

This Offering Memorandum constitutes an offering of securities only in those jurisdictions and to those persons where and to whom they may be lawfully offered for sale. This Offering Memorandum is not, and under no circumstances is to be construed as, a prospectus or advertisement or a public offering of these securities. 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.

OFFERING MEMORANDUM
(Form 45-106F2)



WESTBRIDGE CAPITAL PARTNERS INCOME TRUST

Date: May 1, 2019

Issuer Name: Westbridge Capital Partners Income Trust (the “Fund”)

Head Office: #110, 318 Wellman Lane
Saskatoon, Saskatchewan S7T 0J1
Phone: (306) 668-1919
Email: information@westbridgecapital.ca

Currently Listed or Quoted? **These securities do not trade on any exchange or market.**

Reporting Issuer? No.

SEDAR Filer? No, other than as required pursuant to section 2.9 of National Instrument 45-106 *Prospectus Exemptions*. The Fund is not a reporting issuer and does not file continuous disclosure documents on SEDAR that are required to be filed by reporting issuers.

The Offering

Securities Offered: Series A trust units of the Fund (“**Series A Units**”), Series F trust units of the Fund (“**Series F Units**”), Series I trust units of the Fund (“**Series I Units**”) and Series M trust units of the Fund (“**Series M Units**”), and together with the Series A Units, the Series F Units and the Series I Units, the “**Units**”). No fractional Units will be issued, and any fractional Units that a subscriber would otherwise be entitled to will be rounded down to the nearest whole Unit.

Price per Security: \$10.00 per Unit.

Minimum/Maximum Offering: The Fund is seeking to raise \$100,000,000, in one or more closings, through the issuance of up to 10,000,000 Units, in any combination of Series of Units, but the Administrator, on behalf of the Fund, may determine to raise more than this amount. **There is no minimum offering. You may be the only purchaser. Funds available pursuant to the Offering may not be sufficient to accomplish the Fund's proposed objectives.**

Minimum Individual Subscription: \$10,000. The Administrator may waive the minimum investment requirement in certain circumstances.

Payment Terms: Certified cheque or bank draft payable to the Fund, in trust, in the amount of the total purchase price of the Units being purchased, together with a fully completed Subscription Agreement. **See Item 5.2 – Subscription Procedure.**

Proposed Closing Date: The Initial Closing is expected to occur on February 28, 2019 and subsequent Closings will occur monthly on or about the last business day of the month or from time to time at the discretion of the Administrator on behalf of the Fund.

Tax Consequences: There are important tax consequences to these securities. **See ITEM 6 – Income Tax Consequences and Eligibility for Investment.**

Selling Agent: Yes. Where permitted by securities legislation, the Fund may compensate securities dealers or agents by paying them an initial commission on the gross proceeds realized on the sale of Units, and/or a trailing commission based on the aggregate amount of subscriptions that remains invested in the Fund. **See ITEM 7 – Compensation Paid to Dealers and Agents.**

Resale Restrictions: **Units purchased pursuant to the Offering are subject to restrictions on resale. You will be restricted from selling your Units for an indefinite period. See ITEM 10 – Resale Restrictions.**

Redemption Units are redeemable at the option of the holder. The Units are intended to be held continually for the proposed minimum period. Accordingly, the Declaration of Trust provides that the following discounts to the net asset value (“NAV”) redemption price will be applied to Units that are redeemed prior to the proposed minimum period as set out below:

Series A Units, Series F Units and Series I Units:

<u>Redeemed</u>	<u>Discount</u>	<u>Redemption Amount</u>
During months 0 – 12	10% of NAV	90% of NAV
After 12 months	None	100% of NAV

Series M Units:

<u>Redeemed</u>	<u>Discount</u>	<u>Redemption Amount</u>
During months 0 – 12	15% of NAV	85% of NAV
During months 13 – 24	12% of NAV	88% of NAV
During months 25 – 36	9% of NAV	91% of NAV
During months 37 – 48	6% of NAV	94% of NAV
During months 49 – 60	3% of NAV	97% of NAV
After 60 months	None	100% of NAV

See Item 5.1 – Terms of Securities.

Purchasers' Rights: You have two business days after you sign your agreement to purchase these securities to cancel such agreement. If there is a misrepresentation in this Offering Memorandum, you have the right to sue either for damages or to cancel the agreement. **See ITEM 11 – Purchasers' Rights of Action.**

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 risky investment. See ITEM 8 – Risk Factors.

TABLE OF CONTENTS

	Page
ITEM 1 USE OF AVAILABLE FUNDS	2
1.1 Available Funds.....	2
1.2 Use of Available Funds	2
1.3 Reallocation.....	3
ITEM 2 BUSINESS OF THE FUND.....	3
2.1 Structure.....	3
2.2 Our Business.....	6
2.3 Development of Business	12
2.4 Long Term Objectives	12
2.5 Short Term Objectives	12
2.6 Insufficient Proceeds.....	13
2.7 Material Agreements	13
ITEM 3 TRUSTEES, DIRECTORS, MANAGEMENT, PROMOTERS AND PRINCIPAL HOLDERS.....	20
3.1 Compensation and Securities Held.....	20
3.2 Management and Principal Unitholder Experience.....	21
3.3 Penalties, Sanctions and Bankruptcy	22
ITEM 4 CAPITAL STRUCTURE	22
4.1 Unit Capital.....	22
4.2 Long Term Debt	23
4.3 Prior Sales.....	23
ITEM 5 SECURITIES OFFERED	23
5.1 Terms of Securities	23
5.2 Subscription Procedure	27
ITEM 6 INCOME TAX.....	28
6.1 Status of the Fund.....	28
6.2 Taxation Principles Applicable to the Fund.....	29
6.3 Taxation Principles Applicable to the Partnership.....	29
6.4 Taxation of the Fund	29
6.5 Unitholders	30
ITEM 7 COMPENSATION PAID TO SELLERS AND FINDERS.....	32
ITEM 8 RISK FACTORS.....	32
ITEM 9 REPORTING OBLIGATIONS	37
9.1 Continuous Disclosure Requirements.....	37
ITEM 10 RESALE RESTRICTIONS	37
10.1 General Statement	37
10.2 Restricted Period.....	37
10.3 Manitoba Resale Restrictions	38
ITEM 11 PURCHASERS' RIGHTS.....	38
ITEM 12 FINANCIAL STATEMENTS	44
SCHEDULE A – GLOSSARY	A-1
SCHEDULE B – TERM SHEET FOR PARTNERSHIP LOANS	B-1

FORWARD LOOKING STATEMENTS

Certain statements in this Offering Memorandum as they relate to the Fund and its operations are “forward-looking statements”. Any statements that express or involve discussions with respect to predictions, expectations, beliefs, plans, projections, objectives, assumptions or future events or performance (often, but not always, using words or phrases including, but not limited to, “expects”, “does not expect”, “is expected”, “anticipates”, “does not anticipate”, “plans”, “estimates”, “believes”, “does not believe” or “intends”, or stating that certain actions, events or results may, could, would, might or will be taken, occur or be achieved) are not statements of historical fact and may be “forward-looking statements”. Forward-looking statements contained in this Offering Memorandum include, but are not limited to, statements with respect to: use of proceeds of the Offering; the structure of the Fund; the business to be conducted by the Fund; long term and short term objectives; timing and payment of distributions; the Fund's investment objectives and strategy; terms of the Partnership Loans; and results of investments and the methods of funding.

Forward-looking information contained in this Offering Memorandum is based on certain factors and assumptions which have been used to develop such information but which may prove to be incorrect. Although the Fund believes that the factors and assumptions upon which the forward-looking information is based are reasonable, it cannot guarantee future results. These assumptions are subject to, and may be materially influenced by, business, economic and political forces. In addition to other factors and assumptions identified in this Offering Memorandum, assumptions have been made regarding, among other things, the stability of the general economic and political environment in which the Fund and the Partnership operate, treatment of the Fund and the Partnership under governmental regulatory regimes (including tax laws), the business to be conducted by the Partnership, including its investment strategies, and the ability and timing of the Fund to make distributions to its unitholders.

Forward-looking statements in this Offering Memorandum are based on expectations, estimates and projections at the time the statements are made that involve a number of risks and uncertainties which could cause actual results or events to differ materially from those presently anticipated. These include, but are not limited to, the risks of the business of the Fund identified under *Item 8 – Risk Factors*.

The Fund does not undertake any obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as expressly required by law.

MARKET AND INDUSTRY DATA

Unless otherwise indicated, the economic and industry data contained in this Offering Memorandum is based upon information from independent industry and government publications. While the Administrator believes this data to be reliable, market and industry data is subject to variation and cannot be verified due to limits on the availability and reliability of raw data, the voluntary nature of the data gathering process and other limitations and uncertainties inherent in any statistical survey. None of the Fund, the Administrator, the General Partner or the Manager has independently verified the accuracy or completeness of such information contained herein.

MARKETING MATERIALS INCORPORATED BY REFERENCE

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

DEFINED TERMS

Certain capitalized terms used in this Offering Memorandum are defined in Schedule “A” - Glossary of Terms.

ITEM 1 USE OF AVAILABLE FUNDS

1.1 Available Funds

		Assuming Minimum Offering ⁽¹⁾	Assuming Maximum Offering
A	Amount to be raised by the Offering	\$0	\$100,000,000
B	Selling commissions and fees ^{(2) (3)}	\$0	\$2,000,000
C	Estimated Offering costs (e.g. legal and accounting fees)	\$50,000	\$300,000
D	Available funds: $D = A - (B+C)$	\$(50,000)	\$97,700,000
E	Additional sources of funding required ⁽⁴⁾	\$50,000	\$0
F	Working capital deficiency	\$0	\$0
G	Total: $G = (D+E) - F$	\$0	\$97,700,000

Notes:

- (1) There is no minimum offering amount.
- (2) The Fund may compensate securities dealers or agents by paying them an initial commission of up to 4.0% of the gross proceeds realized on the sale of Units for soliciting subscriptions for Units and/or a trailing commission of up to 1% per annum of the aggregate amount that remains invested in the Fund. The type and amount of commission payable will depend on the Series of Units sold by the securities dealer or agent and the particular arrangement in place between the Manager (on behalf of the Fund) and the dealer or agent. See *ITEM 7 – Compensation Paid to Dealers and Agents*.
- (3) No commission will be payable on any Units subscribed for by the directors or officers of the Manager and Administrator. The selling commissions payable by the Fund will be reduced accordingly, resulting in an increase in the net proceeds available to the Fund, to the extent such individuals participate in the Offering.
- (4) If no proceeds are raised under the Offering, the Fund will pay for the costs associated with preparing for the Offering using cash currently on hand.

1.2 Use of Available Funds

	Description of intended use of available funds listed in order of priority	Assuming Minimum Offering ⁽¹⁾	Assuming Maximum Offering
(a)	The net proceeds of the Offering will be used by the Fund to acquire limited partnership units in the Partnership, which will in turn invest such proceeds by making Partnership Loans ⁽²⁾ .	\$0	\$97,000,000
(b)	Retained in the Fund for general and administrative expenses in connection with the operation of the Fund.	\$0	\$700,000
(c)	Total	\$0	\$97,700,000

Notes:

- (1) There is no minimum offering amount. If no proceeds are raised under the Offering, the Fund will not be able to meet its planned objectives for the proceeds of the Offering as described herein. See *Item 2.4 – Long Term Objectives* and *Item 2.5 – Short Term Objectives*.
- (2) The Fund's current and future investments are and are expected to be in companies in which the Administrator and Manager has significant equity investments or controls. See *Item 2.2 – Our Business*.

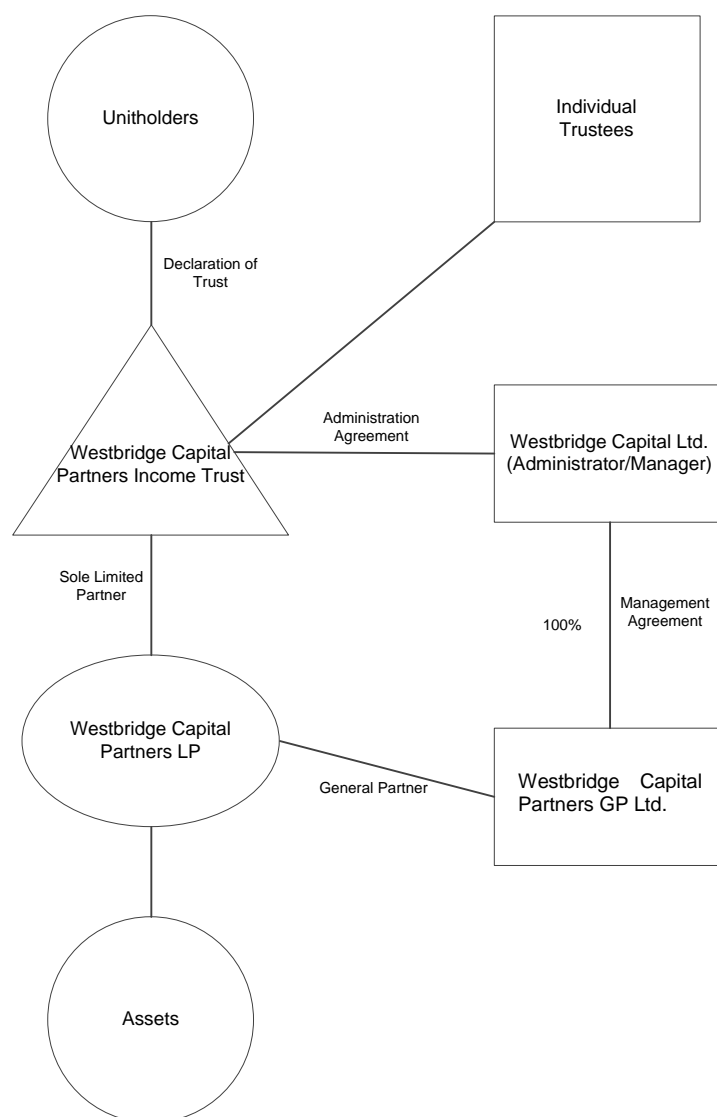
1.3 Reallocation

The Fund intends to spend the available funds as stated. The Fund will reallocate funds only for sound business reasons.

ITEM 2 BUSINESS OF THE FUND

2.1 Structure

The following diagram sets out the organizational structure of the Fund:



The Fund

The Fund is an unincorporated open-ended trust established under the laws of the Province of Alberta pursuant to a Declaration of Trust dated January 30, 2017. The Declaration of Trust was amended and restated effective as of January 31, 2019 (as so amended and restated, the “**Declaration of Trust**”). The Fund is not a mutual fund under applicable securities laws, but is a “mutual fund trust” for the purposes of the Tax Act.

Pursuant to the Declaration of Trust, the Fund's activities are restricted to activities including:

- (a) acquiring, holding, transferring, disposing of, investing in, lending to, and otherwise dealing with, assets, securities (whether debt or equity) and other interests or properties of whatever nature or kind of (except for real property or an interest in real property unless any such real property or interest in real property is capital property of the Fund, within the meaning of the Tax Act), or issued by, any Person (including the Partnership) and making such other investments as the Trustees determine;
- (b) borrowing funds and issuing debt securities for the purposes, directly or indirectly, set forth in paragraph (a) above;
- (c) disposing of all or any part of the Fund property, including, without limitation, any securities set forth in paragraph (a) above;
- (d) temporarily holding cash in interest bearing accounts, short-term government debt or investment grade corporate debt for the purposes of the Fund's activities, including paying administration and trust expenses, paying any amounts required in connection with the redemption of Units and making distributions to holders of Units;
- (e) issuing Units and other securities of the Fund (including warrants, options, debentures, subscription receipts or other rights to acquire Units or other securities of the Fund which are convertible or exchangeable for Units (directly or indirectly)), for the purposes of:
 - (i) obtaining funds to conduct the activities described above, including raising funds for further acquisitions;
 - (ii) repayment of any indebtedness or borrowings of the Fund;
 - (iii) establishing and implementing unitholder rights plans, distribution reinvestment plans, Unit purchase plans, incentive option plans or other compensation plans, if any, established by the Fund; and
 - (iv) making non-cash distributions to holders of Units as contemplated by the Declaration of Trust including distributions pursuant to distribution reinvestment plans, if any, established by the Fund;
- (f) issuing debt securities or convertible debt securities and borrowing money or incurring any other form of indebtedness for the purpose of carrying out the purposes of the Fund or for other expenses incurred in connection with the Fund and engaging in any means of financing the Fund, the Partnership or any other Person controlled, directly or indirectly, by the Fund;
- (g) guaranteeing, indemnifying or acting as surety for the obligations of the Partnership pursuant to any indebtedness for borrowed money, credit facilities, including letters of credit, bankers' acceptances and other similar financing or security arrangements or any other obligation incurred by such entity in good faith for the purpose of carrying on its business, and pledging securities of and mortgaging, charging or granting security interests in any property of the Fund, including the

trust property of the Fund as security for any obligation of the Fund, including obligations under any such guarantee, indemnity or surety and entering into subordination or other arrangements or agreements in relation thereto;

- (h) granting security in any form, over any or all of the trust property of the Fund to secure any or all of the obligations of the Fund;
- (i) repurchasing or redeeming securities of the Fund, including Units, subject to the provisions of the Declaration of Trust and applicable law;
- (j) paying costs, fees and expenses associated with the foregoing purposes or incidental thereto;
- (k) carrying out any of the transactions, and entering into and performing any of the obligations of the Fund under any agreements contemplated by the Declaration of Trust;
- (l) engaging in all activities ancillary or incidental to any of those activities set forth above; and
- (m) undertaking such other activities or taking such actions including investing in securities as shall be approved by the Trustees from time to time,

provided that the Fund shall not, in any event, undertake any activity, take any action, or make any investment which would result in the Fund not being considered a “unit trust” or a “mutual fund trust” (where the Fund would otherwise qualify as a mutual fund trust) for purposes of the Tax Act. See *Item 2.7 - Material Agreements - The Declaration of Trust*.

The rights and obligations of the Unitholders and the Trustees are governed by the laws of the Province of Alberta and the Declaration of Trust, a copy of which is available from the Fund upon request.

The Partnership

The Partnership is an open-end limited partnership established under the laws of the Province of Alberta pursuant to the Limited Partnership Agreement dated January 30, 2017.

The partners of the Partnership are the General Partner, as the general partner of the Partnership, and the Fund, as the sole limited partner. See *Item 2.7 – Material Agreements – The Limited Partnership Agreement*. The General Partner is responsible for the management and control of the Partnership. The General Partner, on behalf of the Partnership, has retained the Manager to carry out the duties of the General Partner under the Limited Partnership Agreement and has delegated to the Manager the power and authority to manage and direct the day to day business, operations and affairs of the Partnership.

The Administrator and the Manager

The Fund is administered by the Administrator and the Partnership is managed by the Manager. Westbridge Capital Ltd., a corporation incorporated under the laws of the Province of Saskatchewan on September 7, 2007, is acting as both the Administrator and the Manager. The Administrator will provide management and general administrative services to the Fund pursuant to the Declaration of Trust and the Administration Agreement. See *Item 2.7 – Material Agreements – The Administration Agreement*. The Manager will provide and perform the day to day operations of the Partnership and provide certain administrative, management and governance services as may be required or advisable from time to time in order to administer, manage and govern the operations of the Partnership pursuant to the terms of the Limited Partnership Agreement and the Management Agreement. See *Item 2.7 – Material Agreements - The Management Agreement*.

The shares of Westbridge Capital Ltd. are held by entities controlled by Michael Meekins and Dan Kemmer. The Manager is an affiliate of the General Partner, as it owns all of the issued and outstanding shares of the General Partner.

The Administrator and Manager controls or has a significant equity interest in the companies in which the Fund is expected to be indirectly investing. See *Item 2.2 – Our Business – Conflict of Interest* and *ITEM 8 – Risk Factors – Conflict of Interest*.

2.2 Our Business

Business of the Fund

The business of the Fund is to invest in limited partnership units of the Partnership, which allows the Fund and its subscribers to, through such investment, participate in a return stream generated by the Partnership. The Partnership generates its return stream by carrying on the Business, which includes advancing Partnership Loans to operating or real estate holding entities to be identified by the Manager, which will have, among other things, a demonstrated ability to generate sustainable cash flow. The Partnership will invest for the purpose of being actively involved in the management of the companies in which it invests.

