

Short-term investments are acquired from issuers that meet a minimum credit rating score outlined within the Fund's Trust Deed.

Cash and cash equivalents are held with Canadian financial institutions; therefore, the credit risk with respect to cash and cash equivalent is considered minimal.

Cash and cash equivalents are held with a financial institution with a credit rating by Dominion Bond Rating Service of at least A.

e) Liquidity risk

The Fund will generally hold up to 3% - 10% of the fair value of the Fund in liquid assets such as cash and/or short-term investments that can be readily sold to meet redemption requests. In the case of redemption requests that exceed available liquid investments on hand, the Manager expects these redemptions can generally be met over time through regular monthly receipts of income and principal repayments as well as the maturity and non-renewal of mortgages. Additionally, the Fund has a credit facility in place and may borrow up to $50 million (2017 - $50 million) to meet redemption requests (note 8). At December 31, 2018, the Fund held 3% (2017 - 6%) of its total assets in cash and/or cash equivalents.

f) Concentration and geographic risk

The Manager has established guidelines for borrower concentration and portfolio geographic diversification. As the Fund's net assets grow, the Manager will seek to limit the maximum exposure to any single borrower to 10% of the market value of the total Fund's assets. At December 31, 2018, the maximum exposure to any one borrower was approximately 5.0% (2017 - 4.7%) of the market value of the total investments in the Fund.

The geographic diversification targets in 2018 for the Fund are as follows:

	2018 %	**2017 %**
BC	20-35	10-35
Alberta	10-20	10-25
Ontario	35-55	25-50
Prairies	5-15	5-20
Quebec	10-20	5-20
Atlantic Canada	5-15	5-15

As at December 31, 2018, the Fund's geographic concentration consists of primarily: 33% in BC (2017 - 34%), 4% in Alberta (2017 - 7%), 44% in Ontario (2017 - 43%), 14% in Quebec (2017 - 12%) and 5% in the various other regions throughout Canada (2017 - 4%), respectively.

10 Fair value estimation

Fair value hierarchy

The three levels of the fair value hierarchy are as follows:

- Level 1 - Unadjusted quoted prices in active markets for identical assets or liabilities;
- Level 2 - Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and
- Level 3 - Inputs that are not based on observable market data.

The fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

	Investments at fair value as at 2018			
	Level 1 $	**Level 2 $**	**Level 3 $**	**Total $**
Term loan mortgages	-	1,299,148,064	-	1,299,148,064
CMBS	-	11,441,719	-	11,441,719
	-	1,310,589,783	-	1,310,589,783

	Investments at fair value as at 2017			
	Level 1 $	**Level 2 $**	**Level 3 $**	**Total $**
Term loan mortgages	-	1,178,884,128	-	1,178,884,128
CMBS	-	36,672,856	-	36,672,856
	-	1,215,556,984	-	1,215,556,984

For the years ended December 31, 2018 and 2017, the Fund did not have any significant transfers between levels of the fair value hierarchy.

The Fund recognized a net change in unrealized gain on investments of $1.8 million in 2018 (2017 - (loss - $9.4 million)) reported in the statement of comprehensive income.

11 Capital management

The Fund is not subject to externally imposed capital requirements.

The capital of the Fund is represented by the net assets attributable to the holders of redeemable units. The amount of net assets attributable to the holders of redeemable units can vary significantly on a monthly basis, as the Fund is subject to monthly subscriptions and redemptions at the discretion of unitholders, as well as changes resulting from the Fund's performance. Unitholders are entitled to distributions and their proportionate share of the Fund's net asset value.

The Fund's objective is to generate and provide stable income flows through investments primarily in commercial mortgages while preserving investor capital. The Fund is invested in a diversified portfolio of commercial mortgages secured by retail, office, industrial and multi-family income-producing properties located in urban and suburban markets across Canada.

The statement of changes in net assets attributable to holders of redeemable units reflects the movement in the Fund's overall growth. In accordance with its investment objectives and strategies, and the risk management practices outlined in note 9, the Fund's objective is to continue to invest the subscriptions received in appropriate qualifying investments while maintaining sufficient liquidity to meet the Fund's operating requirements.

12 Independent Governance Committee

On September 30, 2015, an Independent Governance Committee (the "IGC") was formed to contribute to the governance and oversight of the Fund.

The IGC's key responsibilities are to review potential conflict of interest matters relating to the Fund, review proposed material changes to the Fund's trust agreement, and receive and review the Fund's reporting and annual audited financial statements.

13 New accounting standards and interpretations not yet adopted

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning after January 1, 2018, and have not been early adopted in preparing these financial statements. None of these are expected to have a material effect on the financial statements of the Fund.

14 Subsequent events

As at December 31, 2018, there was \$2.7 million (2017 - \$19.7 million) in outstanding redemption requests that was subsequently redeemed by the Fund post year-end. Further, the Fund issued units in January 2019 with respect to total outstanding new subscription and income distribution reinvestment requests of \$41.3 million (2017 - \$26.8 million) received as at December 31, 2018.

ITEM 14: DATE AND CERTIFICATE

Dated: April 30, 2019

This offering memorandum does not contain a misrepresentation.

BY THE ISSUER

ACM COMMERCIAL MORTGAGE FUND

Per: (Signed) "Chad Mallow"
Chad Mallow, in the capacity of
President and Chief Executive Officer

Per: (Signed) "Colin Young"
Colin Young in the capacity of
Chief Financial Officer

BY THE TRUSTEE

ACM CMF SERVICES LTD., in its capacity as Trustee

Per: (Signed) "Gordon Allan"
Gordon Allan, Director

Per: (Signed) "Chad Mallow"
Chad Mallow, Director

Per: (Signed) "Allan Collings"
Allan Collings, Director

Per: (Signed) "Chad Mercer"
Chad Mercer, Chief Operating Officer

BY THE MANAGER AND PROMOTER

ACM ADVISORS LTD., in its capacity as Manager and Promoter

Per: (Signed) "Gordon Allan"
Gordon Allan, Director

Per: (Signed) "Chad Mallow"
Chad Mallow, Director

Per: (Signed) "Allan Collings"
Allan Collings, Director

Per: (Signed) "Chad Mercer"
Chad Mercer, Chief Operating Officer

You will find additional information about ACM Advisors Ltd. at www.acma.ca.

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