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. Persons resident in the province of Québec are not permitted to rely on the offering memorandum exemption contained in Section 2.9 of National Instrument 45-106 – Prospectus Exemptions.

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

Continuous Offering

OFFERING MEMORANDUM

April 22, 2019

INVICO DIVERSIFIED INCOME FUND

Suite 600, 209 – 8th Avenue S.W., Calgary, Alberta, T2P 1B8
Phone: (403) 538-4771; E-mail: chayes@invicocapital.com

$25,000,000
(Maximum Offering)

Subscription Price: $10 per Class A Unit

The Trust:	Invico Diversified Income Fund (the "**Trust**") is a private open-ended investment trust established under the laws of Alberta on September 25, 2013. The Trust is not a reporting issuer in any jurisdiction and **these securities do not and will not trade on any exchange or market**.
SEDAR Filer:	Yes, but only as required pursuant to Section 2.9 of National Instrument 45-106 – *Prospectus Exemptions*. The Trust is not a reporting issuer and does not file continuous disclosure documents on SEDAR that are required to be filed by reporting issuers.
Securities Offered:	Class A Units of the Trust ("**Class A Units**").
Price per Security:	$10 per Class A Unit.
Minimum/Maximum Offering:	The Trust seeks to raise a maximum of $25,000,000 (the "**Maximum Offering**") under this Offering, in one or more closings, although Invico Diversified Income Administration Ltd., the administrator of the Trust (the "**Administrator**"), on behalf of the Trust, may, in its sole discretion, determine to raise more than $25,000,000. **There is no minimum offering. You may be the only purchaser.**
Minimum Subscription Amount:	The minimum subscription amount is $5,000 (500 Class A Units). The Administrator, on behalf of the Trust, may in its sole discretion lower this minimum subscription amount.
Payment Terms:	Full payment of the subscription price will be due upon execution and delivery of the subscription agreement and related subscription documentation. Payment should be made as directed in the subscription agreement. See "Units Offered – Subscription Procedure".
Capital Structure:	The Trust is authorized to issue an unlimited number of Class A Units. In addition to Class A Units, the Trust will, from time to time, also be distributing Class C Units, Class F Units, Class G Units, Class J Units, Class CU Units and Class FU Units of the Trust. Invico Diversified Income Limited Partnership (the "**Partnership**"), the entity through which the Trust will be making all of its investments will, from time to time, also be distributing Class D units of the Partnership. See "Business of the Trust – Structure".
Proposed Closing Date:	The initial closing under this Offering Memorandum is expected to occur on or about May 2, 2019, and further closings will occur from time to time at the discretion of the Administrator.
Income Tax Consequences:	There are important tax consequences to investors holding Trust Units. The Trust has been advised that, provided that the Trust qualifies as a "mutual fund trust" for purposes of the Tax Act at all relevant times, the Trust Units will be qualified investments for Tax Deferred Plans. Potential investors should consult their own tax advisors in respect to an investment in Trust Units. See "Canadian Federal Income Tax Considerations".
Selling Agents:	The Trust will retain selling agents in respect of the distribution and sale of the Trust Units. In addition, the Trust has retained Pennant Capital Partners Inc. ("**Pennant**"), a registered exempt market dealer, as a wholesaler in connection with the Offering to provide marketing and sales assistance to Selling Agents. Potential investors will not be "clients" of Pennant and accordingly, Pennant will not provide any advice or recommendations to potential investors, nor will Pennant accept any subscriptions from potential investors. Accordingly, Pennant will not undertake any "know your client" or "suitability" assessments in respect of potential investors in the Trust. The Trust is a connected issuer and related issuer of Pennant as Jason Brooks and Allison Taylor own all of the shares of Pennant and all of the shares of Invico Capital Corporation, which owns all of the shares of the Trustee, the Administrator and the General Partner, each as defined herein. Jason Brooks is the President of the Trustee, Administrator, Pennant, the General Partner and Invico Capital Corporation, and Allison Taylor is the Chief Executive Officer of the Trustee, Administrator, the General Partner and Invico Capital Corporation and Chief

Operating Officer of Pennant.

The Trust will, indirectly, pay commissions and certain fees in respect of administrative matters in connection with the Offering of up to 6% of the gross proceeds realized on the Class A Units sold directly by registered dealers, financial advisors, sales persons, brokers, intermediaries or other eligible persons (collectively, the "**Selling Agents**"). In addition, Invico Diversified Income Limited Partnership (the "**Partnership**") may also at the sole discretion of its General Partner distribute an annual fee of up to 0.80% per annum of the net asset value of the Class A Partnership Units (purchased by the Trust using the subscription proceeds of the Class A Units) that remains invested in the Partnership (pro-rated for holders of Class A Partnership Units who have held the Class A Partnership Units for less than a year), payable to certain Selling Agents.

See "Business of the Trust – Relationship between the Trust, the Trustee, Pennant and the Portfolio Manager", "Compensation Paid to Sellers and Finders", "Fees and Expenses" and "Risk Factors – Risks Associated with the Trust – Conflicts of Interest".

Concurrent Offerings: In addition to Class A Units, the Trust will, from time to time, also be distributing other securities of the Trust, including Class C Units, Class F Units, Class G Units, Class J Units, Class CU Units and Class FU Units of the Trust. The Partnership, the entity through which the Trust will be making all of its investments will, from time to time, also be distributing other securities of the Partnership, including Class D Units of the Partnership. See "Business of the Trust – Structure". The Class C Units, Class F Units, Class G Units, Class J Units, Class CU Units and Class FU Units of the Trust and Class D Units of the Partnership have different rights and obligations, including with respect to distributions and commissions payable.

Up-front commissions and fees are as follows for the Class C Units (3%), Class G Units (6%), and Class CU Units (3%) of the Trust and Class D Units (3%) of the Partnership. No up-front commissions and fees are payable on the Class F Units Class J Units or Class FU Units However, deferred commissions may also be applicable. For additional information about the Class C Units, Class F Units, Class G Units, Class J Units, Class CU Units and Class FU Units of the Trust and Class D Units of the Partnership, ask your Selling Agent, who may provide you with a separate offering memorandum related thereto.

Resale Restrictions: You will be restricted from selling your Class A Units for an indefinite period. See "Resale Restrictions".

Redemptions: Redemption rights under the Trust Indenture are restricted and provide limited opportunity for investors to liquidate their investment in Trust Units. A Unitholder may redeem Trust Units on the last Business Day of any fiscal quarter end, subject to certain restrictions. The Redemption Price payable to a Unitholder upon redemption of Trust Units may be satisfied by issuance by the Trust of Redemption Notes, which will be unsecured debt obligations of the Trust and subordinated to senior indebtedness obtained by the Trust. There will be no market for Redemption Notes. Circumstances may arise where the Trust does not have the funds available to pay on maturity of any Redemption Note the principal balance and interest owing on such Redemption Note. Redemption Notes are not qualified investments for Tax Deferred Plans. See "Summary of the Trust Indenture – Redemptions" and "Canadian Federal Income Tax Considerations". Accordingly, an investment in Trust Units is only suitable for investors who are able to make a long-term investment and do not need full liquidity with respect to this investment.

Purchasers' Rights: You have 2 business days to cancel your agreement to purchase these Class A Units. If there is a misrepresentation in this Offering Memorandum, you will have the right to sue either for damages or to cancel the agreement. See "Purchasers' Rights".

Funds available under the Offering may not be sufficient to accomplish our proposed objectives

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FORWARD-LOOKING STATEMENTS

Certain statements or information contained in this Offering Memorandum constitute "forward-looking statements" within the meaning of that phrase under applicable Canadian securities laws. Any statements that express, or involve discussions as to, expectations, beliefs, plans, projections, objectives, assumptions or future events or performance (often, but not always, through the words or phrases such as "will likely result", "are expected to", "expects", "does not expect", "anticipates", "does not anticipate", "believe", "continue", "estimate", "intend", "plan", "potential", "predict", "project", "seek" or other similar words) are not statements of historical fact and may be forward-looking statements. Forward-looking statements involve the Administrator's internal projections, estimates or beliefs concerning, among other things, future growth, results of operations, investment opportunities, future expenditures, plans for and results of investments, portfolio results, business prospects and opportunities. Although the Administrator believes that the expectations reflected in the forward-looking statements are reasonable, it cannot guarantee future results, levels of activity, performance or achievement since such expectations are inherently subject to significant business, economic, competitive, political and social uncertainties and contingencies which could cause the Trust's actual results to differ materially from those expressed or implied in any forward-looking statements made by, or on behalf of, the Trust. No assurance can be given that these expectations will prove to be correct and such forward-looking statements should not be unduly relied upon.

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 business to be conducted by the Trust and the Partnership; timing and payment of distributions; payment of fees to the Administrator and Portfolio Manager; the Trust's investment objectives and investment strategies; the Partnership's active investment approach; the degree of control exerted over management of investee companies by the Partnership; anticipated investments; the assets to be held by the Partnership; the process by which the Partnership determines whether or not to make an investment; the composition and responsibilities of the Independent Review Committee; the Partnership's expected capital investments and objectives with respect to Pele, Gator, LOT and Aspen; treatment under governmental regulatory regimes and tax laws; financial and business prospects and financial outlook; timing of dissolution of the Trust; possibility of extension of the dissolution date of the Trust; and types of portfolio securities and results of investments, the timing thereof and the methods of funding.

In addition to other factors and assumptions which may be identified in this Offering Memorandum, assumptions have been made regarding, among other things: the Trust's qualification as a "mutual fund trust" and not a "SIFT trust" under the Tax Act; use of proceeds of the Offering; the retention of securities dealers in connection with the Offering and payment of service fees to such securities dealers; the business to be conducted by the Trust; the general stability of the economic and political environment in which the Trust operates; the Trust's investment objectives and investment strategies; timing and payment of distributions; treatment under governmental regulatory regimes, securities laws and tax laws; the ability of the Portfolio Manager to obtain qualified staff, equipment and services in a timely and cost efficient manner; valuation of the Trust's investments; the timing of dissolution of the Trust; the possibility of substantial redemptions of Trust Units; and currency, exchange and interest rates.

These forward-looking statements are subject to numerous risks and uncertainties, including but not limited to: ability of the Trust to achieve or continue to achieve its objectives; incorrect assessments of the value of investments; availability of investments that meet the Trust's investment objectives; concentration of investments in the portfolio of the Trust which could result in the Trust's portfolio being less diversified than anticipated; the possibility of the Trust being unable to acquire or dispose of illiquid securities; variability of the Net Asset Value, which depends on a number of factors that are not within the control of the Trust, including performance of the portfolio, and performance of equity markets generally; possibility of substantial redemptions of Trust Units; general economic, market and business conditions; retention of certain key employees of the Administrator and the Portfolio Manager; conflicts of interest involving certain directors, officers or employees of the Trustee, Portfolio Manager or Administrator; the risks discussed under "Risk Factors" and other factors, many of which are beyond the control of the Trust, the Trustee and the Administrator. Readers are cautioned that the forgoing list of factors is not exhaustive.

Management has included the above summary of forward-looking information in order to provide Unitholders with a more complete perspective on the Trust's current and future operations and such information may not be appropriate for other purposes. These forward-looking statements are made as of the date of this Offering Memorandum and the Trust and the Administrator disclaim any intent or obligation to update publicly any forward-looking statements, whether as a result of new information, future events or results or otherwise, other than as required by applicable securities laws. Investors should read this entire Offering Memorandum and consult with their own professional advisors to ascertain and assess the income tax, legal, risks and other aspects of their investment in the Trust Units. **The forward-looking statements contained or incorporated by reference in this offering memorandum are expressly qualified by the foregoing cautionary statements.**

MARKETING MATERIALS

Any "OM marketing materials" (as such term is defined in NI 45-106) related to each distribution under the Offering Memorandum and delivered or made reasonably available to a prospective purchaser before the termination of such distribution will be, and will be deemed to be, incorporated by reference into this Offering Memorandum, provided that any OM marketing materials to be incorporated by reference into this Offering Memorandum 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 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.

The Trust intends to update certain information disclosed in this Offering Memorandum, including information concerning assets then held by the Partnership, on a quarterly basis with OM marketing materials. Potential investors should confirm with their Selling Agent that they have received the most recent OM marketing materials. OM marketing materials will be filed by the Trust on SEDAR as required pursuant to section 2.9 of NI 45-106, which information is available electronically from SEDAR at www.sedar.com.

OIL AND GAS RESERVES INFORMATION

Information and statements in this Offering Memorandum relating to reserves and future net revenues are deemed to be forward-looking statements which are subject to certain risks and uncertainties. See "Forward-Looking Statements" and "Risk Factors".

Certain information in this presentation may constitute "anticipated results" as defined in NI 51-101 (as defined herein), including, but not limited to, information relating to the fair market value of certain assets held by the Trust. The reader is cautioned that the data relied upon by the Trust may be in error and/or may not be analogous to the Trust's reserves.

Disclosure provided in this Offering Memorandum for barrels of oil equivalent ("**boe**") may be misleading, particularly if used in isolation. A boe conversion ratio of six Mcf to one bbl is based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead. Given that the value ratio based on the current price of oil as compared to natural gas is significantly different from the energy equivalency conversion ratio of six to one, utilizing a boe conversion ratio of six Mcf to one bbl would be misleading as an indication of value.

Reserves

The oil and natural gas reserves of Shoreline (as defined herein) described herein and the related future net revenue attributable to such reserves were evaluated by DeGolyer and MacNaughton, an independent reserves evaluator, in accordance with the requirements of NI 51-101 and the COGE Handbook, effective as of December 31, 2018.

The determination of oil and natural gas reserves involves the preparation of estimates that have an inherent degree of associated uncertainty. Categories of proved and probable reserves have been established to reflect the level of these uncertainties and to provide an indication of the probability of recovery.

The reserves and associated cash flow information set forth in this Offering Memorandum are estimates only and there is no guarantee that the estimated reserves will be recovered. Actual crude oil, natural gas and natural gas liquid reserves may be greater than or less than the estimates provided in this offering memorandum.

The discounted and undiscounted net present value of future net revenues attributable to reserves do not represent the fair market value of reserves.

The estimates of reserves and future net revenue for individual properties may not reflect the same confidence level as estimates of reserves and future net revenue for all properties, due to the effects of aggregation.

All evaluations of future revenue are after the deduction of future income tax expenses, unless otherwise noted in the tables, royalties, development costs, production costs and well abandonment costs but before consideration of indirect costs such as administrative, overhead and other miscellaneous expenses.

Reserve Categories

The estimation and classification of reserves requires the application of professional judgment combined with geological and engineering knowledge to assess whether or not specific reserves classification criteria have been satisfied. Knowledge of concepts including uncertainty and risk, probability and statistics, and deterministic and probabilistic estimation methods are required to properly use and apply reserves definitions.

"**Reserves**" are estimated remaining quantities of oil and natural gas and related substances anticipated to be recoverable from known accumulations, as of a given date, based on:

(a) analysis of drilling, geological, geophysical and engineering data;

(b) the use of established technology; and

(c) specified economic conditions, which are generally accepted as being reasonable, and shall be disclosed.

Reserves are classified according to the degree of certainty associated with the estimates.

"**Proved reserves**" are those reserves that can be estimated with a high degree of certainty to be recoverable. It is likely that the actual remaining quantities recovered will exceed the estimated proved reserves.

"**Probable reserves**" are those additional reserves that are less certain to be recovered than proved reserves. It is equally likely that the actual remaining quantities recovered will be greater or less than the sum of the estimated proved plus probable reserves.

Each of the reserves categories may be divided into developed and undeveloped categories.

"**Developed reserves**" are those reserves that are expected to be recovered from existing wells and installed facilities, or, if facilities have not been installed, that would involve a low expenditure (e.g. when compared to the cost of drilling a well) to put the reserves on production. The developed category may be subdivided into producing and non-producing.

"**Developed producing reserves**" are those reserves that are expected to be recovered from completion intervals open at the time of the estimate. These reserves may be currently producing or, if shut in, they must have previously been on production, and the date of resumption of production must be known with reasonable certainty.

"**Developed non-producing reserves**" are those reserves that either have not been on production, or have previously been on production but are shut-in and the date of resumption of production is unknown.

"**Undeveloped reserves**" are those reserves expected to be recovered from known accumulations where a significant expenditure (e.g., when compared to the cost of drilling a well) is required to render them capable of production. They must fully meet the requirements of the reserves category (proved and probable) to which they are assigned.

In multi-well pools, it may be appropriate to allocate total pool reserves between the developed and undeveloped categories or to sub-divide the developed reserves for the pool between developed producing and developed non-producing. This allocation is based on the estimator's assessment as to the reserves that will be recovered from specific wells, facilities and completion intervals in the pool and their respective development and production status.

Levels of Certainty for Reported Reserves

The qualitative certainty levels referred to in the definitions above are applicable to "individual reserves entities", which refers to the lowest level at which reserves calculations are performed, and to "reported reserves", which refers to the highest level sum of individual entity estimates for which reserves estimates are presented. Reported reserves should target the following levels of certainty under a specific set of economic conditions:

(a) at least a 90% probability that the quantities actually recovered will equal or exceed the estimated proved reserves; and

(b) at least a 50% probability that the quantities actually recovered will equal or exceed the sum of the estimated proved plus probable reserves.

A quantitative measure of the certainty levels pertaining to estimates prepared for the various reserves categories is desirable to provide a clearer understanding of the associated risks and uncertainties. However, the majority of reserves estimates are prepared using deterministic methods that do not provide a mathematically derived quantitative measure of probability. In principle, there should be no difference between estimates prepared using probabilistic or deterministic methods.

NON-IFRS MEASURES

In addition to using financial measures prescribed by IFRS, this Offering Memorandum may contain references to "**field netbacks**", "**internal rate of return**" or "**IRR**" which are measures that do not have any standardized meaning as prescribed by IFRS and is not represented in the financial statements of the Trust or the Partnership. Therefore, the Trust's use of this term may not be comparable to similar measures presented by other companies. As such, caution should be used if any comparisons are made to other companies.

References to "field netbacks" are to production prices less royalties, operating and transportation expenses. Management uses this measure for its own performance measurements and to provide investors with measures to compare the Partnership's performance over time.

References to "internal rate of return", or "IRR", are to the discount rate at which the net present value of the expected cash flows of an investment is equal to zero. IRR is a measure generally used to assess capital investment and will be used by Management to assess the Partnership's ability to generate a return on investment.

However, such measures are not a reliable indicator of the Trust's future performance and future performance may not compare to the performance in previous periods.

ABBREVIATIONS

In this Offering Memorandum, the following abbreviations have the meanings set forth below:

API	American Petroleum Institute	Mboe	thousands of barrels of oil equivalent
bbl and bbls	barrel and barrels, each barrel representing 34.972 Imperial gallons or 42 U.S. gallons	Mcf	thousand cubic feet
bbls/d	barrels per day	MMcf	million cubic feet
boe	barrels of oil equivalent	M	thousand
boe/d	barrels of oil equivalent per day	MM	million
Mbbls	thousands of barrels	STB	stock tank barrels of oil

STANDARD CONVERSIONS

The following table sets forth certain standard conversions between Standard Imperial Units and the International System of Units (or metric units).

To Convert From	**To**	**Multiply By**
Mcf	cubic metres	28.174
cubic metres	cubic feet	35.315
bbls	cubic metres	0.159
cubic metres	bbls	6.293
feet	metres	0.305
metres	feet	3.281
miles	kilometers	1.609
kilometers	miles	0.621
acres	hectares	0.405
hectares	acres	2.471

GLOSSARY OF TERMS

The following terms and abbreviations used throughout this Offering Memorandum have the following meanings:

(a) "**201**" means 2012474 Alberta Inc.

(b) "**Administration Agreement**" means the administration agreement dated effective September 25, 2013, among the Administrator, the Partnership and the Trust, pursuant to which the Administrator will provide certain administrative and support services to the Trust, as such agreement may be amended, supplemented, restated or replaced from time to time.

(c) "**Administrator**" means Invico Diversified Income Administration Ltd., and its successors and assigns as Administrator of the Trust.

(d) "**Applicable Laws**" means all applicable provisions of law, domestic or foreign, including, without limitation, the Securities Act.

(e) "**Aspen**" means Aspen Air U.S., LLC.

(f) "**Aspen Oldco**" means either or both of Aspen Air Corporation and Aspen Air U.S. Corp.

(g) "**Audax**" means Audax Investments Ltd.

(h) "**Business Day**" means a day other than a Saturday, Sunday or a day on which the principal chartered banks located at Calgary, Alberta are not open for business.

(i) "**Canadian E&P Companies**" means, collectively, Pele and 201.

(j) "**Capital Account**" means the capital account established for each Partner, with respect to each class of Partnership Units, on the books of the Partnership.

(k) "**Capital Contribution**" of a Limited Partner means the total amount of money or property paid or agreed to be paid to the Partnership by such Limited Partner, or a predecessor Limited Partner, in respect of Partnership Units subscribed for by such Limited Partner, or a predecessor Limited Partner, where subscriptions therefor have been accepted by the General Partner, and may include amounts that may be contributed by the General Partner pursuant to the Trust Indenture, as determined by the General Partner.

(l) "**Class A Partnership Unit**" means a Class A Unit of the Partnership.

(m) "**Class A Pool**" means that portion of the Distributable Proceeds that is attributable to the investment by the Partnership of Investable Proceeds provided by holders of Class A Partnership Units, and accordingly available for distribution to holders of Class A Partnership Units.

(n) "**Class A Unit**" means a Class A Unit of the Trust.

(o) "**Class A Unitholder**" means a holder of a Class A Unit.

(p) "**Class NAV**" shall mean the aggregate net asset value of a particular class of Partnership Units, and shall be calculated as: (i) the aggregate Investable Proceeds of such class of Partnership Units divided by (ii) the aggregate Investable Proceeds of all classes of Partnership Units multiplied by (iii) the Net Asset Value. The Class NAV may be adjusted by class, at the sole discretion of the Portfolio Manager, for factors including, but not limited to, assets, liabilities, revenues, Commissions, costs, expenses or any transaction unique to each class of Partnership Units.

(q) "**Commissions**" means, in respect of a Partnership Unit, or class of Partnership Units, any commissions paid or fees paid to brokers or intermediaries (including Selling Agents) in connection with the issuance of such Partnership Units, provided for greater certainty that such commission shall only be paid once.

(r) "**Committed Capital**" means: (i) in respect of any Partnership Unit, the gross subscription price of such Partnership Unit less any returns of capital paid on such Partnership Unit; and (ii) in respect of the Partnership, the aggregate gross subscription proceeds from all issuances of Partnership Units less the amount of any returns of capital paid by the Partnership.

(s) "**Distributable Proceeds**" means the amount that remains after payment and reservation of all amounts necessary for the payment of all expenses of the Partnership, including but not limited to Expenses of the General Partner, any contribution that may be made by the General Partner to the Capital Accounts and payment of the Portfolio Management Fee, and reservation of such amounts as in the opinion of the General Partner are necessary having regard to the then current and anticipated resources of the Partnership and its commitments and anticipated commitments, distributions of cash assets or property of the Partnership or from the proceeds of the sale of all or any assets of the Partnership or consideration of non-cash items.

(t) "**Distribution Payment Date**" means the day that is 30 days following the last day of each calendar month.

(u) "**Distribution Period**" means each calendar month, or such other periods in respect of a particular class of Trust Units as may be determined from time to time by the Administrator from and including the first day thereof and to and including the last day thereof.

(v) "**Distribution Record Date**" means the last Business Day of each Distribution Period.

(w) "**DRIP**" means the distribution reinvestment plan of the Trust.

(x) "**E&P Companies**" means, collectively, Shoreline and the Canadian E&P Companies.

(y) "**Energy Working Interests**" means investment in producing oil and gas properties, non-producing properties and undeveloped land by participating in working interest ownership and/or gross overriding royalties in proven producing oil and gas properties in both Canada and the United States, but for certainty, does not include the Canadian E&P Companies.

(z) "**Equity Yield**" means equity investments in debtors to the Partnership (resulting from the Lending Strategies approach) where such investment is necessary or desirable to protect or restore interest and principal payments to the Partnership and/or position the debtor for sale.

(aa) "**Expenses of the General Partner**" means all costs and expenses incurred by the General Partner in the performance of its duties under the Partnership Agreement, including Offering Costs.

(bb) "**Gator**" means Gator Technologies LLC.

(cc) "**General Partner**" means Invico Diversified Income GP Ltd., a corporation incorporated under the laws of the Province of Alberta.

(dd) "**Hurricane**" means Hurricane Energy Services Inc.

(ee) "**IFRS**" means International Financial Reporting Standards.

(ff) "**Independent Review Committee**" means the independent review committee established and maintained by the Portfolio Manager, comprised of not less than two independent members. At all times, all members of the independent review committee shall be "independent" as such term is defined in NI 81-107. In the event the Independent Review Committee does not have any members, then the Invico Entities will not proceed on a matter that is a conflict of interest that the Trustee or directors of the Invico Entities, as applicable, determine is referable to the Independent Review Committee. For clarity, NI 81-107 does not apply to the Trust but is being used solely as a reference for "independence".

(gg) "**Initial Unitholder**" means Allison Taylor, an individual resident in the City of Calgary, in the Province of Alberta, as the initial holder of Trust Units.

(hh) "**Investable Proceeds**" means: (i) in respect of a Partnership Unit, the net investable proceeds raised by the Partnership from the issuance of such Partnership Unit, being the aggregate of the subscription proceeds from the issuance such Partnership Unit less the Commissions paid on such Partnership Unit plus any amounts that are credited to the Capital Account in respect of such Partnership Unit pursuant to the Partnership Agreement; (ii) in respect of a class of Partnership Units, the aggregate Investable Proceeds of all Partnership Units of such class; and (iii) in respect of the Partnership, the aggregate of the Investable Proceeds of all classes of Partnership Units. For the purpose of determining the subscription proceeds from the issuance of a Unit not denominated in Canadian currency, the

subscription proceeds of such Unit shall be translated into Canadian currency at the prevailing rate of exchange available to the General Partner on the date of subscription.

(ii) "**Investment Gains**" for a Valuation Period shall mean the excess, if any, of the aggregate realized and unrealized increase during such Valuation Period in the value of Investments of the Partnership as determined pursuant to the Partnership Agreement over the aggregate realized and unrealized decrease during such Valuation Period by the Partnership in the value of Investments of the Partnership as determined pursuant to the Partnership Agreement. For greater certainty, expenses incurred in the purchase and sale of Investments are considered a deduction from the Investment Gains.