The cash distributions to the holders of Units will be entirely dependent on the ability of the Partnership to make distributions on its partnership units to the Fund. The Partnership's ability to make distributions on its partnership units is in turn dependent on the ability of investee companies to make interest payments on the Partnership Loans that the Partnership intends to make, which is dependent on the business operations of such entities. The existing Partnership Loans have been advanced to companies in which the Administrator and Manager controls or has a significant equity investment, and future Partnership Loans are expected to be advanced to similar entities. See *ITEM 8 – Risk Factors*.

The Administrator and Manager is a private equity management company in continuous operations under the same management team since September 2007. Over this period the Manager has made investments in a diverse range of assets, thereby acquiring experience and expertise in the process. The Administrator and Manager's activities have also served to establish relationships with related industry professionals thereby extending its own capabilities with expert advice as needed.

The Fund's mandate is to indirectly through the Partnership invest in high-yield debt that, after expenses, generates income to the Fund sufficient to support regular monthly distributions that, when annualized, achieve an 8% annual cash distribution (as a percentage of Unitholders' invested capital). The terms of the Partnership Loans will contain a combination of fees and/or fixed rate of interest payable monthly that are intended to allow for an expected annual total return to Unitholders of 11% (10.75% for holders of Series M Units and 10% for holders of Series A Units, which entitle dealers and agents who solicit subscriptions of Series M Units or Series A Units to a trailing commission of 0.25% per annum and 1% per annum, respectively – see *ITEM 7 – Compensation Paid to Sellers and Finders*) and largely offset the offering costs of the Fund. Notwithstanding the expectations and business objectives of the Fund, there is no guaranteed return on an investment in Units and investors may not receive back their initial investment. The anticipated returns on Units are subject to a number of risks which may cause actual results to differ materially from anticipated results. See *ITEM 8 - Risk Factors*.

To achieve the Fund's stated objectives it focuses its investments in investees that it deems sufficiently creditworthy and to structure such investments to support its primary obligation to Unitholders. An investee that is an operating company must, at a minimum, meet the following financial criteria at the time of investment:

- (a) an established history of generating positive earnings from business operations sufficient to meet all of its capital improvement requirements and debt service obligations, with a reasonable margin; or

- (b) if the company is based in an industry or geography prone to cyclicalities, it demonstrates the ability to preserve sufficient profits to meet all of its capital improvement requirements and debt service obligations, with a reasonable margin, while adverse cyclical dynamics persist.

In addition, an investee that is an operating company must meet the following governance criteria either at the time of investment by the Partnership or immediately following such investment:

- (a) a capable and committed management team whose interests are aligned with shareholders through direct equity participation or some other means of incentive compensation that is directly tied to growth in earnings;
- (b) a governance structure that includes a capable board of directors with an audit committee and a compensation committee;
- (c) a governance process that approves annual capital and operating budgets with regular (quarterly) reviews of management's performance in relation to such approved plans and budgets; and
- (d) produce internal financial statements on a monthly basis consistent with GAAP and annual financial statements subject to review or audit by an approved external accounting firm.

An investee that is a non-operating company (primarily income producing real estate holding companies) must, at a minimum, meet the following criteria either at the time of investment, in respect of historical financial results, or immediately following the investment, in respect of tenancy and leases:

- (a) an established history of generating positive earnings from real estate lease income sufficient to meet all of its capital improvement requirements and debt service obligations, with a reasonable margin; and
- (b) in the event of new development, a committed tenancy plan that can be reasonably estimated, using the best available data, to generate positive earnings from real estate lease income or real estate sales proceeds sufficient to meet all of its capital improvement requirements and debt service obligations, with a reasonable margin.

Terms of the Partnership Loans

Attached as Schedule "B" is a term sheet which sets out the terms of the Partnership Loans that the Partnership has made to-date and expects to make in the future, and which constitute the indirect income stream for the Fund. The Partnership Loans currently include, among other things, the following attributes:

- (a) costs of loan borne by the borrower;
- (b) a fixed interest rate or a combination of interest rates and fees, that in either case generates a total loan yield to maturity of up to 13.75%;
- (c) governance rights, including a board appointment right and certain negative covenants restricting management of the investee from taking actions that could reasonably be expected to adversely affect the Fund's investment without prior approval of the Fund;
- (d) where possible and appropriate, security in the form of a general security agreement over the assets of the investee (which will be subordinated to the security of the primary lender, if any), a real property mortgage, a share pledge, or other form of security arrangement satisfactory to the Manager; and
- (e) loan term of 1-5 years, subject to early retirement at the discretion of the Manager.

The Partnership Loans will have a higher yield than the anticipated yield on Units. Such additional amounts will be used for general and administrative expenses and to pay for offering costs, management fees and audit, legal and other professional fees.

Conflicts of Interest

Conflicts of interest could arise as a result of the relationships among the Fund, the Partnership and the Administrator and Manager. The Fund and the Partnership do not have any employees and they are and will continue to be dependent on the Administrator and Manager for management, administrative and operating services in connection with their respective investments, businesses and affairs. See *Item 2.2 – Our Business* and *Item 2.7 – Material Agreements*.

The Fund will be indirectly investing, through the Partnership making Partnership Loans, the proceeds of the Offering into high-yield debt securities of companies that the Administrator and Manager controls or in which it has a significant equity interest. As such, conflicts of interest may arise between the Administrator and Manager, on the one hand, in its capacity as an equity holder in its portfolio companies, and the Fund and Partnership, on the other hand, as a debt holder in such companies. Michael Meekins and Dan Kemmer are directors of the Administrator and Manager, Trustees of the Fund and control the entities that are Shareholders of the Administrator and Manager. The directors and officers of the Administrator and the Manager have fiduciary duties to manage the Administrator and Manager, including its investment in portfolio companies. As such, the duties of the directors and officers of the Administrator and Manager may come into conflict with their duties as a Trustee.

In addition, the Administrator and Manager and its directors, officers and shareholders will continue to engage in business activities that are not related to the business of the Fund and which may be in competition to the underlying businesses in which the Fund will be indirectly investing.

In order to manage these conflicts at the point of loan origination and during the term of the loans, the Fund will observe the following procedures:

- (a) Conflict at Loan Origination – the Administrator and Manager acknowledges that the terms of the Partnership Loans advanced by the Partnership may be a source of conflict between the Fund and the Administrator and Manager. As such, all of the terms of the Partnership Loans will contain the terms as set out above under “*Terms of Partnership Loans*”.
- (b) Conflict During Loan Term – The Administrator and Manager intends to minimize these occurrences by adherence to the lending guidelines described herein and careful ongoing monitoring of the borrower. However, instances may arise where a borrower has difficulty making payments when due or where other conflicts arise. In instances where a conflict arises between the interests of the Administrator and Manager and the Fund, the matter will be referred to a committee of one or more Independent Trustees of the Fund, who will adjudicate the situation and make a recommendation to the Administrator and Manager in accordance with the terms of the Declaration of Trust as set out under *Item 2.7 – Material Agreements – Declaration of Trust*. The Independent Trustee of the Fund has been chosen for his business experience. See *ITEM 3 – Trustees, Directors, Management, Promoters and Principal Holders*.

Illustrative Investments

Since the inception of the Fund and the Partnership in January 2017, the Partnership has made five Partnership Loans using proceeds from the Fund’s investment in limited partnership units. All five of these loans meet the criteria for Partnership Loans set out above under “*Business of the Fund*”, as required. One of these loans has been repaid in full, while the other four remain outstanding and are earning interest in accordance with their terms. The following summaries of these Partnership Loans is intended to be illustrative of the types of Partnership Loans the Fund expects to indirectly invest in with the

proceeds of the Offering; however, there is no assurance that future Partnership Loans will achieve similar results.

- (a) **Loan to Canadian Tarpaulin Manufacturers Ltd. (“CanTarp”).** CanTarp is a Saskatchewan-based manufacturer and distributor of industrial fabrics serving the agricultural, mining, construction, industrial and recreational sectors. The company enjoys more than 30 years of continuous operations. The Partnership acquired the following loan to CanTarp from the Administrator and Manager:

- Loan advanced: May 1, 2017
- Loan acquired by the Partnership: June 30, 2017
- Loan amount: \$300,000
- Interest rate: 13.75%
- Term: 12 months
- Principal returned: November 30, 2017
- Loan performance: all payments made as per initial schedule
- Status of CanTarp: Administrator and Manager portfolio company

- (b) **Loan to TerraTrust Inc.** TerraTrust Inc. is a real estate developer focused on the design and construction of complete residential neighborhoods and purpose-built buildings. TerraTrust Inc.’s current projects are located in Saskatchewan and New Brunswick. The Partnership made the following loan to TerraTrust Inc.:

- Loan advanced: June 30, 2017
- Loan amended: April 1, 2018⁽¹⁾
- Loan amount: \$626,100
- Interest rate: 10.29%
- 3% annual maintenance fee
- Term: 60 months
- Loan performance: all payments made as per initial schedule
- Status of TerraTrust Inc.: Administrator and Manager portfolio company

- (c) **Loan to Propulsion Capital Ltd.** Propulsion Capital Ltd. offers merchant services as one of the top independent contractors in Canada for First Data. First Data is one of the world’s largest merchant service providers:

- Loan advanced: June 30, 2017
- Loan amended: April 1, 2018⁽¹⁾
- Loan amount: \$261,000
- Interest rate: 10.29%
- 3% annual maintenance fee
- Term: 60 months
- Loan performance: all payments made as per initial schedule
- Status of Propulsion Capital Ltd.: Administrator and Manager portfolio company

¹ Amended to replace the loan’s fully-funded, one-time lender commitment fee of 15% with annual maintenance fees of 3% to be fully-funded upon the advance of the loan and each anniversary of that date thereafter for the term of the loan.

(d) **Loan to ABODA Acquisition Company, Inc. (“ABODA”).** ABODA is an indirect subsidiary of the Administrator and Manager that was created to acquire ABODA, Inc., a leading provider of temporary corporate housing based in the United States. On November 30, 2017 the Partnership made the following loan to ABODA in connection with its acquisition of ABODA Inc., which closed on the same day:

- Loan advanced: November 30, 2017
- Loan amended: January 11, 2018⁽²⁾, April 1, 2018⁽¹⁾⁽²⁾, April 4, 2019⁽²⁾⁽³⁾
- Loan amount: \$13,110,000 (including all additional advances – see note (2) below)
- Interest rate: 10.29% with respect to the first and second additional advances, and 12.75% with respect to the third and fourth additional advances
- 3% annual maintenance fee
- Term: 60 months
- Loan performance: all payments made as per initial schedule
- Status of ABODA: indirect subsidiary of the Administrator and Manager

(e) **Second loan to ABODA Acquisition Company, Inc.**

- Loan advanced: April 1, 2018
- Loan amount: \$650,000
- Interest rate: 12.75%
- Term: 60 months
- Loan performance: all payments made as per initial schedule
- Status of ABODA: indirect subsidiary of the Administrator and Manager

(f) **Second Loan to Canadian Tarpaulin Manufacturers**

- Loan advanced: November 29, 2017
- Loan acquired by the Partnership: June 29, 2018
- Loan amount: \$1,125,000
- Interest rate: 13.75%
- Term: 60 months
- Loan performance: all payments made as per initial schedule
- Status of CanTarp: Administrator and Manager portfolio company

(g) **Third loan to ABODA Acquisition Company, Inc.**

- Loan advanced: July 9, 2018
- Loan amount: \$1,310,000
- Loan amended: May 1, 2019⁽⁴⁾
- Interest rate: 10.29% from July 9, 2018 to April 29, 2019 and 12.75% beginning on April 30, 2019 and continuing thereafter
- 3% annual maintenance fee until May 1, 2019 and no maintenance fee thereafter
- Term: 60 months
- Loan performance: all payments made as per initial schedule
- Status of ABODA: indirect subsidiary of the Administrator and Manager

² Amended to include additional advances by the Partnership to the borrower.

³ Amended to replace the loan's interest rate from 10.29% to 12.75% per annum with respect to the additional advances.

⁴ Amended to replace the loan's interest rate from 10.29% to 12.75% per annum beginning on April 30, 2019 and continuing thereafter and to remove the 3% maintenance fee.

(h) **Loan to Kavia Auto Body Inc.**

- Loan Advanced: January 18, 2019
- Loan Amount: \$2,100,000
- Interest rate: 10.29%
- 3% annual maintenance fee
- Term: 60 months
- Loan performance: all payments to date made as per initial schedule
- Status of Kavia Auto Body Inc.: Administrator and Manager portfolio company

Since its inception in September 2007, in addition to the loans made on behalf of the Fund, the Administrator and Manager has syndicated eight investments. The previous syndications can be broadly categorized into three groups: (1) two land syndications where the Administrator and Manager identified the land parcel(s), arranged for their purchase through syndication then acted as the developer on behalf of the unitholders, (2) two early stage (start-up) enterprises where the Administrator and Manager syndicated a unit offering to fund operations that contained both debt and equity components to compensate participants for the greater degree of risk, and (3) four mature operating entities that meet the Partnership Loan criteria set out above under "*Business of the Fund*". The total amount of syndicated investment associated with this historical portfolio is \$54,900,000. The information regarding the portfolio companies set out below includes only the subset of the historical portfolio that could be considered as qualifying for the Fund. In each instance the Administrator and Manager, albeit in a different capacity, syndicated and arranged loans with similar attributes as those currently held by the Fund. While the Administrator and Manager believes that information concerning the debt financings in which it has participated in the past is helpful information to potential investors in the Offering in terms of providing analogues for the types of investments the Fund will participate in, there is no assurance that the current or future investments of the Fund will achieve similar results.

(a) **Original Loan to Canadian Tarpaulin Manufacturers Ltd.:**

- Loan advanced: Sept 4, 2009
- Loan Amount: \$5,000,000
- Interest rate: 9%
- Term: 60 months
- Principal returned: Sept 4, 2014
- Loan performance: all payments made as per initial schedule
- Status: Administrator and Manager portfolio company

(b) **Loan to Synergy Sports Group Inc. ("Synergy")** – Synergy is one of Saskatchewan's largest retailers of sporting goods and related services. The company enjoys 60 years of continuous operations. The Administrator and Manager facilitated the following loan on behalf of Synergy:

- Loan advanced: Jan 31, 2012
- Loan Amount: \$4,275,000 (in conjunction with JOAL)
- Interest rate: 8.25%
- Term: 60 months
- Principal returned: Jan 31, 2017
- Loan performance: all payments to date made as per initial schedule
- Status: Administrator and Manager portfolio company

- (c) **Loan to JOAL Developments Ltd. ("JOAL")** – JOAL is a real estate holding company in Saskatchewan that was acquired simultaneous with the acquisition of Synergy. The Administrator and Manager facilitated the following loan on behalf of JOAL:

- Loan advanced: Jan 31, 2012
- Loan Amount: \$4,275,000 (in conjunction with Synergy)
- Interest rate: 8.25%
- Term: 60 months
- Principal returned: Jan 31, 2017
- Loan performance: all payments made as per initial schedule
- Status: Administrator and Manager Portfolio Company

- (d) **Bioriginal Food & Science Corp. ("Bioriginal")** – Bioriginal provides complete nutritional solutions to the food and nutraceutical industries. With over 20 years of global expertise, Bioriginal has carved out a niche by scientifically combining nutritional ingredients from all over the world, directly from the source, to create unique and efficacious solutions. Bioriginal is headquartered in Saskatchewan with facilities throughout the USA, Europe and Asia. The Administrator and Manager facilitated the following loan on behalf of Bioriginal:

Loan advanced: April 1, 2013
Loan Amount: \$5,335,000
Interest rate: 9.5%
Term: 60 months
Principal returned: September 5, 2014, retired prior to maturity
Loan performance: all payments made as per initial schedule
Status: Acquired by Omega Protein Corporation (NYSE:OME)

The total principal amount of these historical loans is \$14,610,000, with a weighted average interest rate of 8.96%. All payments were made on schedule, with the exception of Bioriginal, where the loan principal was retired early.

2.3 Development of Business

Since its inception in January 2017, the Fund has raised a total of \$15,995,570 through private placements of Series M Units, and has invested approximately \$15.3 million of this amount in the Partnership. See *Item 2.2 – Our Business – Illustrative Investments* for a description of the Partnership Loans that have been made using the proceeds of the funds raised by the Fund. The Fund has arranged short term borrowing facilities with related parties to allow for the provision of loans between closings.

2.4 Long Term Objectives

The Fund's long term objective is to continue to indirectly invest, through the Partnership making Partnership Loans, its assets in high-yield debt securities and use the interest earned thereon to make distributions to Unitholders. In order to accomplish this objective, the Fund must successfully raise capital through the Offering for subsequent investment in the Partnership.

2.5 Short Term Objectives

The Fund's primary objective for the next 12 months is to seek out subscribers for the Units and to indirectly invest, through the Partnership making Partnership Loans, the funds raised by the Offering in high-yield debt securities. The following table sets out the timeline and anticipated costs to complete the Fund's short term objectives.

What We Must Do and how we will do it	Target Completion Date or if not known, number of months to complete	Our Costs to Complete
Complete the Offering and invest in limited partnership units of the Partnership, which will in turn use such proceeds to make Partnership Loans	8 months	\$2,300,000

Note: Assuming an offering of \$100,000,000.

2.6 Insufficient Proceeds

The available funds raised from this Offering will be invested in limited partnership units of the Partnership, which will in turn use such proceeds to make Partnership Loans. The Fund does not intend to hold any significant cash reserves other than those amounts necessary to pay administrative expenses incurred by the Fund. In some instances, the Fund may temporarily retain cash from a distribution from the Partnership in order to ensure regular distributions or redemptions. There is no minimum amount under the Offering, and there is no assurance that alternative sources of funding will be available to the Fund. Therefore, if no proceeds are raised under the Offering, the Fund will not be able to invest in limited partnership units of the Partnership.

2.7 Material Agreements

The following material agreements have been entered into on behalf of the Fund:

- 1. The Amended and Restated Declaration of Trust dated January 31, 2019 between the Trustees and all persons who were holders of Units as of such date or become holders of Units from time to time.**

Trustee Powers and Unitholder Approval

Pursuant to the Declaration of Trust, the Trustees have full and absolute power, control and authority over the property of the Fund and over the affairs of the Fund (subject to the delegation to the Administrator described below) to do all such acts and things as in the Trustees' sole judgment and discretion are necessary or incidental to, or desirable for, carrying out the trust created under the Declaration of Trust. Notwithstanding the foregoing, the Trustees are not entitled under any circumstances, without the approval of Unitholders by Special Resolution, to vote the securities of the Partnership (where such vote is required pursuant to the Limited Partnership Agreement) to authorize:

- any merger, amalgamation, arrangement, reorganization, recapitalization, business combination or similar transaction involving the Partnership, except in conjunction with an internal reorganization of the direct or indirect assets of the Fund or the Partnership as a result of which the Fund or the Partnership, as the case may be, has the same interest that it had prior to the reorganization; or
- any material amendment to the Limited Partnership Agreement in a manner prejudicial to the Fund.

Except as expressly prohibited by law, the Trustees are entitled to grant or delegate to the Administrator or any such other Person, such authority as the Trustees may in their sole discretion deem necessary or desirable to effect the actual administration of the duties of the Trustees under the Declaration of Trust. The Trustees have delegated the administration of the Fund to the Administrator pursuant to the Administration Agreement, the key terms of which are described below.