(jj) "**Investment Losses**" for a Valuation Period shall mean the excess, if any, of the aggregate realized and unrealized decrease during such Valuation Period in the value of Investments of the Partnership as determined pursuant to the Partnership Agreement over the aggregate realized and unrealized increase during such Valuation Period by the Partnership in the value of Investments of the Partnership as determined pursuant to the Partnership Agreement. For greater certainty, expenses incurred in the purchase and sale of Investments are considered an addition to the Investment Losses.

(kk) "**Investments**" means any investments made by the Partnership pursuant to the terms of the Partnership Agreement.

(ll) "**Invico Entities**" means collectively, the Trust, the General Partner, the Administrator and the Portfolio Manager.

(mm) "**Lending Strategies**" means lending based strategies including asset backed corporate lending, first and second mortgages (including residential and commercial mortgage backed securities), lending for development drilling of established oil and gas reserves in Canada and the United States, collateralized debt obligations, consumer financing for durable goods (including automobiles), secured primary and subordinated debt lending opportunities and factoring of receivables.

(nn) "**LOT**" means Live Out There Ltd.

(oo) "**LOT Oldco**" means Live Out There Inc.

(pp) "**Limited Partner**" means each Person that has subscribed for at least one Partnership Unit and is accepted as a limited partner of the Partnership.

(qq) "**Net Asset Value**" shall mean the net asset value of the entire Partnership and, for a Valuation Period shall mean, the excess, if any, of the value of the assets of the Partnership as determined pursuant to the Partnership Agreement on the last day of such Valuation Period less the amount of liabilities of the Partnership at such time.

(rr) "**Net Asset Value per Unit**" means in respect of a particular class of Partnership Units, the quotient obtained by dividing the Class NAV by the total number of Partnership Units outstanding in such class.

(ss) "**Net Income**" or "**Net Loss**" of the Trust means: (i) for any period other than a taxation year, the actual distributions received by the Trust from the Partnership; and (ii) for any taxation year means the income or loss of the Trust for such year computed in accordance with the provisions of the Tax Act other than paragraph 82(1)(b) and subsection 104(6) of the Tax Act regarding the calculation of income for the purposes of determining the "taxable income" of the Trust thereunder; provided, however, that (i) no account shall be taken of any gain or loss, whether realized or unrealized, that would, if realized, be a capital gain or capital loss for the purposes of the Tax Act; (ii) if any amount has been designated by the Trust under subsection 104(19) of the Tax Act, such designation shall be disregarded; (iii) if such calculation results in income there shall be deducted the amount of any non-capital losses (as defined in the Tax Act) of the Trust for any preceding years, and Net Income of the Trust for any period means the income of the Trust for such period computed in accordance with the foregoing as if that period were the taxation year of the Trust.

(tt) "**Net Losses**" of the Partnership, for a Valuation Period shall mean the excess, if any, of the sum of (i) Investment Losses, if any, and (ii) Net Operating Losses, if any, over the sum of (iii) Investment Gains, if any, and (iv) Net Operating Profits, if any, for such Valuation Period.

(uu) "**Net Operating Losses**" of the Partnership, for a Valuation Period shall mean the excess, if any, of the Expenses of the General Partner incurred during such Valuation Period by the Partnership (other

than expenses incurred in the sale or purchase of Investments) over the aggregate income earned during such Valuation Period by the Partnership from all sources whatsoever (other than from the sale or purchase of Investments).

(vv) "**Net Operating Profits**" of the Partnership, for a Valuation Period shall mean the excess, if any, of the aggregate income earned during such Valuation Period by the Partnership from all sources whatsoever (other than from the sale or purchase of Investments) over all Expenses of the General Partner incurred during such Valuation Period by the Partnership (other than expenses incurred in the sale or purchase of Investments).

(ww) "**Net Proceeds**" means the total amount to be raised by the issuance of Trust Units pursuant to the Offering, less expenses of the Offering, selling commission and fees.

(xx) "**Net Profits**" of the Partnership, for a Valuation Period shall mean the excess, if any, of the sum of (i) Investment Gains, if any, and (ii) Net Operating Profits, if any, over the sum of (iii) Investment Losses, if any, and (iv) Net Operating Losses, if any, for such Valuation Period.

(yy) "**Net Realized Capital Gains**" of the Trust for any taxation year of the Trust shall be determined as the amount, if any, by which the aggregate of the capital gains of the Trust for the year exceeds (i) the aggregate of the capital losses of the Trust for the year, and (ii) the amount determined by the Trustee in respect of any net capital losses for prior taxation years which the Trust is permitted by the Tax Act to deduct in computing the taxable income of the Trust for the year.

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

(aaa) "**NI 51-101**" means National Instrument 51-101 – *Standards of Disclosure for Oil and Gas Activities* of the Canadian Securities Administrators.

(bbb) "**NI 81-107**" means National Instrument 81-107 – *Independent Review Committee for Investment Funds* of the Canadian Securities Administrators.

(ccc) "**Non-resident**" means a person who, at the relevant time, is not resident in Canada within the meaning of the Tax Act and includes a partnership that is not a "Canadian partnership" within the meaning of the Tax Act.

(ddd) "**Offering**" means the private placement of Class A Units pursuant to this Offering Memorandum.

(eee) "**Offering Costs**" means any fees, costs and expenses incurred by or on behalf of the Partnership in connection with the offering and sale of Partnership Units from time to time, including marketing costs, the Commission and any other commission or fee payable to a registered dealer, financial advisor or eligible sales person in connection with the sale of Partnership Units.

(fff) "**Ordinary Resolution**" for the Trust or Partnership, as applicable, means:

(i) a resolution passed by more than 50% of the votes cast by those Unitholders or holders of Partnership Units, as applicable, of the particular class or classes of Trust Units or Partnership Units, as applicable, entitled to vote on such resolution, whether cast in person or by proxy, at a meeting of Unitholders of such class or classes of Trust Units or a meeting of holders of Partnership Units of such class or classes, as applicable, at which a quorum was present, called (at least in part) for the purpose of approving such resolution, or

(ii) a resolution approved in writing, in one or more counterparts, by holders of more than 50% of the votes represented by those Trust Units or Partnership Units, as applicable, of the particular class or classes of Trust Units or Partnership Units entitled to be voted on such resolution.

(ggg) "**Partner**" means a Limited Partner or General Partner of the Partnership.

(hhh) "**Partnership**" means the Invico Diversified Income Limited Partnership formed pursuant to limited partnership certificate No. LP 17746918 filed with the Alberta Registrar of Corporations, as amended from time to time.

(iii) "**Partnership Act**" means the *Partnership Act* (Alberta), as may be amended or supplemented.

(jjj) "**Partnership Agreement**" means the limited partnership agreement of the Partnership dated September 25, 2013 among Invico Diversified Income GP Ltd., as the general partner, and the Limited Partners, as of such date as amended and restated on March 27, 2014, April 29, 2015, November 3, 2015, April 14, 2016 and April 24, 2018 and as may be further amended from time to time.

(kkk) "**Partnership Units**" means limited partnership units, of any class, of the Partnership.

(lll) "**Pennant**" means Pennant Capital Partners Inc.

(mmm) "**Pele**" means Pele Energy Inc.

(nnn) "**Portfolio and Investment Fund Management Agreement**" means the Portfolio and Investment Fund Management Agreement between the Trust, the Partnership and the Portfolio Manager dated September 25, 2013.

(ooo) "**Portfolio Management Fee**" means the amount payable by the Partnership to the Portfolio Manager equal to an annual rate of 1.75% of the Committed Capital of the Partnership as at the last day of the preceding month, calculated and payable in advance. Pursuant to the Partnership Agreement, the Portfolio Manager may waive all or any part of the Portfolio Management Fee, including with respect to the Committed Capital of particular Partnership Units.

(ppp) "**Portfolio Management Fee Distribution**" means an amount distributed by the Partnership to a Limited Partner in the event that the Portfolio Manager elects to waive all or part of the Portfolio Management Fee to which the Portfolio Manager would otherwise be entitled, which amount shall be equal to the amount by which the Portfolio Management Fee is reduced as a result of the waiver. Portfolio Management Fee Distributions may be paid in cash or additional Partnership Units of the same class at the discretion of the General Partner.

(qqq) "**Portfolio Manager**" means Invico Capital Corporation, who is appointed as the portfolio manager and investment fund manager pursuant to the Portfolio and Investment Fund Management Agreement, and such other person or persons as the General Partner may appoint as Portfolio Manager from time to time in place of Invico Capital Corporation in compliance with applicable securities legislation, including but not limited to the *Securities Act* (Alberta) and all regulations thereto.

(rrr) "**Redemption Date**" means the last Business Day of a fiscal quarter.

(sss) "**Redemption Fee**" for the Trust or Partnership, as applicable, means an administration fee of $200 that may be charged by the Trustee in connection with a redemption of Trust Units, or an administration fee of $200 that may be charged by the General Partner in connection with a redemption of Partnership Units.

(ttt) "**Redemption Notes**" for the Trust or Partnership, as applicable, means promissory notes issued in series, or otherwise, by the Trust or Partnership, as applicable, pursuant to a note indenture or otherwise and issued to a redeeming Unitholder or Limited Partner, as applicable, in principal amounts equal to the Redemption Price multiplied by the number of Trust Units or Partnership Units to be redeemed less the applicable Redemption Fee and having the following terms and conditions:

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

(ii) subordinated and postponed to all senior indebtedness and which may be subject to specific subordination and postponement agreements to be entered into by the Trust or Partnership, as applicable, pursuant to the note indenture with holders of senior indebtedness;

(iii) subject to earlier prepayment, being due and payable on the third anniversary of the date of issuance; and

(iv) 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 General Partner, Trustee or Administrator, as applicable.

(uuu) "**Redemption Price**" means, in the event of a redemption of any Trust Unit, the net redemption proceeds per Partnership Unit that are received by the Trust upon redemption by the Trust of the corresponding Partnership Units redeemed by the Trust to pay for the redemption of such Trust Unit, and the redemption price in respect of a Partnership Unit shall equal the lesser of: (i) the Net Asset Value per Partnership Unit at the applicable time; and (ii) the issue price of such Partnership Unit less any Commission paid in connection with the purchase thereof plus the amount of any credit to the Capital Account of such Partnership Unit as a result of non-cash distributions pursuant to the Partnership Agreement, less the amount of any Redemption Fees charged by the Partnership.

(vvv) "**RDSP**" means a trust governed by a registered disability savings plan, as defined in the Tax Act.

(www) "**RESP**" means a trust governed by a registered education savings plan, as defined in the Tax Act.

(xxx) "**RRIF**" means a trust governed by a registered retirement income fund, as defined in the Tax Act.

(yyy) "**RRSP**" means a trust governed by a registered retirement savings plan, as defined in the Tax Act.

(zzz) "**Securities Act**" means the *Securities Act* (Alberta), as may be amended or supplemented from time to time, and the regulations and rules under that act and the blanket rulings and orders issued by the Alberta Securities Commission.

(aaaa) "**Selling Agents**" means registered dealers, financial advisors, sales persons, wholesalers, brokers, intermediaries or other eligible person, which for greater certainty, does not include Pennant.

(bbbb) "**Sharing Ratios**" with respect to any Limited Partner holding Partnership Units of a certain class, means the proportion that the number of the applicable class of Partnership Units held by such Limited Partner is of the aggregate number of Partnership Units of such class held by all Limited Partners.

(cccc) "**Shoreline**" means Shoreline Energy Holdings II, Inc.

(dddd) "**Special Resolution**" for the Trust or Partnership, as applicable, means:

(i) a resolution passed by more than $66^2/_3\%$ of the votes cast by those Unitholders or holders of Partnership Units, as applicable, of the particular class or classes of Trust Units or Partnership Units entitled to vote on such resolution, whether cast in person or by proxy, at a meeting of Unitholders or holders of Partnership Units, as applicable, of such class or classes of Trust Units or Partnership Units, at which a quorum was present, called (at least in part) for the purpose of approving such resolution, or

(ii) a resolution approved in writing, in one or more counterparts, by holders of more than $66^2/_3\%$ of the votes represented by those Trust Units or Partnership Units of the particular class or classes of Trust Units or Partnership Units entitled to be voted on such resolution.

(eeee) "**Subscriber**" means a subscriber of Class A Units under this Offering.

(ffff) "**Tax Act**" means the *Income Tax Act* (Canada), as may be amended or supplemented.

(gggg) "**Tax Deferred Plan**" means a RRSP, RRIF, RESP, RDSP, TFSA, and a trust governed by a deferred profit sharing plan.

(hhhh) "**TFSA**" means a trust governed by a tax-free savings account, as defined in the Tax Act.

(iiii) "**Trust**" means Invico Diversified Income Fund, a private open-ended investment trust established under the laws of Alberta on September 25, 2013.

(jjjj) "**Trust Indenture**" means the trust indenture of the Trust dated September 25, 2013 among the settlor, the Initial Unitholder of the Trust, the Trustee and the Administrator including any amendments or supplemental indentures thereto.

(kkkk) "**Trust Property**" at any time, means all of the money, properties and other assets of any nature or kind whatsoever, including both income and capital of the Trust, as are, at such time, held by the Trust or by the Trustee on behalf of the Trust.

(llll) "**Trust Unit**" means collectively, Class A Units, Class C Units, Class F Units, Class G Units, Class J Units, Class CU Units and Class FU Units of the Trust.

(mmmm) "**Trustee**" means Invico Diversified Income Fund Trustee Corporation in its capacity as trustee of the Trust, or any successor trustee of the Trust in accordance with the provision of the Trust Indenture.

(nnnn) "**Unitholder**" means a holder of Trust Units.

(oooo) "**Valuation Period**" shall mean each quarter of the Partnership or, if for any quarter of the Partnership any contribution to the capital of the Partnership shall have been made at any time other than the first day of such quarter or any withdrawal from the capital of the Partnership shall have been made at any time other than as of the last day of such quarter, then: (a) the period commencing on the first day of such quarter and ending on the date of such withdrawal or the day next preceding the date of any such contribution; and (b) each successive period in such quarter commencing on the date of any such contribution or day following the date of such withdrawal and ending on the earlier to occur of (i) the last day of such quarter or (ii) the date of the next such withdrawal or the day next preceding the date of the next such contribution to the capital of the Partnership during such quarter.

(pppp) "**Wholly-Owned Subsidiaries**" means, collectively, the Canadian E&P Companies, Gator, LOT and Aspen or any of them (as the context requires).

(qqqq) "**$**" or "**C$**" means Canadian Dollars.

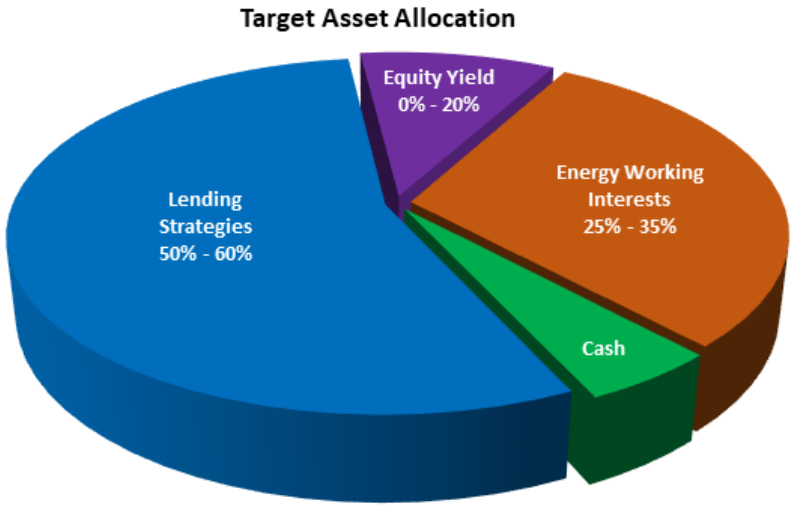
SUMMARY OF THIS OFFERING MEMORANDUM

The following is a summary of the principal features of this Offering Memorandum and should be read together with the more detailed information contained elsewhere in this Offering Memorandum. Certain terms used in this Offering Memorandum are defined in the Glossary of Terms.

Investment Objective:

The Trust was established for the purposes of investing indirectly, through the Partnership, in securities or other investments. The Partnership intends to focus on investments that provide a high level of current income while offering the potential for moderate capital appreciation by investing primarily in high-yielding investments in a well-diversified manner. Target investments include (i) lending based strategies including asset backed corporate lending, first and second mortgages (including residential and commercial mortgage backed securities), lending for development drilling of established oil and gas reserves in Canada and the United States, collateralized debt obligations, consumer financing for durable goods (including automobiles), secured primary and subordinated debt lending opportunities and factoring of receivables ("**Lending Strategies**"); (ii) investment in producing oil and gas properties, non-producing properties and undeveloped land by participating in working interest ownership and/or gross overriding royalties in proven producing oil and gas reserves ("**Energy Working Interests**") in both Canada and the United States; (iii) equity investments in debtors to the Partnership (resulting from the Lending Strategies approach) where such investment is necessary or desirable to protect or restore interest and principal payments to the Partnership and/or position the debtor for sale ("**Equity Yield**"); and (iv) subject to the unanimous approval of the Independent Review Committee, such other investments that meet the Partnership's desire for security and returns. See "Business of the Trust".

The Partnership's current target asset allocation and ranges are as set out in the pie chart below. However, the Partnership may change its targeted asset allocation at any time with the unanimous approval of the Independent Review Committee. The actual composition of the Partnership's composition will vary over time as the Partnership's investments or loans mature and funds are reinvested in accordance with the Partnership's investment strategy.



The Partnership undertakes an active investment management approach. Active management involves exerting degrees of control over the management of investee companies, to be determined by the General Partner on an investment by investment basis. Typically, the Partnership will retain the ability to restrict certain actions of the management of investee companies pursuant to certain covenants contained in the loan documentation or other definitive agreements with such investee companies. Such restrictions may include approval or veto rights over certain decisions made by the

management of investee companies. The Partnership may also, in certain circumstances, have the right to designate one non-voting board observer. Such observer is entitled to attend all board meetings of the investee company, participate in all board deliberations and receive copies of all materials provided to the board.

The investment strategy encompasses active management focused on Lending Strategies and Energy Working Interests, and to a lesser extent, Equity Yield as an extension of Lending Strategies.

Lending strategies focus on a combination of cash flow, collateral and liquidation value assessments. The documentation in respect of each investment contains financial and non-financial covenants, financial reporting and monitoring requirements. The Partnership will have access to the investee company's property at reasonable times and with reasonable notice. Investee companies are subjected to stringent reporting requirements, which consist of annual and quarterly financial statements, listings of accounts payable and accounts receivable, compliance certificates and other such information the Partnership may reasonably request. The Partnership's loan documentation places negative covenants upon investee companies such as restrictions on (i) amalgamations, reorganizations, recapitalizations, consolidations, mergers, transfers or similar like events, (ii) creating or incurring liens upon or with respect to any of its undertakings, properties, rights or assets, (iii) asset sales above a determined value, (iv) interest payments to subordinated lenders, (v) payment of dividends or distributions, (vi) transactions with affiliates or associates, (vii) providing financial assistance, (viii) creating, incurring or assuming indebtedness, (ix) making of investments, (x) modifying, amending or altering material contracts, (xi) changing the nature of its business and (xii) making additions to the board of directors or substitutions of existing directors. Additionally, the Partnership's loan documentation will contain financial covenants specific to the investee companies.

Energy Working Interests are predominantly directly managed by the Partnership. The Partnership acquires non-operated working interest companies through Shoreline, which is wholly-owned by the Partnership. Additionally, the Partnership owns the Wholly-Owned Subsidiaries. The Partnership retains full control of the management of such entities.

See "Business of the Trust – Assets Held".

The Partnership currently allocates a portion of its portfolio to Equity Yield. Equity Yield focuses equity investments in debtors to the Partnership (resulting from the Lending Strategies approach) where such investment is necessary or desirable to protect or restore interest and principal payments to the Partnership and/or position the debtor for sale. For example, Equity Yield may be used to stabilize the business of a Wholly-Owned Subsidiary that was acquired by the Partnership through creditor enforcement processes. Equity Yield will only be used where the underlying business of the debtor has demonstrated an ability to generate sustainable cash flow and where the Partnership determines that efficiencies can be realized by targeted changes in the debtor, including through improved management, restructuring, or sale of certain assets. For greater certainty, the Partnership will not be pursuing its Equity Yield strategy outside of the context of debtors to the Partnership (resulting from the Lending Strategies approach).

Although it is intended that the Trust qualify as a "mutual fund trust" for purposes of the Income Tax Act, the Trust will not be a "mutual fund" or "investment fund" under applicable securities laws.

Investment Criteria:

The Partnership will only consider investments that have a total return target in excess of a 13% annualized return and require timely compliance reporting and financial reporting from investee companies, as well as such other reporting of information that is deemed prudent and necessary to monitor an investee company's performance. The target return is based on an estimate of the total return on the investment and, in addition to the payment of interest income, may include estimated amounts from warrants, royalties, make whole payments, interest and default reserves, deferred interest payments (balloon payments), discounts on purchased invoices, equity consideration or options to purchase equity for a period of time at a set strike price and any other amounts paid upon repayment.

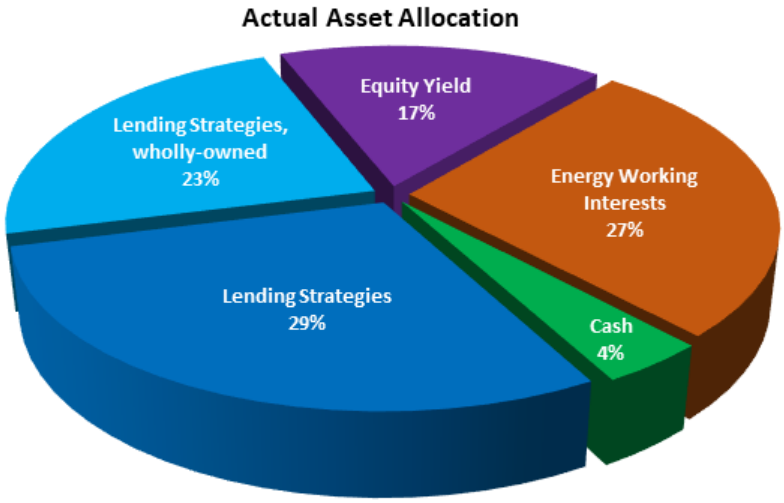
Through the Partnership, the General Partner, with the input and approval of the Portfolio Manager, intends to allocate its investments in entities that have a demonstrated track record of achieving in excess of the target return, while meeting the security and due diligence requirements. Through a diversified asset allocation strategy (based on managing the Partnership's exposure to any one loan in the case of Lending Strategies or any one operator in the case of Energy Working Interests, in an amount not to exceed 20% of the Net Asset Value) of both in-house and third party sourced opportunities, the Partnership intends to have a diversified set of high yield based opportunities across a number of asset classes and industries.

The Partnership's Lending Strategies will focus on lending to businesses with the following features: acceptable leverage, well defined capital and working capital expenditure requirements, dependable cash flow, growth prospects, quality management, the ability to obtain acceptable collateral or security and a clearly defined path to repayment. The Partnership will consider a variety of sectors including but not limited to, the financial services industry, the oil and gas industry, the manufacturing industry, the service industry, consumer products, and the real estate industry. The Partnership will focus on acquiring Energy Working Interests in both Canada and the United States.

The Partnership has established certain investment restrictions as set forth in the Partnership Agreement. The investment restrictions may be changed only by way of a Special Resolution. The Partnership may, from time to time, in consultation with the Portfolio Manager, establish certain other investment restrictions and policies as available opportunities and market conditions may dictate. The Partnership is not restricted from investing in securities of United States or international issuers, and any such investments would expose the Trust to certain currency exchange risks.

Assets Held:

The pie chart below shows the composition of the Partnership's asset portfolio as at December 31, 2018. Such composition will change over time as the Partnership's investments or loans mature and funds are reinvested in accordance with the Partnership's investment strategy.



As at December 31, 2018, the Partnership held the following investments:

Lending Strategies:

The Partnership had 18 loan investments for a total of approximately $89.5 million of net asset value in Lending Strategies with an average loan size of $5 million. A portion of the Partnership's investment in Lending Strategies, comprised of 3 loans with a total value of

approximately $40.8 million, were outstanding to Wholly-Owned Subsidiaries, and which loans were made on substantially the same terms as loans made to arm's length parties. For additional information on the individual investments of the Partnership, please refer to the financial statements for the Partnership attached herein. The Partnership's portfolio allocation will change over time as the Partnership's investments or loans mature and funds are reinvested in accordance with the Partnership's investment strategy.

As a result of the slow-down in the oil and gas sector, a debtor of the Partnership, Hurricane Energy Services Inc. ("**Hurricane**"), was unable to service its interest obligations to the Partnership throughout 2018. As at April 22, 2019, the outstanding interest obligation owing to the Partnership from Hurricane is approximately $502,000. Hurricane is currently working to restore regular interest payments by moving some of its assets into the United States, where the market is more robust in the oil and gas sector, and by diversifying into non-energy markets that can utilize the company's services.

Energy Working Interests:

The Partnership's investments in Energy Working Interests in the U.S. are owned through a subsidiary company, Shoreline, that owns certain non-operated working interests and royalties in the DJ Basin throughout Colorado. As of December 31, 2018, the Partnership had approximately C$47.0 million of net asset value in Energy Working Interests across approximately 244 gross producing wells. For a description of certain oil and gas information of Shoreline, see "Business of the Trust – Selected Oil and Gas Information".

Equity Yield:

As of December 31, 2018, the Partnership's investments in Equity Yield consist of approximately $29.8 million of net asset value, all of which were invested in the Partnership's Wholly-Owned Subsidiaries.

The Partnership may from time to time come to possess equity interests in debtor companies through a variety of methods, including pursuant to negotiated equity carried interest in loan agreements, warrants and convertible debt, some of which may require additional equity investment to acquire or exercise. Further, the Partnership may become controlling equityholders of debtor companies as a result of the Partnership enforcing on or converting its security on loans to obtain an ownership interest in the debtor company or its assets. All of the Wholly-Owned Subsidiaries of the Partnership were acquired through enforcement/insolvency processes involving the Wholly-Owned Subsidiary. For greater certainty, the Partnership does not seek to acquire companies that are not debtors to the Partnership as part of its Equity Yield approach, rather, such equity investments are ancillary or supplementary to investments made by the Partnership pursuant to its Lending Strategies approach.

The Wholly-Owned Subsidiaries currently consist of the following companies:

- Gator, an oilfield services rental company;
- Aspen, an industrial gases company;
- Pele and 201, each an oil and gas exploration company; and
- LOT, a speciality e-commerce outdoor apparel company.

See "Business of the Trust – Assets Held".

Proposed Closing Date(s): The Administrator is proposing to complete the initial closing under this Offering Memorandum as soon as practicable, with the intent that such initial closing is expected to occur on or about May 2, 2019, and further closings will occur from time to time at the discretion of the Administrator.

Income Tax Consequences:

The Trust has been advised that, provided that the Trust qualifies as a "mutual fund trust" for purposes of the Tax Act at all relevant times, the Trust Units will be qualified investments for Tax Deferred Plans. Potential investors should consult their own tax advisors in respect to an investment in Trust Units. See "Canadian Federal Income Tax Considerations".

Selling Agents:

The Trust will retain selling agents in respect of the distribution and sale of the Trust Units. In addition, the Trust has retained Pennant, a registered exempt market dealer, as a wholesaler in connection with the Offering to provide marketing and sales assistance to Selling Agents. Potential investors will not be "clients" of Pennant and accordingly, Pennant will not provide any advice or recommendations to potential investors, nor will Pennant accept any subscriptions from potential investors. Accordingly, Pennant will not undertake any "know your client" or "suitability" assessments in respect of potential investors in the Trust.

The Trust is a connected issuer and related issuer of Pennant as Jason Brooks and Allison Taylor own all of the shares of Pennant and all of the shares of Invico Capital Corporation, which owns all of the shares of the Trustee, the Administrator and the General Partner. Jason Brooks is the President of the Trustee, Administrator, Pennant, the General Partner and Invico Capital Corporation, and Allison Taylor is the Chief Executive Officer of the Trustee, Administrator, the General Partner and Invico Capital Corporation and Chief Operating Officer of Pennant

The Trust will, indirectly, pay commissions and certain fees in respect of administrative matters in connection with the Offering of up to 6% of the gross proceeds realized on the Class A Units sold directly by Selling Agents. In addition, the Partnership may also at the sole discretion of its General Partner distribute an annual fee of up to 0.80% per annum of the net asset value of the Class A Partnership Units (purchased by the Trust using the subscription proceeds of the Class A Units) that remains invested in the Partnership (pro-rated for holders of Class A Partnership Units who have held the Class A Partnership Units for less than a year), payable to certain Selling Agents.

See "Business of the Trust – Relationship between the Trust, the Trustee, Pennant and the Portfolio Manager", "Compensation Paid to Sellers and Finders", "Fees and Expenses", and "Risk Factors – Risks Associated with the Trust – Conflicts of Interest".

Conflicts of Interest:

The actions of certain directors, officers, employees and agents of the Trustee, Portfolio Manager, Administrator and General Partner may from time to time be in conflict with the activities of the Trust. Such conflicts are expressly permitted by the terms of the Trust Indenture. See "Summary of the Trust Indenture – Conflict of Interest", "Summary Of The Partnership Agreement – Competing Interests" and "Risk Factors – Risks Associated with the Trust – Conflicts of Interest".

Invico Capital Corporation and its affiliates may from time to time enter into business relationships with or provide additional services to investee companies of the Partnership. See "Interests Of Directors, Management And Principal Holders – Relationships with Investee Companies".

Distributions:

Unitholders shall be entitled to receive distributions of the Net Income and the Net Realized Capital Gains of the Trust in accordance with the terms of the Trust Indenture. Such distributions to Class A Unitholders will be based upon the distributions the Trust receives from the Partnership and that are attributable to the Class A Units. The Trust will own all of the Class A Partnership Units. Distributions to the Trust, as the sole holder of Class A Partnership Units, will be as follows:

(a) as first priority, and calculated quarterly and paid within sixty (60) days of the end of each fiscal quarter, in the sole discretion of the General Partner, an annual fee of up to 0.80% per annum of the Class NAV of the Class A Partnership Units that remains invested in the Partnership (pro-rated for holders of Class A

Partnership Units who have held the Class A Partnership Units for less than a quarter), payable to the registered dealers, financial advisors, sales persons or other eligible persons who introduced holders of Class A Partnership Units to the Partnership;

(b) as second priority, and on a monthly basis, the Class A Pool attributable to such Valuation Period (whether initially distributed as a return of capital or otherwise), as determined by the General Partner, acting in its sole discretion, in respect of any Valuation Period will be distributed monthly in arrears to the holders of Class A Partnership Units (including, if applicable, the General Partner in its capacity as a holder of Class A Partnership Units) in accordance with their respective Sharing Ratios until the cumulative amount distributed under this subparagraph (b) for a given month equals an amount equal to one twelfth (1/12) of a cumulative nine (9%) percent annual return on the capital contribution of such holder of Class A Partnership Units;

(c) as third priority, and annually within one hundred twenty (120) days of the end of each fiscal year, after the maximum amount distributable under subparagraphs (a) and (b) above has been distributed, an amount up to one percent (1.0%) of the issue price of each applicable Class A Partnership Unit multiplied by the number of Class A Partnership Units held by a particular holder of Class A Partnership Units will be distributed as a non-cash distribution credited to the Capital Account of each holder of such Class A Partnership Units who has held the Class A Partnership Units for a minimum of one year (pro-rated for holders of Class A Partnership Units who have held the Class A Partnership Units for less than a year), until the aggregate distributions pursuant to this subparagraph equal the aggregate Commissions paid in connection with the issuance of such Class A Partnership Units; and

(d) as fourth priority, and annually within one hundred twenty (120) days of the end of each fiscal year, after the maximum amount distributable under subparagraphs (a), (b) and (c) above has been distributed, any excess amounts in the Class A Pool for that fiscal year shall be distributed at the end of such period as to 100% to the General Partner.

To the extent that there is a surplus in the Class A Pool after making the monthly distributions set forth in paragraph (a) and (b) above, then the General Partner may, in its sole discretion, retain any such surplus as a reserve for future expenditures, commitments or distributions of the Partnership or reinvest such surplus in any Investment. To the extent that there are no Distributable Proceeds after payment and reservation of all amounts necessary for the payment of all expenses of the Partnership, including but not limited to Expenses of the General Partner and the Portfolio Management Fee, the Partnership shall not be obligated to make any distributions of cash to the Partners. The principals of the General Partner are the same as those of the Trustee, Administrator and the Portfolio Manager.

The Trust has adopted a distribution reinvestment plan (the "**DRIP**") that will allow eligible Unitholders to elect to have their monthly cash distributions reinvested in additional Trust Units on the Distribution Payment Date at a purchase price equal to $10 per Trust Unit (or such other price as may be determined by the Trust from time to time).

Redemptions:

A Unitholder may redeem Trust Units on the last Business Day of any fiscal quarter end ("**Redemption Date**"), subject to certain restrictions, by providing written notice to the Trustee not less than 60 days prior to the Redemption Date. Subject to certain conditions, payment for the redeemed Trust Unit shall occur on the 30th day following the Redemption Date. The Trustee may, in its discretion, charge any Unitholder a redemption fee of $200 in connection with the redemption of such Trust Units, and such redemption fee charged shall be deducted from the redemption amount otherwise payable to the Unitholder. In addition, the General Partner may charge a redemption fee equal to $200 in connection with the redemption of Partnership Units. For greater certainty, the Partnership shall not charge a redemption fee to the Trust.

The Redemption Price for any Trust Units being redeemed shall be equal to the net redemption proceeds per Partnership Unit that are received by the Trust upon redemption by the Trust of the corresponding Partnership Units redeemed by the Trust to pay for the redemption of such Trust Unit. The Redemption Price in respect of each Partnership Unit shall equal the lesser of: (i) the Net Asset Value of such Partnership Unit at the applicable time; and (ii) the issue price of such Partnership Unit less any Commission paid in connection with the purchase thereof plus the amount of any credit to the Capital Account of such Partnership Unit as a result of non-cash distributions pursuant to the Partnership Agreement, less the amount of any Redemption Fees charged by the Partnership.

Payment of the Redemption Price, together with the proportionate share attributable to such Trust Units of any distribution of net income and net realized capital gains of the Trust which has been declared and not paid, shall be made by cheque payable to or to the order of the Unitholder or by such other manner of payment, including electronic fund transfer, wire transfer or payment in kind, approved by the Trustee from time to time. However, if on any Redemption Date, the Trustee determines, in its sole discretion, that the Trust does not have sufficient cash reserves to pay the amounts payable on the redemption of Trust Units, the Trustee shall advise the Unitholder in writing that the proceeds of any redemption of Trust Units payable in respect of Trust Units tendered for redemption in the applicable calendar month shall be paid within 60 days of the Redemption Date by the Trust issuing Redemption Notes having a principal amount equal to the Redemption Price for each Trust Unit to be redeemed. At any time in the seven (7) days following the date of the Trustee's notice set out herein, the Unitholder may rescind its notice of redemption. If a Unitholder fails to rescind its notice of redemption in writing pursuant to the terms of the Trust Indenture, the Trustee shall issue Redemption Notes to the Unitholders who exercised the right of redemption. Redemption Notes are not qualified investments for Tax Deferred Plans.

See "Summary of the Trust Indenture – Redemptions" and "Canadian Federal Income Tax Considerations".

Transfer of Units: No Unitholder shall transfer or dispose of its Trust Units to any other person except with the consent of the Trustee and in compliance with applicable securities laws and the Trust Indenture. See "Resale Restrictions".

Portfolio Manager: The Trust is not a "mutual fund" or "investment fund" under applicable securities laws. However, the Partnership and the Trust have retained the Portfolio Manager to, among other things, provide general administrative and support services, portfolio management, investment advisory and investment management services, administrative and other services to the Partnership and will also provide the Partnership with office facilities, equipment and staff as required. The Portfolio Manager will identify, analyze and select investment opportunities, structure and negotiate prospective investments, make investments for the Partnership in securities, monitor the performance of such investments, and determine the timing, terms, and method of disposition of investments. The principals of the Portfolio Manager are the same as those of the Trustee, Administrator and the General Partner.

Portfolio Management Fee: The Partnership will pay the Portfolio Manager a monthly fee (the "**Portfolio Management Fee**") equal to an annual rate of 1.75% of the Committed Capital of the Partnership as at the last date of the preceding month, calculated and payable, in advance, at the beginning of each month. Any Portfolio Management Fee attributable to any period of less than one full month (whether as to the Partnership generally or to any Limited Partner) shall be *pro-rated* appropriately and be payable on the first day of such period. At the sole discretion of the Portfolio Manager, payment of all or any part of the Portfolio Management Fee or any accrual thereof may be waived, including with respect to the Committed Capital of particular Partnership Units.

Other Fees and Expenses:

In addition to the Portfolio Management Fee, the Invico Entities provide certain services to the Trust and the Partnership for which they receive fees and/or reimbursement of expenses. All such fees and/or reimbursement of expenses must be approved by the Independent Review Committee. In 2018, these fees/expenses consisted of the following:

- The Administrator, an entity wholly owned by the Portfolio Manager, pursuant to the terms of the Administration Agreement incurs annual expenses of $89,250 in connection with the day to day administration and back office duties of the Trust (including services as transfer agent).

- Invico Capital Corporation charges a monthly management fee equal to US$4.50 per produced boe with a minimum monthly amount of US$40,000 to Shoreline. This amount covers general and administrative costs related to managing Shoreline, including geology, engineering and land administration costs. The amount of the management fee has been set by Invico Capital Corporation based on the general and administrative costs incurred by entities similar to Shoreline and approved by the Independent Review Committee. The fee paid to Invico Capital Corporation in 2018 was US$733,271. Third party expenses are also recovered from Shoreline on a cost recovery basis.

- The Trust currently holds investments in two US mortgage portfolios, Fort Greene Fund and Fort Greene Funding 2012. Invico Capital Advisory Services Inc., an affiliate of the Portfolio Manager, officially took over fund management duties effective July 10, 2015 and has since been acting in such a capacity. Invico Capital Advisory Services Inc. is entitled to remuneration for these services in an amount equivalent to an annual management fee of 2% of the principal invested in such funds as defined in the fund documents. In 2018, such fee amounted to US$99,891

- Pennant incurs certain general and administrative costs acting in its capacity as wholesaler to the Trust in connection with the Offering, which costs amounted to $313,236 in 2018 of which $23,594 relates to the Class A Units.

- The Portfolio Manager incurs certain general and administrative costs in connection with management of the Wholly-Owned Subsidiaries, which costs amounted to US$36,000 in 2018.

Furthermore, the General Partner shall be reimbursed by the Partnership for all costs and expenses incurred by the General Partner in the performance of its duties as General Partner, including all direct general and administrative expenses that may be incurred by the General Partner and the Partnership. See note 4 of audited financial statements of the Partnership attached herein.

See "Interests of Directors, Management and Principal Holders" – "Fees and Expenses".

Relationships with Investee Companies:

Invico Capital Corporation and its affiliates may from time to time enter into business relationships with or provide additional services to investee companies of the Partnership. Such relationships or provision of services (including remuneration) will be approved by the Independent Review Committee. Invico Capital Corporation currently has the following relationships with investee companies of the Partnership:

Pursuant to an investment fund management agreement (the "**Management Agreement**"), the Portfolio Manager acts as "fund manager" of a private real estate management fund based in Calgary, Alberta. Additional services are provided to the fund by Pennant, a related and connected issuer of the Trust. From time to time, fees are paid by the fund to the Portfolio Manager and/or Pennant. As at April 24, 2019, an affiliate of the fund was indebted to the Partnership in the principal amount of approximately $1.5 million in respect of revolving lines of credit. The loans bear interest at 15% per annum and are secured by second mortgages against properties of such entity.

Independent Review Committee:

The Portfolio Manager shall maintain an independent review committee comprised of not less than two individuals that are "independent" as such term is defined in NI 81-107. For clarity, NI 81-107 does not apply to the Trust and the Partnership but is being used solely as a reference for "independence".

The unanimous approval of the Independent Review Committee shall be required to consent to or approve the following matters:

(a) to approve any "conflict of interest matter" (as defined below) regarding the business of the Trust, the Partnership or the Portfolio Manager, including but not limited to, the approval of any new or changes to expenses, fees or other costs and any related-party transactions or contracts involving the Trust, the Partnership or the Portfolio Manager or related-party transactions or contracts involving their directors, officers, shareholders or affiliates; and

(b) to approve the reallocation of the use of proceeds from the Offering for any purpose that is materially different than the articulated use of proceeds set out in this Offering Memorandum.

A "conflict of interest matter" means a situation where a reasonable person would consider the person or entity in question, or an entity related to such person or entity, to have an interest which may conflict with their ability act in good faith and in the best interests of the Trust and the Partnership.

The Independent Review Committee is also required to make an annual report reasonably available to the Trust Unitholders and Partnership unitholders. See "Reporting Obligations". Every member of an Independent Review Committee, in exercising his or her powers and discharging his or her duties related to the Trust and the Partnership, and, for greater certainty, not to any other person, as a member of the Independent Review Committee must (a) act honestly and in good faith, with a view to the best interests of the Trust and the Partnership; and (b) exercise the degree of care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances. Every member of an Independent Review Committee must comply with applicable law and any written charter of the Independent Review Committee.

A member of the Independent Review Committee does not breach his or her standard of care, if the member exercised the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances, including reliance in good faith on (a) a report or certification represented as full and true to the Independent Review Committee by an Invico Entity or an entity related to the Invico Entities; or (b) a report of a person whose profession lends credibility to a statement made by the person.

Term of the Trust:

Subject to the other provisions of the Trust Indenture, the Trust shall continue for a term ending 21 years after the date of death of the last surviving issue of Her Majesty, Queen Elizabeth II, alive on September 25, 2013. For the purpose of terminating the Trust by such date, the Trustee shall commence to wind-up the affairs of the Trust on such date as may be determined by the Trustee, being not more than two years prior to the end of the term of the Trust.

Trustee:

The Trustee of the Trust is Invico Diversified Income Fund Trustee Corporation, a corporation incorporated under the laws of the Province of Alberta. The principals of the Trustee are the same as those of the Administrator, General Partner and the Portfolio Manager.

Concurrent Offerings:

In addition to Class A Units, the Trust will, from time to time, also be distributing other securities of the Trust, including Class C Units, Class F Units, Class G Units, Class J Units, Class CU Units and Class FU Units of the Trust. The Partnership, the entity through which the Trust will be making all of its investments will, from time to time, also be distributing other securities of the Partnership, including Class D Units of the Partnership. See "Business of the Trust – Structure". The Class C Units, Class F Units, Class G Units, Class J Units, Class CU Units and Class FU Units of the Trust and Class D

Units of the Partnership have different rights and obligations, including with respect to distributions and commissions payable.

Up-front commissions and fees are as follows for the Class C Units (3%), Class G Units (6%), and Class CU Units (3%) of the Trust and Class D Units (3%) of the Partnership. No up-front commissions and fees are payable on the Class F Units, Class J Units or Class FU Units. However, deferred commissions may also be applicable. For additional information about the Class C Units, Class F Units, Class G Units, Class J Units, Class CU Units and Class FU Units of the Trust and Class D Units of the Partnership, ask your Selling Agent, who may provide you with a separate offering memorandum related thereto.

Risk Factors:

It is strongly recommended that each Subscriber, in order to assess tax, legal and other aspects of an investment in Trust Units and, indirectly, underlying Partnership Units, obtain independent advice with respect to the Offering and this Offering Memorandum. An investment in the Trust Units and, indirectly, underlying Partnership Units is subject to significant risk from, among other things, changing economic and market conditions. Following is a list of some of the most significant risk factors:

This is a speculative offering. An investment in Trust Units is appropriate only for subscribers who have the capacity to absorb a total loss of their investment. Subscribers who are not willing to rely on the sole and exclusive discretion and judgment of the Trustee, Administrator, General Partner and Portfolio Manager should not subscribe for Trust Units.

There is no market for Trust Units and the transfer of Trust Units is significantly limited and, in some circumstances, prohibited. An investment in Trust Units should only be considered by those subscribers who are able to make and bear the economic risk of a long-term investment and the possible total loss of their investment.

Qualification as a mutual fund trust. If the Trust ceases to qualify as a "mutual fund trust" within the meaning of the Tax Act, the Trust Units will cease to be qualified investments for Tax Deferred Plans which will have adverse tax consequences to Tax Deferred Plans and their annuitants, holders or beneficiaries. In addition, if the Trust Units are or become a prohibited investment for Tax Deferred Plans, adverse tax consequences may result to the holder, annuitant or beneficiary thereunder.

An investment in Trust Units should only be made after consultation with independent qualified sources of investment and tax advice. An investment in the Trust is speculative and involves a high degree of risk and is not intended as a complete investment program.

There are risks associated with investing in the oil and gas industry such as commodity price volatility, operating risk, environmental risk, exploration, development and production risk and weakness in the oil and gas industry. An investment in the Trust, indirectly, contains a material exposure to the fundamentals of the oil and gas industry.

There is a risk that an investment in the Trust will be lost entirely. Only investors who do not require immediate liquidity of their investment and who can afford the loss of their entire investment should consider the purchase of the Trust Units. See "Risk Factors".

USE OF AVAILABLE FUNDS

Available Funds

The following table discloses the estimated gross proceeds of the Offering and the estimated Net Proceeds that will be available to the Trust after the Offering.

	Assuming Minimum Offering	Assuming Maximum Offering
Amount to be raised by this Offering	$0	$25,000,000
Commissions and fees paid to Selling Agents[(1)]	$0	$1,500,000
Estimated offering costs (e.g., legal, accounting, audit, etc.)[(2)]	$0	$40,000
Available funds	$0	$23,460,000
Additional sources of funding required	$0	$0
Working capital deficiency	$0	$0
Total	$0	$23,460,000

Notes:

(1) Pursuant to the Administration Agreement, the Partnership shall, on behalf of the Trust and the Administrator, pay any Commissions attributable to Trust Units directly to Selling Agents, and shall account for the payment thereof in the Partnership's calculation of Investable Proceeds for the applicable class of Partnership Units. Assuming that all Class A Units are issued through Selling Agents and that the Partnership pays the maximum Commission of 6% of the gross proceeds realized on the Class A Units to the Selling Agents, the Partnership will incur $1,500,000 in selling commissions assuming the Maximum Offering.

(2) Pursuant to the Administration Agreement, the Partnership shall, on behalf of the Trust and the Administrator, make payment of any and all costs and expenses attributable to the Class A Units. It is anticipated that the offering costs assuming the Maximum Offering will be $40,000**.**

Use of Net Proceeds

Use of Net Proceeds by the Trust

The Trust will use the Net Proceeds from the Offering to subscribe for Class A Partnership Units. The Trust was established for the purposes of investing indirectly, through the Partnership, in securities or other investments.

The following table sets out the proposed use of Net Proceeds by the Trust:

Description of intended use of available funds listed in order of priority	Assuming Minimum Offering	Assuming Maximum Offering
Investment in the Class A Partnership Units	$0	$25,000,000[(1)]

Note:

(1) Pursuant to the Administration Agreement, commissions and offering costs will be paid by the Partnership. See "– Use of Net Proceeds by the Partnership" below.

Use of Net Proceeds by the Partnership

The Partnership intends to focus on investments that provide a high level of current income while offering the potential for moderate capital appreciation by investing primarily in high-yielding investments in a well-diversified manner. Target investments are focused on (i) Lending Strategies; (ii) Energy Working Interests; and (iii) subject to the unanimous approval of the Independent Review Committee, such other investments that meet the Partnership's desire for security and returns.

The following table sets out the proposed use of Net Proceeds by the Partnership:

Description of intended use of available funds listed in order of priority	Assuming Minimum Offering	Assuming Maximum Offering
Payment of Commissions and fees to Selling Agents	$0	$1,500,000
Payment of offering costs	$0	$40,000
Investment by the Partnership in accordance with its investment objectives and investment strategies	$0	$23,460,000

Reallocation

The available funds are intended to be used for the purposes disclosed above. The Trust and the Partnership will reallocate funds only for sound business reasons in accordance with the investment objectives and restrictions of the Trust. Reallocation of funds for any purpose not contemplated in this Offering Memorandum will require the prior unanimous approval of the Independent Review Committee and Portfolio Manager. Further, any proposed use of the funds raised by this Offering which could reasonably be considered to be materially different than the articulated use of proceeds set out herein or which is for a purpose not contemplated in this Offering Memorandum shall be disclosed to the Independent Review Committee for consideration and prior unanimous approval.

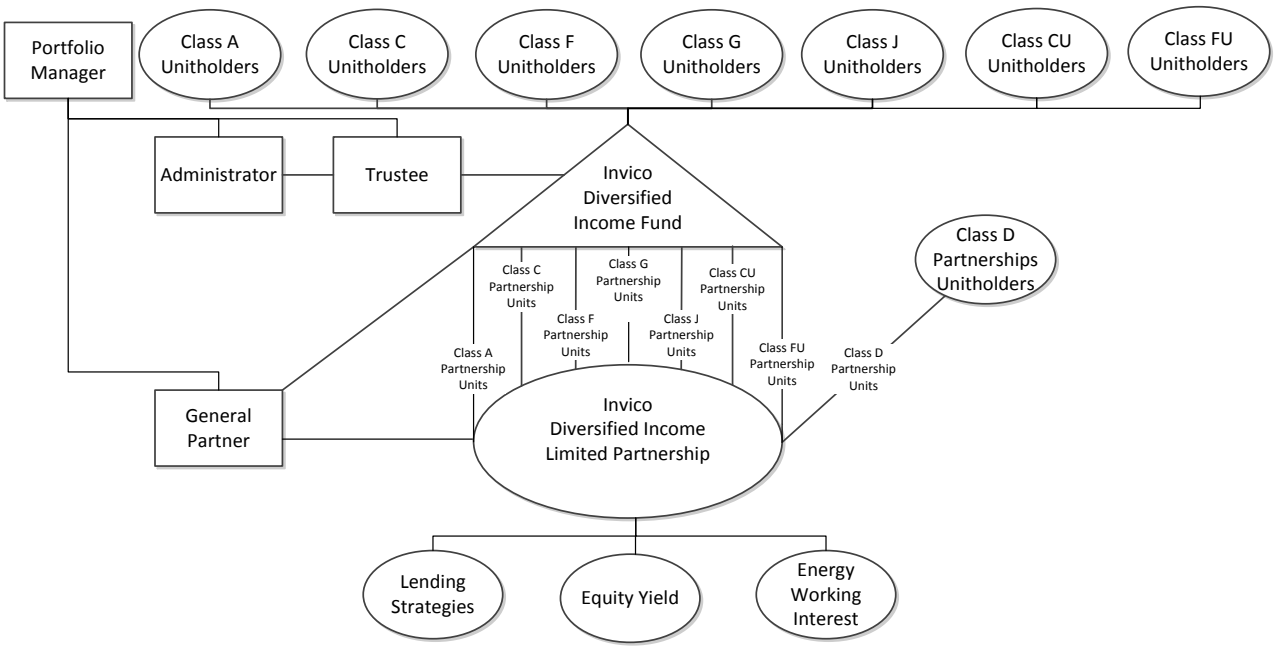
Working Capital Deficiency

As at the date of this Offering Memorandum, the Trust and the Partnership do not have a working capital deficiency.

BUSINESS OF THE TRUST

Structure

The following diagram outlines the structure of the Trust and its various components.



In addition to Class A Units, the Trust will, from time to time, also be distributing Class C Units, Class F Units, Class G Units, Class J Units, Class CU Units and Class FU Units of the Trust. The Partnership will, from time to time, also be distributing Class D Units of the Partnership. See "Concurrent Offerings".

The Trust

The Trust is an unincorporated, open-ended, limited purpose mutual fund trust formed under the laws of the Province of Alberta on September 25, 2013 pursuant to the Trust Indenture. The principal place of business of the Trust is Suite 600, 209 – 8th Avenue S.W., Calgary Alberta T2P 1B8. The rights and obligations of the Unitholders, holders of Class A Units and the Trustee are governed by the Trust Indenture and the laws of the Province of Alberta and Canada applicable thereto. A subscriber will become a Unitholder of the Trust upon the acceptance by the Administrator of such subscriber's subscription.