Distributions

- (a) The Trustees may, on or before each distribution record date in respect of any distribution period determined at the discretion of the Trustees, declare payable to the Unitholders, all or any part of the Net Cash Flow of the Fund for the applicable distribution period. The Trustees shall determine the distributable Net Cash Flow of the Fund for each Series of Units to arrive at the Series Pool of each Series of Units, and in doing so may take into account, at the sole discretion of the Trustees, factors including, but not limited to, assets, liabilities, revenues, commissions, costs, expenses, or any transaction unique to each Series of Units. Distributions of the Net Cash Flow of the Fund, if any, will be made at the times and in the amounts to be determined in the sole discretion of the Trustees.
- (b) The Trustees shall withhold a portion of the Series Pool to pay any commissions applicable to such Series of Units. Each Unitholder of such Series shall then be allocated a portion of the remainder of the Series Pool of such Series based on their Sharing Ratio.
- (c) In addition to the distributions described in the above paragraph (a), the Trustees may declare to be payable and make distributions to Unitholders, from time to time, out of income of the Fund, Net Realized Capital Gains, the capital of the Fund or otherwise, in any year, in such amount or amounts, and on such dates as the Trustees may determine.
- (d) Having regard to the present intention of the Trustees to allocate, distribute and make payable to Unitholders all of the income of the Fund, Net Realized Capital Gains and any other applicable amounts so that the Fund will not have any liability for tax under Part I of the Tax Act in any taxation year, the following amounts shall, without any further actions on the part of the Trustees, be due and payable to Unitholders of record on December 31 in each such year:
 - (i) an amount equal to the amount, if any, by which the income of the Fund for such year exceeds the aggregate of the portions, if any, of each distribution made by the Fund as described in the two preceding paragraphs (a) and (c) which have been determined by the Trustees, to have been payable by the Fund out of income of the Fund for such year; and
 - (ii) an amount equal to the amount, if any, by which the Net Realized Capital Gains of the Fund for such year exceeds the aggregate of the portions, if any, of each distribution made by the Fund as described in the two preceding paragraphs (a) and (b) which have been determined by the Trustees, to have been payable by the Fund out of Net Realized Capital Gains for such year except to the extent of Net Realized Capital Gains in respect of which the tax payable by the Fund would be refunded as a "capital gains refund" as defined in the Tax Act (and in applicable provincial tax legislation) for the taxation year of the Fund ending in such Fiscal Year.
- (e) The share of each holder of Units of the amount of any distribution made pursuant to either or both of paragraph 2.7(c) and 2.7(d) immediately above shall be determined in the same manner as distributions of distributable Net Cash Flow of the Fund as set forth in paragraph 2.7(a) immediately above, on the applicable distribution record date in respect of a distribution referred to in paragraph 2.7(c) immediately above or on December 31 in respect of a distribution referred to in paragraph 2.7(d) immediately above.

Purchase for Cancellation

The Trustees have the right to cause any or all of the Units held by a Unitholder to be repurchased for cancellation by the Fund by delivering notice to the Unitholder 30 days prior to the repurchase. The purchase price for the Units shall be equal to the NAV Per Unit on the last business day of the most recently completed fiscal quarter. Upon the notice and a cheque for the aggregate purchase price being

deemed given to the Unitholder, the Fund shall be discharged from all liability to the Unitholder in respect of the Units purchased, and all rights of the Unitholder in and to the Units shall terminate, except any liability to pay any distributions then declared but not yet paid.

Conflict of Interest

The Declaration of Trust will provide that before the Trustees may approve any of the following matters (whether or not the same also requires any approval by the Unitholders), the Trustees shall first refer such matter to the Independent Committee for a recommendation:

- (a) any material agreement to be entered into between the Administrator and Manager and its affiliates, on the one hand, and the Fund, on the other hand, that is outside the ordinary course of business;
- (b) any action taken in response to the default by a borrower to covenants contained in the terms of the Partnership Loans where such borrower is an affiliate of the Administrator and Manager;
- (c) any material change to the Declaration of Trust, the Limited Partnership Agreement, the Administration Agreement or the Management Agreement which includes, for greater certainty, any increase in management fees or other amounts payable by the Fund or the Partnership thereunder or material change in the rights and obligations of the respective parties; and
- (d) any other situation determined by the Trustees, in their sole discretion, where the interests of the Administrator, Manager or its affiliates, on the one hand, and a Westbridge Capital Partners Entity, on the other hand, come into conflict, whether by reason of a material contract, material transaction, other interests or position held by any Trustee, officer or director of the Administrator or Manager or its affiliates or otherwise.

Trustees may have other interests or associations of whatever nature or kind. For further certainty, and without limitation, and without affecting or limiting a Trustee's duties and responsibilities or the limitations, rights and indemnities provided by the Declaration of Trust, each Trustee is expressly permitted: (a) to be an associate, affiliate, security holder, director, officer, trustee, employee, agent or consultant of, or otherwise involved with, a Person from or to whom assets of the Fund or of its associates or affiliates have been or are to be purchased or sold; (b) to be a Person, or to be an associate, affiliate, security holder, director, officer, trustee, employee, agent or consultant of (or otherwise involved with) a Person, with whom the Fund or its associates or affiliates contracts or deals or which supplies services to the Fund or its associates or affiliates; (c) to acquire, hold and dispose of, for such Trustee's own account, any property (real, personal, tangible or intangible) even if such property is of a character which could be held by the Fund, and to exercise all rights of an owner of such property as if such Trustee were not a Trustee; (d) to acquire, hold and sell Units as principal, or as an affiliate or associate of or fiduciary for any other Person, and to exercise all rights of a holder thereof as if such Trustee was not a Trustee; and (e) to have business interests of any nature and to continue such business interests while a Trustee.

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

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

Power of Attorney

Pursuant to the Declaration of Trust, each Unitholder will grant to the Trustees a power of attorney constituting the Trustees with full power of substitution, as such Unitholder's true and lawful attorney to act on his, her or its behalf, with full power and authority in his, her or its name and to execute, swear to, acknowledge, deliver, make or file or record when, as and where required:

- (a) the Declaration of Trust and any other instrument required or desirable to qualify, continue and keep in good standing the Fund as a "mutual fund trust" within the meaning of the Tax Act;
- (b) any instrument, deed, agreement or document in connection with carrying on the affairs of the Fund as authorized in the Declaration of Trust including all conveyances, transfers and other documents required in connection with any disposition of Units required under the Declaration of Trust;
- (c) all conveyances, transfers and other documents required in connection with the dissolution, liquidation or termination of the Fund in accordance with the terms of the Declaration of Trust;
- (d) any and all elections, determinations or designations whether jointly with third parties or otherwise, under the Tax Act or any other taxation or other legislation or similar laws of Canada or of any other jurisdiction in respect of the affairs of the Fund or of a Unitholder's interest in the Fund;
- (e) any amendment to the Declaration of Trust which is authorized from time to time by the Trustees and which does not require a Special Resolution; and
- (f) all transfers, conveyances and other documents required to facilitate the acquisition of Units and/or securities convertible into Units of non-tendering offerees pursuant to the provisions of the Declaration of Trust concerning take-over bids.

The power of attorney granted pursuant to the Declaration of Trust is, to the extent permitted by applicable law, irrevocable and will survive the assignment by the Unitholder of all or part of the Unitholder's interest in the Fund.

See *Item 5.1 - Terms of Securities* and *Item 2.1 Structure - The Fund* for a description of further terms contained in the Declaration of Trust.

2. The Administration Agreement dated January 30, 2017 between the Administrator and the Fund.

Pursuant to the Administration Agreement, the Fund has retained the Administrator as the administrator of the Fund, with exclusive authority to administer the Fund. The Trustees have delegated to the Administrator the management and general administration of the affairs of the Fund which shall include, among other things, responsibility for the following:

- (a) undertaking any matters required by the terms of the Declaration of Trust to be performed by the Trustees, which are not otherwise delegated in the Declaration of Trust or the Administration Agreement and generally provide all other services as may be necessary or as requested by the Trustees for the administration of the Fund;
- (b) assisting the Trustees in making all determinations necessary for the discharge of the Trustees' obligations under the Declaration of Trust;
- (c) preparing all returns, filings and documents and making all determinations necessary for the discharge of the Trustees' obligations under the Declaration of Trust; and
- (d) monitor the Fund's status as a mutual fund trust for purposes of the Tax Act and use commercially reasonable steps to provide the Trustees with written notice when the Fund ceases or is at risk of ceasing to be such a mutual fund trust.

The Administrator will not receive any fees for such services but will be reimbursed for all expenses incurred in carrying out its obligations or duties under the Administration Agreement.

Permitted Interests

The Administrator and its directors and officers, as well as their respective affiliates and associates, are permitted to have business and other interests or associations of whatever nature or kind apart from their activities related to the Fund. The Fund and the Administrator have each acknowledged that there are and will continue to be potential or actual interests of the Administrator and its directors and officers, or their respective associates or affiliates, including conflicts of interest, with respect to interests held by, and/or contractual arrangements or transactions involving, one or more of the Administrator, the Administrator's directors and officers, the Fund or the Trustees, and any of the respective affiliates and associates of any of them, and the Fund has agreed that: (a) subject to the provisions of the Declaration of Trust, the Administrator's directors and officers (or their respective associates or affiliates), is expressly permitted to derive direct or indirect benefit, profit or advantage from time to time as a result of dealing with the Fund of its affiliates or as a result of the relationships, matters, contracts, transactions, affiliations or other interests whatsoever which it or they (as the case may be) may have, and the Administrator, one or more of the Administrator's directors and officers, or their respective associates or affiliates (as the case may be) shall not be liable in law or equity to pay or account to the Fund, its affiliates or to any Unitholders for any direct or indirect, profit or advantage derived nor, in such circumstances, will any contract or transaction be void or voidable at the instance of the Fund or any Unitholder or any other Person; and (b) interests of the Administrator or the Administrator's directors and officers (or their respective associates or affiliates), including any conflicts of interest, will not form the basis for any claim against the Administrator, the Administrator's directors and officers or any respective affiliate or associate thereof, or their respective shareholders, directors, officers or employees, or for any attempt to challenge or attack the validity of any contract, transaction or arrangement (or renewal, extension or amendments of same), in each case, provided that the Administrator has otherwise exercised its powers and discharged its duties under the Administration Agreement honestly and in good faith.

3. The Limited Partnership Agreement dated January 30, 2017 among the General Partner, the Fund and each party from time to time admitted as a limited partner of the Fund.

Powers, Duties and Restrictions of the General Partner

Subject to the *Partnership Act* (Alberta) and to the limitations expressly set forth in the Limited Partnership Agreement, the General Partner has the exclusive authority to direct and manage the affairs of the Partnership, with full power and authority to administer, manage, control and operate the business and affairs of the Partnership and to do any act, take any proceedings, make any decisions and execute and deliver any instrument, deed, agreement or document necessary for or incidental to carry on the business of the Partnership for and on behalf of the Partnership. However, the authority of the General

Partner is restricted to the powers enumerated in the Limited Partnership Agreement and specifically the General Partner will not:

- (a) dissolve the Partnership other than in accordance with the Limited Partnership Agreement;
- (b) carry on any business other than the Business and activities ancillary or incidental to or related thereto; or
- (c) enter into any partnership, joint venture, syndicate or other form of organization to carry on any business other than the Business.

The General Partner is entitled to enter into an agreement with any Person to enable or assist it to carry out its management obligations to the Partnership at the expense of the Partnership. The General Partner, on behalf of the Partnership, has entered into the Management Agreement with the Manager, the key terms of which are disclosed below. The Partnership will reimburse the General Partner for all reasonable expenses incurred by it in providing services under the Limited Partnership Agreement.

The General Partner is not required to make any contribution to the capital of the Partnership and is entitled to a 0.001% Partnership Interest in consideration for acting as the General Partner.

The following powers are only exercisable by a special resolution of the Limited Partners, meaning a resolution approved by more than 2/3 of the votes cast by Limited Partners in person or represented by proxy at a duly constituted meeting of Limited Partners or by written resolution:

- (a) sell, lease, transfer, assign or otherwise dispose of any of the Partnership's interests or properties to the General Partner or any of its affiliates;
- (b) any sale, lease or disposition of all or substantially all of the assets of the Partnership, except in conjunction with an internal reorganization of the Partnership as a result of which the Partnership or its affiliates has the same interest, whether direct or indirect, in the assets as the interest, whether direct or indirect, that it had prior to the reorganization;
- (c) removing the General Partner and electing a new general partner as provided for under the Limited Partnership Agreement;
- (d) authorizing a merger, amalgamation, arrangement, reorganization, recapitalization, or a similar transaction involving the Partnership;
- (e) authorizing the winding-up, liquidation or dissolution of the Partnership;
- (f) waiving any default on the part of the General Partner on such terms as the Limited Partners may determine;
- (g) amending, modifying, altering or repealing any special resolution previously passed by the Limited Partners;
- (h) subject to the provisions of the Limited Partnership Agreement permitting the General Partner to make certain amendments, amending the Limited Partnership Agreement; and
- (i) requiring the General Partner on behalf of the Partnership to enforce any obligation or covenant on the part of any Limited Partner.

No amendment may be made which changes (i) the manner in which income of the Partnership is allocated to the Partners, (ii) the liability of any Limited Partner or (iii) the voting rights of any Limited Partner, in each case without the approval of all Partners. No amendment may be made which affects the

General Partner, including the fees and expenses of the General Partner set forth in the Limited Partnership Agreement, without the approval of the General Partner.

Distributions

Except as otherwise provided in the Limited Partnership Agreement, all distributions to partners of the Partnership shall be made in accordance with their respective Partnership Interest as of the date thereof. The General Partner shall distribute such portion of the Partnership's cash on hand, at such time, for such period, and in such amounts as it may determine, in its sole discretion, provided that no distributions shall be made unless the General Partner has reasonable grounds for believing that:

- (a) after making the distribution, the Partnership will have sufficient assets to satisfy all liabilities of the Partnership; and
- (b) the Partnership would be, is, or would after the distribution, able to pay its liabilities as they become due.

Any distributions shall be made:

- (a) after the General Partner has satisfied all current liabilities, including payment of any debt obligations incurred by the Partnership; and
- (b) after providing for the fixed fee, as hereinafter described, payable to the Manager.

Distributions to Partners may be made either in cash, or subject to compliance with applicable securities legislation, in securities held by the Partnership.

Dissolution

The Partnership will be dissolved upon the occurrence of the following events:

- (a) the election of the General Partner to dissolve the Partnership, if approved by a special resolution of the Limited Partners;
- (b) any sale, lease or disposition of all or substantially all of the assets of the Partnership if approved by a special resolution of the Limited Partners, except in conjunction with an internal reorganization of the Partnership as a result of which the Partnership or its affiliates has the same interest, whether direct or indirect, in the assets as the interest, whether direct or indirect, that it had prior to the reorganization; or
- (c) the removal or resignation of the General Partner unless the General Partner is replaced as provided in the Limited Partnership Agreement.

4. The Management Agreement dated January 30, 2017 among the Manager, the Partnership and the General Partner.

Pursuant to the Management Agreement, the General Partner, on behalf of the Partnership, has appointed the Manager as the manager of the Partnership with exclusive authority to manage the operations and affairs of the Partnership and to make all decisions regarding the business of the Partnership. The Manager has agreed to be responsible for the management and general administration of the affairs of the Partnership, including, among other things:

- (a) undertaking any matters required by the terms of the Limited Partnership Agreement to be performed by the General Partner and generally provide all other services as may be necessary or as requested by the General Partner for the administration of the Partnership;

- (b) assisting the General Partner in making all determinations necessary for the discharge of the General Partner's obligations under the Limited Partnership Agreement; and
- (c) preparing all returns, filings and documents and making all determinations necessary for the discharge of the General Partner's obligations under the Limited Partnership Agreement.

The Manager shall be reimbursed for all expenses incurred in carrying out its obligations or duties under the Management Agreement. In consideration for the services rendered by the Manager, the General Partner, on behalf of the Partnership, has agreed to pay a fixed management fee to the Manager equal to 1% of the Net Asset Value of the Partnership. The fixed fee in respect of any particular fiscal year of the Partnership will be calculated at the start of such fiscal year and adjusted on a quarterly basis and will be paid monthly in advance on the first business day of each month following the commencement of such fiscal year.

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

3.1 Compensation and Securities Held

The following table sets out information about each Trustee of the Fund, director and executive officer of the Administrator, each promoter of the Fund and each Person who owns or who is anticipated to own (following completion of the Offering), directly or indirectly, 10% or more of any class of voting securities of the Fund:

Name and Municipality of Principal Residence	Positions Held and Date of Obtaining that Position	Compensation Paid by the Fund in the 2017 Financial Year and anticipated to be paid in 2018⁽¹⁾	Number, Type and Percentage of Securities of the Fund held after Completion of Minimum Offering	Number, Type and Percentage of Securities of the Fund held after Completion of Maximum Offering
Michael Meekins Saskatoon, Saskatchewan	Trustee of the Fund since January 30, 2017; President and Director of the Administrator and Manager since 2007	Nil	106,321 Series M Units ⁽²⁾ 6.65%	Up to 200,000 Units ⁽⁴⁾ 1.72%
Dan Kemmer Saskatoon, Saskatchewan	Trustee of the Fund since January 30, 2017; Director of the Administrator and Manager since 2008	Nil	94,306 Series M Units ⁽³⁾ 5.90%	Up to 200,000 Units ⁽⁴⁾ 1.72%
Mike Crabtree Saskatoon, Saskatchewan	Independent Trustee of the Fund since January 30, 2017	Nil ⁽⁵⁾	5,000 Series M Units ⁽⁶⁾ 0.31%	5,000 Series M Units ⁽⁶⁾ 0.04%
Keith Beuker ⁽⁷⁾	>10% Unitholder	Nil	230,000 Series M Units ⁽⁷⁾ 14.38%	Undetermined ⁽⁸⁾

Notes:

- (1) It is not anticipated that Messrs. Meekins and Kemmer will receive any direct compensation from the Fund. The Manager will be entitled to receive a management fee from the Partnership. See *Item 2.7 Material Agreements - The Management Agreement*.
- (2) Mr. Meekins currently holds 106,321 Series M Units, both directly and indirectly through personal holding companies, family trusts, and/or other entities owned and controlled by him.
- (3) Mr. Kemmer currently holds 94,306 Series M Units, both directly and indirectly through personal holding companies, family trusts, and/or other entities owned and controlled by him.
- (4) Messrs. Meekins and Kemmer intend to subscribe for additional Units with the intention to hold up to 200,000 Units each. The timing of such subscriptions will depend upon the capital requirements of the Fund and the number of Units subscribed for by third party subscribers and therefore such Units may be acquired following the Initial Closing.
- (5) The Fund pays Mr. Crabtree a fee of \$12,000 per year (subject to annual review) for acting as an Independent Trustee. Mr. Crabtree received no compensation for acting as an Independent Trustee until the Fund achieved \$10 million in assets in June 2018.
- (6) Mr. Crabtree has subscribed for 5,000 Series M Units through a personal holding company, Light House Consulting Ltd.
- (7) Keith Beuker currently holds 30,000 Series M Units personally, and a further 200,000 Series M Units through 101245228 Saskatchewan Ltd., an entity of which Mr. Beuker is the beneficial owner of, or controls, more than 50% of the voting rights. Neither Mr. Beuker nor 101245228 Saskatchewan Ltd. is affiliated or associated with the Trustees, the Manager or the Administrator.
- (8) The participation of Mr. Beuker and/or 101245228 Saskatchewan Ltd. in the Offering is unknown.

3.2 Management and Principal Unitholder Experience

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

Name	Principal Occupation and Related Experience
Michael Meekins	<p>Michael is a co-founder of Westbridge Capital Ltd., a Canadian private equity firm. He has served as President and CEO of Westbridge since 2007. For the two decades prior to the formation of Westbridge, Michael was actively involved in the Canadian telecommunications industry, initially as Vice President of WorldxChange Communications and finally as President and CEO of Modern Digital Communications Inc. Michael was a finalist in the 2003 Ernst & Young, Entrepreneur of the Year awards.</p> <p>Michael is a board member of Westbridge Capital Ltd, 101184840 Saskatchewan Ltd. (formerly Quickthree Solutions Inc.), Canadian Tarpaulin Manufacturers Ltd., Synergy Sports Group Inc., JOAL Developments Ltd., Bio Holdings Inc., TerraTrust Inc., Reside Worldwide Inc., ABODA Acquisitions Company, Inc., ABODA Inc., ABODA Realty Group Inc., and Kavia Auto Body Inc. Michael is a former board member of Bioriginal Food & Science Corporation.</p> <p>Michael is a Trustee of the River Bend Income Trust and Western Horizons Land Income Trust.</p>
Dan Kemmer	<p>Dan is the founder and former President and CEO of Canadian Tarpaulin Manufacturers. Over 33 years Dan built Canadian Tarpaulin into a thriving enterprise serving both domestic and international markets. Dan is a founding shareholder of Westbridge Capital Ltd.</p> <p>Dan is a board member of Westbridge Capital Ltd, 101184840 Saskatchewan Ltd. (formerly Quickthree Solutions Inc.), Canadian Tarpaulin Manufacturers Ltd., Synergy Sports Group Inc., JOAL Developments Ltd., Bio Holdings Inc., TerraTrust Inc., Reside Worldwide Inc., and Kavia Auto Body Inc. Dan is a former board member of Bioriginal Food & Science Corporation.</p> <p>Dan is a Trustee of the River Bend Income Trust and Western Horizons Land Income Trust.</p>

Name	Principal Occupation and Related Experience
Mike Crabtree	<p>Mike has over 30 years' experience in oil and gas industry in the drilling, completion and production sectors with global experience in Africa, the Middle East, Latin America and North America. His career focus has been largely in operations and new technology development.</p> <p>Mike holds a degree in Chemistry and an MSc in Petroleum Engineering and is currently President of the Saskatchewan Research Council. Mike previously served as COO at Carbon Engineering Inc. in Calgary, Alberta. Prior to this, he was the founder and CEO of Oilflow Solutions Inc. prior to this he held various senior executive roles within Schlumberger. In addition to business development and leadership, he has international experience in converting research and development into fully commercial technology.</p> <p>Mike currently serves on the board of The Canadian Heavy Oil Association (CHOA) and The Petroleum Research Council (PTRC) and is the Chairman of the board at both 101184840 Saskatchewan Ltd. (formerly Quickthree Solutions Inc.) and Wellfoam Inc.</p>

3.3 Penalties, Sanctions and Bankruptcy

No Trustee, no director, executive officer or control person of the Administrator and Manager, and no issuer of which a Trustee or director, executive officer or control person of the Administrator and Manager was a director, executive officer or control person at the time, has, within the ten years prior to the date of this Offering Memorandum, been subject to any penalties or sanctions or been declared bankrupt or made a voluntary assignment in bankruptcy, made a proposal under any legislation relating to bankruptcy or insolvency or been subject to or instituted any proceedings, arrangement, or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold the assets of that individual.

ITEM 4 CAPITAL STRUCTURE

4.1 Unit Capital

Description of Security	Number Authorized to be Issued	Price per Unit	Number Outstanding as at May 1, 2019	Number outstanding after Minimum Offering	Number outstanding after Maximum Offering
Series A Units	Unlimited	\$10.00	Nil	Nil	Undetermined ⁽¹⁾
Series F Units	Unlimited	\$10.00	Nil	Nil	Undetermined ⁽¹⁾
Series I Units	Unlimited	\$10.00	Nil	Nil	Undetermined ⁽¹⁾
Series M Units	Unlimited	\$10.00	1,599,557	1,599,557	Undetermined ⁽¹⁾
TOTAL (all Series)	Unlimited	\$10.00	1,599,557	1,599,557	11,599,557

Notes:

- (1) The number of each Series of Units outstanding after the maximum offering cannot be determined prior to the Offering because the Offering may consist of the issuance of any combination of Series of Units, up to a maximum offering amount of \$100,000,000.

4.2 Long Term Debt

As of the date hereof, the Fund has no long term debt.

4.3 Prior Sales

The following table sets forth a description of the previously issued Units since the formation of the Fund.

Date of Issuance	Type of Security Issued	Number of Securities Issued	Price Per Security Issued	Total Funds Received
January 30, 2017	Series M Units	1	\$10	\$10
June 30, 2017	Series M Units	159,430	\$10	\$1,594,300
November 30, 2017	Series M Units	533,500	\$10	\$5,335,000
March 29, 2018	Series M Units	240,800	\$10	\$2,408,000
June 29, 2018	Series M Units	354,151	\$10	\$3,541,510
January 17, 2019	Series M Units	159,279	\$10	\$1,592,790
January 18, 2019	Series M Units	80,000	\$10	\$800,000
February 28, 2019	Series M Units	29,190	\$10	\$291,900
March 29, 2019	Series M Units	17,103	\$10	\$171,030
April 30, 2019	Series M Units	26,103	\$10	\$261,030
TOTAL	Series M Units	1,599,557	\$10	\$15,995,570

ITEM 5 SECURITIES OFFERED

5.1 Terms of Securities

Units of the Fund

The Fund's objective is to raise an aggregate of \$100,000,000 through the sale of Units under the Offering, but there is no minimum or maximum number of Units issuable pursuant to the Offering and the Administrator, on behalf of the Trust, may decide to raise more than this amount. The Offering may be comprised of any combination of Series A Units, Series F Units, Series I Units, and Series M Units. Following the completion of the Offering, the Fund may issue additional Units from time to time, as determined by the Administrator in its sole discretion. The range of Units that may be issued under the Offering is intended to provide flexibility in raising capital in the event that the Administrator and Manager identifies a large, capital intensive project in which it intends to have the Fund indirectly invest. There is no guarantee that the Fund will seek to raise the maximum Offering amount or that it would be able to do so.

The Fund is authorized to issue an unlimited number of trust units in two classes, being "Trust Units" and "Special Trust Units". Trust Units are divided into series, of which the Fund may have an unlimited number but as of the date hereof has four: Series A Units, Series F Units, Series I Units, and Series M Units. Each series of may consist of an unlimited number of Trust Units.

Each Unit entitles the holder thereof to participate, in accordance with the provisions of the Declaration of Trust, with respect to all distributions made to the Unitholders, whether of Net Cash Flow of the Fund, Net Realized Capital Gains or other amounts and, upon liquidation of the Fund, to participate in its *pro rata* share with the other Unitholders of the net assets of the Fund after the satisfaction of any outstanding liabilities of the Fund in the same order of priority as applicable to distributions of the Net Cash Flow of the Fund. Except as set out in *Item 2.7 – Material Agreements – Amended and Restated Declaration of*

Trust - Distributions, all Units rank equally and rateably among themselves without discrimination, priority, or preference. The Units are not subject to future calls or assessments, and entitle the holder thereof to one vote for each whole Unit held at all meetings of Unitholders. Except as set out under “*Redemption at the Option of Unitholders*” and “*Repurchase of Units*” below, the Units have no conversion, retraction, redemption or pre-emptive rights. For so long as the Fund is not a reporting issuer in any jurisdiction in Canada, the right to transfer Units is restricted such that no Unitholder shall be entitled to transfer Units to any Person unless the transfer has been approved by the Trustees and is otherwise permitted under applicable securities laws.

The Fund may compensate securities dealers and agents in connection with the issuance of Units, and the amount of such compensation will depend on the Series being subscribed for through such dealers and agents. See *Item 7 – Compensation Paid to Sellers and Finders*.

Special Trust Units will be used solely for providing voting rights to Persons holding securities that are, directly or indirectly, exchangeable for Trust Units and that, by their terms, have voting rights in the Fund. No Special Trust Units are currently outstanding.

Issuance of Units

The Declaration of Trust provides that the Units or rights to acquire Units may be issued at the times, to the Persons, for the consideration and on the terms and conditions that the Trustees determine, including pursuant to any unitholder rights plan, distribution reinvestment plan or any incentive option or other compensation plan established by the Fund. Units of a Series may be issued in satisfaction of any non-cash distribution of the Fund to Unitholders holding such Series of Units on a *pro rata* basis.

The Declaration of Trust also provides that immediately after any *pro rata* distribution of Units of a Series to all Unitholders holding Units of such Series in satisfaction of any non-cash distribution, the number of outstanding Units of such Series will be consolidated such that each Unitholder will hold, after the consolidation, the same number of Units as the Unitholder held before the non-cash distribution.

Distributions

The Units entitle a holder thereof to participate in all distributions made to Unitholders. For further details on Unitholders’ entitlement to distributions, see *Item 2.7 – Material Agreements – Amended and Restated Declaration of Trust – Distributions*. Upon liquidation of the Fund, a holder of Units is also entitled participate in its *pro rata* share of the property of the Fund remaining after the satisfaction of any outstanding liabilities of the Fund, in the same order of priority as applicable to distributions of the Net Cash Flow of the Fund, which is described further in *Item 2.7 – Material Agreements – Amended and Restated Declaration of Trust – Distributions*.

Redemption at the Option of Unitholders

Units are redeemable at any time on demand by the holders thereof upon delivery to the Fund of a duly completed and properly executed notice requesting redemption in a form reasonably acceptable to the Trustees, together with written instructions as to the number of Units to be redeemed.

Upon receipt of the redemption notice by the Fund, all rights to and under the Units tendered for redemption are surrendered and the holder is entitled to receive a price per Unit (the “**Redemption Price**”) equal to: (A) for all Units other than Series M Units, (i) 90% of the NAV Per Unit of the applicable Series if redeemed within 12 months of purchase, or (ii) 100% of the NAV Per Unit of the applicable Series if redeemed after 12 months from the date of purchase; and (B) for Series M Units, (i) 85% of the NAV Per Unit if redeemed within 12 months of purchase; (ii) 88% of the NAV Per Unit if redeemed after 12 and before 24 months of purchase; (iii) 91% of the NAV Per Unit if redeemed after 24 and before 36 months of purchase; (iv) 94% of the NAV Per Unit if redeemed after 36 months and before 48 months of purchase; (v) 97% of the NAV Per Unit of the applicable Series if redeemed after 48 months and before

60 months of purchase; and (vi) 100% of the NAV Per Unit if redeemed after 60 months from the date of purchase.

Redemptions of Series A Units, Series F Units, Series I Units and Series M Units will be effective on the last business day of each fiscal quarter ended March 31, June 30, September 30 and December 31 of each year falling at least 30 days after the receipt by the Fund of the required redemption notice from the Unitholder. For greater clarity, a redemption notice that is received by the Fund within 30 days from the last business day of a fiscal quarter ending March 31, June 30, September 30 or December 31 will be deemed to be received by the Fund in the following fiscal quarter, and the effective date of the redemption will be the last business day of that following fiscal quarter.

The aggregate Redemption Price payable by the Fund in respect of any Units tendered for redemption shall be satisfied by way of a cash payment by the Fund within 60 days after the end of the fiscal quarter in which the Units were tendered for redemption, provided that the entitlement of the Unitholders to receive cash upon the redemption of their Units is subject to the limitations that: (i) the total amount payable in cash by the Fund in respect of all Units tendered for redemption in the same calendar month shall not exceed \$25,000 (provided that such limitation may be waived at the discretion of the Trustees); or (ii) the redemption of Units shall not result in the Fund losing its status as a “mutual fund trust” for the purposes of the Tax Act.

If a Unitholder is not entitled to receive cash upon the redemption of Units as a result of the limitations set forth in item (i) of the immediately foregoing paragraph, then the Redemption Price payable in respect of the Units tendered for redemption in such fiscal quarter shall be paid within 60 days after the end of the fiscal quarter in which the Units were tendered for redemption by the Fund issuing Redemption Notes to the holders of Units.

Upon the effective date of any redemption of Units as provided above, a Unitholder shall thereafter cease to have any rights with respect to the Units tendered for redemption (other than to receive the redemption payment therefor, unless the redemption payment is not made as described above) including the right to receive any distributions thereon which are declared payable to the holders of Units of record on a date which is subsequent to the effective date of such redemption. For greater certainty, if the effective date for a redemption of Units is the same date as a distribution record date in respect of the same Series of Units as those being redeemed, the holder of such Units will still be entitled to any distributions payable to holders of such Units on that distribution record date.

Repurchase of Units

The Fund is allowed, from time to time, to purchase Units for cancellation in accordance with applicable securities legislation and the terms of the Declaration of Trust. See *Item 2.7 – Material Agreements – The Amended and Restated Declaration of Trust*.

Limitation on Non-Resident Ownership

The Declaration of Trust provides that at no time may Non-residents be the beneficial owners of more than 49% of the Units then outstanding. The Trustees may require declarations as to the jurisdictions in which beneficial owners of Units are resident. If (i) the Trustees become aware that the beneficial owners of at least 49% of the Units then outstanding are, or may be, Non-residents or that such a situation is imminent, and (ii) the Trustees determine, in their sole discretion, acting upon the advice of counsel, that such steps are required in order for the Fund to maintain its status as a “mutual fund trust” under the Tax Act, or the Trustees determine, in their sole discretion, that it is otherwise in the interest of the Fund, the Trustees may determine not to accept, and may instruct the Transfer Agent or registrar not to accept, a subscription for Units from or issue or register a transfer of Units to a Person unless the Person provides a declaration that he or she is not a Non-resident and to take such other action(s) as the Trustees determine is appropriate in the circumstances. If, notwithstanding the foregoing, (i) the Trustees determine that 49% or more of the Units are held by Non-residents, and (ii) the Trustees determine, in their sole discretion, acting upon the advice of counsel, that such steps are required in order for the Fund

to maintain its status as a “mutual fund trust” under the Tax Act, or the Trustees determine, in their sole discretion, that it is otherwise in the interest of the Fund, the Trustees may send a notice to Non-resident holders of Units, chosen in inverse order to the order of acquisition or registration or in such manner as the Trustees may consider equitable and practicable, requiring them to sell their Units which are beneficially owned by Non-residents or a specified portion thereof within a specified period of not less than 60 days. If the Persons receiving such notice have not sold the specified number of Units or provided the Trustees with satisfactory evidence that such Units are not beneficially owned by Non-residents within such period, the Trustees, on behalf of such Persons, to sell such Units and, in the interim, shall suspend the voting and distribution rights (if any) attached to such Units and make any distributions in respect of such Units by depositing such amount in a separate bank account in a Canadian chartered bank (net of any applicable taxes). Upon such sale, the affected holders shall cease to be holders of the Units and their rights shall be limited to receiving the net proceeds of such sale. The Trustees shall have no liability for amounts received, provided they have acted in good faith nor are the Trustees liable for any violation of the Non-resident ownership restriction.

Meetings of Unitholders

The Trustees shall not hold annual meetings of Unitholders unless required by applicable law and regulatory relief from such requirement is not obtained.

The Declaration of Trust provides that meetings of Unitholders may be convened at any time and for any purpose by the Trustees and must be convened, except in certain circumstances, if requisitioned in writing by Persons holding in the aggregate Units (including any special trust units) that are entitled to not less than 35% of the votes that can be cast at a meeting of Unitholders. A requisition will be required to state in reasonable detail the business proposed to be transacted at the meeting.

Unitholders are entitled to attend and vote at all meetings either in person or by proxy, and a proxyholder is not required to be a Unitholder. Two Persons present and representing in person or by proxy in the aggregate at least 5% of the votes attached to all outstanding Units (including any special trust units) constitute a quorum for the transaction of business at all such meetings. At any meeting at which a quorum is not present within one-half hour after the time fixed for the holding of such meeting, the meeting, if convened upon the request of the holders of Units, shall be dissolved, but in any other case, the meeting will stand adjourned to a day not less than seven days later and to a place and time as chosen by the chair of the meeting, and if at such adjourned meeting a quorum is not present, the holders of Units then present either in person or by proxy shall be deemed to constitute a quorum. The Declaration of Trust contains provisions as to the notice required and other procedures with respect to the calling and holding of meetings of Unitholders.

See *Item 2.1 - Structure - The Fund* and *Item 2.7 - Material Agreements – The Amended and Restated Declaration of Trust* for a description of further terms applicable to the Units contained in the Declaration of Trust.

Takeover Bids

The Declaration of Trust contains provisions to the effect that if a take-over bid is made and not less than 90% of the Units (other than Units held at the date of the take-over bid by or on behalf of the offeror or associates or affiliates of the offeror) are taken up and paid for by the offeror, the offeror will be entitled to acquire the Units held by Unitholders who did not accept the take-over bid, on the same terms on which the offeror acquired Units from Unitholders who accepted the take-over bid.

See *Item 2.1 Structure - The Fund* and *Item 2.7 - Material Agreements – The Amended and Restated Declaration of Trust* for a description of further terms applicable to the Units contained in the Declaration of Trust.

5.2 Subscription Procedure

Subscribing for Units

The Initial Closing is expected to occur on or about February 28, 2019 and subsequent Closings are expected to occur monthly on or about the last business day of the month, or at such time and dates as may be determined by the Administrator on behalf of the Fund. Units will continue to be offered on a continuous basis at the discretion of the Administrator.

The Administrator will deliver this Offering Memorandum to subscribers. Units may only be issued to subscribers who purchase the Units as principal and provide the requisite deliveries indicated below.

In order to subscribe for Units a subscriber must complete, execute and deliver to the Administrator, on behalf of the Fund, the following documents:

- (a) the Subscription Agreement, together with all appendices; and
- (b) a certified cheque or bank draft payable to the Fund in the amount of the aggregate subscription price or payment of the aggregate subscription price in a manner acceptable to the Administrator.

All subscription proceeds will be held in trust and not released until the expiry of the two business day period during which subscribers may cancel their agreement to purchase Units.

Subscriptions for Units will be received subject to rejection or allotment in whole or in part and the Administrator reserves the right to close the subscription books at any time without notice. The Administrator, on behalf of the Fund, will have the right, in its sole and absolute discretion, to reject any subscription for Units, in whole or in part, for any reason, including that it is the Administrator's belief that the representations and warranties of a subscriber are not true.

The subscription proceeds will be held in escrow by the Fund pending Closing of the sale of Units to the subscribers. Interest will not be payable on a subscriber's subscription funds held by the Fund in escrow pending Closing.

Upon acceptance by the Administrator on behalf of the Fund of a subscriber's Subscription Agreement for Units and receipt of the subscription price therefor, and satisfaction of any closing conditions, a subscriber will become a Unitholder. Following the Initial Closing or any subsequent Closing, each subscriber who becomes a Unitholder will be entered into the records and/or registers of the Fund as a Unitholder in respect of those Units subscribed for and accepted by the Administrator on behalf of the Fund. The registrar and transfer agent of the Fund will hold the Unitholders' Units in its book-based registration system, meaning that no physical certificates will be produced and issued to Unitholders. Holding Units in a book-based system means there is no risk of losing Unit certificates, which can be costly to replace.

Representation and Agreement

By executing the Subscription Agreement, each subscriber will also make the representation that the subscriber meets the conditions of the applicable prospectus exemption in purchasing Units pursuant to the Offering and is thus entitled under the prospectus exemption to purchase Units without the benefit of a prospectus qualified under applicable securities laws.

Acceptance of Subscription Form

The acceptance by the Administrator, on behalf of the Fund, of a subscriber's subscription for Units, whether in whole or in part, constitutes an agreement between the subscriber and the Fund upon the terms and conditions set out in the Subscription Agreement.

ITEM 6 INCOME TAX

The following summary is provided by Norton Rose Fulbright Canada LLP, counsel to the Fund, and describes the principal Canadian federal income tax considerations generally applicable under the Tax Act to a holder who acquires Units pursuant to this Offering and who, for purposes of the Tax Act and at all relevant times, is a resident of Canada, holds the Units as capital property and deals at arm's length with and is not affiliated with the Fund. You should consult your own professional advisors to obtain advice on the income tax consequences that apply to you. Generally, the Units will be considered to be capital property to a holder provided the holder does not hold the Units in the course of carrying on a business and has not acquired them in one or more transactions considered to be an adventure in the nature of trade. This summary is not applicable to: (a) a holder that is a "financial institution" as defined in the Tax Act for the purposes of the "mark-to-market" rules, (b) a holder an interest in which is a "tax shelter investment" under the Tax Act, (c) a holder that is a "specified financial institution" as defined in the Tax Act, (d) a holder whose functional currency for the purposes of the Tax Act is the currency of a country other than Canada, or (e) a holder that has entered into, or will enter into, a derivative forward agreement with respect to Units for purposes of the Tax Act. Any such holder should consult its own tax advisor with respect to an investment in Units.

This summary is based upon the provisions of the Tax Act and the regulations thereunder in force as of the date hereof, all specific proposals to amend the Tax Act that have been publicly announced by or on behalf of the Minister of Finance (Canada) prior to the date hereof (the "**Proposed Amendments**") and counsel's understanding of the current administrative policies and assessing practices of the Canada Revenue Agency ("**CRA**") published in writing and publicly available prior to the date hereof. This summary assumes that the Proposed Amendments will be enacted substantially in the form proposed, although there can be no assurance that the Proposed Amendments will be enacted as proposed or at all.

This summary is based on the assumption that the Fund will at all times comply with the Declaration of Trust. This summary is not exhaustive of all possible Canadian federal income tax considerations applicable to the Offering and, except for the Proposed Amendments, does not take into account or anticipate any changes in the law, whether by legislative, governmental or judicial action or any changes to the administrative policies or assessing practices of the CRA. This summary specifically does not take into account provincial, territorial or foreign tax considerations, which may differ significantly from those discussed herein.

This summary is of a general nature only and is not intended to be relied on as legal or tax advice to any particular holder or prospective holder of Units. Consequently, prospective holders of Units should seek independent tax advice in respect of the consequences to them of acquiring, holding and disposing of Units.