Although it is intended that the Trust qualify as a "mutual fund trust" for purposes of the Income Tax Act, the Trust will not be a "mutual fund" or "investment fund" under applicable securities laws.

The Trustee

The Trustee was incorporated under the *Business Corporations Act* (Alberta) on September 25, 2013. The principal place of business of the Trustee is Suite 600, 209 – 8th Avenue S.W., Calgary Alberta T2P 1B8. The Trustee is responsible for the management and control of the business and affairs of the Trust on a day-to-day basis in accordance with the terms of the Trust Indenture. However, the Trustee, on behalf of the Trust, has retained the Administrator to carry out the duties of the Trustee under the Trust Indenture and has delegated to the Administrator the power and authority to manage and direct the day-to-day business, operations and affairs of the Trust.

The Administrator

Invico Diversified Income Administration Ltd., the Administrator, was incorporated on September 25, 2013 under the *Business Corporations Act* (Alberta) and will manage, along with the Trustee, the affairs of the Trust. The head office of the Administrator is Suite 600, 209 – 8th Avenue S.W., Calgary Alberta T2P 1B8. The Administrator will provide certain administrative and support services to the Trust pursuant to the terms of the Administration Agreement.

The Partnership

The Partnership was formed in the Province of Alberta on September 25, 2013 pursuant to the Partnership Act, by the filing of the certificate of limited partnership in accordance with the Partnership Act. The Partnership intends to focus on investments that provide a high level of current income while offering the potential for moderate capital appreciation by investing primarily in high-yielding investments in a well-diversified manner.

The Partnership's intention is to generate interest income, fees and other income through its Investments and to distribute the Partnership's Net Profits derived from such Investments in accordance with the terms and provisions of the Partnership Agreement.

The General Partner

Invico Diversified Income GP Ltd., the General Partner, was incorporated on September 25, 2013 under the *Business Corporations Act* (Alberta) and is the general partner of the Partnership. The head office of the General Partner is Suite 600, 209 – 8th Avenue S.W., Calgary Alberta T2P 1B8.

Subject to the delegation of certain powers to the Portfolio Manager, the General Partner will control and have responsibility for the business of the Partnership, to bind the Partnership and to admit Limited Partners and do or cause to be done in a prudent and reasonable manner any and all acts necessary, appropriate or incidental to the business of the Partnership. The General Partner has exclusive authority to manage and control the activities of the Partnership and is liable by law, as a general partner, for the debts of the Partnership. The General Partner is entitled to delegate any of its powers, which it has done pursuant to the Portfolio and Investment Fund Management Agreement.

The Portfolio Manager

Invico Capital Corporation, the Portfolio Manager, was incorporated on September 22, 2005 under the *Canada Business Corporations Act* and extra-provincially registered in Alberta, Saskatchewan, British Columbia, Ontario, Newfoundland and Labrador and Québec and will manage, along with the Administrator, certain affairs of the Trust. Invico Capital Corporation has been managing private equity and alternative investments since its inaugural fund in 2006.

The Trust is not a "mutual fund" or "investment fund" under applicable securities laws. However, the Partnership and the Trust have retained the Portfolio Manager to, among other things, provide general administrative and support services, portfolio management, investment advisory and investment management services, administrative and other services to the Partnership and will also provide the Partnership with office facilities, equipment and staff as required.

The Portfolio Manager will receive the Portfolio Management Fee pursuant to the provisions of the Partnership Agreement and the Portfolio and Investment Fund Management Agreement.

The Portfolio Manager will identify, analyze and select investment opportunities, structure and negotiate prospective investments, make investments for the Partnership in securities, monitor the performance of such investments, and determine the timing, terms, and method of disposition of investments. The Portfolio Manager will not be liable in any way for any default, failure or defect in any of the securities comprising the investment portfolio of the Partnership if it has satisfied the duties and the degree of care, diligence, and skill of a reasonably prudent person in comparable circumstances.

The head office of the Portfolio Manager is located at Suite 600, 209-8 Avenue SW, Calgary Alberta, T2P 1B8. The Portfolio Manager is not at arm's length to the General Partner. The principals of the Portfolio Manager are Jason Brooks and Allison Taylor, who are also the principals of the Trustee, Administrator, General Partner and Pennant.

The Portfolio Manager's services are not exclusive to the Trust. The Portfolio Manager and the directors and officers of the Portfolio Manager are each engaged in a wide range of investment and other business activities. There may be occasions when the officers and directors of the Portfolio Manager encounter conflicts of interest in connection with the activities of the Trust and the Partnership, including where the Portfolio Manager is providing advisory (or other business) services to other entities, have another business relationship with regards to an investment or are engaged in other investment management business activities, including with respect to Shoreline, Fort Greene Fund, Fort Greene Funding 2012 and the Wholly-Owned Subsidiaries. See "Interests of Directors, Management and Principal Holders". There may be conflicts in allocating investment opportunities among the Trust and other funds managed by the Portfolio Manager. See "Risk Factors – Risks Associated with the Trust – Conflicts of Interest".

Relationship between the Trust, the Trustee, Pennant and the Portfolio Manager

The Trust is a connected issuer and related issuer of Pennant as Jason Brooks and Allison Taylor own all of the shares of Pennant and all of the shares of Invico Capital Corporation, which owns all of the shares of the Trustee, the Administrator and the General Partner. Jason Brooks is the President of the Trustee, Administrator, Pennant, the General Partner and Invico Capital Corporation, and Allison Taylor is the Chief Executive Officer of the Trustee, Administrator, the General Partner and Invico Capital Corporation and Chief Operating Officer of Pennant.

The directors and officers of the Trustee, the Administrator, the General Partner, the Portfolio Manager and Pennant are Jason Brooks and Allison Taylor.

The Trust has retained Pennant, a registered exempt market dealer, as a wholesaler in connection with the Offering to provide marketing and sales assistance to Selling Agents. Potential investors will not be "clients" of Pennant and accordingly, Pennant will not provide any advice or recommendations to potential investors, nor will Pennant accept any subscriptions from potential investors. Accordingly, Pennant will not undertake any "know your client" or "suitability" assessments in respect of potential investors in the Trust.

The Trust is a connected issuer and related issuer of Pennant as Jason Brooks and Allison Taylor own all of the shares of Pennant and all of the shares of Invico Capital Corporation, which owns all of the shares of the Trustee, the Administrator and the General Partner.

The services of the officers and directors of the Trustee, Administrator and Portfolio Manager are not exclusive to the Trust. The officers and directors of the Trustee, Administrator and Portfolio Manager are engaged in the promotion, management and investment management of other funds.

See "Risk Factors – Risks Associated with the Trust – Conflicts of Interest".

Our Business

Investment Objective

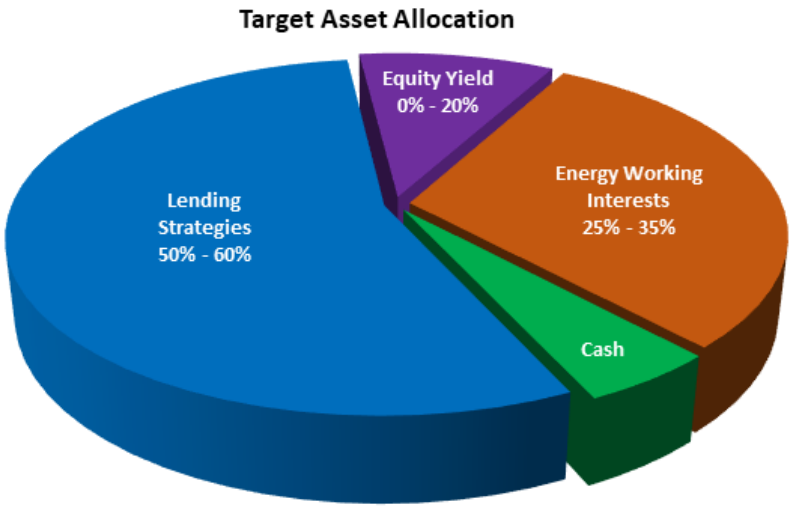
The Trust is an open-ended mutual fund trust (within the definition of the Tax Act). The Trust was established for the purposes of investing indirectly, through the Partnership, in securities or other investments. The Partnership intends to focus on investments that provide a high level of current income while offering the potential for moderate capital appreciation by investing primarily in high-yielding investments in a well-diversified manner. Target investments are

focused on (i) Lending Strategies; (ii) Energy Working Interests; (iii) Equity Yield; and (iv) subject to the unanimous approval of the Independent Review Committee, such other investments that meet the Partnership's desire for security and returns. The Trustee will reallocate funds only for sound business reasons and, in such instance, only with the approval of the Independent Review Committee. See "Interests of Directors, Management and Principal Holders – Independent Review Committee."

Corporate lending, generally, is comprised of short-term loans to assist companies with short-term capital needs. Companies are typically seeking short-term capital for working capital, acquisition financing, to refinance existing debt, to bridge to a liquidity event, to complete a project or for a growth opportunity. The corporate loan is secured via company assets and is typically repaid from internal cash flows, traditional bank refinancing, the sale of a company/assets, offerings of securities or the collection of government tax credits. Mortgages are real estate secured loans which may include multi-family residential and commercial properties as well as residential and commercial mortgage backed securities. Receivables factoring is a transaction in which a business assigns its accounts receivable (invoices) to the Partnership to finance its short-term working capital needs. This is done so that the business can receive cash quickly, rather than waiting 60 to 120 days for an invoice to be paid. Receivables factoring occurs when the company paying the invoice is financially strong, pays the Partnership directly for the invoice and where applicable, qualifies for credit insurance to secure the transaction.

An energy working interest ownership occurs when the Partnership acquires a percentage of the land mineral rights which provides the Partnership with the right (but not the obligation) to participate in the oil and gas production opportunities on these lands in joint venture partnership with the other working interest owners. A well may have a number of working interest partners, including the "operator" who manages the drilling and ongoing operation and the "non-operator" who have no responsibility to manage the drilling or ongoing operations. All working interest owners must pay their proportionate share of expenses which entitles them to their proportionate shares of the production revenue. The Partnership is focused on non-operated working interest opportunities. A royalty is a non-time acquisition that entitles the Partnership to the ownership of a percentage of the gross production revenue from any current or future oil and gas well within the section of land with no responsibility for any operations, drilling or expense.

The Partnership's current target asset allocation and ranges are as set out in the pie chart below. However, the Partnership may change its targeted asset allocation at any time with the unanimous approval of the Independent Review Committee. The actual composition of the Partnership's composition will vary over time as the Partnership's investments or loans mature and funds are reinvested in accordance with the Partnership's investment strategy.



The Partnership undertakes an active investment management approach. Active management involves exerting degrees of control over the management of investee companies, to be determined by the General Partner on an investment by investment basis. Typically, the Partnership will retain the ability to restrict certain actions of the management of investee companies pursuant to certain covenants contained in the loan documentation or other definitive agreements with such investee companies. Such restrictions may include approval or veto rights over certain decisions made by the management of investee companies. The Partnership may also, in certain circumstances, have the right to designate one

non-voting board observer. Such observer is entitled to attend all board meetings of the investee company, participate in all board deliberations and receive copies of all materials provided to the board.

The investment strategy encompasses active management focused on Lending Strategies, Energy Working Interests and to a lesser extent, Equity Yield as an extension of Lending Strategies. Lending Strategies focus on a combination of cash flow, collateral and liquidation value assessments. The documentation in respect of each investment contains financial and non-financial covenants, financial reporting and monitoring requirements. The Partnership will have access to the investee company's property at reasonable times and with reasonable notice. Investee companies are subjected to stringent reporting requirements, which consist of annual and quarterly financial statements, listings of accounts payable and accounts receivable, compliance certificates and other such information the Partnership may reasonably request. The Partnership's loan documentation places negative covenants upon investee companies such as restrictions on (i) amalgamations, reorganizations, recapitalizations, consolidations, mergers, transfers or similar like events, (ii) creating or incurring liens upon or with respect to any of its undertakings, properties, rights or assets, (iii) asset sales above a determined value, (iv) interest payments to subordinated lenders, (v) payment of dividends or distributions, (vi) transactions with affiliates or associates, (vii) providing financial assistance, (viii) creating, incurring or assuming indebtedness, (ix) making of investments, (x) modifying, amending or altering material contracts, (xi) changing the nature of its business and (xii) making additions to the board of directors or substitutions of existing directors. Additionally, the Partnership's loan documentation will contain financial covenants specific to the investee companies.

Energy Working Interests are predominantly directly managed by the Partnership. The Partnership acquires non-operated working interest companies through Shoreline, which is wholly-owned by the Partnership. Additionally, the Partnership owns the Wholly-Owned Subsidiaries. The Partnership retains full control of the management of such entities.

See "– Assets Held".

Although it is intended that the Trust qualify as a "mutual fund trust" for purposes of the Income Tax Act, the Trust will not be a "mutual fund" or "investment fund" under applicable securities laws.

There can be no guarantee that losses will not be realized from investing in Trust Units and there can be no assurance that the Partnership's strategy of investing in a diversified portfolio of high-yielding investments will be successful or that the objective of earning a profit from such Investments will be achieved. There can be no assurances that the Investments which the Partnership provides will earn interest or that the Partnership will make a profit or even recoup all or a portion of its investment. There can be no assurance that there will be sufficient Distributable Proceeds by the Partnership to make any future distributions to the Trust. The success of the Partnership in these objectives will depend to a certain extent on the efforts and abilities of the Portfolio Manager and on a number of other external factors such as, among other things, bank interest rates and the general economic conditions that may prevail from time to time, which factors are beyond the control of the Portfolio Manager. See "Risk Factors".

Investment Criteria

The Partnership will only consider investments that have a total return target in excess of a 13% annualized return and require timely compliance reporting and financial reporting from investee companies, as well as such other reporting of information that is deemed prudent and necessary to monitor an investee company's performance. The target return is based on an estimate of the total return on the investment and, in addition to the payment of interest income, may include estimated amounts from warrants, royalties, make whole payments, interest and default reserves, deferred interest payments (balloon payments), discounts on purchased invoices, equity consideration or options to purchase equity for a period of time at a set strike price and any other amounts paid upon repayment.

The General Partner will actively source potential investments and with input and approval from the Portfolio Manager, will evaluate and assess prospective investees and will determine what proportion of investments by the Trust will produce the most profitable net revenue for the Partnership. The General Partner, through its Portfolio Manager and advisors, will determine whether investees meet the Partnership's investment criteria and perform due diligence required to make such a crucial determination. The General Partner and its advisors, with the input and approval of the Portfolio Manager, will continually monitor and evaluate the financial performance of such investees and the allocation of the Partnership's assets among such investees to consider ongoing asset allocation decisions.

Through the Partnership, the General Partner, with the input and approval of the Portfolio Manager, intends to allocate its investments in entities that have a demonstrated track record of achieving in excess of the target return, while meeting the security and due diligence requirements. Through a diversified asset allocation strategy (based on managing the Partnership's exposure to any one loan in the case of Lending Strategies or any one operator in the case of Energy Working Interests, in an amount not to exceed 20% of the Net Asset Value) of both in-house and third party

sourced opportunities, the Partnership intends to have a diversified set of high yield based opportunities across a number of asset classes and industries.

Lending Strategies

The Partnership's Lending Strategies will focus on lending to businesses with the following features: acceptable leverage, well defined capital and working capital expenditure requirements, dependable cash flow, growth prospects, quality management, the ability to obtain acceptable collateral or security and a clearly defined path to repayment. The Partnership will consider a variety of sectors including but not limited to, the financial services industry, the oil and gas industry, the manufacturing industry, the service industry, consumer products, and the real estate industry.

The Portfolio Manager targets to keep the exposure to any one investment at 10% or less of the net asset value of the Partnership at the time of deployment. The current lending portfolio is focused on Western Canada as the majority of the opportunities arise through relationships of the Portfolio Manager and its employees.

The typical loan size ranges from $1 to 15 million and is six months to three years in duration. The size of the targeted lending opportunities provides a competitive advantage to the Partnership as typically the transaction size is too small for institutional capital markets. Also, the types of loans made by the Partnership are too complex or time consuming for traditional capital market players or have higher perceived risks than traditional commercial banking groups are prepared to facilitate. The other competitive advantage of the Partnership is the ability to move quickly to take advantage of opportunities compared to traditional banks.

In determining whether or not the Partnership will lend money to a company, a detailed analysis of the potential borrower is undertaken which is focused on the five "C's" of credit as follows:

- Character – the Portfolio Manager evaluates the underlying character of the key management team. This is done through a process of meetings with management, background and reference checks as well as credit checks where applicable.

- Capacity – the Portfolio Manager performs a detailed financial review of the company to determine the company's ability to service and repay the loan. The financial review consists of a detailed financial statement review, investment modeling and stress testing of key assumptions. This may also involve third part asset valuations as it relates to equipment and/or real estate loans.

- Capital – the Portfolio Manager reviews the company's ability to access capital.

- Collateral – the Portfolio Manager determines the available and appropriate collateral position for the Partnership. Taking into consideration the capacity analysis above, the Portfolio Manager will determine the size of the loan as well as the collateral position that is appropriate in order to provide the appropriate level of security for the loan. The Portfolio Manager works with legal counsel to ensure the security position is properly registered and documented.

- Conditions and Covenants – the Portfolio Manager determines the appropriate conditions and covenants that should be placed on the loan taking into consideration all of the items outlined above. These items are documented in the loan document and are monitored by the Portfolio Manager.

The same credit procedure outlined above is also utilized with respect to the receivables factoring. The Partnership does not lend against any receivables that are greater than 120 days in duration. To the extent an outstanding receivable goes beyond 120 days, the Partnership charges it back to the company.

In addition to the underwriting process outlined above, the Portfolio Manager also utilizes credit insurance where possible in the receivables factoring portion of the portfolio as well as interest and default reserves as part of the lending portfolio where appropriate.

Energy Working Interests

The Partnership will focus on acquiring Energy Working Interests in both Canada and the United States.

The Partnership is focused on achieving internal rates of return in excess of the Partnership's 13% target return, simple well payback of approximately 3 years or less, and only participates in lower risk development drilling. The strategy allows for the recovery of capital within a short duration while still providing the Partnership with a long-term distribution profile as the wells have an economic life in excess of 20 years.

Equity Yield

The Partnership currently allocates a portion of its portfolio to Equity Yield. Equity Yield focuses equity investments in debtors to the Partnership (resulting from the Lending Strategies approach) where such investment is necessary or desirable to protect or restore interest and principal payments to the Partnership and/or position the debtor for sale. For example, Equity Yield may be used to stabilize the business of a Wholly-Owned Subsidiary that was acquired by the Partnership through creditor enforcement processes. Equity Yield will only be used where the underlying business of the debtor has demonstrated an ability to generate sustainable cash flow and where the Partnership determines that efficiencies can be realized by targeted changes in the debtor, including through improved management, restructuring, or sale of certain assets. For greater certainty, the Partnership will not be pursuing its Equity Yield strategy outside of the context of debtors to the Partnership (resulting from the Lending Strategies approach).

Portfolio Review

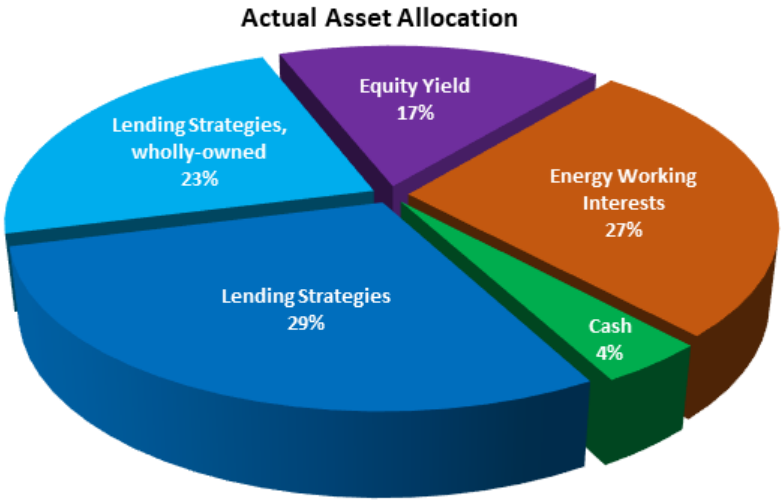
The Portfolio Manager will regularly review the Partnership's Investment portfolio and continually re-evaluate its short and long-term strategy that ultimately provides the best returns for the Partnership. Each investment of the Partnership must be approved by the Portfolio Manager. The Partnership relies on the Portfolio Manager's experience to determine the strategy that maximizes the benefits to the Partnership. The overall strategy is subject to change and the variables used to determine the course of action are based upon the market conditions that cannot be controlled by the Portfolio Manager. See "Risk Factors".

Investment Restrictions

The Partnership has established certain investment restrictions as set forth in the Partnership Agreement. The investment restrictions may be changed only by way of a Special Resolution. The Partnership may, from time to time, in consultation with the Portfolio Manager, establish certain other investment restrictions and policies as available opportunities and market conditions may dictate. The Partnership is not restricted from investing in securities of United States or international issuers, and any such investments would expose the Trust to certain currency exchange risks. See "Summary Of The Partnership Agreement".

Assets Held

The pie chart below shows the composition of the Partnership's asset portfolio as at December 31, 2018. Such composition will change over time as the Partnership's investments or loans mature and funds are reinvested in accordance with the Partnership's investment strategy.



As at December 31, 2018, the Partnership held the following investments:

Lending Strategies

The Partnership had 18 loan investments for a total of approximately $89.5 million of net asset value in Lending Strategies with an average loan size of $5 million. A portion of the Partnership's investment in Lending Strategies, comprised of 3 loans with a total value of approximately $40.8 million, were outstanding to Wholly-Owned Subsidiaries, and which loans were made on substantially the same terms as loans made to arm's length parties. For additional information on the individual investments of the Partnership, please refer to the financial statements for the Partnership attached herein. The Partnership's portfolio allocation will change over time as the Partnership's investments or loans mature and funds are reinvested in accordance with the Partnership's investment strategy.

Hurricane, a debtor of the Partnership, is a Calgary-based company that provides dust removal and control services in connection with oil and gas operations. As a result of the slow-down in the oil and gas sector, Hurricane was unable to service its interest obligations to the Partnership throughout 2018. As at April 22, 2019, the outstanding interest obligation owing to the Partnership from Hurricane is approximately $502,000. Hurricane is currently working to restore regular interest payments by moving some of its assets into the United States, where the market is more robust in the oil and gas sector, and by diversifying into non-energy markets that can utilize the company's services.

Energy Working Interests

The Partnership's investments in Energy Working Interests in the U.S. are owned through a subsidiary company, Shoreline, that owns certain non-operated working interests and royalties in the DJ Basin throughout Colorado. As of December 31, 2018, the Partnership had approximately C$47.0 million of net asset value in Energy Working Interests across approximately 244 gross producing wells. For a description of certain oil and gas information of Shoreline, see "– Selected Oil and Gas Information".

Shoreline

In November 2014, the Partnership indirectly acquired Shoreline for C$6.73 million including all applicable fees, adjustments, and holdbacks. Shoreline is a Delaware corporation that owns non-operated working interests in the Wattenberg oil field in the DJ Basin in Colorado. The working interests are highly diversified across the DJ basin in Colorado comprising small percentage positions (average 3.4269% working interest in producing wells; 2.5457% in average net revenue interest) in approximately 244 producing wells. The Partnership, through this acquisition, has and intends to continue to partner with major operators such as Noble Energy Inc., Extraction Oil and Gas Inc. Crestone Peak Resources (formerly Encana Corporation), PDC Energy, and Cub Creek Energy on this asset. The working interests held by Shoreline provide for the option but not the obligation to participate in additional drilling of oil and gas wells on the lands. Shoreline has participated in virtually all drilling notices since 2014, in the event Shoreline does not participate in a drilling operation, Shoreline will forgo the first 300% return based on the costs to drill and complete the well. The working interest agreements are administered on a well by well basis and non-participation only impacts Shorelines participation in the wellbore economics and the penalty does not extend to Shoreline's greater land holdings. Since the acquisition of Shoreline in 2014, Shoreline has participated in 181 gross wells and funded approximately US$20 million of additional drilling activities across Shoreline's holdings. In 2019, the Partnership anticipates a capital budget with respect to Shoreline of approximately US$3.2 million to drill 53 new wells. In 2018, the operating costs for the Shoreline wells averaged US$7.44 per boe. Operating costs are comprised of all field service costs required to produce and deliver oil, gas and liquids products for sale. These operating costs compare favourably to other major basins in North America and allow the Trust to maintain positive field netbacks even in periods of weak oil pricing. Shoreline's annual average field netback averaged US$23.06 per boe in 2018. In 2018, the Partnership received interest and distribution income of C$2.4 million from Shoreline.

On an annual basis, Shoreline engages an independent third-party reserve engineering firm, DeGolyer and MacNaughton in Houston Texas to complete a NI 51-101 compliant report of the value of Shoreline's US oil and gas reserves. For a summary of the reserves and associated future net revenue attributable to Shoreline's assets, see "– Selected Oil and Gas Information".

The Shoreline investment provides the Partnership with an opportunity to participate in a diversified development drilling program across a top-rated shale oil and gas basin. The ongoing development of Shoreline's land holdings has provided capital inflows with rates of return in excess of the Partnership's target 13% rate of return to date. The Portfolio Manager's internal reserve engineer determines participation on a well by well basis by estimating the full cycle economics available to Shoreline using NYMEX strip pricing for the oil and gas production excepted to be achieved and incorporating the operating partners estimate of total drilling and completions costs.

Equity Yield:

As of December 31, 2018, the Partnership's investments in Equity Yield consist of approximately $29.8 million of net asset value, all of which were invested in the Partnership's Wholly-Owned Subsidiaries.

The Partnership may from time to time come to possess equity interests in debtor companies through a variety of methods, including pursuant to negotiated equity carried interest in loan agreements, warrants and convertible debt, some of which may require additional equity investment to acquire or exercise. Further, the Partnership may become controlling equityholders of debtor companies as a result of the Partnership enforcing on or converting its security on loans to obtain an ownership interest in the debtor company or its assets. All of the Wholly-Owned Subsidiaries of the Partnership were acquired through enforcement/insolvency processes involving the Wholly-Owned Subsidiary. For greater certainty, the Partnership does not seek to acquire companies that are not debtors to the Partnership as part of its Equity Yield approach, rather, such equity investments are ancillary or supplementary to investments made by the Partnership pursuant to its Lending Strategies approach.