6.1 Status of the Fund

This summary assumes that the Fund will qualify at the Initial Closing, and will continue to qualify thereafter, as a "mutual fund trust" for purposes of the Tax Act. In order to qualify as a mutual fund trust, in addition to qualifying as a "unit trust" for purposes of the Tax Act, the Fund must satisfy the following conditions:

- (a) the undertaking of the Fund must be limited to a combination of the investing of its funds in property (other than real property or interests in real property) and 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;
- (b) the Fund must comply on a continuous basis with certain requirements relating to the qualification of the Units for distribution to the public, the number of Unitholders and the dispersal of ownership of Units; and

- (c) the Fund may not reasonably be considered to have been established or maintained primarily for the benefit of non-residents of Canada under the Tax Act.

The Manager has advised that the Fund has met the above requirements and that it intends to ensure that the Fund will continue to meet these requirements at all times. However, there can be no assurance that the Fund will qualify in the future as a mutual fund trust for the purposes of the Tax Act and if the Fund were not to qualify the tax consequences could be materially different than as described below.

This summary has been prepared on the assumption that the Fund will not be a "SIFT trust" for purposes of the Tax Act. The Manager has advised counsel that it has no current intention to arrange to have the Units listed on a stock exchange or on any other public market, and as such, the Fund should not constitute a SIFT trust. If the Fund were to become a SIFT trust, the income tax consequences for the Fund and for Unitholders would be materially different than those described herein.

6.2 Taxation Principles Applicable to 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 income for the year which will include such amount of the income of the Partnership as is allocated in the year to the Fund for purposes of the Tax Act. In computing its income, the Fund may deduct reasonable amounts on account of interest, administrative, management and other expenses incurred by it in the course of carrying on its investment undertaking for the purpose of earning income and which expenses are not reimbursed to it.

Under the Declaration of Trust, an amount equal to all of the income of the Fund and any net capital gains realized by the Fund together with the non-taxable portion of any net capital gains realized by the Fund will generally be paid or become payable in the year to Unitholders by way of cash distributions, subject to the exceptions described below. Income of the Fund payable to Unitholders will generally be deductible by the Fund in computing its income.

6.3 Taxation Principles Applicable to the Partnership

The Partnership is not subject to tax under the Tax Act. Each partner of the Partnership (including the Fund) is required to include in computing the partner's income the partner's share of the income or loss of the Partnership for its fiscal year ending in or coincidentally with the partner's taxation year, whether or not any such income is distributed to the partner in the taxation year. For this purpose, the income or loss of the Partnership will be computed for each fiscal year as if it were a separate Person resident in Canada. In computing such income or loss, deductions may be claimed for reasonable amounts in respect of administrative and other expenses incurred for the purpose of earning income from business or property. The income or loss of the Partnership for a fiscal year will be allocated to each partner on the basis of the partner's share of such income or loss subject to the Limited Partnership Agreement and the detailed rules in the Tax Act in that regard, including, in the case of allocation of losses to limited partners, the at-risk rules.

The Manager has advised counsel that it expects that any profit realized on the disposition of the Partnership's property will be characterized as regular income and not a capital gain. As a result, the allocation from the Partnership to the Fund of the profit realized on a disposition of the Partnership's property is expected to be an allocation of income and not an allocation of a capital gain, although no assurances can be given in this regard.

6.4 Taxation of the Fund

Counsel has been advised by the Manager that the Partnership anticipates it will make distributions of cash to the Fund in a year in an amount that is at least equal to the income for tax purposes of the Partnership that is allocated to the Fund. The Administrator has advised that the Fund intends to distribute such cash to the Unitholders on an annual basis with the result that the Administrator does not

expect that the Fund generally will be liable for any material amount of income tax under Part I of the Tax Act, however no assurance can be given in this regard.

The Fund, as a partner of the Partnership, will be required to include in its income the taxable portion of any capital gain on the disposition of its interests in the Partnership. In general, a partner's adjusted cost base in a partnership at a particular time is equal to its initial cost of the partnership interest, plus income allocated to it for fiscal periods ending before that time, minus deductible losses allocated to it for fiscal periods ending before that time and minus amounts received by it as distributions of partnership income or capital. To the extent that the adjusted cost base to the Fund of its interest in the Partnership is less than zero at the end of a fiscal period of the Partnership, the negative amount will be deemed to be a capital gain of the Fund from the disposition of the partnership interest in the year in which the negative amount arises and the adjusted cost base to the Fund of the partnership interest will be nil immediately thereafter.

6.5 Unitholders

Distributions

A Unitholder will generally be required to include in computing income for a particular taxation year of the Unitholder such portion of the net income of the Fund for a taxation year, including net taxable capital gains, as is paid or becomes payable to the Unitholder in that particular taxation year, whether received in cash, additional Units or otherwise. If appropriate designations are made by the Fund, such portion of the net taxable capital gains of the Fund and any taxable dividends received from taxable Canadian corporations as are paid or become payable to a Unitholder will effectively retain their character and be treated as such in the hands of the Unitholder for the purposes of the Tax Act. All other income of the Fund that is paid or becomes payable to a Unitholder generally will be considered income from property, irrespective of its source. Any loss of the Fund for the purposes of the Tax Act cannot be allocated to, or treated as a loss of, the Unitholder.

A holder of Units that throughout the relevant taxation year is a "Canadian controlled private corporation", as defined in the Tax Act, may be liable to pay a refundable tax on certain investment income, including such portion of the income of the Fund and net taxable capital gains of the Fund that are paid or become payable to the Unitholder.

The non-taxable portion of net capital gains of the Fund that is paid or becomes payable to a Unitholder in a year will not be included in computing the Unitholder's income for the year. Any other amount in excess of the net income of the Fund that is paid or becomes payable by the Fund to a Unitholder in that year will not generally be included in the Unitholder's income for the year. However, the payment by the Fund of such excess amount, other than as proceeds of disposition of Units, will generally reduce the adjusted cost base of the Units held by such Unitholder. To the extent that the adjusted cost base of a Unit is less than zero, the negative amount will be deemed to be a capital gain of the Unitholder from the disposition of the Unit in the year in which the negative amount arises and the Unitholder's adjusted cost base of the Unit will be nil immediately thereafter.

Acquisition of Units

The adjusted cost base of a Unit acquired by a Unitholder pursuant to the Offering will include all amounts paid or payable by the Unitholder for the Unit, with certain adjustments. The cost of such Units will generally be averaged with the adjusted cost base of all other Units held by the Unitholder as capital property in order to determine the adjusted cost base of each Unit held by the Unitholder.

Disposition of Units

Upon the disposition or deemed disposition by a Unitholder of a Unit, the Unitholder will generally realize a capital gain (or a capital loss) equal to the amount by which the proceeds of disposition are greater (or

less) than the aggregate of the Unitholder's adjusted cost base of the Unit and any reasonable costs of disposition.

A redemption of Units pursuant to the Declaration of Trust in consideration for cash or Redemption Notes issued by the Fund to the redeeming Unitholder, as the case may be, will be a disposition of such Units for proceeds of disposition equal to the amount of cash or the fair market value of such Redemption Notes. Redeeming Unitholders will consequently realize a capital gain (or a capital loss) equal to the amount by which the proceeds of disposition are greater (or less) than the adjusted cost base of the Units so redeemed.

The cost of the Redemption Notes issued by the Fund upon a redemption of Units will be equal to the fair market value of such Redemption Notes.

Capital Gains and Losses

One-half of any capital gain realized by a Unitholder and the amount of any net taxable capital gains designated by the Fund in respect of the Unitholder will be included in the Unitholder's income under the Tax Act for the year of disposition or designation, as the case may be, as a taxable capital gain. Subject to certain specific rules in the Tax Act, one-half of any capital loss (an "allowable capital loss") realized by a Unitholder upon a disposition of Units in a particular taxation year must be deducted against any taxable capital gains realized by the Unitholder in such taxation year. To the extent allowable capital losses realized in a taxation year exceed taxable capital gains, such excess amount may be deducted from net taxable capital gains in any of the three preceding taxation years or net taxable capital gains in any subsequent taxation year in accordance with the rules set out in the Tax Act. A capital loss realized on the disposition of a Unit by a Unitholder that is a corporation or trust (other than a mutual fund trust), whether directly or as a member of a partnership, may be reduced in respect of certain distributions to the Unitholder out of dividends received by the Fund and designated by the Fund in respect of the Unitholder to the extent and under the circumstances described in the Tax Act.

A holder of Units that throughout the relevant taxation year is a "Canadian controlled private corporation", as defined in the Tax Act, may be liable to pay a refundable tax on certain investment income, including taxable capital gains.

Eligibility for Investment

Provided the Fund is a mutual fund trust for purposes of the Tax Act, the Units would, if issued on the date hereof, be qualified investments as of the date hereof under the Tax Act for trusts governed by registered retirement savings plans ("RRSPs"), registered retirement income funds ("RRIFs"), registered education savings plans ("RESPs"), registered disability savings plans ("RDSPs"), deferred profit sharing plans and tax-free savings accounts ("TFSAs"), all within the meaning of the Tax Act (each an "**Exempt Plan**").

Notwithstanding that the Units may be a qualified investment for a trust governed by a TFSA, RRSP, RRIF, RDSP, or RESP, the holder of a TFSA or RDSP, the annuitant under a RRSP or RRIF or the subscriber of an RESP that holds Units will be subject to a penalty tax if such Units are a "prohibited investment" for purposes of the Tax Act for the TFSA, RDSP, RRSP, RRIF or RESP, as the case may be. Units will generally be a "prohibited investment" if the holder of the TFSA or RDSP, the annuitant under the RRSP or RRIF or the subscriber of the RESP, as the case may be, (i) does not deal at arm's length with the Fund for the purposes of the Tax Act; or (ii) has a "significant interest" (within the meaning of the Tax Act) in the Fund. Prospective purchasers should consult their own tax advisors regarding their particular circumstances.

Where an Exempt Plan receives Redemption Notes as a result of the redemption of Units, such Redemption Notes may not be qualified investments for such Exempt Plan. Accordingly, Exempt Plans that hold Units should consult their own advisors before deciding to exercise their redemption rights.

If the Fund ceases to qualify as a mutual fund trust for purposes of the Tax Act, Units may cease to be qualified investments for an Exempt Plan and there may be significant adverse tax consequences to the Exempt Plan and the holder, annuitant or subscriber under such Exempt Plan.

ITEM 7 COMPENSATION PAID TO SELLERS AND FINDERS

The Fund may compensate securities dealers and agents in connection with the issuance of Units other than Series F Units and Series I Units, for which no compensation is payable. The amount and structure of any such compensation depends on the particular Series of Units as follows:

- (a) dealers and agents who solicit subscriptions for Series A Units will be paid a trailing commission of 1% per annum on the aggregate amount of such subscriptions that remain invested in the Fund; and
- (b) dealers and agents who solicit subscriptions for Series M Units will be paid a commission of up to 4% of the gross proceeds realized on the sale of Series M Units, as well as a trailing commission equal 0.25% per annum of the aggregate amount of such subscriptions that remain invested in the Fund.

The aggregate commission payable to dealers and agents will depend on the number of Units of each Series solicited by dealers and agents under the Offering. If no Units are solicited by dealers or agents, or if only Series F Units and Series I Units are solicited, the aggregate commission payable to dealers and agents will be \$0. To date, one securities dealer has been engaged by the Fund to assist in the Offering and sale of Units. The Administrator reserves the right, as allowed by applicable securities legislation, to retain additional securities dealers on behalf of the Fund to assist with effecting sales of Units. No commission will be payable on any Units subscribed for by the directors and officers of the Manager and Administrator.

The Administrator may enter into agreements on its own behalf with certain agents and advisors whereby the Administrator will agree to pay a fee to these agents in exchange for financial advisory and other services provided to the Administrator.

In addition, the Fund may compensate internal sales teams employed by the Administrator and Manager with a commission of up to 1% of sales of Units through dealers and agents managed by such internal sales teams.

ITEM 8 RISK FACTORS

An investment in the Units offered hereby should be considered speculative due to the stage of development of the Fund and the nature of the Fund's business. An investment in Units should only be made after consultation with independent qualified sources of investment, tax and legal advice. The agents and consultants of the Fund do not provide investment, tax or legal advice. There is a risk that an investment in the Fund will be lost entirely or in part. Only investors who do not require immediate liquidity of their investment and who can afford the loss of their entire investment should consider the purchase of Units.

In particular, the following risk factors, which do not purport to be a complete summary of all the risks associated with an investment in the Fund, should be considered.

Investment Risk

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

Blind Pool: Other than the current assets of the Fund, this is a "blind pool" offering, meaning the assets to be acquired indirectly with the proceeds of this Offering have not yet been identified. The entities to which

the Partnership expects to make Partnership Loans, and the underlying business such entities, have not yet been identified or determined. If the Partnership is unable to identify and acquire suitable investments or the underlying businesses of its investments do not prove to be profitable, the business, operating results and financial condition of the investee companies could be adversely affected and such companies will not have earnings to support the payment of interest and principal pursuant to Partnership Loans to be indirectly made by the Fund through the Partnership.

No Guaranteed Return or Distributions: The recovery of your initial investment is at risk, and the anticipated return on your investment is based on many performance assumptions. There is no guarantee that an investment in Units will earn any positive return in the short or long-term. While the Fund intends to make distributions to its Unitholders out of Net Cash Flow of the Fund, no assurance can be given that such distributions will be made. A return on investment on Units, including distributions, is dependent upon the success of the businesses in which the Partnership will invest in generating sufficient earnings in order to service the interest and principal payments on Partnership Loans. If the Fund does not have sufficient cash flow to make cash distributions to Unitholders, it is possible that the Fund will make non-cash distributions and accordingly a Unitholder's tax liability for a year arising from its status as a Unitholder may exceed the amount of cash distributions received from the Fund by the Unitholders.

Lack of Marketability of Units: There is currently no market through which the Units may be sold and purchasers may not be able to resell Units purchased under this Offering Memorandum. Units are transferable subject to the terms of the Declaration of Trust and Canadian securities law restrictions. An investment in Units is hence suitable only for investors who are able to make a long-term investment and do not need full liquidity with respect to this investment.

Holders of Units may not be able to liquidate their investment on a timely basis and Units may not be readily accepted as collateral for a loan. As such, Unitholders may be limited to relying on a redemption of their Units by the Fund for liquidation. The Declaration of Trust provides that Units redeemed within five years of issuance will have a discount applied to the redemption price. Additionally, the Fund anticipates having limited cash on hand and may satisfy its redemption obligations through the issuance of Redemption Notes. See *Item 5.1 – Terms of Securities – Redemption at the Option of Unitholders*. Investment in the Units should only be considered by those investors who are able to make a long-term investment and bear the economic risk of a complete loss of the investment.

Nature of Units: The Units do not represent a direct investment in the business of the Partnership and should not be viewed by investors as units in the Partnership. The Units represent a fractional interest in the Fund. Corporate law does not govern the Fund or the rights of Unitholders. As holders of Units, Unitholders will not have the statutory rights normally associated with ownership of shares of a corporation including, for example, the right to bring “oppression” or “derivative” actions. Further, trusts are not defined as recognized entities within the definitions of legislation such as the *Bankruptcy and Insolvency Act* (Canada) and the *Companies Creditors Arrangement Act* (Canada). As a result, in the event of an insolvency or restructuring, a Unitholders' position may be quite different than that of a shareholder of a corporation. Units are not “deposits” within the meaning of the *Canada Deposit Insurance Corporation Act* (Canada) and are not insured under the provisions of that Act or any other legislation.

The Fund may Purchase Units for Cancellation: The Declaration of Trust permits the Trustees to repurchase for cancellation Units held by a Unitholder without the consent of such Unitholder. See *Item 2.7 – Material Agreements – The Declaration of Trust*. The Fund will pay to a Unitholder in respect of any repurchased Units a purchase price per Unit equal to the NAV Per Unit of the applicable Series on the last business day of the most recently completed fiscal quarter at the time of the redemption. There is no guarantee that this will result in a return of the full amount of a Unitholder's investment. The Fund has no current intention to exercise its rights under the Declaration of Trust to repurchase Units but may do so in the future.

No Regular Elections of Trustees: The Declaration of Trust does not require, and the Fund does not anticipate, holding annual meetings of Unitholders for the election of Trustees. The Trustees have been

appointed as the Trustees of the Trust for an indefinite term. The Trustees also have the ability to appoint one or more additional Persons who meet the qualifications set out in the Declaration of Trust to act as Trustees of the Trust. However, Unitholders may remove a Trustee or Trustees from office by a resolution approved by a majority of the votes cast at a meeting called for that purpose. Unitholders may call a special meeting of Unitholders upon written request by Persons holding in the aggregate Units (including any special trust units) that are entitled to not less than 35% of the votes that can be cast at a meeting of Unitholders for the purpose of electing Trustees or for any other purpose. See *Item 5.1 – Terms of Securities – Trust Units – Meetings of Unitholders*.

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

Liability for Return of Distributions: There is a risk that Unitholders could become subject to liability. The Declaration of Trust provides that no Unitholders shall be subject to any liability in connection with the Fund Property, the obligations or activities of the Fund, any acts or omissions of the Trustees, any transactions entered into by the Trustees on behalf of the Fund, or any taxes, levies, fines or penalties payable by the Fund or the Trustees on behalf of the Fund. Unitholders shall not be liable to indemnify the Trustees in respect of any liabilities of the Fund. To the extent any Unitholder may be found liable in respect of any liabilities of the Fund, the Declaration of Trust provides that such liability shall only be enforceable against, and satisfied out of, the Unitholder's share of the Fund Property represented by its units of the Fund. Only the Fund Property is intended to be subject to levy or execution. The Declaration of Trust provides that the Trustees and the Fund shall make all reasonable efforts to include in every agreement executed by the Fund a provision to the effect that such obligation will not be binding upon Unitholders personally.

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

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

Issuer Risk

Risks that are specific to the Fund include the following:

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

Short Operating History: The Fund was formed in January 2017 and therefore has a short operating history. The Partnership Loans made to-date have only been outstanding since June 30, 2017 or later. The past investment performance of the Administrator and Manager, or its directors and officers should not be construed as a guarantee or expectation of future results of any investment in the Fund.

Reliance on the Administrator and Manager: All decisions with respect to the Fund and the Partnership and its operations are expected to be made exclusively by the Administrator and the Manager, respectively. Unitholders will have no right to make any decisions with respect to the management,

disposition or other realization of any investment, or other decisions regarding the Fund's business and affairs. No prospective investor should purchase a Unit unless such prospective investor is willing to entrust all aspects of the management of the Fund and the Partnership to the Administrator and the Manager.

Operational Dependence: The Fund is entirely dependent upon the operations and assets of the Partnership and the Partnership is in turn entirely dependent upon the operations and assets of the companies in which the Partnership will invest. The distributions to the Unitholders are dependent upon the ability of such companies to generate cash flow in order to service the interest and principal payments on the Partnership Loans that the Partnership will make. The success of such companies will, to a large extent, depend on the good faith, experience, ability and judgment of the management of such companies to make appropriate decisions with respect to their operations.

Conflicts of Interest: The directors and officers of the Administrator, Manager, and the General Partner are currently directors and/or officers and/or controlling persons of other entities that are engaged in activities that are the same as, or similar to, the business and activities which are to be undertaken by the Fund. The directors and officers of the Administrator and the Manager will not be devoting all of their time to the affairs of the Fund, but will be devoting such time as required to effectively manage the Fund. The directors and officers of the Administrator and the Manager are engaged and will continue to be engaged in the search for business prospects on their own behalf and on behalf of others. Some the directors and officers of the Administrator and the Manager may also serve as directors and officers of the companies in which the Fund may indirectly invest, which may lead to conflict of interest as between any of the Fund, the Administrator, the Manager, the directors and officers of the Administrator and the Manager or their respective affiliates or associates (or any of them), the company in which the Fund has invested and the directors and officers of such company or its respective affiliates or associates (or any of them). Further, the Fund intends to indirectly invest in companies in which the Administrator and Manager is a control person or an equity shareholder. The interests of the Fund as a debt holder and the interests of the Administrator and Manager as an equity holder of such companies may not align and conflicts of interest may arise as a result.

Sale of Additional Units: The Fund may issue additional Units in the future. The authorized number of Units for issuance by the Fund is unlimited. Such additional Units may be issued without the approval of Unitholders, and may be issued in such number and for such price as is determined in the sole discretion of the Administrator, on behalf of the Fund. It is not possible to predict the effect, if any, that future issuances of Units will have on the fair market value of the Units. With any additional issuance of Units, Unitholders will experience dilution.