The Partnership wholly owns the Wholly-Owned Subsidiaries, which are as follows:

- Gator, an oilfield services rental company;
- Aspen, an industrial gas manufacturer;
- Pele and 201, each an oil and gas exploration company; and
- LOT, a speciality e-commerce outdoor apparel company

Gator and Pele were acquired by the Partnership as a result of the Partnership exercising its security on certain loans made by the Partnership to Gator and Pele. LOT was formed by the Partnership as a successor entity to LOT Oldco, following the Partnership exercising its security on a loan made by the Partnership to LOT Oldco. Aspen was formed by the Partnership as a successor entity to Aspen Oldco, following the Partnership exercising its security on debt obligations of Aspen Oldco previously acquired by the Partnership.

Gator

In March of 2016, the collateral was called in respect of a loan the Partnership made to an energy services company in the amount of $5,194,202. On May 4, 2016, a subsidiary of the Trust took possession of all the assets based in Calgary, Alberta and Houston, Texas pursuant to a Notification to Accept Collateral in Full Strict Foreclosure. Concurrently, the Partnership formed a new company, Gator, closed the Calgary office and retained the previous Houston operations manager and certain key staff to commence operations as an oilfield services rental company focused on measurement while drilling ("**MWD**") tools used for horizontal drilling. In 2017, Gator expanded its service offering to include additional drill stem rental tools. Including the costs of restructuring, investment in required working capital to support the operation of Gator and additional investment in rental tools, the Partnership had a total investment of approximately $15.5 million as at December 31, 2018. As part of the year end valuation process, the Partnership assessed the fair market value of the company at C$29.4 million, which represents approximately 16.9% of the net asset value of the Partnership. The Partnership made the investment decision to expand Gator's rental equipment base with a further investment of approximately C$2.5 million in 2017 and C$7.1 in 2018. Gator experienced continued financial success in 2018, increasing its top-line revenue from US$705,222 in 2017 to US$3,727,978 in 2018 an increase of 429% year over year. The achievement of profitability allowed Gator to resume distributions to the Partnership in Q1 of 2018.

Aspen

In 2018, the Partnership acquired certain debt obligations of Aspen Oldco, a Calgary-based industrial gases company with assets in the U.S., from a third-party creditor. Aspen Oldco had separate, unsuccessful business ventures which led to a bankruptcy proceeding in Canada. The Partnership identified an investment opportunity in Aspen Oldco in that, aside from general issues relating primarily to management and corporate structure, certain assets of Aspen Oldco exhibited stable cash-flow and potential for income generation such that it could service such acquired debt obligations. Later the same year, based on performance of Aspen Oldco, the Partnership decided to acquire certain assets of Aspen Oldco using its debt facilities as consideration. The Partnership formed Aspen in October 2018 in order to acquire the assets and it intends to continue streamlining processes at Aspen and focusing on high-margin activity in the United States, whose strong market is anticipated to continue through 2019. As part of the year end valuation process, the Partnership assessed the fair market value of the company at C$31.6 million, which represents approximately 18.2% of the net asset value of the Partnership.

Live Out There Inc.

In November of 2017, a receiver was appointed in respect of a loan the Partnership made to an e-commerce apparel company of $8,281,280 (including accrued interest). On November 9, 2017, the Partnership took possession of all the assets of LOT Oldco pursuant to Court Order 1701-14820. The Partnership formed a subsidiary, LOT, to hold LOT Oldco's private "Live Out There" branded apparel without assuming the legacy non-secured liabilities of LOT Oldco. In 2018, the Partnership, in conjunction with the LOT management team, pursued a private round financing that was ultimately unsuccessful. Without interim financing, the Partnership made the decision to stop funding the LOT investment and preserve capital for other investments, as the likelihood of LOT's financial viability became highly uncertain. As a result of this decision, the fair market value of the company was assessed at zero as at December 31, 2018, and the investment was written down to this level. Immediately prior to the write-off, LOT represented 4.3% of the net asset value of the Partnership as at December 31, 2018.

Canadian E&P Companies (Pele and 201)

On February 11, 2016, the collateral was called in respect of a loan the Partnership made to 3MV Energy Corp. in the amount of gross $6,000,000 and net amount to the Partnership of $4,500,000 after taking account for a third-party co-investment. The Partnership seized the underlying assets and has chosen to manage them as part of the Partnership's investment portfolio. Effective, June 14, 2016, the name of the company was changed to Pele Energy Inc. Pele's assets consist of 19 net sections in the Viking light oil fairway of which 18 net sections are held in the Fiske area and 1 net section is held in the Dodsland area of Saskatchewan. During 2016, the Portfolio Manager conducted a detailed review of the assets assumed and appointed a new operator in the Fiske area, Audax. The business arrangement with Audax included the purchase of, through a new wholly owned holding company, 201, a 50% working interest in certain producing assets in the Fiske area from Bruin Oil and Gas Inc. and certain interests from in the Huntoon, Stoughton and Mair areas of Saskatchewan for approximately $1.5 million.

In February 2017, Pele acquired a 50% working interest in 21.25 undrilled sections at Fiske. Prior to this acquisition, Pele held the remaining 50% interest in the same sections. In October 2017, Pele acquired an 100% interest in an additional 9 sections at Fiske. Pele drilled 4 gross (3.75 net) vertical Viking oil wells at Fiske in Q4 2017, which came on production in November 2017. On December 31, 2017, 201 transferred its interest in the Fiske area sections to Pele. 201 retains its interest in the assets in southeast Saskatchewan. Pele currently holds 39.3 net sections in the Viking Light oil Fairway at Fiske and 1.1 net sections at Dodsland. Pele drilled 2 gross (2.0 net) horizontal Viking development oil wells in Q4 2018 at Fiske and tested several Dodsland area wells.

As of December 31, 2018, the Partnership's total investment in the Canadian E&P Companies was $13.9 million. As part of the year-end valuation process, the fair market value of the Canadian E&P Companies was assessed at $9.6 million, which represents approximately 6% of the net asset value of the Partnership. The operating income from the assets of Canadian E&P Companies for 2018 improved as the Trust invested C$2.7 million in drilling wells and distributions commenced in Q1 of 2019. While there are additional wells available for drilling, the Trust has elected to wait until the Canadian oil price differential stabilizes. The Partnership is also pursuing oil hedges to further protect its pricing risk.

With numerous well-capitalized and acquisitive oil and gas companies operating within a short distance or adjacent to the Canadian E&P Companies' assets and a favorable regulatory framework in the Province of Saskatchewan, the Portfolio Manager is intending to position the Canadian E&P Companies' assets for sale. This strategy has been delayed due to general weakness in the Canadian oil and gas sector; however an expected distribution to the Partnership on the Pele assets is targeted to be between 6% to 7% in 2019, with the improvement in Pele operating cash flow resulting from the 2018 drilling program. The Manager will consider options to divest of the assets as market conditions permit in 2019.

Selected Oil and Gas Information

A summary of the reserves and associated future net revenue attributable to Shoreline's assets is provided below.

SUMMARY OF OIL AND GAS RESERVES
BASED ON FORECAST PRICES AND COSTS

AS AT DECEMBER 31, 2018

	Light and Medium Oil		Heavy Oil		Conventional Natural Gas		Natural Gas Liquids		Total Oil Equivalent	
Reserves Category	Gross MBBL	NET MBBL	Gross MBBL	NET MBBL	Gross MMscf	NET MMscf	Gross MBBL	NET MBBL	Gross Mboe	NET Mboe
PROVED										
Developed Producing	642	493	0	0	6676	5093	541	414	2296	1756
Developed Non-Producing	0	0	0	0	0	0	0	0	0	0
Undeveloped	521	386	0	0	5226	3863	396	293	1788	1323
TOTAL PROVED	**1163**	**879**	**0**	**0**	**11902**	**8956**	**937**	**707**	**4084**	**3079**
TOTAL PROBABLE	**467**	**354**	**0**	**0**	**3444**	**2598**	**176**	**132**	**1217**	**919**
TOTAL PROVED + PROBABLE	**1630**	**1233**	**0**	**0**	**15346**	**11554**	**1113**	**839**	**5301**	**3998**

SUMMARY OF NET PRESENT VALUES
BASED ON FORECAST PRICES AND COSTS

AS AT DECEMBER 31, 2018

	Net Present Values of Future Net Revenue Before Income Tax Discounted at				
	0%/yr	5%/yr.	10%/yr.	15%/yr.	20%/yr.
Reserves Category	$M	$M	$M	$M	$M
PROVED					
Developed Producing	47504	33549	26289	21900	18953
Developed Non-Producing	0	0	0	0	0
Undeveloped	26639	15781	10193	6880	4716
TOTAL PROVED	**74143**	**49330**	**36482**	**28780**	**23669**
TOTAL PROBABLE	**27520**	**15847**	**10166**	**6944**	**4921**
TOTAL PROVED + PROBABLE	**101663**	**65177**	**46648**	**35724**	**28590**

The Total Proved and Proved + Probable reserve value of Shoreline assumes the continued participation in future drilling on the lands held by the partnership.

TOTAL FUTURE NET REVENUE
(UNDISCOUNTED)
BASED ON FORECAST PRICES AND COSTS

AS AT DECEMBER 31, 2018

	Revenue ($M)	Production & Ad Valorem Taxes ($M)	Operating Costs ($M)	Development Costs ($M)	Abandonment and Reclamation Costs ($M)	Future Net Revenue Before Income Taxes ($M)	Income Taxes ($M)	Future Net Revenue Before Income Taxes ($M)
Total Proved	152,878	12,104	52,311	13,299	1,021	74,143	0	74,143
Total Proved Plus Probable	207,962	16,466	66,340	22,223	1,270	101,663	0	101,663

The following tables are derived from forecast prices provided by McDaniel & Associates Consultants Ltd. as at January 1, 2019 and detail the benchmark reference prices for the regions in which the Trust operated, as at December 31, 2018, reflected in the reserves data disclosed above. The forecast price assumptions assume the continuance of current laws and regulations and take into account inflation with respect to future operating and capital costs. There will be adjustments to field prices from the benchmarks below.

CRUDE OIL
FUTURE PRICES

From McDaniel & Associates Consultants Ltd., Price Forecast January 1, 2019

	WTI [(1)]	Exchange Rate
Date	**$US/STB**	**$US/$CDN**
FORECAST PRICES		
2019	56.50	0.75
2020	63.80	0.775
2021	67.60	0.80
2022	71.60	0.80
2023	73.10	0.80
2024	74.50	0.80
2025	76.00	0.80
2026	77.50	0.80
2027	79.10	0.80
2028	80.70	0.80
2029	82.30	0.80
2030	83.90	0.80
2031	85.60	0.80
2032	87.30	0.80
2033	89.10	0.80

Escalate oil and gas prices at 2% per year thereafter.

Notes:

(1) West Texas Intermediate 40 degrees API, 0.5% sulphur landed in Cushing, Oklahoma.

NATURAL GAS & BY-PRODUCTS[2]

From McDaniel & Associates Consultants Ltd., Price Forecast January 1, 2019

Date	Henry Hub Gas[1] $US/MMBTU
FORECAST PRICES	
2019	3.00
2020	3.00
2021	3.15
2022	3.45
2023	3.60
2024	3.70
2025	3.75
2026	3.85
2027	3.90
2028	4.00
2029	4.05
2030	4.15
2031	4.25
2032	4.30
2033	4.40

Escalate oil and gas prices at 2% per year thereafter.

Notes:

(1) Henry Hub Spot is natural gas traded on the New York Mercantile Exchange (NYMEX).

(2) Natural Gas Liquids Prices received by Shoreline historically priced at 45% of WTI for Dec 31-18 reserves report.

Significant Factors or Uncertainties

The process of estimating reserves is complex. It requires significant judgments and decisions based on available geological, geophysical, engineering, and economic data. These estimates may change substantially as additional data from ongoing development activities and production performance becomes available and as economic conditions impacting oil and gas prices and costs change. The reserve estimates contained herein are based on current production forecasts, prices and economic conditions.

As circumstances change and additional data become available, reserve estimates also change. Estimates made are reviewed and revised, either upward or downward, as warranted by the new information. Revisions are often required due to changes in well performance, commodity prices, economic conditions and governmental restrictions.

Although every reasonable effort is made to ensure that reserve estimates are accurate, reserve estimation is an inferential science. As a result, subjective decisions, new geological or production information and a changing environment may impact these estimates. Revisions to reserve estimates can arise from changes in year-end oil and gas prices and reservoir performance. Such revisions can be either positive or negative.

In addition, higher than estimated operating costs would substantially reduce Shoreline's field netback, which in turn would reduce the amount of cash available for reinvestment in drilling opportunities. This becomes most relevant during periods of low commodity prices when profits are more significantly impacted by high costs and activity levels are reduced. Shoreline's working interests are all non-operated and so the timing of drilling activity is determined by the operators.

Development of the Trust and the Partnership

The Portfolio Manager created Invico Diversified Income Fund as an investment vehicle to focus on providing investors with a preferred target return in the form of a monthly income payment. In creating the Trust, the Portfolio Manager has focused on diversification as a key underlying theme in order to diversify both the income stream as well as the underlying asset security.

Since inception, the Trust has paid investors an annualized preferred rate of return of between 8% and 10% depending on the class of Trust Unit. In addition, the Trust has paid an annualized special distribution net to investors of between 0.8% and 2% for 2013, between 0% and 3.75% for 2014, between 0% and 3.5% for 2015, nil for 2016 and 2017, and between 0% and 5.25% for 2018, depending on the class of Trust Unit. Distributions may be funded with capital of the Trust and/or the Partnership.

As of December 31, 2018, the Partnership had 18 loan investments for a total of approximately $89.5 million in net asset value in Lending Strategies, approximately $47.0 million in Energy Working Interests and approximately $29.8 million in Equity Yield.

Past performance is not indicative of future results. For more information, see the financial statements of the Trust and the Partnership attached to this Offering Memorandum.

Distributions

The ability of the Trust to make cash distributions on the Trust Units is principally dependent upon the Trust receiving payment of distributions from the Partnership. It is in the Portfolio Manager's sole discretion to determine the utilization of available cash assets or property of the Partnership, including the making of distributions. The declaration of a distribution (if any) and the amount of such distribution will be at the sole discretion of the Portfolio Manager and will also take into consideration the Partnership's results of operations, financial condition, cash requirements, applicable law and other factors that the Portfolio Manager may consider relevant. The Portfolio Manager may fund distributions from cash flow from the business and operations of the Partnership, debt, or Capital Contributions.

It is the Portfolio Manager's intention that distributions be primarily paid from cash flow from the business and operations of the Partnership. However, the investments in which the Partnership invests are subject to volatility in underlying cash flows. Therefore, the Portfolio Manager may at certain times elect to maintain distributions in amounts greater than the cash flow available from the business and operations of the Partnership. Distributions are not assured or guaranteed and the Portfolio Manager may determine to reduce distributions from current levels in certain circumstances. For example, a reduction to the Partnership's distributions may be required if the Portfolio Manager determines that any reduction in cash flow from the business and operations of the Partnership is permanent and is not expected to recover over the foreseeable future or should commodity prices remain depressed for an extended period of time.

Since inception, the Partnership has paid to the Trust, which then paid to investors, an annualized preferred rate of return of between 8% and 10% depending on the class of Trust Unit. In addition, the Partnership has paid to the Trust, which then paid to investors, an annualized special distribution net to investors of between 0.8% and 2% for 2013, between 0% and 3.75% for 2014, between 0% and 3.5% for 2015, nil for 2016 and 2017, and between 0% and 5.25% for 2018, depending on the class of Trust Unit.

See "Risk Factors – Distributions may Consist of Proceeds of Offerings" and "Risk Factors – No Assurance in Achieving Investment Objectives or Distributions".

Long Term Objectives

The Trust's and the Partnership's objectives are to profit from the revenues derived from the interest, fees and other income from the Partnership's Investments and make distributions to Unitholders. The Portfolio Manager shall manage the investment strategy of the Partnership and together with the General Partner, will manage the day-to-day affairs of the Partnership.

Short Term Objectives

Short Term Objectives of the Trust

The Trust's objectives for the next 12 months are to complete the Maximum Offering and for the Trust to indirectly invest in Investments which have been sourced and evaluated by the Portfolio Manager to balance risk and return. The following outlines the costs associated with the achievement of the Trust'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 cost to complete
Complete the Maximum Offering and Invest in the Class A Partnership Units	Ongoing throughout the next 12 months	$25,000,000[(1)]

Note:

(1) This amount assumes the Maximum Offering. Pursuant to the Administration Agreement, all costs incurred by the Trust will be paid by the Partnership directly from the gross proceeds of the Offering. See "Use Of Available Funds".

Short Term Objectives of the Partnership

The Partnership's objectives for the next 12 months are to (i) acquire capital through the issuance of Partnership Units to the Trust; and (ii) make active investments in accordance with its investment strategy. The Partnership intends to focus on investments that provide a high level of current income while offering the potential for moderate capital appreciation by investing primarily in high-yielding investments in a well-diversified manner. Target investments are focused on (i) Lending Strategies; (ii) Energy Working Interests; and (iii) subject to the unanimous approval of the Independent Review Committee, such other investments that meet the Partnership's desire for security and returns.

What we must do and how we will do it	Target completion date or, if not known, number of months to complete	Our cost to complete[(1)]
Payment of Commissions and fees to Selling Agents	Ongoing throughout the next 12 months	$1,500,000
Payment of offering costs	Ongoing throughout the next 12 months	$40,000
Investment by the Partnership in accordance with its investment objectives and investment strategies	Ongoing throughout the next 12 months	$23,460,000

Note:

(1) This amount assumes the Maximum Offering. Pursuant to the Administration Agreement, all costs incurred by the Trust will be paid by the Partnership directly from the gross proceeds of the Offering. See "Use Of Available Funds".

Insufficient Proceeds

The proceeds of this Offering may not be sufficient to accomplish all of the Trust's proposed objectives and there is no assurance that alternative financing will be available or, if available, may be obtained by the Trust on reasonable terms.

SUMMARY OF THE TRUST INDENTURE

The Trustee, the Initial Unitholder and the Administrator entered into the Trust Indenture on September 25, 2013. The following is a summary of the Trust Indenture. This is a summary only and is subject to the complete terms and conditions of the Trust Indenture. A copy of the Trust Indenture is attached hereto as Schedule "A".

The Trust

The Trust is an unincorporated open-ended, limited purpose trust formed in the Province of Alberta pursuant to the Trust Indenture dated September 25, 2013. Supplemental indentures were entered into on March 27, 2014 creating the Class A Units, on November 3, 2015 creating the Class J Units, and on April 24, 2018, creating the Class CU Units and Class FU Units**.** Invico Diversified Income Administration Ltd., a corporation incorporated under the *Business Corporations Act* (Alberta), is the Trustee of the Trust. The Trust elected in its first tax return to be a mutual fund trust from the beginning of its first taxation year under the provisions of subsection 132(6.1) of the Tax Act, as it met all

requirements necessary to make such election. The legal ownership of the Trust Property and the right to conduct affairs of the Trust are vested in the Trustee.

Powers and Duties of Trustee and Administrator

The Trustee was appointed as the initial Trustee of the Trust pursuant to the Trust Indenture, and such trustee may be removed by way of Ordinary Resolution of the Unitholders. Pursuant to the terms of the Trust Indenture, the Trustee has the full control and authority over the Trust Property and to manage the affairs of the Trust. The Trustee may delegate its powers and duties to third parties where, in the sole discretion of the Trustee, it would be desirable to effect the management or administration of the Trust. The Trustee has delegated certain powers to the Administrator such as the power and authority to supervise the activities and manage the investments and affairs of the Trust, determine the allocations of Trust Property, Net Income and Net Losses of the Trust, effect distributions and make determinations as to the amounts and character of such distributions and all other powers and responsibilities to manage the affairs of the Trust. The Trustee is required to exercise its powers and carry out its functions honestly, in good faith and to exercise the care, diligence and skill of a reasonably prudent trustee in comparable circumstances. Among its other powers, the Trustee may handle and manage the funds of the Issuer, manage all Trust Property, determine the amount of distributable income and to invest in and hold securities in any person or corporation necessary or useful to carry out its purpose.

The Unitholders are permitted to pass resolutions in regards to certain matters that will bind the Trustee, either by way of Ordinary Resolution or Special Resolution. This includes: (i) the election or removal of the Trustee; (ii) the appointment or removal of the auditor; (iii) amendments to the Trust Indenture; (iv) the termination or winding-up of the Trust; and (v) the voting of its Partnership Units in the Partnership to change certain fundamental elements of the Partnership, such as its investment objectives and the calculation of fees or expenses.

Units

All of the beneficial interest in the Trust shall be divided into interests of multiple classes of Trust Units. There shall be no limit on the number of classes or, except as designated in the rights, restrictions and conditions of that class, on the number of any Trust Units in any class. All Trust Units of a class outstanding from time to time shall be entitled to equal shares in any such class distribution by the Trust and, in the event of termination or winding-up of the Trust, in the net assets of the Trust relating to that class of Trust Units. All Trust Units of a class shall rank among themselves equally and rateably without discrimination, preference or priority. The Administrator, on behalf of the Trustee, may, in its discretion, determine the designation and attributes of a class, which may include, among other things: the initial closing date and offering price for the first issuance of Trust Units, any minimum initial or subsequent investment thresholds, minimum aggregate net asset value balances to be maintained by Unitholders, and procedures in connection therewith (including a requirement to redeem Trust Units), the fees payable to the Administrator, if any, as management, performance, or other fees, the organization, sales and redemption fees to be paid upon the acquisition, over time or on redemption of Trust Units, the frequency of subscriptions or redemptions, the period of time Trust Units must be held before they may be redeemed, the period of notice required for redemption of Trust Units, minimum redemption amounts and any other limits on redemption, convertibility among classes and such additional class specific attributes as the Trustee or Administrator may in their discretion specify. The Administrator, on behalf of the Trustee, may prescribe in its discretion the maximum number of Trust Units or maximum dollar amount of Trust Units that may be sold in the Trust. Class attributes may be prescribed by the Administrator, on behalf of the Trustee, from time to time in a supplemental indenture.

Class attributes may be amended from time to time in accordance with the provisions of the Trust Indenture.

Trust Units shall be issued only as fully paid and once issued, shall be non-assessable. There shall be no limit to the number of Trust Units that may be issued, subject to any determination to the contrary made by the Trustee, or the Administrator acting on behalf of the Trustee, in its sole discretion. No Trust Unit of the same class shall have any rights, preference or priorities over any other Trust Unit of the same class and each Trust Unit of the same class will represent an equal undivided interest in the net assets of the Trust attributable to that class of Trust Unit. Each Trust Unit shall entitle the holder or holders thereof to one vote at a meeting of the Unitholders in respect of any vote upon which the applicable class of Trust Units is entitled to vote and represents an equal fractional undivided beneficial interest in any class distribution from the Trust (whether of Net Income, Net Realized Capital Gains or other amounts) and in any class net assets of the Trust in the event of termination or winding-up of the Trust. The Trust Units shall not be listed or traded on a stock exchange or a public market.

Compulsory Acquisition of Units on a Take Over bid thereof

The Trust Indenture contains provisions to the effect that if a take-over bid is made for Trust Units and, within 120 days after the date of such take-over bid, the bid is accepted by holders holding Trust Units representing 90% or more of the market value of the Trust Property (other than Trust Units held at the date of the take-over bid by or on behalf of the offeror or associates or affiliates of the offeror), the offeror shall be entitled to acquire the Trust Units held by Unitholders who did not accept the offer on the terms offered by the offeror, subject to compliance with the relevant provisions of the Trust Indenture.

Conflict of Interest

The Unitholders consent and agree to such activities by the Trustee or the Administrator, pursuant to the terms of the Trust Indenture, where (i) the Trustee, the Administrator and their respective affiliates may act as the investment adviser or in a similar capacity for other entities with responsibility for the management of the assets of those other entities at the same time as it is managing the Trust Property and may use the same or different information and trading strategies obtained, produced or utilized in managing the Trust Property and affiliates of the Trustee or Administrator and their respective officers, directors and employees may, at any time, engage in the promotion, management or investment management of any other fund or partnership; (ii) the Trustee, the Administrator and their respective affiliates are permitted to be engaged in and continue in the private investment business and other businesses in which the Trust may or may not have an interest and which may be competitive with the activities of the Trust and are permitted to act as a partner, shareholder, officer, director, joint venturer, advisor or similar capacity with, or to, other entities, including limited partnerships, which may be engaged in all or some of the aspects of the business of the Trust and may be in competition with the Trust; and (iii) Trust activities may lead to incidental results of providing additional information with respect to, or augmenting the value of, assets or properties in which the Trustee or other parties not at arm's length with the Trustee or the Administrator, as applicable, have or subsequently acquire either a direct or indirect interest.

The Unitholders agree that these activities and facts shall not constitute a conflict of interest or breach of fiduciary duty to the Trust or the Unitholders. The Unitholders consent to such activities and the Unitholders waive, relinquish and renounce any right to participate in, and any other claim whatsoever with respect to, any such activities. The Unitholders further agree that neither the Trustee, the Administrator nor any other party referred to above will be required to account to the Trust or any Unitholder for any benefit or profit derived from any such activities or from such similar or competing activity or any transactions relating thereto by reason of any conflict of interest or the fiduciary relationship created by virtue of the position of the Trustee or Administrator hereunder unless such activity is contrary to the express terms of the Trust Indenture.

See "Risk Factors – Risks Associated with the Trust – Conflicts of Interest".

Notwithstanding the foregoing, the Trust and the Partnership have adopted policies for addressing and approving conflicts of interest. Furthermore, unanimous approval of the Independent Review Committee shall be required to consent to or approve "conflict of interest matters". See "Interests of Directors, Management and Principal Holders – Independent Review Committee."

Distributions

The Trustee or the Administrator, as the case may be, shall, on a Distribution Record Date, declare payable to the holders of each class of Trust Units, an amount equal to the Net Income of the Trust attributable to such class of Trust Units for the Distribution Period. In addition, the Trustee or the Administrator shall declare payable to the holders of each class of Trust Units on a Distribution Record Date, an amount equal to the Net Realized Capital Gains of the Trust attributable to such class of Trust Units for the Distribution Period. Distributions that have been declared to be payable to such holders of each class of Trust Units in respect of a Distribution Period shall be paid in cash to the holders of each class of Trust Units on the Distribution Payment Date in respect of such Distribution Period pro-rata in accordance with the number of such class of Trust Units then held (before giving effect to any issuances of Trust Units of such class on such date).

On the last day of each fiscal year, an amount equal to the Net Income of the Trust for the taxation year of the Trust ending in such fiscal year not previously paid or made payable in the fiscal year, shall be payable to Unitholders of record on such day, which amount shall be allocated between the classes of Trust Units in accordance with the entitlement of each class of Trust Units to Net Income, and distributed among the Trust Units of each class pro-rata. In addition, on the last day of each fiscal year, an amount equal to the Net Realized Capital Gains of the Trust for the taxation year of the Trust ending in such fiscal year not previously paid or made payable in the fiscal year shall be payable to Unitholders of record on such date, which amount shall be allocated between the classes of Trust Units in accordance with the entitlement of each class of Trust Units to Net Realized Capital Gains, and distributed among the Trust Units of each class pro-rata, except to the extent of Net Realized Capital Gains in respect of which the tax payable

by the Trust 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 Trust ending in such fiscal year.

Where the Trust receives a Portfolio Management Fee Distribution from the Partnership with respect to a corresponding Partnership Unit of the Partnership purchased using the subscription proceeds received by the Trust from the sale of a Trust Unit, then the Trust will promptly declare and pay a distribution to the holder of record of the applicable Trust Unit in an amount equal to the distribution received with respect to the corresponding Partnership Unit. Any such distributions will be made to the person who, according to the register of Unitholders, was the holder of record of the applicable Trust Unit on the date the distribution is declared by the Trust. Distributions to Unitholders declared pursuant to this paragraph may be paid in the form of either cash or additional Trust Units of the same class, but for greater certainty shall be in the same form as the corresponding Portfolio Management Fee Distribution to the Trust.

Redemptions

Subject to the terms and conditions set forth in any supplemental indenture applicable thereto, Trust Units of any class may be surrendered for redemption at any time at the demand of the Unitholder, and the Trust will agree to redeem the applicable Trust Units at prices determined and payable in accordance with the Trust Indenture. Trust Units surrendered for redemption will be redeemed only on a Redemption Date. On a Redemption Date, Trust Units that have been surrendered by a Unitholder upon giving prior written notice to the Trustee will be redeemed for the Redemption Price multiplied by the number of Trust Units redeemed less the applicable Redemption Fee. Any Unitholder seeking a redemption must give written notice to the Trustee stating its intention to redeem and the number and class of Trust Units to be redeemed. This notice must be given at least sixty (60) days in advance of a Redemption Date, and if sixty (60) days' notice is not given, such notice shall be effective on the last Business Day of the next following Redemption Date. Any redemption must be in increments of ten (10) whole Trust Units of each applicable class (unless redeeming all Trust Units of the applicable class held by a Unitholder), provided however that any partial redemption, (i.e. not a redemption of all of Trust Units of the applicable class held by a Unitholder), must result in a Unitholder holding not less than ten (10) Trust Units of the applicable class in the Trust.

The Trustee may, at any time and from time to time, without prior written notice, redeem all or any portion of the outstanding Trust Units, on a *pro-rata* basis with all Unitholders at a per Trust Unit Price equal to the Redemption Price.

The Redemption Price together with the proportionate share attributable to such Trust Units of any distribution of net income and net realized capital gains of the Trust which has been declared and not paid will be paid to a Unitholder who redeems Trust Units within thirty (30) days of the Redemption Date. Payment shall be made by cheque payable to or to the order of the Unitholder or by such other manner of payment, including electronic fund transfer, wire transfer or payment in kind, approved by the Trustee from time to time. However, if on any Redemption Date, the Trustee determines, in its sole discretion, that the Trust does not have sufficient cash reserves to pay the amounts payable on the redemption of Trust Units, the Trustee shall advise the Unitholder in writing that the proceeds of any redemption of Trust Units payable in respect of Trust Units tendered for redemption in the applicable calendar month shall be paid within 60 days of the Redemption Date by the Trust issuing Redemption Notes having a principal amount equal to the Redemption Price for each Trust Unit to be redeemed. At any time in the seven (7) days following the date of the Trustee's notice set out herein, the Unitholder may rescind its notice of redemption. If a Unitholder fails to rescind its notice of redemption in writing pursuant to the terms of the Trust Indenture, the Trustee shall issue Redemption Notes to the Unitholders who exercised the right of redemption.

Redemption Fee

The Trustee may, in its discretion, charge any Unitholder a redemption fee of $200 in connection with the redemption of such Trust Units, and such redemption fee charged shall be deducted from the redemption amount otherwise payable to the Unitholder. In addition, the General Partner may charge a redemption fee equal to $200 in connection with the redemption of Partnership Units. For greater certainty, the Partnership shall not charge a redemption fee to the Trust.

Meetings of Unitholders

At the discretion of the Trustee or the Administrator, there shall be a meeting of Unitholders for the purpose of: (a) the appointment of the auditor of the Trust for the ensuing period; and (b) transacting such other business as the Trustee may determine or as may properly be brought before the meeting. Meetings of the Unitholders may be called at any time by the Trustee or by the Administrator. There shall be no requirement to hold an annual meeting of Unitholders.

Transfer of Trust Units

No Unitholder shall sell, transfer, assign or otherwise dispose of its Trust Units, in whole or in part, to any other person except with the consent of the Trustee and in compliance with the Trust Indenture. The Trust Indenture provides that no transfer of Trust Units shall be effective as against the Trustee or shall be in any way binding upon the Trustee, until the following has occurred: (a) the details concerning the transfer, including name, address and country of residence of the transferee, as well as the price per Trust Unit at which the sale and transfer has occurred, have been reported to the Trust; unless the Trustee determines in its sole discretion that such information need not be provided; (b) the Trustee has received a form of transfer acceptable to the Trustee which shall include such representations and/or opinions or other assurance regarding compliance with applicable law; and (c) the transfer has been recorded on the applicable register.

Non-Resident Ownership Constraints

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

Fiscal Year

The fiscal year of the Trust shall end on December 31 of each year.

Fees and Expenses of Trustee and the Administrator

The Trustee and the Administrator shall be entitled to receive for their services as trustee and administrator, as applicable, reasonable compensation and fair and reasonable remuneration for services rendered in any other capacity including, without limitation, services as transfer agent. The Trustee and the Administrator shall have priority over distributions to holders of Trust Units in respect of amounts payable or reimbursable to the Trustee and the Administrator.

Resignation or Removal of the Trustee and Appointment/Election of Trustee

The Trustee shall continue to be the Trustee for the term of the Trust unless the Trustee resigns or is removed by the Unitholders or the Administrator in accordance with the terms of the Trust Indenture. At all times, the Trustee must be a resident of Canada for income tax purposes. The Trustee may resign as Trustee by giving 90 days' prior written notice of such resignation to the Administrator. The Trustee may also be removed at any time with or without cause by way of an Ordinary Resolution passed by the Unitholders. The removal or resignation of the Trustee shall take effect upon the earliest of (i) 90 days after the date of notice of such resignation is given, such Ordinary Resolution is approved, or such notice of the Administrator is given, as applicable; or (ii) until a successor trustee has been elected or appointed pursuant to the terms of the Trust Indenture.

Upon the resignation or removal of the Trustee, the Trustee shall cease to have rights, privileges and powers of a Trustee, except for its rights to be compensated and indemnified as pursuant to the terms of the Trust Indenture, and shall execute and deliver all documents reasonably required to transfer any Trust Property held in the Trustee's name and to provide for the transition of the Trust's activities and affairs to the successor trustee, and account for all property, including the Trust Property, which the Trustee held or then holds as Trustee.

The departing Trustee shall continue to be entitled to payment of any amounts owing by the Trust to the Trustee which accrued prior to its departure. The departing Trustee shall continue to be liable in respect of or in any way arising out of the Trust Indenture which accrued prior to the resignation or removal of the Trustee; however, the departing Trustee shall continue to benefit from any indemnity and limitation of liability provisions set out in the Trust Indenture.

Liability of Unitholders

The Trust Indenture provides that no Unitholder shall be liable in connection with the ownership or use of the Trust Property, the obligations or activities of the Trust, any acts or omissions of the Trustee, the Administrator or any other person in respective of the activities or affairs of the Trust, any transaction entered into by the Trustee, the Administrator or any other person in respective of the activities or affairs of the Trust or any taxes or fines payable by the Trust or the Trustee or Administrator, provided that each Unitholder remain responsible for taxes assessed against them by reason of or arising out of their ownership of Trust Units. To the extent that, any Unitholder, in its capacity as

such, may be determined by a judgment of a court of competent jurisdiction to be subject to or liable in respect of any liabilities of the Trust, such judgment and any writ of execution or similar process in respect thereof, shall be enforceable only against, and shall be satisfied only out of, the Unitholder's share of the Trust Property represented by its Trust Units or any other securities of the Trust held by it.

Liability of Trustee, Administrator and Beneficiary

Subject to the standard of care, diligence and skill to which the Trustee and the Administrator are held, neither the Trustee nor the Administrator shall be liable in certain circumstances, such as acting, or failing to act, in good faith, where such act, or failure to act, was in reliance on an expert (where such reliance is reasonable), including any liability in respect of loss or diminution in value of any assets of the Trust. No assets of the Trustee owned in its personal capacity shall be subject to any such liability.

Each of the Trustee, the Administrator and their respective directors, officers and employees shall be entitled to be indemnified in respect of any and all taxes, penalties or interest in respect of unpaid taxes or other governmental charges imposed upon such party as a result of his or her role pursuant to the Trust Indenture and the Administration Agreement and in respect of all amount, costs, charges and expenses, including litigation costs, unless any such costs or amounts arise out of a result of such party's gross negligence, willful misconduct or fraud.

The Trust shall have no liability to reimburse any person for transfer or other taxes or fees payable on the transfer of Trust Units or any income or other taxes assessed against any person by reason of ownership or disposition of Trust Units.

Records and Reporting

The Administrator shall prepare and maintain or cause to be prepared and maintained, records containing (a) the Trust Indenture; (b) minutes of meetings and resolutions of Unitholders; (c) minutes of meetings and resolutions of the Administrator and the Trustee; and (d) the registers of the Trust. The Trust shall also prepare and maintain adequate accounting records.

The Trust will send to all Unitholders the audited statements of the Trust together with comparative audited financial statements for the preceding fiscal year, if any, and the report of the auditor thereon, within 120 days of the end of the fiscal year of the Trust. Such financial statements are to be prepared in accordance with generally accepted accounting principles or international financial reporting standards.

On or before the day that is 90 days following the end of each fiscal year for the Trust, or such other date as may be required under applicable law, the Trust shall provide to Unitholders who received distributions from the Trust in the prior calendar year, such information regarding the Trust required by Canadian law to be submitted to Unitholders for income tax purposes to enable Unitholders to complete their tax returns in respect of the prior calendar year.

The Trustee shall satisfy, perform and discharge all obligations and responsibilities of the Trustee under the Tax Act and neither the Trust nor the Trustee shall be accountable or liable to any Unitholder by reason of any act or acts of the Trustee consistent, or carried out in intended compliance, with any such obligations or responsibilities.

The Administrator

The Trustee is empowered to delegate to the Administrator such authority as the Trustee may in its sole discretion deem necessary or desirable to effect the actual administration of the duties of the Trustee under the Trust Indenture, without regard to whether such authority is normally granted or delegated by trustees, and does so delegate as set out in the Trust Indenture and in the Administration Agreement.

The Trustee shall not have any liability or responsibility in respect of prospectuses, offering memoranda, rights offering circulars, financial statements, management's discussion and analysis, annual information forms, proxy or information circulars, takeover bid or issuer bid circulars, material change reports, press releases or other public disclosures or non-public disclosures to Unitholders or potential purchasers of Trust Units, or filings required by law or the rules or policies of securities regulatory authorities, or any agreements related thereto, including pursuant to this Offering.

Power of Attorney

Each Unitholder irrevocably appoints the Trustee, with full power of substitution, as its lawful attorney to act on the Unitholder's behalf with full power and authority in the Unitholder's name, place and stead to execute, swear to, acknowledge, deliver, make, file or record certain necessary documents. Such power is, to the extent permitted by applicable law, irrevocable, is a power coupled with an interest, and shall survive the death, mental incompetence, disability and any subsequent legal incapacity of the Unitholder and shall survive the assignment by the Unitholder of

all or part of the Unitholder's interest in the Trust and will extend to and bind the heirs, executors, administrators and other legal representatives and successors and assigns of the Unitholder. Without limiting any other manner in which the power of attorney may be exercised by the Trustee or the Administrator on behalf of one or more Unitholders, the Trustee or the Administrator, as the case may be, may, in executing any instrument on behalf of all Unitholders collectively, execute such instrument with a single signature and indicating such execution is as attorney and agent for all of such Unitholders. Each Unitholder agrees to be bound by any representations or actions made or taken by the Trustee or the Administrator pursuant to this power of attorney and hereby waives any and all defences which may be available to contest, negate or disaffirm any actions taken by the Trustee or the Administrator in good faith under this power of attorney.

Auditor

The Trustee has appointed an auditor of the Trust. The auditor will be elected at each meeting of the Unitholders. The auditor will receive such remuneration as approved by the Trustee. The auditor shall audit the accounts of the Trust at least once each year and a report of the auditor with respect to annual financial statements of the Trust shall be provided to each Unitholder.

Amendments

The Trustee may make amendments to the Trust Indenture, without the consent of the Unitholders, in certain limited circumstances such as ensuring compliance by the Trust with applicable laws, providing additional protection for Unitholders or to obtain, preserve or clarify desirable tax treatment to Unitholders, making amendments that are necessary or desirable as a result of changes in taxation laws or in their interpretation or administration, making corrections or curing inconsistencies within the Trust Indenture and any other amendments which do not materially prejudice the Unitholders. All other amendments are required to be made by a Special Resolution of the Unitholders, which are to be consented to by the Administrator.

Termination of Trust

The Trust shall be wound up or terminated if resolved by a Special Resolution of the Unitholders. Upon being required to wind-up or terminate the affairs of the Trust, the Trustee shall give notice of such wind-up or termination to the Unitholders and the Unitholders shall surrender their Trust Units for cancellation. The Trustee shall sell and convert the Trust Property into money and do all other acts to liquidate the Trust and shall distribute the remaining proceeds of sale (or the undivided interests in the remaining Trust Property if the Trustee is unable to sell all or any of the Trust Property) directly to the Unitholders in accordance with their entitlements.

Other

For other information with respect to the terms of the Trust Indenture, see "Schedule "A" – Trust Indenture".

SUMMARY OF THE PARTNERSHIP AGREEMENT

The Partnership Agreement creates the Partnership and is the agreement that, in conjunction with the Partnership Act, governs the Partnership and the relationship among the Partnership, the General Partner and the Trust and other limited partners. The Partnership Agreement was entered into on September 25, 2013 between the General Partner and the Initial Limited Partner and was amended and restated by the General Partner on March 27, 2014, April 29, 2015, November 3, 2015, April 14, 2016 and April 24, 2018. The following is a summary only and is subject to the complete terms and conditions of the Partnership Agreement. A copy of the Partnership Agreement is attached hereto as Schedule "B". The Certificate for the Partnership was filed on September 25, 2013 under the Partnership Act.

Limited Partners

A subscriber for Partnership Units will become a Limited Partner upon the acceptance by the General Partner of the subscriber's subscription agreement and other documentation and payment of such Limited Partner's Capital Contribution. The Limited Partners may, by way of a special resolution of the Limited Partners, (i) with the consent of the General Partner, amend the business and investment objectives of the Partnership, (ii) with the consent of the General Partner, amend the Partnership Agreement; (iii) replace or remove the General Partner; (iv) with the consent of the General Partner, amend the investment restrictions imposed on the Partnership; (v) dissolve the Partnership; (vi) extend the date for dissolution of the Partnership; (vii) appoint a receiver in the event the General partner is unable or unwilling to act as the receiver of the Partnership; and (viii) amend, modify, alter or repeal any special resolution of the Limited Partner, all in accordance with the terms of the Partnership Agreement.

Investment Activities of the Partnership and Power of the General Partner

The Partnership intends to focus on investments that provide a high level of current income while offering the potential for moderate capital appreciation by investing primarily in high-yielding investments in a well-diversified manner. Subject to the delegation of activities under the Partnership Agreement, and subject to the powers of the Limited Partners, the General Partner has the full and exclusive right, power and authority to manage and control the activities and business of the Partnership and to make decisions regarding the undertaking and business of the Partnership.

The Portfolio Manager shall, pursuant to the Portfolio and Investment Fund Management Agreement, be responsible to undertake any matters required by the terms of the Partnership Agreement to be performed by the General Partner, including being responsible for making all investment decisions for the Partnership and for managing the Partnership's assets in accordance with the Partnership's investment objectives. the Portfolio Manager shall also be responsible for valuation of the Net Asset Value of the Partnership, the valuation of Investment Gains and Investment Losses, Net Operating Profits and Losses, the allocation of the Partnership's Net Profits and the Partnership's Net Losses among the Partners, the allocation of related Partnership tax items among the Partners, all in accordance with the terms and provisions of the Partnership Agreement. See "Summary Of Other Material Agreements – The Portfolio and Investment Fund Management Agreement".

The General Partner has covenanted that it will exercise its powers and discharge its duties under the Partnership Agreement honestly and in good faith and in the best interests of the Limited Partners, and that it will exercise the care and diligence of a reasonably prudent Person in comparable circumstances. Certain restrictions are imposed on the General Partner and certain acts may not be taken by it without the approval of the Limited Partner by way of an ordinary or special resolution. The General Partner may retain advisors, experts or consultants to assist it in the exercise of its powers and the performance of its duties as General Partner.

Under the terms of the Partnership Agreement, the General Partner agrees, among other things, that the funds of the Partnership will not be commingled with any other funds or assets of the General Partner or any other Person.

Capital Accounts

A Capital Account shall be established for each Partner and shall be adjusted in accordance with the terms of the Partnership Agreement. A Partner's Capital Account shall be credited with such Partner's Capital Contributions and any of the Partnership's Net Profits allocated to such Partner and shall be debited with any of the Partnership's Net Losses allocated to such Partner, the amount of any capital redemptions and the amount of any distributions made to the Limited Partner.

Competing Interests

Each Partner is entitled, without the consent of the other Partners, to carry on any business of the same nature as, or competing with those activities of, the Partnership, and is not liable to account to the other Partners or the Partnership. See "Risk Factors – Risks Associated with the Trust – Conflicts of Interest".

Fiscal Year

The Partnership will use the December 31 in each year, or such other date as the General Partner may determine, as its fiscal year.

Partnership Units

The Partnership is authorized to issue an unlimited number of Partnership Units, each having the rights, privileges, restrictions and conditions referred to in the Partnership Agreement. The Partnership Units may be issued in multiple classes, and upon issuance of each class of Partnership Units, the General Partner shall determine the Commissions, voting rights, entitlement to distributions, and other attributes of such class of Partnership Units, provided that: (i) the General Partner will, at all times be required to keep track of, and account for the different Capital Accounts and amounts of Investable Proceeds and corresponding entitlement to distributions of each class of Partnership Units; and (ii) no class of Partnership Units shall be entitled to any distributions or other payments in respect of Investable Proceeds not attributable to the issuance of such class of Partnership Units.

Except as otherwise expressly provided in the Partnership Agreement, each outstanding Partnership Unit of a particular class shall be equal to each other outstanding Partnership Unit of such class with respect to all matters including the right to receive distributions from the Partnership, and no Partnership Unit of a particular class shall have any preference or right in any circumstances over any other Partnership Unit of such class. Subject to certain restrictions noted in the Partnership Agreement, each Limited Partner shall be entitled to one (1) vote for each whole Partnership Unit held by him in respect of all matters to be decided by holders of the Partnership Units of the particular class.

Except as otherwise expressly provided, each Partnership Unit represents the right to receive a *pro rata* share of allocations and distributions from the Partnership allocated to such class of Units as provided for herein.

Transfer of Partnership Units

Partnership Units may be transferred, subject to compliance with the provisions of the Partnership Agreement and all applicable securities legislation. No transfer shall be effective unless, among other things, the General Partner has given its written consent approving the transfer. Partnership Units may be transferred by the Limited Partner or its agent duly authorized in writing to any Person by delivering to the General Partner a duly completed instrument of transfer in the approved form together with such evidence of genuineness of each such endorsement, execution and authorization and other matters as may be reasonably required by the General Partner. The transferee must execute a counterpart to the Partnership Agreement or otherwise agree to be bound by its terms and must become responsible for all obligations of the transferor to the Partnership.

A transferee must also meet certain criteria as set out in the Partnership Agreement. A transferee must (i) not be a "non-resident" of Canada within the meaning of the Tax Act (ii) not be a "non-Canadian" within the meaning of the *Investment Canada Act* (Canada); (iii) if an individual, has the capacity and competence to be bound by the Partnership Agreement and, if a corporation, partnership, unincorporated association or other entity, have full power and authority to execute and be bound by the partnership Agreement; (iv) have duly authorized, executed and delivered the Partnership Agreement and be bound by it; (v) act with the utmost fairness and good faith towards the other Partners; and (vi) provide evidence of its status as may be required by the General Partner.

If at any time a Limited Partner is a non-resident of Canada for purposes of the Tax Act, the General Partner may require that Limited Partner to transfer its Unit or Units to a resident or residents of Canada or sell such Unit or Units on behalf of such non-resident Limited Partner.

Distributions and Allocations

Unitholders shall be entitled to receive distributions of the Net Income and the Net Realized Capital Gains of the Trust in accordance with the terms of the Trust Indenture. Such distributions to Class A Unitholders will be based upon the distributions the Trust receives from the Partnership and that are attributable to the Class A Units. The Trust will own all of the Class A Partnership Units. Distributions to the Trust, as the sole holder of Class A Partnership Units, will be as follows:

(a) as first priority, and calculated quarterly and paid within sixty (60) days of the end of each fiscal quarter, in the sole discretion of the General Partner, an annual fee of up to 0.80% per annum of the Class NAV of the Class A Partnership Units that remains invested in the Partnership (pro-rated for holders of Class A Partnership Units who have held the Class A Partnership Units for less than a quarter), payable to the registered dealers, financial advisors, sales persons or other eligible persons who introduced holders of Class A Partnership Units to the Partnership;

(b) as second priority, and on a monthly basis, the Class A Pool attributable to such Valuation Period (whether initially distributed as a return of capital or otherwise), as determined by the General Partner, acting in its sole discretion, in respect of any Valuation Period will be distributed monthly in arrears to the holders of Class A Partnership Units (including, if applicable, the General Partner in its capacity as a holder of Class A Partnership Units) in accordance with their respective Sharing Ratios until the cumulative amount distributed under this subparagraph (b) for a given month equals an amount equal to one twelfth (1/12) of a cumulative nine (9%) percent annual return on the capital contribution of such holder of Class A Partnership Units;

(c) as third priority, and annually within one hundred twenty (120) days of the end of each fiscal year, after the maximum amount distributable under subparagraphs (a) and (b) above has been distributed, an amount up to one percent (1.0%) of the issue price of each applicable Class A Partnership Unit multiplied by the number of Class A Partnership Units held by a particular holder of Class A Partnership Units will be distributed as a non-cash distribution credited to the Capital Account of each holder of such Class A Partnership Units who has held the Class A Partnership Units for a minimum of one year (pro-rated for holders of Class A Partnership Units who have held the Class A Partnership Units for less than a year), until the aggregate distributions pursuant to this subparagraph equal the aggregate Commissions paid in connection with the issuance of such Class A Partnership Units; and

(d) as fourth priority, and annually within one hundred twenty (120) days of the end of each fiscal year, after the maximum amount distributable under subparagraphs (a), (b) and (c) above has been

distributed, any excess amounts in the Class A Pool for that fiscal year shall be distributed at the end of such period as to 100% to the General Partner.

To the extent that there is a surplus in the Class A Pool after making the monthly distributions set forth in paragraph (a) and (b) above, then the General Partner may, in its sole discretion, retain any such surplus as a reserve for future expenditures, commitments or distributions of the Partnership or reinvest such surplus in any Investment. To the extent that there are no Distributable Proceeds after payment and reservation of all amounts necessary for the payment of all expenses of the Partnership, including but not limited to Expenses of the General Partner and the Portfolio Management Fee, the Partnership shall not be obligated to make any distributions of cash to the Partners. The principals of the General Partner are the same as those of the Trustee, Administrator and the Portfolio Manager.

The Trust has adopted the DRIP, which will allow eligible Unitholders to elect to have their monthly cash distributions reinvested in additional Trust Units on the Distribution Payment Date at a purchase price equal to $10 per Trust Unit (or such other price as may be determined by the Trust from time to time).

Redemption

There is no general right of redemption by a Limited Partner and all redemptions are subject to the approval of the General Partner, in its sole discretion. Upon approval by the General Partner, a Limited Partner may surrender Partnership Units for redemption on the last business day of a fiscal quarter, for the redemption price per Partnership Unit calculated as at the applicable date. The General Partner may, in its discretion, charge any Limited Partner other than the Trust a redemption fee of $200.

Notwithstanding the foregoing, in the event that a Limited Partner that is a mutual fund trust for the purposes of the Tax Act, including the Trust, makes a demand for redemption of any Partnership Units held by it, then the General Partner shall approve such redemption of Partnership Units in accordance with the Partnership Agreement.

The General Partner shall, in its sole discretion, have the right to require the redemption of all of the Partnership Units held by a Limited Partner at any time by written notice to such Limited Partner. The effective date of such redemption shall be determined by the General Partner in its sole discretion. In the event of such redemption, payment shall be made to such Limited Partner as though the redemption was initiated by the Limited Partner in accordance with the Partnership Agreement.

Fees and Expenses of the General Partner

The General Partner shall be reimbursed by the Partnership for all costs and expenses incurred by the General Partner in the performance of its duties as General Partner, including all direct general and administrative expenses that may be incurred by the General Partner and the Partnership. See note 4 of audited financial statements of the Partnership attached herein.

Transfer of Interest of General Partner and Resignation or Removal of the General Partner

Except as otherwise provided in the Partnership Agreement, the General Partner may not sell, assign, transfer or otherwise dispose of its interest in the Partnership as General Partner without the prior approval of the Limited Partners given by Special Resolution.