Risks Associated With the Level of Foreign Ownership: Currently, one of the conditions for the Fund to qualify as a mutual fund trust is that the Fund cannot reasonably be considered to have been established or maintained primarily for the benefit of Non-resident Persons. The Declaration of Trust contains a limitation on Non-resident ownership which provides that at no time may Non-residents of Canada be the beneficial owners of more than 49% of the Units then outstanding. See *Item 5.1 - Terms of Securities - Limitations on Non-Resident Ownership*. The Declaration of Trust provides powers to the Trustees to enforce this limitation. This limitation and the powers granted to the Trustees to enforce such limitation are contained in the Declaration of Trust as one measure for ensuring that the Fund qualifies as a "mutual fund trust" under the Tax Act.

If in the future the Trustees become aware that the beneficial owners at least 49% of the Units then outstanding are, or may be, Non-residents or that such a situation is imminent, and the Trustees determine that such steps are required in order for the Fund to maintain its status as a "mutual fund trust" under the Tax Act, or the Trustees determine that it is otherwise in the interest of the Fund, the exercise of their powers to enforce such limitation may have an adverse effect on the market price of the Units.

Changes in Applicable Law: Legal, tax and regulatory changes in law may occur that can adversely affect the Fund and Unitholders. There can be no assurance that income tax, securities and other laws will not

be changed in a manner which adversely affects the distributions received by the Fund or by the Unitholders.

Mutual Fund Trust Status: The Fund currently qualifies as a mutual fund trust for the purposes of the Tax Act. However, there can be no guarantee that the Fund will continue to satisfy the requirements for the maintenance of mutual fund trust status in the future. Some of the significant consequences of the Fund losing mutual fund trust status are as follows:

- (a) The Fund would be taxed on certain types of income distributed to Unitholders. Payment of this tax may have adverse consequences for certain Unitholders, particularly Unitholders that are Non-residents of Canada and residents of Canada that are otherwise exempt from Canadian income tax.
- (b) Units held by Unitholders that are non-residents of Canada could become taxable Canadian property. These non-resident Unitholders would be subject to Canadian income tax on any gains realized on a disposition of Units held by them, subject to the application of an exemption under an income tax convention.
- (c) The Units would not constitute qualified investments for Tax Deferred Plans, which may result in adverse tax consequences.

The Fund may take certain measures in the future to the extent the Fund believes them necessary to ensure that it maintains its status as a mutual fund trust. These measures could be adverse to certain Unitholders. There is no assurance that the Fund will qualify as a mutual fund trust for the purposes of the Tax Act.

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

Risks Pertaining to the Investments of the Partnership

Risks that are specific to the businesses in which the Partnership will invest include the following:

General Economic Conditions: Changes in general economic conditions may affect the Partnership's investments. The businesses and assets in which the Partnership will invest may operate or be located in a variety of sectors which may be affected by general economic trends and conditions in their respective markets. Changes in interest rates, exchange rates, commodity prices, availability of capital and general levels of economic activity may affect the value of the investments made by the Partnership, and no assurance can be given as to the effect of these and other events on the Partnership's investments. The operating businesses in which the Partnership invests can be expected to be sensitive to the performance of the overall economy.

Seasonality: While the Business is not influenced by seasonal weather patterns, the businesses in which the Partnership invests may be. Seasonal factors and unexpected weather patterns may lead to declines in profitability in these operating businesses, with a consequential decline in the value of the Partnership's investments resulting in a lower return to the Partnership and the Fund.

Third Party Credit Risk: The businesses in which the Partnership invests may be exposed to third party credit risk through their dealings and contractual arrangements with customers, suppliers and other parties. If such third parties fail to meet their contractual obligations to the operating businesses in which the Partnership has invested, it could result in a decline in profitability in, or other adverse effects to, these operating businesses, and a consequential decline in the value of the Partnership's investments resulting in a lower return to the Partnership.

Product Liability: the businesses in which the Partnership invests may be subject to potential product liabilities connected to their operations, including liabilities and expenses associated with product defects.

Inability to Attract and Retain Employees with Skills: The success of the businesses in which the Partnership will invest may depend, in part, upon their ability to attract skilled employees and retain their current key personnel. Such businesses may not be able to hire and retain such personnel. The operating business investees' success may also depend on the continued contributions of their executive management team and other key management and technical personnel, each of whom could be difficult to replace. The loss of any of their executive officers or key personnel or the inability to continue to attract qualified personnel could harm their business, financial condition and operating results, with a resulting decrease in value of the Partnership's investments.

General Litigation Risk: In the normal course of the operations of the businesses the Partnership will invest in, those businesses may, whether directly or indirectly, become involved in, named as a part to or the subject of, various legal proceedings, including regulatory proceedings, tax proceedings and legal actions relation to personal injuries, property damage, property taxes, land rights, the environment and contract disputes. The outcome with respect to outstanding, pending or future proceedings cannot be predicted with certainty and may be determined in a manner adverse to those businesses, and as a result, could have a material adverse effect of the Partnership's investments. Even if the operating businesses in which the Partnership invests prevail in any such legal proceedings, the proceedings could be costly and time-consuming and may divert the attention of management and key personnel from the business operations, which could have a material adverse effect on the operations, cash flow, and financial condition, which could in turn have an adverse effect on the Partnership's investments.

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

ITEM 9 REPORTING OBLIGATIONS

9.1 Continuous Disclosure Requirements

The Fund will send audited annual financial statements of the Fund to Unitholders annually within 120 days of the fiscal year end of the Fund.

The Fund is not a "reporting issuer" under applicable securities legislation and is therefore not subject to the continuous disclosure obligations imposed upon reporting entities under the applicable securities legislation including, without limitation, the prompt notification of material changes by way of press release and formal filings and the preparation of quarterly unaudited and annual audited financial statements.

ITEM 10 RESALE RESTRICTIONS

10.1 General Statement

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

10.2 Restricted Period

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

10.3 Manitoba Resale Restrictions

Unless permitted under applicable securities legislation, you must not trade the securities without the prior written consent of the regulator in Manitoba unless (a) the Fund has filed a prospectus with the regulator in Manitoba with respect to the securities you have purchased and the regulator in Manitoba has issued a receipt for that prospectus, or (b) you have held the securities for at least 12 months. The regulator in Manitoba will consent to your trade if the regulator is of the opinion that to do so is not prejudicial to the public interest.

ITEM 11 PURCHASERS' RIGHTS

If subscribers purchase the Units they are entitled to certain legal rights, some of which are described below. For complete information about your rights you should consult a lawyer.

Two Day Cancellation Right for a Subscriber

Subscribers can cancel their agreement to purchase the Units. To do so, a subscriber must send a notice to the Administrator on behalf of the Fund before midnight on the second business day after the subscriber signs the Subscription Agreement in respect of the Units.

Rights of Action in the Event of a Misrepresentation

Applicable securities laws in certain jurisdictions provide subscribers with a remedy to sue to cancel your agreement to buy these securities or for damages if this Offering Memorandum, or any amendment thereto, contains a misrepresentation. Unless otherwise noted, in this section, a “misrepresentation” means an untrue statement or omission of a material fact that is required to be stated or that is necessary in order to make a statement in this Offering Memorandum not misleading in light of the circumstances in which it was made.

These remedies are available to subscribers whether or not they relied on the misrepresentation. However, there are various defences available to the Persons or companies that subscribers have a right to sue. In particular, they have a defence if the subscriber knew of the misrepresentation when they purchased the Units. In addition, these remedies, or notice with respect thereto, must be exercised or delivered, as the case may be, by you within the strict time limit prescribed in the applicable securities laws.

The applicable statutory rights are summarized below. By its execution of the Subscription Agreement, the Fund will be deemed to have granted these rights to subscribers of Units. Subscribers should refer to the applicable securities laws of their jurisdiction for the particulars of these rights and consult with professional advisors.

Rights for Subscribers in the Provinces of Alberta and British Columbia

Subscribers resident in Alberta and British Columbia have, if there is a misrepresentation in this Offering Memorandum, in addition to any other rights the subscriber may have at law, a statutory right to sue:

- (a) the Fund to cancel their agreement to buy Units (a right of rescission); and
- (b) for damages against
 - (i) the Fund;
 - (ii) every individual performing a similar function or occupying a similar position to the Fund as a director of a company at the date of this Offering Memorandum; and

- (iii) every Person or company that signed this Offering Memorandum.

This statutory right of action is available to subscribers whether or not they relied on the misrepresentation. If a subscriber resident in Alberta or British Columbia elects to exercise the right of rescission, the subscriber will cease to have a right of action for damages against the Fund or the Persons listed in (b), above.

Securities legislation in Alberta and British Columbia provides a number of limitations and defences to the rights of action described above, including:

- (a) no Person or company will be liable if it proves that the subscriber purchased the Units with knowledge of the misrepresentation;
- (b) in the case of 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;
- (c) in no case will the amount recoverable in any action exceed the price at which the Units were purchased by the subscriber under this Offering Memorandum;
- (d) in the case of a subscriber resident in Alberta, no Person or company, other than the Fund, will be liable if such Person or company is entitled to rely upon certain statutory provisions set out in subsections 204(3)(b) to (e) of the *Securities Act* (Alberta); and
- (e) in the case of a subscriber resident in British Columbia, no Person or company, other than the Fund, will be liable if such Person or company is entitled to rely upon certain statutory provisions set out in subsections 132.1(4) and (5) of the *Securities Act* (British Columbia).

In British Columbia and Alberta, no action may be commenced:

- (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 other action, other than an action for rescission, more than the earlier of (i) 180 days after the subscriber first had knowledge of the facts giving rise to the cause of action; or (ii) three (3) years after the date of the transaction that gave rise to the cause of action.

Statutory Rights of Action for Subscribers in the Province of Saskatchewan

Subscribers resident in Saskatchewan who have received a copy of this Offering Memorandum have, if there is a misrepresentation in this Offering Memorandum or any amendment thereto, a statutory right to sue:

- (a) the Fund to cancel their agreement to buy Units (a right of rescission); and
- (b) for damages against:
 - (i) the Fund;
 - (ii) every promoter and individual performing a similar function or occupying a similar position to that of a director of the Fund at the time this Offering Memorandum or any amendment thereto was sent or delivered to you;
 - (iii) every Person or company whose consent has been filed respecting this Offering but only with respect to reports, opinions or statements that have been made by them;

- (iv) every Person who, or company that, signed this Offering Memorandum or any amendment thereto; and
- (v) every Person who, or company that, sells Units on behalf of the Fund under this Offering Memorandum or any amendment thereto.

This statutory right of action is available to subscribers whether or not they relied on the misrepresentation. If a subscriber elects to exercise their right of rescission, they will cease to have a right of action for damages against the Fund.

Subscribers resident in Saskatchewan also have, if there is a misrepresentation in any “advertising or sales literature” distributed in connection with this Offering Memorandum, have a statutory right to sue:

- (a) the Fund;
- (b) every promoter and individual performing a similar function or occupying a similar position to that of a director of the Fund at the time the advertising or sales literature was distributed; and
- (c) every Person who, or company that, at the time the advertising or sales literature was distributed, sells Units on behalf of the Fund.

Furthermore, if there is a misrepresentation in any verbal statement made to subscribers resident in Saskatchewan relating to the Units that was a misrepresentation at the time of purchase, and the verbal statement was made either before or contemporaneously with the purchase of the Units, such subscribers have a statutory right to sue the individual who made the verbal statement.

Securities legislation in Saskatchewan provides a number of limitations and defences to the rights of action described above. In particular, no Person or company is liable if such Person or company proves the subscriber knew of the misrepresentation when they purchased the Units. Additional limitations and defences are contained in sections 138, 138.1 and 138.2 of *The Securities Act, 1988* (Saskatchewan).

In order to rely on the rights described above, a subscriber must commence an action to cancel the agreement within 180 days after the date of the transaction that gave rise to the cause of action. A subscriber must commence an action for damages within the earlier of one year after they first had knowledge of the facts giving rise to the cause of action, or six years after the date of the transaction that gave rise to the cause of action.

Statutory Rights of Action for Subscribers in the Province of Manitoba

In the event that this Offering Memorandum (including any amendment hereto) delivered to a subscriber resident in Manitoba, contains a misrepresentation and it is a misrepresentation at the time of purchase, the subscriber has, in addition to any other rights they may have at law, a right to sue:

- (a) the Fund to cancel their agreement to buy the Units (a right of rescission); and
- (b) for damages against
 - (i) the Fund,
 - (ii) every person performing similar duties to the Fund as a director at the date of this Offering Memorandum, and
 - (iii) every person or company who signed this Offering Memorandum.

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

This statutory right of action is available to subscribers whether or not they relied on the misrepresentation. If a subscriber elects to exercise their right of rescission against the Fund, the subscriber will cease to have a right of action for damages against the Fund or the persons listed in (b), above.

Securities legislation in Manitoba provides a number of limitations and defences to the rights of action described above, including:

- (a) no Person or company will be liable if they prove that the subscriber purchased the Units with knowledge of the misrepresentation;
- (b) in an action for damages, no Person or company, other than the Fund, will be liable for all or any part of the damages that they prove do not represent the depreciation in value of the Units as a result of the misrepresentation relied upon;
- (c) the amount recoverable under the right of action for damages shall not exceed the price at which the Units were offered for sale; and
- (d) no Person or company, other than the Fund, will be liable if such Person or company is entitled to rely on certain statutory provisions contained in section 141.1(3) of the *Securities Act* (Manitoba).

Unless otherwise provided under applicable securities legislation, no action shall be commenced to enforce a right of action unless the right is exercised:

- (a) in the case of rescission, not later than 180 days from the day of the transaction that gave rise to the cause of action; or
- (b) in the case of an action, other than an action for rescission, the earlier of (i) 180 days from the day the purchaser first had knowledge of the facts giving rise to the cause of action; or (ii) two years from the day of the transaction that gave rise to the cause of action.

The rights discussed above are in addition to, and without derogation from, any other right or remedy which purchasers may have at law and are intended to correspond to the provisions of *The Securities Act* (Manitoba) and are subject to the defences contained therein.

Rights of Purchasers in Ontario

Subscribers resident in Ontario, have, if there is a misrepresentation in this Offering Memorandum, in addition to any other rights the subscriber may have at law, a statutory right to sue:

- (a) the Fund to cancel their agreement to buy Units (a right of rescission); and
- (b) for damages against the Fund.

This statutory right of action is available to subscribers whether or not they relied on the misrepresentation. If a subscriber elects to exercise their right of rescission against the Fund, they will cease to have right of action for damages against the Fund.

Securities legislation in Ontario provides various limitations and defences to the statutory rights of action described above. In particular, such Persons or companies have a defence if the subscriber knew of the misrepresentation when they purchased the Units. In an action for damages, the amount recoverable

shall not exceed the price at which the Units were offered and the defendant will not be liable for all or any portion of such damages that the defendant proves does not represent the depreciation in value of the Units as a result of the misrepresentation. Additional defences and limitations are contained in section 130.1 of the *Securities Act* (Ontario).

A subscriber must commence its action to cancel its agreement to purchase Units within 180 days after the date that they purchased the Units. Similarly, a subscriber must commence its action for damages within the earlier of 180 days after they first had knowledge of the facts giving rise to the cause of action and three years after the date they purchased the Units.

Statutory Rights of Action for Subscribers in the Province of Nova Scotia

If this Offering Memorandum, any amendment hereto, or any advertising or sales literature, contains a misrepresentation, a subscriber resident in Nova Scotia to whom this Offering Memorandum has been delivered and who purchases Units shall be deemed to have relied upon such misrepresentation if it was a misrepresentation at the time of purchase, and the subscriber has the right of action to sue:

- (a) the Fund to cancel their agreement to buy Units (a right of rescission); and
- (b) for damages against:
 - (i) the Fund;
 - (ii) every person performing similar duties to the Fund as a director at the date of this Offering Memorandum; and
 - (iii) every person or company who signed this Offering Memorandum.

This statutory right of action is available to subscribers whether or not they relied on the misrepresentation. If a subscriber elects to exercise their right of rescission against the Fund, the subscriber will cease to have a right of action for damages against the Fund or the persons listed in (b), above.

Securities legislation in Nova Scotia provides a number of limitations and defences to the rights of action described above, including:

- (a) no Person or company will be liable if it proves that the purchaser purchased the Units with knowledge of the misrepresentation;
- (b) in an action for damages, the defendant is not liable for all or any portion of the damages that it proves does not represent the depreciation in value of the Units as a result of the misrepresentation relied upon;
- (c) in no case shall the amount recoverable under the right of action described herein exceed the price at which the Units were offered under this Offering Memorandum, or any amendment hereto; and
- (d) no Person or company, other than the Fund, will be liable if such Person or company is entitled to rely on certain statutory provisions contained in sections 138(3) and (4) of the *Securities Act* (Nova Scotia).

In Nova Scotia, no action shall be commenced to enforce the right of action discussed above more than:

- (a) in the case of an action for rescission, 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, 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 the transaction that gave rise to the cause of action.

Furthermore, no action shall be commenced to enforce a right of action discussed above unless an action is commenced to enforce that right not later than 120 days after the date on which payment was made for the Units or 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.

Statutory Rights of Action for Subscribers in the Province of New Brunswick

If this Offering Memorandum is delivered to a prospective purchaser and this Offering Memorandum contains a misrepresentation which was a misrepresentation at the time the securities were purchased, a subscriber will have a statutory right of action to sue:

- (a) the Fund to cancel their agreement to buy Units (a right of rescission); and
- (b) for damages against:
 - (i) the Fund;
 - (ii) every person performing similar duties to the Fund as a director at the date of this Offering Memorandum; and
 - (iii) every person or company who signed this Offering Memorandum.

This statutory right of action is available to subscribers whether or not they relied on the misrepresentation. If a subscriber elects to exercise their right of rescission against the Fund, the subscriber will cease to have a right of action for damages against the Fund.

Securities legislation in New Brunswick provides a number of limitations and defences to the rights of action described above, including:

- (a) no Person or company will be liable if it proves that the purchaser purchased the Units with knowledge of the misrepresentation;
- (b) in a case of an action for damages, the Fund will not be liable for all or any portion of the damages that it proves does not represent the depreciation in value of the Units as a result of the misrepresentation relied upon;
- (c) in no case will the amount recoverable in any action exceed the price at which the Units were offered under this Offering Memorandum, or any amendment hereto;
- (d) no Person or company, other than the Fund, will be liable if such Person or company is entitled to rely on certain provisions contained in sections 150(4.1) and 150(4.2) of the *Securities Act* (New Brunswick).

Additionally, in New Brunswick:

- (a) if advertising or sales literature is relied upon by a purchaser in connection with a purchase of the securities, the purchaser shall also have a similar right of action for damages or rescission

against the Fund, every promoter or person performing similar duties as a director of the Fund and every person who, at the time of dissemination of the advertising or sales literature sells securities on behalf of the Fund, subject to certain defences available to such persons contained in section 151 of the *Securities Act* (New Brunswick); and

- (b) if an individual makes a verbal statement to a prospective purchaser that contains a misrepresentation relating to the securities and the verbal statement is made either before or contemporaneously with the purchase of securities, the purchaser has a right of action for damages against the individual who made the verbal statement subject to certain defences available to such person. The defences referred to in this paragraph can be found in section 152 of the *Securities Act* (New Brunswick).

No action shall be commenced to enforce the right of action described above unless the purchaser notifies the Fund that they will be exercising their right within:

- (a) in the case of an action for rescission, 180 days after the date of the transaction that gave rise to the cause of action; or
- (b) in the case of any action for damages, the earlier of:
 - (i) one year after the date the purchaser first had knowledge of the facts giving rise to the cause of action; and
 - (ii) six years after the date of the transaction that gave rise to the cause of action.

General

The foregoing summaries are only excerpts from the applicable securities legislation, and are subject to the express provisions of the *Securities Act* (British Columbia), the *Securities Act* (Alberta), *The Securities Act, 1988* (Saskatchewan), *The Securities Act* (Manitoba), the *Securities Act* (Ontario), the *Securities Act* (Nova Scotia), and the *Securities Act* (New Brunswick) and the regulations thereunder and reference is made thereto for the complete text of such provisions.

ITEM 12 FINANCIAL STATEMENTS

See attached the audited consolidated annual financial statements for the year ended December 31, 2018 together with the notes thereto.