The General Partner will continue as General Partner of the Partnership until termination of the Partnership unless the General Partner is removed or has resigned in accordance with the Partnership Agreement. The General Partner may voluntarily withdraw as general partner by giving 120 days' notice, such notice to be effective immediately following the admission of the successor general partner. Upon the bankruptcy, dissolution, or winding-up of the General Partner, the appointment of a trustee or permanent receiver of the General Partner, the General Partner will be deemed to have resigned upon the earlier of an appointment of a replacement general partner by the Limited Partner or 180 days following the appointment of such trustee or permanent receiver. Failing which, the General Partner may only be replaced for a material breach of the Partnership Agreement that subsists for a period of 90 days after notice, and such removal is approved by a Special Resolution of the Limited Partners.

Upon the removal of the General Partner, the Partnership and the Limited Partners shall release and hold harmless the General Partner from all actions, claims, costs, demands, losses, damages and expenses with respect to events which occur in relation to the Partnership after the effective time of such removal.

Liability of the General Partner

The General Partner is not personally liable for the return of any Capital Contribution made by the Limited Partner. The General Partner has unlimited liability for the debt, liabilities and obligations of the Partnership.

The General Partner shall bear no responsibility to the Partnership and bears no liability to the Partnership or the Limited Partners for any loss suffered by the Partnership if the General Partner, in good faith, determined that such course of conduct was in the best interest of the Partnership, unless caused by the gross negligence or willful misconduct of the General Partner. The General Partner shall be indemnified by the Partnership for all liabilities, costs and expenses incurred in connection with any action, suit or proceeding made against the General Partner in the exercise of the performance by the General Partner of its duties as general partner of the Partnership, except those resulting from willful misconduct or gross negligence.

The General Partner will indemnify and hold harmless the Limited Partners from and against all costs, damages, liabilities or losses incurred resulting from not having limited liability, other than the loss of limited liability caused by any act or omission of the Limited Partners. Further, the General Partner shall indemnify the Partnership for any costs, damages, liabilities or losses incurred by the Partnership or the Limited Partners as a result of gross negligence or willful misconduct by the General Partner. The foregoing indemnity will not extend to liabilities arising from any Limited Partner being called upon to return any distributions paid to him, her or it (with interest), whether properly paid or paid in error.

Limitation on Authority of Limited Partners

While Limited Partners have voting rights with respect to certain matters, including the termination of the Partnership, no Limited Partner, in its capacity as such, may take part in the operation or management of the activities of the Partnership nor may any Limited Partner, in its capacity as such, have the power to sign for or to bind the Partnership. No Limited Partner shall be entitled to bring any action for partition or sale or otherwise in connection with any interest in any property of the Partnership, whether real or personal, or register, or permit to be filed or registered or remain undischarged, against any property of the Partnership any lien or charge in respect of the interest of such Limited Partner in the Partnership or to compel a partition, judicial or otherwise, of any of the property of the Partnership distributed to the Limited Partners in kind. Limited Partners shall comply with the provisions of the Partnership Act in force or in effect from time to time and shall not take any action which will jeopardize or eliminate the status of the Partnership as a limited partnership.

Limited Liability of Limited Partners

Subject to the Partnership Act, and any specific assumption of liability, the liability of a Limited Partner for the debts of the Partnership is limited to the amount of its Capital Contribution made or agreed to be made to the Partnership plus its *pro rata* share of the undistributed income of the Partnership and a Limited Partner shall have no further personal liability for such debts and, after making the full amount of its Capital Contribution to the Partnership, a Limited Partner shall not be subject to, nor be liable for, any further calls or assessments or further contributions to the Partnership.

Representations of Limited Partners under the Partnership Agreement

Under the terms of the Partnership Agreement, a Limited Partner represents and warrants and covenants with each other Partner that it: (i) is not a "non-resident" of Canada within the meaning of the Tax Act; (ii) is not a "non-Canadian" within the meaning of the *Investment Canada Act*; (iii) if an individual, has the capacity and competence to enter into and be bound by the Partnership Agreement and all other agreements contemplated hereby; (iv) if a corporation, partnership, unincorporated association or other entity, has full power and authority to execute the Partnership Agreement and all other agreements contemplated hereby required to be signed by it and to take all actions required pursuant hereto, and has obtained all necessary approvals of directors, shareholders, partners, members or others; (v) has duly authorized, executed and delivered the Partnership Agreement and that the Partnership Agreement constitutes a legal, valid and binding obligation of it enforceable against it in accordance with its terms, subject to applicable bankruptcy, insolvency and other laws affecting the enforcement of creditor's rights generally and general principles of equity; (vi) shall act with the utmost fairness and good faith towards the other Partners in the business and affairs of the Partnership; and (vii) shall from time to time promptly provide to the General Partner such evidence of its status as the General Partner may reasonably request.

Each Limited Partner covenants and agrees that it will not transfer or purport to transfer its Partnership Units to any person who is or would be unable to make the representations and warranties as stated above.

Accounting and Reporting

The General Partner will forward to each Limited Partner within 120 days of the end of each fiscal year of the Partnership, a copy of the annual financial statements of the Partnership and any necessary tax information.

The General Partner will keep appropriate books and records with respect to the Partnership's business reflecting the assets, liabilities, income and expenditures of the partnership and register listing all Limited Partners and the Partnership Units held by such Limited Partners.

Power of Attorney

The Limited Partner irrevocably nominates, constitutes and appoints the General Partner, with full power of substitution, as its true and lawful attorney and agent, with full power and authority in the Limited Partner's name, place and stead to execute, under seal or otherwise, swear to, acknowledge, deliver, make, record and file when, as and where required or appropriate, certain necessary documents.

Auditor

The General Partner may select the auditor on behalf of the Partnership to review and report to the Limited Partners upon the financial statements of the Partnership for each fiscal year and to advise upon and make determinations with regard to financial questions relating to the Partnership or as required by the Partnership Agreement to be determined by the auditor. The General Partner has selected PricewaterhouseCoopers LLP as the auditor on behalf of the Partnership.

Amendments

The Partnership Agreement may generally only be amended on the initiative of the General Partner with the consent of the Limited Partners given by Special Resolution. However: (i) no amendment can be made which would have the effect of changing the liability of any Limited Partner, allowing any Limited Partner to participate in the control of the business of the Partnership, or of the Limited Partnership as a group to vote at any meeting or changing the Partnership from a limited partnership to a general partnership; and (ii) no amendment can be made which would have the effect of reducing the interest in the Partnership of holders of any particular class of Partnership Units, changing the rights of holders of any particular class of Partnership Units in a manner confined to such class of Partnership Units, without the holders of the applicable class of Partnership Units approving such amendment by voting as a single class.

The General Partner may, without prior notice to or consent from any Limited Partner, amend any provision of the Partnership Agreement from time to time: (i) for the purpose of adding to the Partnership Agreement any further covenants, restrictions, deletions or provisions which, in the opinion of the General Partner, acting reasonably in consultation with its financial and legal advisors, are necessary for the protection of the Limited Partners; (ii) to cure any ambiguity or to correct or supplement any provisions contained herein which in the opinion of the General Partner, acting reasonably in consultation with its financial and legal advisors, may be defective or inconsistent with any other provisions contained in the Partnership Agreement provided that such cure, correction or supplemental provision does not and will not adversely affect the interests of the Limited Partners or of the holder of any particular class of Partnership Units; or (iii) to make such other provisions in this regard to matters or questions arising under the Partnership Agreement which, in the opinion of the General Partner, acting reasonably in consultation with its financial and legal advisors, do not and will not adversely affect the interests of holders of any particular class of Partnership Units, or of the Limited Partners; or (iv) creating one or more new classes of Partnership Units, provided that the creation of such new class of Partnership Units does not adversely affect holders of any other class of Partnership Units, in terms of the calculation of the Class Pool and voting rights.

Meetings of Limited Partners

Meetings of the Limited Partners may be called at any time by the General Partner and shall (i) in respect of matters affecting a specific class or specific classes of Partnership Units be called upon written request of Limited Partners holding in the aggregate not less than $33^1/_3$% of the outstanding Partnership Units of such class or classes, as applicable, or (ii) in respect of matters affecting holders of all classes of Partnership Units, be called upon written request of Limited Partners holding in the aggregate not less than $33^1/_3$% of the outstanding Partnership Units.

The presence in person or by proxy and entitled to vote of one (1) or more Limited Partners holding at least 10% of the Partnership Units or the Partnership Units of the affected class outstanding as applicable, (except for purposes of (i) passing a Special Resolution in which case such persons must hold at least 20% of the Partnership Units outstanding and entitled to vote thereon; and (ii) passing a Special Resolution to remove the General Partner, in which case such persons must hold at least 50% of the Partnership Units or the Partnership Units of the affected class outstanding and entitled to vote thereon), shall be necessary to constitute a quorum for the transaction of business at any meetings of Limited Partners.

Term and Termination of the Partnership

The Partnership was formed upon the filing and recording of the Certificate under the Partnership Act and will continue until terminated upon the earlier of the dissolution or termination of the Partnership in accordance with the terms of the Partnership Agreement or December 31, 2038.

On the date of the approval of the dissolution by the Partnership by way of a special resolution, the General Partner shall act as a receiver and liquidator of the assets of the Partnership and shall dispose of the assets of the Partnership, pay the debts and liabilities of the Partnership, distribute any remaining assets to the Limited Partner and file the notice of dissolution and satisfy all applicable formalities as may be required by law.

SUMMARY OF OTHER MATERIAL AGREEMENTS

Administration Agreement

The Trust, the Administrator and the Partnership have entered into an Administration Agreement dated September 25, 2013, under which the Administrator has agreed to be responsible for the management and general administration of the affairs of the Trust. Further, the Partnership has agreed to reimburse the Administrator for all expenses incurred by the Administrator in carrying out its duties under the Administration Agreement. The Administration Agreement shall remain in full force until the termination of the Trust or removal of the Administrator pursuant to the Trust Indenture. The foregoing is a summary only and is subject to the complete terms and conditions of the Administration Agreement. A copy of the Administration Agreement is attached hereto as Schedule "C".

The Portfolio and Investment Fund Management Agreement

Pursuant to the Portfolio and Investment Fund Management Agreement, Invico Capital Corporation (the "**Portfolio Manager**") was appointed as portfolio manager and investment fund manager to the Trust and the Partnership. The Portfolio Manager performs certain management and administrative functions of the Partnership in exchange for compensation in the amount of the Portfolio Management Fee. In addition to providing general administrative and support services, the Portfolio Manager will identify, analyze and select investment opportunities; structure and negotiate prospective investments and make investments for the Partnership in securities; monitor the performance of resource companies; and determine the timing, terms and method of disposing of investments. Jason Brooks and Allison Taylor act as portfolio managers on behalf of the Portfolio Manager.

The Portfolio and Investment Fund Management Agreement, unless terminated as described below, will continue until the dissolution of the Partnership. Pursuant to the Portfolio and Investment Fund Management Agreement, the Portfolio Manager agrees to act honestly and in good faith with a view to the best interests of the Partnership, and in connection therewith, to exercise the degree of care, diligence and skill that a diligent Portfolio Manager would exercise in similar circumstances. The Portfolio Manager will not be liable in connection with the performance of its activities, except in cases where the activities are in material breach of the Portfolio and Investment Fund Management Agreement or in cases of gross negligence or wilful misconduct by the Portfolio Manager.

The Portfolio Manager may terminate the Portfolio and Investment Fund Management Agreement if (a) the General Partner commits any act constituting fraud, wilful misconduct, negligence or a wilful and material violation of applicable laws; (b) there is a material breach of the Portfolio and Investment Fund Management Agreement that is not cured within the time provided; or (c) there is a dissolution, liquidation, bankruptcy, insolvency or winding-up of the General Partner.

The General Partner may terminate the Portfolio and Investment Fund Management Agreement if (a) there is a material breach of the Portfolio and Investment Fund Management Agreement by the Portfolio Manager that is not cured within the time provided; (b) the General Partner is removed as General Partner pursuant to the Partnership Agreement; (c) there is a dissolution, liquidation, bankruptcy, insolvency or winding-up of the Portfolio Manager; (d) the Portfolio Manager commits any act constituting fraud, wilful misconduct, negligence or a wilful and material violation of applicable laws; or (e) the Portfolio Manager's registration as such is suspended or adversely modified, revoked or terminated and such status is not cured within the time provided.

The forgoing is a summary only and is subject to the complete terms and conditions of the Portfolio and Investment Fund Management Agreement. A copy of the Portfolio and Investment Fund Management Agreement is attached hereto as Schedule "D".

Distribution Reinvestment Plan

The Trust has adopted a DRIP effective September 25, 2013, that allows eligible Unitholders to elect to have their monthly cash distributions reinvested in additional Trust Units on the Distribution Payment Date at a purchase price

equal to $10 per Trust Unit (or such other price as may be determined by the Trust from time to time). All Unitholders resident in Canada are eligible to participate in the DRIP. Unitholders who do not enroll in the DRIP will receive their regular cash distributions. The Administrator reserves the right to limit the amount of new equity available under the DRIP on any particular Distribution Payment Date. Accordingly, participation may be prorated in certain circumstances. In the event of proration, or if for any other reason all or a portion of the distributions cannot be reinvested under the DRIP, Unitholders enrolled in the DRIP will receive their regular cash distributions.

No commissions, service charges or similar fees will be payable in connection with the purchase of Trust Units under the DRIP. Participation in the DRIP does not relieve Unitholders of any liability for any income or other taxes that may be payable on or in respect of the distributions that are reinvested for their account under the DRIP.

An account will be maintained by the Administrator, on behalf of the Trust, for each participant with respect to purchases of Trust Units made under the DRIP for the participant's account. Within 60 calendar days following the end of each calendar quarter, the Trust will mail an unaudited quarterly report to each participant. These reports are a participant's continuing record of purchases of Trust Units made for their account under the DRIP and should be retained for tax purposes. A unit certificate representing Trust Units issued to each participant under the DRIP will be issued on an annual basis.

INTERESTS OF DIRECTORS, MANAGEMENT AND PRINCIPAL HOLDERS

Compensation and Securities Held

The following table provides information about each director and officer of Invico Diversified Income Administration Ltd., the Administrator, and Invico Capital Corporation, the Portfolio Manager. At the first closing of the issuance of Trust Units, the interest of the Initial Unitholder was redeemed by the Trust in return for her initial capital contribution of $10.00.

Name and Municipality of Principal Residence	Position Held Since Inception of the Trust	Compensation paid by issuer or related party		Number, Type and Percentage of Trust Units Held After Completion of Minimum Offering	Number, Type and Percentage of Trust Units Held After Completion of Maximum Offering[3]
		Most Recently Completed Financial Year	Anticipated for Current Financial Year		
Jason Brooks Calgary, Alberta	President and director of the Trustee, Administrator and the Portfolio Manager	See Note 1 and Note 2[1][2]	See Note 1, Note 2 and Note 4[1][2]	32,236 Class F Units (0.7%) 14,934 Class C Units (0.47%) 15,000 Class FU Units (9.52%)	32,236 Class F Units (0.7%) 14,934 Class C Units (0.47%) 15,000 Class FU Units (0.56%)
Allison Taylor Calgary, Alberta	Chief Executive Officer and director of the Trustee, the Administrator and the Portfolio Manager	See Note 1 and Note 2[1][2]	See Note 1 and Note 2[1][2]	24,633 Class F Units (0.5%) 9,799 Class C Units (0.31%) 13,500 Class FU Units (8.57%)	24,633 Class F Units (0.5%) 9,799 Class C Units (0.31%) 13,500 Class FU Units (0.51%)

Notes:

(1) Jason Brooks and Allison Taylor are not compensated directly for the services provided by them to the Trust or Trustee or the Administrator. Jason Brooks and Allison Taylor are compensated by the Portfolio Manager or an affiliate of the Portfolio Manager.

(2) The Administrator, the Trustee, the Portfolio Manager and the General Partner are owned, indirectly, by Jason Brooks and Allison Taylor. The Portfolio Manager is entitled to the Portfolio Management Fee and the other fees set forth below under the heading "– Fees". In 2018, the aggregate amount of such fees paid to the Portfolio Manager was $2.17 million excluding fees paid in respect of Class D units of the Partnership of which 6.65% of such fees were allocated to the Class A Units. In addition, the General Partner is entitled to participate in the distributions of the Partnership. See "Summary Of The Partnership Agreement – Distributions and Allocations". The Trustee and the Administrator shall have priority over distributions to holders of Trust Units in respect of amounts payable or reimbursable to the Trustee and the Administrator.

(3) Jason Brooks and Allison Taylor may purchase additional Trust Units pursuant to the Offering; however, the amounts of such purchases are not known at this time.

Fees and Expenses

The Partnership will pay the Portfolio Manager the Portfolio Management Fee, calculated and payable, in advance, at the beginning of each month. Any Portfolio Management Fee attributable to any period of less than one full month (whether as to the Partnership generally or to any Limited Partner) shall be pro-rated appropriately and be payable on the first day of such period. At the sole discretion of the Portfolio Manager, payment of all or any part of the Portfolio Management Fee or any accrual thereof may be waived, including with respect to the Committed Capital of particular Partnership Units.

In addition to the Portfolio Management Fee, the Invico Entities provide certain services to the Trust and the Partnership, for which they receive fees and/or reimbursement of expenses. All such fee and/or reimbursement of expenses must be approved by the Independent Review Committee. In 2018, these fees/expenses consisted of the following:

- The Administrator, an entity wholly owned by the Portfolio Manager, pursuant to the terms of the Administration Agreement incurs annual expenses of $89,250 in connection with the day to day administration and back office duties of the Trust (including services as transfer agent).

- Invico Capital Corporation charges a monthly management fee equal to US$4.50 per produced boe with a minimum monthly amount of US$40,000 to Shoreline. This amount covers general and administrative costs related to managing Shoreline, including geology, engineering and land administration costs. The amount of the management fee has been set by Invico Capital Corporation based on the general and administrative costs incurred by entities similar to Shoreline and approved by the Independent Review Committee. The fee paid to Invico Capital Corporation in 2018 was US$733,271. Third party expenses are also recovered from Shoreline on a cost recovery basis.

- The Trust currently holds investments in two US mortgage portfolios, Fort Greene Fund and Fort Greene Funding 2012. Invico Capital Advisory Services Inc., an affiliate of the Portfolio Manager, officially took over fund management duties effective July 10, 2015 and has since been acting in such a capacity. Invico Capital Advisory Services Inc. is entitled to remuneration for these services in an amount equivalent to an annual management fee of 2% of the principal invested in such funds as defined in the fund documents. In 2018, such fee amounted to US$99,891.

- Pennant incurs certain general and administrative costs acting in its capacity as wholesaler to the Trust in connection with the Offering, which costs amounted to $313,236 in 2018, of which $23,594 relates to the Class A Units.

- The Portfolio Manager incurs certain general and administrative costs in connection with management of the Wholly-Owned Subsidiaries, which costs amounted to US$36,000 in 2018.

Furthermore, the General Partner shall be reimbursed by the Partnership for all costs and expenses incurred by the General Partner in the performance of its duties as General Partner, including all direct general and administrative expenses that may be incurred by the General Partner and the Partnership. See note 4 of audited financial statements of the Partnership attached herein.

Relationships with Investee Companies

Invico Capital Corporation and its affiliates may from time to time enter into business relationships with or provide additional services to investee companies of the Partnership. Such relationships or provision of services (including remuneration) will be unanimously approved by the Independent Review Committee. Invico Capital Corporation currently has the following relationships with certain investee companies of the Partnership as described below.

Pursuant to the Management Agreement, the Portfolio Manager acts as "fund manager" of a private real estate management fund based in Calgary, Alberta. Additional services are provided to the fund by Pennant, a related and connected issuer of the Trust. From time to time, fees are paid by the fund to the Portfolio Manager and/or Pennant. As at April 24, 2019, an affiliate of the fund was indebted to the Partnership in the principal amount of approximately $1.5 million in respect of revolving lines of credit. The loans bear interest at 15% per annum and are secured by second mortgages against properties of such entity.

Management Experience

The names, municipalities of residence, offices held, and principal occupations of the directors, officers and advisors of the Trustee, the Administrator and the Portfolio Manager for the past 5 years are as follows:

Name	Office Held	Principal Occupation and Related Experience
Jason Brooks Calgary, Alberta	President and director of the Trustee, the Administrator and the Portfolio Manager	Jason Brooks is the President and Founder of the Portfolio Manager, Invico Capital Corporation (2005 - current). Jason is a portfolio manager to the Invico Diversified Income Fund established in 2013 and the Avenue Living Real Estate Core Trust established in 2017. Currently, Invico Capital Corporation manages approximately $410,000,000 in assets focused on private equity alternative asset investments and privately negotiated debt. Jason is responsible for the assessment of investment opportunities on behalf of the funds managed by Invico Capital Corporation and approves the commitment of investment funds. In addition, Jason is CEO of Pennant Capital Partners Inc., a national exempt market dealer established in 2010 for the purposes of distributing securities from funds established by Invico Capital Corporation as well as the trading and issuance of private equities and hedge funds on behalf of institutional clients. Jason is also a past member of the board of directors of Central European Petroleum Ltd. and currently sits on the Alberta board of directors for the Alternative Investment Management Association. Previously having served as Vice President with Ernst & Young Orenda Corporate Finance Inc. (2000-2005), Jason brings over 20 years of experience focused on private financings and lending to numerous sectors including oil and gas, power and utilities and real estate both in Canada and internationally. In addition, he has advised on greater than $3 billion of private and public merger and acquisition, divestiture and financing transactions. Jason is a registered portfolio manager with the Alberta, Ontario, British Columbia and Saskatchewan Securities Commissions, holds the Chartered Financial Analyst (CFA) designation and is a graduate of the Haskayne School of Business with a Bachelor of Commerce (Beta Gamma Sigma).
Allison Taylor Calgary, Alberta	Chief Executive Officer and director of the Trustee, the Administrator and the Portfolio Manager	Allison Taylor is the Chief Executive Officer of the Portfolio Manager, Invico Capital Corporation. Allison is a portfolio manager to the Invico Diversified Income Fund, established in 2013 and the Avenue Living Real Estate Core Trust established in 2017. Currently, Invico Capital Corporation manages approximately $410,000,000 in assets focused on private equity, alternative asset investments and privately negotiated debt. Allison is responsible for the assessment of investment opportunities on behalf of the funds managed by Invico Capital Corporation and approves the commitment of investment funds. Allison is also the Chief Operating Officer of Pennant Capital Partners Inc., a national exempt market dealer established in 2010. Allison is also a director of the Private Capital Markets Association of Canada. Allison has extensive experience in investment fund management, fund accounting, financial advisory services and mergers & acquisitions across various industries. Allison is registered with the Alberta, Ontario, British Columbia and Saskatchewan Securities Commissions as a portfolio manager. Allison is a graduate of the Haskayne School of Business with a MBA in Finance and a graduate of the University of Western Ontario with an Honors Bachelor of Science in Actuarial Science and Statistics. Allison was a member of the board of directors of the YWCA of Calgary from 2008 to 2011. She is currently on the board of the Private Capital Markets Association and on the Investment Committee of the University of Calgary.

Penalties, Sanctions and Bankruptcy

No director, executive officer or control person of the Trustee, the Trust, the Administrator or the Portfolio Manager has been a director, executive officer or control person of any issuer (including the Trust) that, while such person was acting in that capacity, was subject to any penalty or sanction, or any cease trade order that was in effect for a period of more than 30 consecutive days, or any declaration of bankruptcy, voluntary assignment in bankruptcy, proposal under any bankruptcy or insolvency legislation, proceedings, arrangement or compromise with creditors or appointment of a receiver, receiver manager or trustee to hold assets, during the last 10 years, whether currently in effect or not.

Interest of Management and Others in Material Transactions

The Trustee, the Administrator, the Portfolio Manager and other partnerships or corporations managed by the directors, officers, employees, subcontractors and consultants of the Administrator or in which the directors, officers, employees, subcontractors and consultants of the Administrator play a role (directly or indirectly) may own securities of, or be compensated by, certain entities in which the Trust or the Partnership is considering investing or are invested in, including Shoreline, Fort Greene Fund and Fort Greene Funding 2012 and pursuant to the Management Agreement. In addition, certain directors, officers and consultants of the Administrator and Portfolio Manager may be or may become directors of certain entities in which the Trust invests. In addition, the Portfolio Manager is entitled to certain fees and interests relating to the operations of the Trust, as more particularly disclosed herein. See "– Compensation and Securities Held", "– Fees and Expenses" and "– Relationships with Investee Companies".

Independent Review Committee

The Portfolio Manager shall maintain an independent review committee comprised of not less than two individuals that are "independent" as such term is defined in NI 81-107. For clarity, NI 81-107 does not apply to the Trust or the Partnership but is being used solely as a reference for "independence".

The unanimous approval of the Independent Review Committee shall be required to consent to or approve the following matters:

(a) to approve any "conflict of interest matter" (as defined below) regarding the business of the Trust, the Partnership or the Portfolio Manager, including but not limited to, the approval of any new or changes to expenses, fees or other costs and any related-party transactions or contracts involving the Trust, the Partnership or the Portfolio Manager or related-party transactions or contracts involving their directors, officers, shareholders or affiliates; and

(b) to approve the reallocation of the use of proceeds from the Offering for any purpose that is materially different than the articulated use of proceeds set out in this Offering Memorandum.

A "conflict of interest matter" means a situation where a reasonable person would consider the person or entity in question, or an entity related to such person or entity, to have an interest which may conflict with their ability act in good faith and in the best interests of the Trust.

The Independent Review Committee is also required to make an annual report reasonably available to the Trust Unitholders and Partnership unitholders. See "Reporting Obligations". Every member of an Independent Review Committee, in exercising his or her powers and discharging his or her duties related to the Trust and the Partnership, and, for greater certainty, not to any other person, as a member of the Independent Review Committee must (a) act honestly and in good faith, with a view to the best interests of the Trust and the Partnership; and (b) exercise the degree of care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances. Every member of an Independent Review Committee must comply with applicable law and any written charter of the Independent Review Committee.

A member of the Independent Review Committee does not breach his or her standard of care, if the member exercised the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances, including reliance in good faith on (a) a report or certification represented as full and true to the Independent Review Committee by an Invico Entity or an entity related to the Invico Entities; or (b) a report of a person whose profession lends credibility to a statement made by the person.