Consolidated Financial Statements of

**WESTBRIDGE CAPITAL
PARTNERS INCOME TRUST**

Year ended December 31, 2018



KPMG LLP
500-475 2nd Avenue South
Saskatoon Saskatchewan S7K 1P4
Canada
Tel (306) 934-6200
Fax (306) 934-6233

INDEPENDENT AUDITORS' REPORT

To the Unitholders of Westbridge Capital Partners Income Trust

Opinion

We have audited the financial statements of Westbridge Capital Partners Income Trust (the Entity), which comprise:

- the consolidated statement of financial position as at December 31, 2018
- the consolidated statement of comprehensive income for the year then ended
- the consolidated statement of changes in unitholders' equity for the year then ended
- the consolidated statement of cash flows for the year then ended
- and notes to the financial statements, including a summary of significant accounting policies (Hereinafter referred to as the "financial statements").

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

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 "***Auditors' Responsibilities for the Audit of the Financial Statements***" section of our auditors' report.

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

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

Responsibilities of Management for the Financial Statements

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



In preparing the financial statements, management is responsible for assessing the Entity'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 Entity or to cease operations, or has no realistic alternative but to do so.

Auditors' 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 auditors' 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 the 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 Entity'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 Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' 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 auditors' report. However, future events or conditions may cause the Entity 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
- 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.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group Entity to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion

A handwritten signature in black ink that reads 'KPMG LLP'. The signature is written in a cursive, stylized font. Below the signature is a long, horizontal, slightly curved line.

Chartered Professional Accountants

Saskatoon, Canada
April 26, 2019

WESTBRIDGE CAPITAL PARTNERS INCOME TRUST

Consolidated Statement of Financial Position

December 31, 2018, with comparative information for 2017

	2018	2017
Assets		
Current assets:		
Cash	\$ 1,463,649	\$ 93,979
Prepaid expenses	1,901	-
	1,467,550	93,979
Loans receivable (note 7)	12,571,514	6,735,345
	<u>\$ 14,037,064</u>	<u>\$ 6,829,324</u>

Liabilities and Unitholders' Equity

Current liabilities:		
Accounts payable and accrued liabilities	\$ 100,031	\$ 138,012
Due to Westbridge Capital Ltd. (note 9)	135,734	63,010
Note payable (note 9)	125,000	-
Subscription deposits	1,410,000	-
	1,770,765	201,022
Unitholders' equity (note 8)	12,266,299	6,628,302
Subsequent events (note 12)		
	<u>\$ 14,037,064</u>	<u>\$ 6,829,324</u>

See accompanying notes to consolidated financial statements.

Approved by the Trustees:

(signed) "Michael Meekins" Trustee

_____ Trustee

WESTBRIDGE CAPITAL PARTNERS INCOME TRUST

Consolidated Statement of Comprehensive Income

Year ended December 31, 2018, with comparative information for 2017

	12 months ended December 31, 2018	11 months ended December 31 2017
Revenue:		
Interest income calculated using the effective interest method (note 9)	\$ 1,421,026	\$ 155,634
Expenses:		
Management fees (note 9)	140,049	37,980
Professional fees	106,773	51,724
Interest expense	50,523	-
Provision for loan losses (note 7)	43,623	-
Office and general	17,862	16,609
Travel and vehicle	-	9,649
	358,830	115,962
Net income being total comprehensive income	\$ 1,062,196	\$ 39,672

See accompanying notes to consolidated financial statements.

WESTBRIDGE CAPITAL PARTNERS INCOME TRUST

Consolidated Statement of Changes in Unitholders' Equity

Year ended December 31, 2018, with comparative information for 2017

	Unitholders' contributions	Cumulative comprehensive income and distributions	Unitholders' equity
Issuance of Trust units	\$ 6,793,114	\$ -	\$ 6,793,114
Net income being total comprehensive income for the 11 months ended December 31	-	39,672	39,672
Trust distributions for the 11 months ended December 31	-	(204,484)	(204,484)
Balance, December 31, 2017	\$ 6,793,114	(164,812)	\$ 6,628,302
Impact of adopting IFRS 9 at January 1, 2018 (note 5)	-	(72,766)	(72,766)
Issuance of Trust units for the 12 months ended December 31	5,877,240	-	5,877,240
Net income being total comprehensive income for the 12 months ended December 31	-	1,062,196	1,062,196
Trust distributions for the 12 months ended December 31	-	(1,228,673)	(1,228,673)
Balance, December 31, 2018	\$ 12,670,354	(404,055)	\$ 12,266,299

See accompanying notes to consolidated financial statements.

WESTBRIDGE CAPITAL PARTNERS INCOME TRUST

Consolidated Statement of Cash Flows

Year ended December 31, 2018, with comparative information for 2017

	12 months ended December 31 2018	11 months ended December 31 2017
Cash provided by (used in):		
Operations:		
Net income being total comprehensive income	\$ 1,062,196	\$ 39,672
Items not involving cash:		
Interest income	(1,421,026)	(155,634)
Provision for loan losses	43,623	-
Interest received	1,153,468	127,389
	838,261	11,427
Changes in operating assets and liabilities:		
Increase in prepaid expenses	(1,901)	-
Accounts payable and accrued liabilities	(37,981)	138,012
Loans receivable	(5,685,000)	(6,707,100)
	(4,886,621)	(6,557,661)
Financing:		
Issuance of Trust units	5,877,240	6,793,114
Trust distributions	(1,228,673)	(204,484)
Note payable	125,000	-
Subscription deposits	1,410,000	-
Due to Westbridge Capital Ltd.	72,724	63,010
	6,256,291	6,651,640
Increase in cash and cash equivalents	1,369,670	93,979
Cash and cash equivalents, beginning of period	93,979	-
Cash and cash equivalents, end of period	\$ 1,463,649	\$ 93,979

See accompanying notes to consolidated financial statements.

WESTBRIDGE CAPITAL PARTNERS INCOME TRUST

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2018

1. Reporting entity:

Westbridge Capital Partners Income Trust (the "Trust") was established under the laws of the Province of Alberta pursuant to the Declaration of Trust ("DOT") dated on January 30, 2017. Although the Trust qualifies as a "mutual fund trust" for the purposes of the Tax Act, the Trust is not a mutual fund under the applicable securities laws. Its registered office is located at 110-318 Wellman Lane, Saskatoon Saskatchewan S7J 0J1.

The purpose of the Trust is to invest in limited partnership units of Western Capital Partners Limited Partnership ("Partnership") which will acquire investments in high yield debt by making loans to operating entities.

Administration of the Trust is detailed in the Administration Agreement dated January 30, 2017 with Westbridge Capital Ltd., a company under common management and governance with the Trust.

2. Basis of preparation:

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

The consolidated financial statements have been prepared on a historical cost basis and are presented in Canadian dollars which is the Trust's functional currency.

These financial statements were authorized for issue by the Trustees on April 26, 2019.

3. Critical accounting estimates, assumptions and judgements:

The preparation of the financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the year. Actual results could differ from those estimates and may have an impact of future periods. Estimates and assumptions are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Actual results may differ from these estimates.

The area involving a higher degree of judgment or where assumptions and estimates are significant to the financial statements include the estimate of expected credit losses on loans. Key assumptions in determining expected credit losses are disclosed in note 6(c).

WESTBRIDGE CAPITAL PARTNERS INCOME TRUST

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2018

4. Change in accounting policies:

The Trust was required to adopt the following new standards effective January 1, 2018.

IFRS 15 – Revenue from Contracts with Customers

IFRS 15 establishes a comprehensive framework for determining whether, how much and when revenue is recognized from contracts with customers. The standard does not apply to revenue arising from financial instruments. As a result, the Trust has not been impacted by this new standard.

IFRS 9 – Financial Instruments

This standard replaces the multiple classification and measurement models in IAS 39, Financial Instruments: Classification and Measurement, with a single model. Although the presumable measurement basis for financial assets (amortized cost, fair value through other comprehensive income and fair value through profit and loss) are similar to IAS 39 the classification criteria are different. These are no significant changes in accounting policies for financial liabilities. IFRS 9 also revises impairment models replacing an “incurred loss” model with an “expected credit loss” model.

The change in accounting policy was adopted retrospectively, with no restatement for prior periods. The following table and the accompanying notes below explain the original measurement categories under IAS 39 and the new measurement categories under IFRS 9 for each class of the Trust’s financial assets as at January 1, 2018.

	Original classification IAS 39	New classification under IFRS 9	Original carrying amount under IAS 39	Remeasurement	New Carrying amount under IFRS 9
Cash	Loans and Receivables	Amortized cost	93,979	-	93,979
Loans receivable	Loans and Receivables	Amortized cost	6,735,345	(72,766)	6,662,579
Accounts payable and accrued liabilities	Amortized cost	Amortized cost	138,012	-	138,012
Due to Westbridge Capital Ltd.	Amortized cost	Amortized cost	63,010	-	63,010

The remeasurement adjustment to loan receivable relates to the new expected credit loss requirements and has been adjusted through Partner’s equity.

WESTBRIDGE CAPITAL PARTNERS INCOME TRUST

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2018

5. Significant accounting policies:

The principal accounting policies applied in the preparation of these financial statements are set out below.

a. Principals of consolidation

The consolidated financial statements comprise the financial statements of the Trust and its subsidiary, Westbridge Capital Partners Limited Partnership (the "Partnership"). The subsidiary is fully consolidated from the date of acquisition, which is the date on which the Trust obtains control and continues to be consolidated until the date which control ceases. Control exists when the Trust has the power directly or indirectly, to govern the financial and operating policies of an entity to obtain benefit from its activities. All intercompany balances, income and expenses, and unrealized gains and losses resulting from intercompany transactions are eliminated in full.

b. Cash and cash equivalents

Cash and cash equivalents include cash on hand and short-term deposits which are highly liquid with original maturities of less than three months at the date of acquisition.

c. Financial instruments:

Recognition and initial measurement:

The Trust initially recognizes loans on the date on which they are originated. All other financial instruments are recognized on the trade date, which is the date on which the Trust becomes a party to the contractual provisions of the instrument.

A financial asset or financial liability is measured initially at fair value plus, for an item not at fair value through profit and loss ("FVTPL"), transaction costs that are directly attributable to its acquisition or issue.

Classification and subsequent measurement:

The Trust's financial assets are predominately loans receivable. Loans continue to be classified at amortized cost using the effective interest rate method.

A financial asset may be measured at amortized cost if it meets both of the following conditions and is not designated as at FVTPL:

- the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest.

WESTBRIDGE CAPITAL PARTNERS INCOME TRUST

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2018

5. Significant accounting policies (continued):

Loans receivable are managed to generate cash flows from the collection of contractual principal and interest amounts consistent with the basic lending arrangements.

The Trust does not have any financial assets classified as Other Comprehensive income ("FVOCI") or FVTPL.

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

Prior to January 1, 2018, the Trust carried its loans receivable at amortized cost.

Impairment of financial assets Policy applicable from January 1, 2018

The Trust recognizes expected credit loss ("ECL") on financial assets measured at amortized cost, predominately loans receivable. The Trust measures loss allowance at an amount equal to 12 month ECL, if the credit risk has not increased significantly since their initial recognition, referred to as "stage 1 financial instruments." A lifetime ECL is recorded on performing loans which are considered to have experienced a significant increase in credit risk, referred to as "stage 2 financial instruments" and on credit impaired financial assets, referred to as "stage 3 financial instruments."

ECL are a probability-weighted estimate of credit losses. The Trust uses inputs such as probability of default ("PD"), exposure at default ("EAD"), and loss given default ("LGD") to estimate expected credit losses. These inputs are modelled based on macroeconomic variables that are most closely related with credit losses in the relevant loan. The measurement of expected credit losses considers information about past events and current conditions as well as reasonable and supportable forecasts of future events and economic conditions. The estimation and application of forward-looking information requires significant judgement.

Significant increase in credit risk

When determining whether the risk of default on a financial instrument has increased significantly since initial recognition, the Trust considers reasonable and supportable information that is relevant and available without undue cost or effect. This includes both quantitative and qualitative information and analysis, based on the Trust's historical experience and credit assessment and including forward-looking information.

The Trust uses three criteria for determining whether there has been a significant increase in credit risk resulting in Stage 2 classification:

- Quantitative test based on movement in credit rating;
- Qualitative indicators; and
- A backstop of 30 days past due interest payment or maturity date.

WESTBRIDGE CAPITAL PARTNERS INCOME TRUST

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2018

5. Significant accounting policies (continued):

The Trust considers a financial asset to be in default (stage 3) when:

- The borrower is unlikely to pay its credit obligations to the Trust in full, without recourse by the Trust to actions such as realizing security;
- The borrower is more than 90 days past due on any material credit obligation to the Trust; or
- It is becoming probable that the borrower will restructure the asset as a result of bankruptcy due to the borrower's inability to pay credit obligations.

Loss allowances for ECL are presented in the statement of financial position as follows:

- Financial assets measured at amortized cost as a deduction from the gross carrying amount of the assets.
- Loans are written off (either partially or in full) when there is no reasonable expectation of recovering a financial asset in its entirety or a portion thereof. This is generally the case when the Trust determines that the borrower does not have the assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. This assessment is carried out at the individual asset level.

Financial assets - Policy applicable before January 1, 2018

Prior to January 1, 2018 the Trust maintained an allowance for credit losses which, in management's opinion, was adequate to absorb all incurred credit related losses in its loan portfolio. The allowance for credit losses consisted of both individual and collective allowances.

The Trust considered evidence of impairment for loans at both an individual asset and collective level. All individually significant loans were assessed for impairment first. All individually significant loans found not to be specifically impaired and all loans which were not individually significant were then collectively assessed for impairment.

A loan is classified as impaired when, in management's opinion, there has been a deterioration in credit quality to the extent that there is no longer reasonable assurance as to the timely collection of the full amount of principal and interest.

As loans are measured at amortized cost, an impairment loss is measured as the difference between the carrying amount and the present value of future cash flows discounted using the effective interest rate computed at initial recognition, if future cash flows can be reasonably estimated. When the amounts and timing of cash flows cannot be reasonably estimated, the carrying value of the loan is reduced to estimated net realizable value based on the fair value of any security underlying the loan, net of expected costs of realization. Impairment losses are recognized in income. If, in a subsequent period, the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was first recognized, then a recovery of a portion or all of the previously recognized impairment loss is adjusted through income to reflect the net recoverable amount of the impaired loan.

WESTBRIDGE CAPITAL PARTNERS INCOME TRUST

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2018

5. Significant accounting policies (continued):

d. Fair value:

Fair values have been determined for measurement and/or disclosure purposes based on the fair value hierarchy for financial instruments that require fair value measurement after initial recognition.

All financial instruments measured at fair value are categorized into one of three hierarchy levels as described below. Each level is based on the transparency of the inputs used to measure the fair values of assets and liabilities:

Level 1 – Values based on unadjusted quoted prices in active markets that are accessible at the measurement date for identical assets or liabilities;

Level 2 – Values based on quoted prices in markets that are not active or model inputs that are observable either directly or indirectly for substantially the full term of the asset or liability; and

Level 3 – Values based on prices or valuation techniques that require inputs that are both unobservable and significant to the overall fair value measurement

e. Revenue recognition:

Interest income on loans is recognized using the effective interest rate method over the expected life of the loan to the extent that it is probable that the economic benefits will flow to the Trust and the revenue can be reliably measured. Revenue is measured at fair value of the consideration received or receivable, taking into account contractually defined terms of payment.

Interest income is recognized on impaired loans and is accrued using the rate of interest used to discount the future cash flows for purposes of measuring the impairment loss.

f. Trust units:

The Trust units are presented as equity, notwithstanding the fact that the Trust units meet the definition of a financial liability. Under IAS 32, the units are considered a puttable financial instrument because of the holder's option to redeem units, generally at any time, subject to certain restrictions, at a redemption price per unit equal to 85% to 100% of the net asset value ("NAV") per unit determined in accordance with the Declaration of Trust.

WESTBRIDGE CAPITAL PARTNERS INCOME TRUST

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2018

5. Significant accounting policies (continued):

The percentage of the net asset value of the redemption price increases each year a trust unit is held by a unitholder as follows:

Minimum hold period	% of NAV
Less than one year	85%
One year	88%
Two years	91%
Three years	94%
Four years	97%
Five years	100%

The total amount payable by the Trust in the calendar month will not exceed \$25,000 unless waived by the Trust's Board of Trustees at their sole discretion. The Trust has determined the units can be presented as equity and not financial liabilities because the units have all of the following features, as defined in IAS 32 (hereinafter referred to as the "puttable exemption"):

Units entitle the holder to a pro rata share of the Trust's net assets in the event of its liquidation. Net assets are those assets that remain after deducting all other claims on the assets.

Units are the class of instruments that are subordinate to all other classes of instruments because they have no priority over other claims to the assets of the Trust on liquidation, and do not need to be converted into another instrument before they are in the class of instruments that is subordinate to all other classes of instruments

All instruments in the class of instruments that is subordinate to all other classes of instruments have identical features

Apart from the contractual obligation of the Trust to redeem the units for cash or another financial asset, the units do not include any contractual obligation to deliver cash or another financial asset to another entity, or to exchange financial assets or liabilities with another entity under conditions that are potentially unfavourable to the Trust, and it is not a contract that will or may be settled in the Trust's own instruments. The total expected cash flow attributable to the units over their lives are based substantially on the profit or loss, the change in the recognized net assets and unrecognized net assets of the Trust over the life of the units.

Units are initially recognized at the fair value of the consideration received by the Trust. Any transaction cost arising on the issuance of units are recognized directly in the unitholders' equity as a reduction of the proceeds received

WESTBRIDGE CAPITAL PARTNERS INCOME TRUST

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2018

5. Significant accounting policies (continued):

g. Income taxes

In accordance with the terms of the Declaration of Trust, the Trust intends to allocate its income for income tax purposes to unitholders each year to such an extent that it will not be liable for income taxes under Part 1 of the Income Tax Act (Canada). The Trust is eligible to claim a tax deduction for distributions paid in future years and intends to continue to meet the requirements under the Income Tax Act (Canada). Accordingly, no provision for income taxes payable has been made. Income tax obligations relating to distributions of the Trust are the obligations of the unitholders.

6. Future accounting pronouncement:

IFRS 16 - Leases

On January 13, 2016 the IASB issued IFRS 16 Leases. The new standard is effective for annual periods beginning on or after January 1, 2019. IFRS 16 will replace IAS 17 Leases and the related interpretations.

This standard introduces a single lessee accounting model and requires a lessee to recognize assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. A lessee is required to recognize a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments.

This standard substantially carries forward the lessor accounting requirements of IAS 17, while requiring enhanced disclosures to be provided by lessors.

Other areas of the lease accounting model have also been impacted, including the definition of a lease. Transitional provisions have been provided.

The Trust has not yet assessed the impact this amended standard will have on its financial statements.

WESTBRIDGE CAPITAL PARTNERS INCOME TRUST

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2018

7. Loans receivable:

Loans receivable are comprised of the following:

	Gross carrying value	Expected credit loss	Net carrying value
December 31, 2018			
Loans receivable subordinated	\$ 652,708	\$ 8,292	\$ 644,416
Loans receivable unsecured	12,035,195	108,097	11,927,098
	\$ 12,687,903	\$ 116,389	\$ 12,571,514

	Gross carrying value	Allowance for credit loss	Net carrying value
December 31, 2017			
Loans receivable subordinated	\$ 641,000	\$ -	\$ 641,000
Loans receivable unsecured	6,094,345	-	6,094,345
	\$ 6,735,345	\$ -	\$ 6,735,345

The portfolio of loans are all to related parties and bear interest at fixed rates from 10.29% - 13.75% (2017 – 10.29%) with effective interest rates of 13.23% to 13.75% (2017 – 13.23% to 13.75%) with maturities ranging from June 2022 to July 2023. Specified interest amounts are capitalized to the principal balance at inception and on each annual anniversary date.

Subsequent to December 31, 2018, loans to Aboda Acquisition Company Inc., with a gross carrying value of \$10,638,103 were secured by a general security agreement (note 12).

Maturities and yields:

	2022	2023	Total
Total principal at maturity	\$ 8,838,165	\$ 5,146,500	\$ 13,984,665
Accrued interest	789,264	507,498	1,296,762
Gross carrying value	8,048,901	4,639,002	12,687,903
Effective interest	13.32%	13.18%	13.27%

Loan allowance details

	Performing (Stage 1)	Significant increase in credit risk (Stage 2)	Expected Credit losses on impaired loans (Stage 3)	Total
Expected credit loss, beginning of year	\$ -	\$ -	\$ -	-
Transitional adjustment (note 4)	72,766	-	-	72,766
Provision for loan losses	43,623	-	-	43,623
Expected credit loss, end of year	\$ 116,389	\$ -	\$ -	116,389

WESTBRIDGE CAPITAL PARTNERS INCOME TRUST

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2018

8. Trust units issued and outstanding:

In accordance with the DOT dated January 30, 2017, the Trust may issue an unlimited number of Trust Units or Special Trust Units. Each Trust Unit represents an equal undivided interest in and to that portion of any distributions from the Trust, and in the net assets in the event of termination or wind up of the Trust.

Authorized

- i) *Unlimited number of Trust Units*
Trust Units are participating, with one vote per unit, with no par value.
- ii) *Unlimited number of Special Trust Units*
Special Trust Units are non- participating, with the number of votes per Special Trust Unit equal to the number of Trust Units into which the Exchangeable Security to which such Special Trust Units relates is directly or indirectly exchangeable or convertible to Trust Units.

Each Unitholder shall be entitled to require the Trust to redeem Trust Units. Such redemption shall be effective on the last business day of each fiscal quarter ended March 31, June 30, September 30 and December 31 of each Fiscal Year falling at least 30 days after the receipt by the Trust of a redemption notice from the Unitholder. Unitholders whose Trust Units are redeemed will be entitled to receive a redemption price per unit ("Redemption Price") determined by a market formula (net asset value per trust unit) less any applicable early redemption fees as outlined in the DOT.

The Trust units are considered liability instruments under IFRS because the units are redeemable at the option of the holder, however they are presented as equity at December 31, 2018 in accordance with IAS 32, as explained in note 5(c), under the puttable exemption.

	2018	2017
Trust units 1,287,882 (2017 - 692,931)	\$ 12,878,820	\$ 6,929,310
Issuance costs	(208,466)	(136,196)
Units outstanding	\$ 12,670,354	\$ 6,793,114

9. Related party transactions:

On January 30, 2017, the Trust entered into an Administrative Agreement with Westbridge Capital Ltd. (the "Administrator"), a related party by virtue of common management. The Administrator will provide administrative and support services to the Trust from the date of the Administrative Agreement until terminated in accordance with the provisions of the Administrative Agreement. The Administrator has also entered into a Management Agreement dated January 30, 2017 with Westbridge Capital Partners Limited Partnership (the "Partnership") and Westbridge Capital Partners GP (the "General Partner") to provide management services to the Partnership and the

WESTBRIDGE CAPITAL PARTNERS INCOME TRUST

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2018

9. Related party transactions (continued):

General Partner. Westbridge Capital Ltd., as Administrator and Manager will be compensated for its services only under the Management Agreement by receiving 1% of the net asset value of the Partnership

Under the terms of the Limited Partnership Agreement and the Management Agreement dated January 30, 2017, in the twelve months ended December 31, 2018 the Trust incurred \$113,419 (eleven months ended December 31, 2017 – \$17,480) for management fees and \$6,000 for independent trustee fees and \$21,703 (2017 - \$7,751) for accounting services to Westbridge Capital Ltd. a company controlled by the Limited Partner's trustees.

Each of the loans receivable described have been advanced to related parties. Interest revenue includes \$1,419,228 (2017 - \$153,107) from related parties (note 7).

As at December 31, 2018 the Trust has a liability to Westbridge Capital Ltd. of \$135,734 (2017 - \$63,010) and a note payable to Origin Inc, a related party of \$125,000 (2017 - \$nil). These amounts are unsecured and non-interest bearing. As settlement is expected to occur in the next fiscal year the amounts have been classified as current liabilities on the statement of financial position.

10. Risk management:

(a) Credit risk:

Credit risk is the risk of an unexpected loss by the Trust if a borrower or third-party to a financial instrument fails to meet its contractual obligations. The Trust's financial instruments that may have credit risk consist primarily of cash and cash equivalents and loans receivable. The Trust's cash and cash equivalents are deposited with Canadian Chartered Banks, risk is considered minimal. The purpose of the Trust is to acquire investments in high yield debt by making loans to operating entities to compensate for additional credit risk on these loans. The Trust has recourse under these loans in the event of default by the borrower; in which case, the Trust would have a claim against shares pledged and a second position on real property.

(b) Liquidity risk:

Liquidity risk is the risk that the Trust will not be able to meet its financial obligations as they fall due. The Trust approach is to forecast future cash flows to ensure that it will have sufficient liquidity to meet its obligations when due.

(c) Concentration risk:

The Trust has loans to Aboda Acquisition Company, a related company that comprise 84.0% (2017 – 86.8%) of the loan receivable balance.

WESTBRIDGE CAPITAL PARTNERS INCOME TRUST

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2018

10. Risk management (continued):

(d) Interest rate risk:

Interest rate risk is the risk that future cash flows will fluctuate as a result of changes in market interest rates. The Trust's loans receivable bear a fixed rate of interest over the term of each loan.

The Trust's other assets, accounts payable and accrued liabilities, due to Westbridge Capital Ltd. and due to Westbridge Capital Partners Income Trust have no exposure to interest rate risk due to their short-term nature. Cash and cash equivalents carry a variable rate of interest and are subject to minimal interest rate risk.

11. Fair value measurements:

The following table shows carrying amounts and fair values of assets and liabilities:

December 31, 2018	Amortized cost	Fair value
Financial assets		
Cash	\$ 1,463,649	\$ 1,463,649
Loans receivable	12,571,514	-
Financial liabilities		
Accounts payable and accrued liabilities	100,031	100,031
Due to Westbridge Capital Ltd.	135,734	135,734
December 31, 2017	Amortized cost	Fair value
Financial assets		
Cash	\$ 93,979	\$ 93,979
Loans receivable	6,735,345	-
Financial liabilities		
Accounts payable and accrued liabilities	138,012	138,012
Due to Westbridge Capital Ltd.	63,010	63,010

There is no quoted price in an active market for the loans receivable. The Trust makes its determination of fair value based on its assessment of the current lending market for loans. Given these loans are 100% to related parties fair value is not determinable.

The carrying values of cash and cash equivalents, accounts payable and accrued liabilities and due to Westbridge Capital Ltd. approximate fair values due to the short term nature of the instruments.

There were no transfers between level 1, level 2 and level 3 of the fair value hierarchy during 2018

WESTBRIDGE CAPITAL PARTNERS INCOME TRUST

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2018

12. Subsequent events:

The Trust, subsequent to December 31, 2018, issued additional Trust units as follows:

Date	Units		Proceeds
January 17, 2019	239,279	\$	2,392,790
February 28, 2019	29,190		291,900
March 29, 2019	17,103		171,030
	285,572	\$	2,855,720

On April 4, 2019, the Trust advanced an additional \$2,680,000 loan receivable to Aboda Acquisition Company, Inc. ("Aboda"), a related party. This amount was financed by available cash and by a \$700,000 loan from each of Origin Inc, a related party, Kemco Holdings Inc., a related party, and Kake Holdings Inc., a related party. As part of this additional financing the Partnership obtained a general security agreement over the assets and stock of Adoba.

Also, subsequent to December 31, 2018, the Trustees authorized a change to the Declaration of Trust to allow for the potential issuance of additional classes of trust units with variable redemption features.

13. Comparative information:

Certain comparative information has been reclassified to conform with the financial statement presentation adopted in the current year

DATE AND CERTIFICATE

DATED: May 1, 2019

This Offering Memorandum does not contain a misrepresentation.

/s/ "Michael Meekins"
Michael Meekins
(as Trustee and promoter of the Fund)

/s/ "Dan Kemmer"
Dan Kemmer
(as Trustee and promoter of the Fund)

/s/ "Mike Crabtree"
Mike Crabtree
(as Trustee of the Fund)

WESTBRIDGE CAPITAL LTD.
(as Administrator and promoter of the Fund)

Per: /s/ "Michael Meekins"
Michael Meekins
President

/s/ "Michael Meekins"
Michael Meekins
President, Westbridge Capital Ltd.

/s/ "Dan Kemmer"
Dan Kemmer
Director, Westbridge Capital Ltd.

/s/ "Michael Meekins"
Michael Meekins
Director, Westbridge Capital Ltd.

SCHEDULE "A"

GLOSSARY OF TERMS

"Administration Agreement" means the administration agreement dated January 30, 2017 between the Administrator and the Fund;

"Administrator" means Westbridge Capital Ltd., a corporation incorporated under the laws of the Province of Saskatchewan, which is the administrator of the Fund pursuant to the Administration Agreement;

"Business" means the business associated with the investing in high-yield debt securities issued by operating companies or real estate holding companies that have, among other things, a demonstrated ability to generate sustainable cash flow and all businesses and activities ancillary, incidental or related thereto. The Partnership will invest with the purpose of being actively involved in the management of any company in which it invests;

"Closing" means any closing of the sale of Units to subscribers under the Offering;

"Closing Date" means the date that a Closing takes place;

"control", and related terms including **"controlling"** and **"controlled"**, shall mean the possession by or on behalf of a person, or group of persons acting jointly or in concert, of the following in respect of another person: (i) in the case where the other person is a corporation, the power to vote more than 50% of the securities having ordinary voting power for the election of directors of such corporation; (ii) in the case where the other person is a limited partnership, the power to control the general partner of the limited partnership; and (iii) in the case where the other person is other than a corporation or limited partnership, any of: (1) the power to exercise more than 50% of the voting rights in such person; or (2) the right to receive more than 50% of the distributions made by that person;

"Declaration of Trust" means the amended and restated declaration of trust dated January 31, 2019 governed by the laws of the Province of Alberta, as amended, supplemented or restated from time to time;

"Fiscal Year" means for the first Fiscal Year, from January 30, 2017 to December 31, 2017, and on each subsequent year means the period commencing on January 1, and ending on the earlier of December 31 in each year and the date of dissolution of the Fund;

"Fund" means Westbridge Capital Partners Income Trust, an unincorporated open-ended trust established under the laws of the Province of Alberta pursuant to the Declaration of Trust, and where the context so requires in this Offering Memorandum, includes the Partnership and any other person controlled, directly or indirectly, from time to time by Westbridge Capital Partners Income Trust;

"Fund Property", at any time, means such of the following monies, properties and other assets as are at such time held by the Fund or by the Trustees on behalf of the Fund:

- (a) the initial contribution of \$10.00 paid by the initial Unitholder for the purpose of settling the trust constituted by the Fund;
- (b) all funds, securities or property derived from the issuance or sale of Units or other cash received by the Fund;
- (c) limited partnership interests in the Partnership;
- (d) any proceeds of disposition of any of the foregoing property;

- (e) all income, interest, dividends, distributions, profit, return of capital, gains and accretions and all substituted assets, rights and benefits of any kind or nature whatsoever arising directly or indirectly from or in connection with or accruing to such foregoing property or such proceeds of disposition; and
- (f) such other property and assets as may properly be held by the Fund from time to time;

"GAAP" means Generally Accepted Accounting Principles recommended by the Chartered Professional Accountants Canada;

"General Partner" means Westbridge Capital Partners GP Ltd., a corporation incorporated under the laws of the Province of Alberta, which is the general partner of the Partnership;

"Independent Committee" means the committee of Trustees composed of one or more Independent Trustees pursuant to the Declaration of Trust;

"Independent Trustee" means a Trustee who is "independent" (as such term is defined in National Instrument 52-110 – *Audit Committees*) of the Administrator and Manager and its affiliates;

"Initial Closing" means the initial Closing of the sale of Units to subscribers under the Offering pursuant to this Offering Memorandum, which is expected to occur on or about February 28, 2019;

"Limited Partner" means a limited partner of the Partnership;

"Limited Partnership Agreement" means the limited partnership agreement dated January 30, 2017, establishing the Partnership and governed by the laws of the Province of Alberta, as amended and restated from time to time;

"Management Agreement" means the management agreement dated January 30, 2017 among the Manager, the Partnership and the General Partner;

"Manager" means Westbridge Capital Ltd., a corporation incorporated under the laws of the Province of Saskatchewan, which is the manager of the Partnership pursuant to the Management Agreement;

"NAV" means the net asset value of the Fund, which equals the sum of the fair market value of the Fund Property as determined by the Trustees, less all liabilities (including accrued expenses (including commissions), contingent distributions, and fees payable to the Administrator and any other administration and management fees paid to entities which might be engaged to provide such services).

"NAV Per Unit" means the net asset value per Unit of a Series, calculated by dividing the net asset value of the Series (which equals the portion of the NAV attributable to that Series as determined by the Trustees, acting reasonably, who in making that determination may take into account factors including, but not limited to, assets, liabilities, revenues, commissions, costs, expenses, or any transaction unique to each Series) by the number of Units of that Series that are outstanding, after adjusting the result to the nearest whole cent.

"Net Asset Value of the Partnership" means the aggregate value of the assets of the Partnership, less the aggregate value of the Partnership's liabilities as reported in the financial statements of the Partnership calculated on each valuation date (being at a minimum, the last business day of each fiscal quarter of the Partnership, the last day of the fiscal year of the Partnership and the date the Partnership is terminated or dissolved pursuant to Limited Partnership Agreement, and includes any other date on which the General Partner elects, in its discretion, to calculate the Net Asset Value of the Partnership), and for greater certainty, such calculation shall exclude any capital contributions by the Partners;

“Net Cash Flow of the Fund”, for, or in respect of, any distribution period of the Fund, shall be:

- (a) all cash amounts which are received by the Fund for, or in respect of, the distribution period, including, without limitation, interest, dividends, distributions, proceeds from the disposition of securities, returns of capital and repayments of indebtedness;
- (b) plus the proceeds of any issuance of Units or any other securities of the Fund, net of the expenses of distribution, and, if applicable, the use of proceeds of any such issuance for the intended purpose;
- (c) less all amounts which relate to the redemption or repurchase of Units and which have become payable in cash by the Fund in such distribution period and any expenses and liabilities of the Fund, in such distribution period.

“Net Realized Capital Gains” of the Fund for any taxation year of the Fund shall be determined as the amount, if any, by which the aggregate of the capital gains of the Fund in the year exceeds (i) the aggregate of the capital losses of the Fund in the year, (ii) any capital gains which are realized by the Fund as a result of a redemption of Units pursuant to the Declaration of Trust where the Fund qualifies as a mutual fund trust for purposes of the Tax Act, and (iii) the amount determined by the Trustees in respect of any net capital losses for prior taxation years which the Fund is permitted by the Tax Act to deduct in computing the taxable income of the Fund for the year;

“Non-resident” means a person that is a “non-resident” of Canada or a partnership that is not a “Canadian partnership” within the meaning of the Tax Act;

“Offering” means the offering of Units contemplated by this Offering Memorandum;

“Offering Memorandum” means this offering memorandum (and any amendments thereto) offering Units;

“Partner” means a partner of the Partnership;

“Partnership” means Westbridge Capital Partners LP, a limited partnership established under the laws of the Province of Alberta and governed by the Partnership Agreement;

“Partnership Interest” means, with respect to the Limited Partners, the proportion of 99.999% that the number of Units held by a Limited Partner of the Partnership at any time bears to the aggregate number of Units issued and outstanding at such time, and with respect to the General Partner means 0.001%;

“Partnership Loan” means any loan to be entered into by the Partnership, as lender, and another Person, as Borrower, in connection with the Business, the terms of which are described in this Offering Memorandum and Schedule “B” to the Offering Memorandum;

“Person” means an individual, partnership, unincorporated association, unincorporated syndicate, unincorporated organization, trust, trustee, executor, administrator or other legal representative;

“Redemption Notes” means promissory notes issued in series, or otherwise, by the Fund pursuant to a note indenture and issued to redeeming Unitholders in principal amounts equal to the Redemption Price per Unit determined in accordance with the Declaration of Trust of the Units to be redeemed and having the following terms and conditions;

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

- (b) subordinated and postponed to all senior indebtedness and which may be subject to specific subordination and postponement agreements to be entered into by the Trustees pursuant to the note indenture with holders of senior indebtedness;
- (c) subject to earlier prepayment, being due and payable on the fifth anniversary of the date of issuance; and
- (d) subject to such other standard terms and conditions as would be included in a note indenture for promissory notes of this kind, as may be approved by the Trustees;

"Series" means a series of Trust Units;

"Series Pool" means the Net Cash Flow of the Fund as determined on a Series by Series basis in accordance with the Declaration of Trust;

"Sharing Ratio" means, with respect to any Unitholder holding Units of a certain Series, the percentage that is the number of the applicable Series of Units held by such Unitholder divided by the aggregate issued and outstanding Units of such Series;

"Special Resolution" means a resolution proposed to be passed as a special resolution at a meeting of Unitholders duly convened for that purpose and held in accordance with the provisions of the Declaration of Trust and passed by the affirmative votes of the holders of votes attached to more than 66 2/3% of the Units represented in person or by proxy at the meeting and voted on a poll upon such resolution or a resolution in writing executed by Unitholders holding more than 66 2/3% votes attached to outstanding Units;

"Special Trust Units" means the class of special trust units of the Fund authorized by the Declaration of Trust;

"Subscription Agreement" means the form of a subscription agreement to be entered into by the subscribers and the Fund to acquire Units in the Offering;

"Tax Act" means the *Income Tax Act* (Canada), including the regulations enacted thereunder, all as amended from time to time;

"Tax Deferred Plans" means, collectively, trusts governed by registered retirement income funds, registered retirement savings plans, tax-free savings accounts, registered education savings plans, deferred profit sharing plans and registered disability savings plans, each as defined in the Tax Act;

"Trust Units" means the class of trust units of the Fund that are not Special Trust Units;

"Trustees" means Michael Meekins, Dan Kemmer and Michael Crabtree, or if any such individuals cease to be the trustee of the Fund, any successor trustee appointed pursuant to the Declaration of Trust;

"Unitholder" means a holder of Units;

"Units" means the Trust Units designated as Series A Units, Series F Units, Series I Units and the Series M Units of the Fund; and

"Westbridge Capital Partners Entities" means the Partnership and any other Person controlled, directly or indirectly, from time to time by the Fund.

SCHEDULE "B"

Term Sheet for the Partnership Loans

*This term sheet ("**Term Sheet**") summarizes the principal terms and conditions of the proposed loan (each, a "**Partnership Loan**") to be advanced by Westbridge Capital Partners LP (the "**Partnership**") to certain operating or real estate holding entities to be identified, as further described in the Offering Memorandum dated May 1, 2019, (the "**Offering Memorandum**"). All dollar amounts referenced herein are in Canadian dollars.*

BORROWER	Operating or real estate holding entities to be identified by the Partnership (each, a " Borrower ").
TYPE	Non-convertible, subordinated, secured debt.
AMOUNT	At the discretion of the Partnership. Expected to be up to \$10,000,000.
USE OF PROCEEDS	To fund acquisition costs, development plans or capital costs of the Borrower.
INTEREST RATE	Fixed rate of up to 13.75% per annum on principal amount, depending on the fee structure of the Partnership Loan.
TERM AND MATURITY	One to five years, with early retirement at the discretion of the Partnership. The principal amount of the Partnership Loan shall mature and be repayable, on the last day of the term (the " Maturity Date "), together with any and all accrued but unpaid interest, up to, but not including the Maturity Date.
INTEREST PAYMENTS	Interest, paid monthly in advance, on the first business day of the month.
YIELD TO MATURITY	Up to 13.75%
FEES	<p>At the discretion of the Partnership, the Partnership Loans may contain all or some of the following fees in order to achieve the desired yield to maturity:</p> <p>Annual Commitment and Maintenance fee paid by Borrower at time of advance of up to 3%.</p> <p>Costs of loan (legal and other professional fees) to be borne by Borrower.</p>
SECURITY	Where possible and appropriate, the Partnership may seek general security over the assets of the Borrower, which security will be subordinated to the senior secured credit facility (if any) of the Borrower. If the Partnership Loans are unsecured, the Partnership Loan will be the Borrower's senior unsecured debt.
GOVERNANCE PROVISIONS	<p>The Partnership will receive the right to nominate one member to the board of directors of the Borrower and have observer rights for all meetings of any committee of the board.</p> <p>The Partnership may, in its discretion, impose financial covenants in</p>

the terms of the Partnership Loan, including but not limited to, a debt service coverage ratio.

The Partnership, in its discretion, may require as terms of the Partnership Loan that the Borrower, without approval of the Partnership, may not do some or all of the following:

- approve the annual budget of Borrower, and any material periodic revisions thereto;
- approve a fundamental transaction (amalgamation, arrangement, merger or other liquidity event);
- declare or pay dividends or distributions (other than in relation to the Partnership Loan or senior debt);
- make material expenditures beyond those approved in the annual budget;
- incur indebtedness in priority to the Partnership Loan; and
- expand the size of the board of directors.