Independent Review Committee Members

The current members of the Independent Review Committee are:

Name	Background and Relevant Experience
John Kowal	Mr. Kowal has been engaged as an advisor to Canaccord Genuity Asia (Hong Kong) Limited since 2012. He is responsible for providing domestic and cross-border advisory and corporate finance services. In addition, he is/has been retained by a number of companies to provide both technical and capital markets advice. His background consists of over 30 years of experience in a variety of senior financial and treasury positions in several multinational companies during which Mr. Kowal has executed numerous debt and equity financings, completed several multibillion dollar M&A transactions and has taken several companies public, including the first primary listing by a Canadian company on the Hong Kong Stock Exchange. Mr. Kowal has served as Co-CEO at Sunshine Oilsands Ltd. and Vice President, Finance and Chief Financial Officer of Total E&P Canada Ltd. Mr. Kowal also served as Vice President, Finance and Chief Financial Officer of Deer Creek Energy Limited and Treasurer of Canadian Hunter Exploration Ltd. Additionally, Mr. Kowal's diversified experience includes positions at Noranda Inc., John Labatt Limited, Celestica Inc., and IBM Canada Limited. Mr. Kowal holds a Bachelor of Commerce degree and a Master of Business Administration from McMaster University.
Sabrina Liak	Ms. Liak spent over 14 years working in New York at Donaldson Lufkin Jenrette and Goldman Sachs. Ms. Liak moved to Canada in 2015 and she is currently a Partner with Aloi Investment Management, a company focused on investing in private opportunities and providing advisory services to companies globally. She is currently on the Board and Governance Committee of CEP Ltd. and on the Investment Committee of the Vancouver Foundation. Previously, Ms. Liak was a managing director and portfolio manager at Goldman Sachs in New York where she managed a private equity portfolio of growth companies for Goldman Sachs Investment Partners, an investment fund. Ms. Liak has served on the Board of Directors of several companies, including Petroedge Energy, an exploration company, Lightfoot Capital, a Master Limited Partnership, and FloDesign Wind, a renewable energy company. She also served on Goldman Sachs' firmwide Physical Commodity Review Committee and Goldman Sachs Investment Partners' Private Investment Committee. Ms. Liak earned an HBA in Business Administration from the Richard Ivey School of Business at the University of Western Ontario and she is a CFA charterholder.

CAPITAL STRUCTURE

Trust's Capital

The following table sets out the capitalization of the Trust as at April 18, 2019, both before and after giving effect to this Offering.

Description of Security	Number Authorized to be Issued	Number Outstanding as at April 18, 2019	Price per Security	Number Outstanding Assuming Minimum Offering	Number Outstanding Assuming Maximum Offering[(1)]
Class A Units	Unlimited	954,108	$10.00	954,108	3,454,108
Class C Units	Unlimited	3,207,338	$10.00	3,207,338	7,207,338
Class F Units	Unlimited	3,979,677	$10.00	3,979,677	6,479,677
Class G Units	Unlimited	5,256,981	$10.00	5,256,981	7,756,981
Class J Units	Unlimited	703,178	$10.00	703,178	3,203,178
Class CU Units	Unlimited	45,633	US$10.00	45,633	2,545,633
Class FU Units	Unlimited	157,558	US$10.00	157,558	2,657,558

Notes

(1) The Trust is concurrently offering Class C Units, Class F Units, Class G Units, Class J Units, Class CU Units and Class FU Units. The number in this chart assumes that the maximum offering of Class A Units, Class C Units, Class F Units, Class G Units, Class J Units, Class CU Units and Class FU Units is achieved under such separate offerings.

Long-Term Debt

In October 2017 the Partnership established a revolving credit facility with a Canadian financial institution, which, as amended in October 2018, provides for advances of up to $6,000,000 to assist in the funding of eligible investments on a short-term basis until proceeds of equity subscriptions are received. Amounts drawn under this credit facility bear interest based on the bank's prime rate and are repayable on the earlier of: (a) demand by the lender, and (b) within 90 days from the initial date of a series of advances, and are secured by general security agreements and continuing guarantees provided by the Partnership, the General Partner and certain wholly-owned investee companies. As at April 22, 2019, $0 was outstanding under this credit facility.

In April, 2019, the Partnership and Shoreline entered in to a two year term revolving credit facility from a U.S. financial institution, which provides the Partnership and Shoreline up to US$8,000,000 in order to fund capital expenditure requirements. Amounts drawn under this credit facility bear interest based on the published Wall Street Journal prime rate, are secured by a first mortgage/deed of trust on oil and gas leases of Shoreline and a guarantee by the Partnership. As at April 22, 2019, US$4.58 million was outstanding under this credit facility.

Prior Sales

The following Trust Units have been issued within the last 12 months:

Date of issuance	Type of security issued	Number of securities issued	Price per security	Total funds received ($)
April 30, 2018[(1)]	*Class A Units*	*1,866*	*$10.00*	*18,660*
May 17, 2018	*Class A Units*	*3,500*	*$10.00*	*35,000*
May 31, 2018[(1)]	*Class A Units*	*1,864*	*$10.00*	*18,640*
June 7, 2018	*Class A Units*	*21,545*	*$10.00*	*215,450*
June 30, 2018[(1)]	*Class A Units*	*2,005*	*$10.00*	*20,050*
July 6, 2018	*Class A Units*	*25,500*	*$10.00*	*255,000*
July 31, 2018[(1)]	*Class A Units*	*2,048*	*$10.00*	*20,480*
August 2, 2018	*Class A Units*	*33,994*	*$10.00*	*339,940*
August 31, 2018[(1)]	*Class A Units*	*2,186*	*$10.00*	*21,860*
September 7, 2018	*Class A Units*	*22,000*	*$10.00*	*220,000*
September 30, 2018[(1)]	*Class A Units*	*2,253*	*$10.00*	*22,530*
October 4, 2018	*Class A Units*	*13,499*	*$10.00*	*134,990*

October 31, 2018[(1)]	*Class A Units*	*2,212*	*$10.00*	*22,120*
November 1, 2018	*Class A Units*	*14,970*	*$10.00*	*149,700*
November 30, 2018[(1)]	*Class A Units*	*2,304*	*$10.00*	*23,040*
December 6, 2018	*Class A Units*	*19,050*	*$10.00*	*190,500*
December 20, 2018	*Class A Units*	*17,123*	*$10.00*	*171,230*
December 31, 2018[(1)]	*Class A Units*	*2,253*	*$10.00*	*22,530*
January 17, 2019	*Class A Units*	*6,550*	*$10.00*	*65,500*
January 31, 2019[(1)]	*Class A Units*	*2,408*	*$10.00*	*24,080*
February 7, 2019	*Class A Units*	*9,057*	*$10.00*	*90,570*
February 28, 2019[(1)]	*Class A Units*	*2,413*	*$10.00*	*24,130*
March 7, 2019	*Class A Units*	*4,700*	*$10.00*	*47,000*
March 31, 2019[(1)]	*Class A Units*	*2,223*	*$10.00*	*22,230*
April 4, 2019	*Class A Units*	*7,964*	*$10.00*	*79,640*
April 18, 2019	*Class A Units*	*3,300*	*$10.00*	*33,000*
Total		**228,787**		**$2,287,870**

Date of issuance	Type of security issued	Number of securities issued	Price per security	Total funds received ($)
April 30, 2018[(1)]	*Class C Units*	*7,922*	*$10.00*	*79,220*
May 17, 2018	*Class C Units*	*2,500*	*$10.00*	*25,000*
May 31, 2018[(1)]	*Class C Units*	*7,712*	*$10.00*	*77,120*
June 7, 2018	*Class C Units*	*16,900*	*$10.00*	*169,000*
June 30, 2018[(1)]	*Class C Units*	*8,031*	*$10.00*	*80,310*
July 6, 2018	*Class C Units*	*17,000*	*$10.00*	*170,000*
July 31, 2018[(1)]	*Class C Units*	*7,885*	*$10.00*	*78,850*
August 2, 2018	*Class C Units*	*15,040*	*$10.00*	*150,400*
August 31, 2018[(1)]	*Class C Units*	*8,168*	*$10.00*	*81,680*
September 7, 2018	*Class C Units*	*25,424*	*$10.00*	*254,240*
September 30, 2018[(1)]	*Class C Units*	*8,279*	*$10.00*	*82,790*
October 4, 2018	*Class C Units*	*8,864*	*$10.00*	*88,640*
October 31, 2018[(1)]	*Class C Units*	*7,492*	*$10.00*	*74,920*
November 1, 2018	*Class C Units*	*6,720*	*$10.00*	*67,200*
November 30, 2018[(1)]	*Class C Units*	*7,809*	*$10.00*	*78,090*
December 6, 2018	*Class C Units*	*23,000*	*$10.00*	*230,000*
December 20, 2018	*Class C Units*	*10,800*	*$10.00*	*108,000*
December 31, 2018[(1)]	*Class C Units*	*7,762*	*$10.00*	*77,620*
January 17, 2019	*Class C Units*	*3,000*	*$10.00*	*30,000*
January 31, 2019[(1)]	*Class C Units*	*8,070*	*$10.00*	*80,700*
February 7, 2019	*Class C Units*	*1,500*	*$10.00*	*15,000*
February 28, 2019[(1)]	*Class C Units*	*8,157*	*$10.00*	*81,570*
March 7, 2019	*Class C Units*	*32,000*	*$10.00*	*320,000*
March 31, 2019[(1)]	*Class C Units*	*7,378*	*$10.00*	*73,780*
April 4, 2019	*Class C Units*	*24,052*	*$10.00*	*240,520*
April 18, 2019	*Class C Units*	*5,300*	*$10.00*	*53,000*
Total		**289,265**		**$2,892,650**

Date of issuance	Type of security issued	Number of securities issued	Price per security	Total funds received ($)
April 30, 2018[(1)]	*Class F Units*	*12,662*	*$10.00*	*126,620*
May 17, 2018	*Class F Units*	*58,860*	*$10.00*	*588,600*
May 31, 2018[(1)]	*Class F Units*	*12,174*	*$10.00*	*121,740*
June 7, 2018	*Class F Units*	*189,700*	*$10.00*	*1,897,000*
June 30, 2018[(1)]	*Class F Units*	*12,866*	*$10.00*	*128,660*

July 6, 2018	*Class F Units*	*107,200*	*$10.00*	*1,072,000*
July 31, 2018[(1)]	*Class F Units*	*13,785*	*$10.00*	*137,850*
August 2, 2018	*Class F Units*	*41,550*	*$10.00*	*415,500*
August 31, 2018[(1)]	*Class F Units*	*14,915*	*$10.00*	*149,150*
September 7, 2018	*Class F Units*	*147,160*	*$10.00*	*1,471,600*
September 30, 2018[(1)]	*Class F Units*	*14,935*	*$10.00*	*149,350*
October 4, 2018	*Class F Units*	*204,860*	*$10.00*	*2,048,600*
October 31, 2018[(1)]	*Class F Units*	*15,149*	*$10.00*	*151,490*
November 1, 2018	*Class F Units*	*154,500*	*$10.00*	*1,545,000*
November 30, 2018[(1)]	*Class F Units*	*16,164*	*$10.00*	*161,640*
December 6, 2018	*Class F Units*	*40,800*	*$10.00*	*408,000*
December 20, 2018	*Class F Units*	*16,400*	*$10.00*	*164,000*
December 31, 2018[(1)]	*Class F Units*	*16,221*	*$10.00*	*162,210*
January 17, 2019	*Class F Units*	*8,800*	*$10.00*	*88,000*
January 31, 2019[(1)]	*Class F Units*	*16,571*	*$10.00*	*165,710*
February 7, 2019	*Class F Units*	*255,252*	*$10.00*	*2,552,520*
February 28, 2019[(1)]	*Class F Units*	*17,252*	*$10.00*	*172,520*
March 7, 2019	*Class F Units*	*135,810*	*$10.00*	*1,358,100*
March 31, 2019[(1)]	*Class F Units*	*17,841*	*$10.00*	*178,410,*
April 4, 2019	*Class F Units*	*155,087*	*$10.00*	*1,550,870*
April 18, 2019	*Class F Units*	*62,665*	*$10.00*	*626,650*
Total		**1,759,179**		**$17,591,790**

Date of issuance	**Type of security issued**	**Number of securities issued**	**Price per security**	**Total funds received ($)**
April 30, 2018[(1)]	*Class G Units*	*11,888*	*$10.00*	*118,880*
May 17, 2018	*Class G Units*	*10,250*	*$10.00*	*102,500*
May 31, 2018[(1)]	*Class G Units*	*11,583*	*$10.00*	*115,830*
June 7, 2018	*Class G Units*	*11,779*	*$10.00*	*117,790*
June 30, 2018[(1)]	*Class G Units*	*12,125*	*$10.00*	*121,250*
July 6, 2018	*Class G Units*	*38,356*	*$10.00*	*383,560*
July 31, 2018[(1)]	*Class G Units*	*11,765*	*$10.00*	*117,650*
August 2, 2018	*Class G Units*	*54,727*	*$10.00*	*547,270*
August 31, 2018[(1)]	*Class G Units*	*12,170*	*$10.00*	*121,700*
September 7, 2018	*Class G Units*	*40,167*	*$10.00*	*401,670*
September 30, 2018[(1)]	*Class G Units*	*12,325*	*$10.00*	*123,250*
October 4, 2018	*Class G Units*	*111,899*	*$10.00*	*1,118,990*
October 31, 2018[(1)]	*Class G Units*	*12,024*	*$10.00*	*120,240*
November 1, 2018	*Class G Units*	*97,715*	*$10.00*	*977,150*
November 30, 2018[(1)]	*Class G Units*	*12,672*	*$10.00*	*126,720*
December 6, 2018	*Class G Units*	*74,543*	*$10.00*	*745,430*
December 20, 2018	*Class G Units*	*18,736*	*$10.00*	*187,360*
December 31, 2018[(1)]	*Class G Units*	*12,325*	*$10.00*	*123,250*
January 17, 2019	*Class G Units*	*29,789*	*$10.00*	*297,890*
January 31, 2019[(1)]	*Class G Units*	*12,999*	*$10.00*	*129,990*
February 7, 2019	*Class G Units*	*7,883*	*$10.00*	*78,830*
February 28, 2019[(1)]	*Class G Units*	*12,505*	*$10.00*	*125,050*
March 7, 2019	*Class G Units*	*54,530*	*$10.00*	*545,300*
March 31, 2019[(1)]	*Class G Units*	*11,425*	*$10.00*	*114,250*
April 4, 2019	*Class G Units*	*62,356*	*$10.00*	*623,560*
April 18, 2019	*Class G Units*	*14,410*	*$10.00*	*144,100*
Total		**770,446**		**$7,704,460**

Date of issuance	Type of security issued	Number of securities issued	Price per security	Total funds received ($)
April 30, 2018[(1)]	*Class J Units*	*3,042*	*$10.00*	*30,420*
May 17, 2018	*Class J Units*	*2,500*	*$10.00*	*25,000*
May 31, 2018[(1)]	*Class J Units*	*2,993*	*$10.00*	*29,930*
June 7, 2018	*Class J Units*	*15,300*	*$10.00*	*153,000*
June 30, 2018[(1)]	*Class J Units*	*3,137*	*$10.00*	*31,370*
July 6, 2018	*Class J Units*	*43,600*	*$10.00*	*436,000*
July 31, 2018[(1)]	*Class J Units*	*3,088*	*$10.00*	*30,880*
August 2, 2018	*Class J Units*	*2,000*	*$10.00*	*20,000*
August 31, 2018[(1)]	*Class J Units*	*3,446*	*$10.00*	*34,460*
September 7, 2018	*Class J Units*	*19,000*	*$10.00*	*190,000*
September 30, 2018[(1)]	*Class J Units*	*3,493*	*$10.00*	*34,930*
October 4, 2018	*Class J Units*	*2,000*	*$10.00*	*20,000*
October 31, 2018[(1)]	*Class J Units*	*3,271*	*$10.00*	*32,710*
November 1, 2018	*Class J Units*	*5,650*	*$10.00*	*56,500*
November 30, 2018[(1)]	*Class J Units*	*3,450*	*$10.00*	*34,500*
December 6, 2018	*Class J Units*	*20,500*	*$10.00*	*205,000*
December 20, 2018	*Class J Units*	*1,850*	*$10.00*	*18,500*
December 31, 2018[(1)]	*Class J Units*	*3,385*	*$10.00*	*33,850*
January 17, 2019	*Class J Units*	*1,700*	*$10.00*	*17,000*
January 31, 2019[(1)]	*Class J Units*	*3,628*	*$10.00*	*36,280*
February 7, 2019	*Class J Units*	*10,500*	*$10.00*	*105,000*
February 28, 2019[(1)]	*Class J Units*	*3,710*	*$10.00*	*37,100*
March 7, 2019	*Class J Units*	*11,500*	*$10.00*	*115,000*
March 31, 2019[(1)]	*Class J Units*	*3,417*	*$10.00*	*34,170*
April 4, 2019	*Class J Units*	*8,600*	*$10.00*	*86,000*
April 18, 2019	*Class J Units*	*1,500*	*$10.00*	*15,000*
Total		**186,260**		**$1,862,600**

Date of issuance	Type of security issued	Number of securities issued	Price per security (US$)	Total funds received (US$)
June 7, 2018	*Class CU Units*	*5,000*	*$10.00*	*50,000*
July 6, 2018	*Class CU Units*	*3,000*	*$10.00*	*30,000*
August 31, 2018[(1)]	*Class CU Units*	*16*	*$10.00*	*160*
September 7, 2018	*Class CU Units*	*12,000*	*$10.00*	*120,000*
September 30, 2018[(1)]	*Class CU Units*	*20*	*$10.00*	*200*
October 4, 2018	*Class CU Units*	*4,140*	*$10.00*	*41,400*
October 31, 2018[(1)]	*Class CU Units*	*20*	*$10.00*	*200*
November 1, 2018	*Class CU Units*	*9,000*	*$10.00*	*90,000*
November 30, 2018[(1)]	*Class CU Units*	*44*	*$10.00*	*440*
December 6, 2018	*Class CU Units*	*10,000*	*$10.00*	*100,000*
December 31, 2018[(1)]	*Class CU Units*	*48*	*$10.00*	*480*
January 31, 2019[(1)]	*Class CU Units*	*50*	*$10.00*	*500*
February 28, 2019[(1)]	*Class CU Units*	*51*	*$10.00*	*510*
March 31, 2019[(1)]	*Class CU Units*	*44*	*$10.00*	*440*
April 4, 2019	*Class CU Units*	*2,200*	*$10.00*	*22,000*
Total		**45,633**		**456,330**

Date of issuance	Type of security issued	Number of securities issued	Price per security (US$)	Total funds received (US$)
August 2, 2018	*Class FU Units*	*2,000*	*$10.00*	*20,000*
September 30, 2018[(1)]	*Class FU Units*	*15*	*$10.00*	*150*
October 4, 2018	*Class FU Units*	*15,000*	*$10.00*	*150,000*
October 31, 2018[(1)]	*Class FU Units*	*16*	*$10.00*	*160*
November 1, 2018	*Class FU Units*	*4,000*	*$10.00*	*40,000*
November 30, 2018[(1)]	*Class FU Units*	*17*	*$10.00*	*170*
December 31, 2018[(1)]	*Class FU Units*	*17*	*$10.00*	*170*
January 31, 2019[(1)]	*Class FU Units*	*18*	*$10.00*	*180*
February 7, 2019	*Class FU Units*	*29,990*	*$10.00*	*299,900*
February 28, 2019[(1)]	*Class FU Units*	*18*	*$10.00*	*180,657,800*
March 7, 2019	*Class FU Units*	*65,780*	*$10.00*	*657,800*
March 31 2019[(1)]	*Class FU Units*	*187*	*$10.00*	*1,870*
April 18, 2019	*Class FU Units*	*40,500*	*$10.00*	*405,000*
Total		**157,558**		**1,575,580**

Note:

(1) These units were issued pursuant to the DRIP.

UNITS OFFERED

The Investment

The securities being offered pursuant to this Offering Memorandum are Class A Units of the Trust. The Trust is authorized to issue an unlimited number of Trust Units of any class and there is no restriction as to how many classes of Trust Units may be created. Each Trust Unit has attached thereto the same rights and obligations as, and rank equally with, each other Trust Unit of such class with respect to voting, allocations, distributions and participation on dissolution of the Trust. Each Class A Unit shall entitle to the holder thereof to one vote at a meeting of Unitholders at which Class A Unitholders are entitled to vote and each Class A Unit represent an equal fractional undivided beneficial interest in any distribution of the Class A Pool and in any net assets of the Trust in the event of termination or winding-up of the Trust attributable to the investment by holders of Class A Units. The Administrator may determine the designation and attributes of a class of Trust Units.

Capital Contribution

In connection with the subscription of the Trust Units under this Offering, each Unitholder will contribute to the capital of the Trust the purchase price per Trust Unit for each Class A Unit subscribed for. No Unitholder will be required to make any contribution to the capital of the Trust in excess of that amount.

Distributions

The Trustee may, and is required to in certain circumstances, declare to be payable and make distributions to Unitholders. See "Summary of the Trust Indenture – Distributions".

The Trust has adopted a DRIP that will allow eligible Unitholders to elect to have their monthly cash distributions reinvested in additional Trust Units on the Distribution Payment Date at a purchase price equal to $10 per Trust Unit (or such other price as may be determined by the Trust from time to time). See "Summary Of Other Material Agreements– Distribution Reinvestment Plan".

Redemptions

A Unitholder may redeem Trust Units on a Redemption Date, subject to certain restrictions, by providing written notice to the Trustee not less than 60 days prior to the Redemption Date. Subject to certain conditions, payment for the redeemed Trust Unit shall occur on the 30th day following the Redemption Date. The Trustee may, in its discretion, charge any Unitholder a redemption fee of $200 in connection with the redemption of such Trust Units, and such redemption fee charged shall be deducted from the redemption amount otherwise payable to the Unitholder. In addition, the General Partner may charge a redemption fee equal to $200 in connection with the redemption of Partnership Units. For greater certainty, the Partnership shall not charge a redemption fee to the Trust.

The Redemption Price for any Trust Units being redeemed shall be equal to the net redemption proceeds per Partnership Unit that are received by the Trust upon redemption by the Trust of the corresponding Partnership Units redeemed by the Trust to pay for the redemption of such Trust Unit. The redemption price in respect of each Partnership Unit shall equal the lesser of: (i) the Net Asset Value of such Partnership Unit at the applicable time; and (ii) the issue price of such Partnership Unit less any Commission paid in connection with the purchase thereof plus the amount of any credit to the Capital Account of such Partnership Unit as a result of non-cash distributions pursuant to the Partnership Agreement, less the amount of any Redemption Fees charged by the Partnership.

Payment of the Redemption Price, together with the proportionate share attributable to such Trust Units of any distribution of net income and net realized capital gains of the Trust which has been declared and not paid, shall be made by cheque payable to or to the order of the Unitholder or by such other manner of payment, including electronic fund transfer, wire transfer or payment in kind, approved by the Trustee from time to time. However, if on any Redemption Date, the Trustee determines, in its sole discretion, that the Trust does not have sufficient cash reserves to pay the amounts payable on the redemption of Trust Units, the Trustee shall advise the Unitholder in writing that the proceeds of any redemption of Trust Units payable in respect of Trust Units tendered for redemption in the applicable calendar month shall be paid within 60 days of the Redemption Date by the Trust issuing Redemption Notes having a principal amount equal to the Redemption Price for each Trust Unit to be redeemed. At any time in the seven (7) days following the date of the Trustee's notice set out herein, the Unitholder may rescind its notice of redemption. If a Unitholder fails to rescind its notice of redemption in writing pursuant to the terms of the Trust Indenture, the Trustee shall issue Redemption Notes to the Unitholders who exercised the right of redemption. Redemption Notes are not qualified investments for Tax Deferred Plans.

See "Summary of the Trust Indenture – Redemptions" and "Canadian Federal Income Tax Considerations".

Subscription Procedure

An investor who wishes to subscribe for Class A Units must:

1. complete and execute the subscription form which accompanies this Offering Memorandum, including all applicable Schedules thereto;

2. pay the subscription price by certified cheque or bank draft dated the date of the subscription in the amount of $10.00 for each Class A Unit made payable as directed in the subscription agreement (in the case of subscriptions by Tax Deferred Plans, payment will likely be made directly to the applicable plan administrator (i.e. Olympia Trust Company or Canadian Western Trust)), or as the Administrator may otherwise direct; and

3. complete and execute any other documents deemed necessary by the Trustee or Administrator to comply with applicable securities laws;

and deliver the foregoing to Invico Diversified Income Administration Ltd., Suite 600, 209 – 8th Avenue S.W., Calgary Alberta T2P 1B8, or such other location which the Trustee or Administrator may specify. If the conditions of closing are not satisfied within the required time, all documents and subscription funds will be returned to the subscribers without interest or deduction.

A subscriber will become a Unitholder following the acceptance of a subscription by the Trustee or Administrator. If a subscription is withdrawn or is not accepted by the Trustee or Administrator, all documents will be returned to the subscriber within thirty (30) days following such withdrawal or rejection without interest or deduction.

The initial closing under this Offering Memorandum is expected to be on or about May 2, 2019 and subsequent closings may occur from time to time and at any time on such other dates as the Administrator determines.

The consideration tendered by each subscriber will be held in trust for a period of two days during which period the subscriber may request a return of the tendered consideration by delivering a notice to the Trust not later than midnight on the second Business Day after the subscriber signs the subscription agreement.

Persons resident in the province of Québec are not permitted to rely on the offering memorandum exemption contained in Section 2.9 of NI 45-106. In the province of Québec, the Offering is being conducted pursuant to the exemptions from the prospectus requirements afforded by Section 2.3 of NI 45-106 and to those persons Trust Units may otherwise be sold in accordance with applicable securities laws.

Neither the Trust, the Trustee nor the Administrator is responsible for, and undertakes no obligation to, determine the general investment needs and objectives of a potential investor and the suitability of the Trust Units having regard to any such investment needs and objectives of the potential investor.

CANADIAN FEDERAL INCOME TAX CONSIDERATIONS

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

General

The following is a summary prepared by Norton Rose Fulbright Canada LLP ("**Counsel**"). The following summary fairly describes the principal Canadian federal income tax considerations under the Tax Act generally applicable to a Unitholder who is an individual (other than a trust), who acquires Trust Units pursuant to this Offering and who, for purposes of the Tax Act, is resident in Canada, deals at arm's length with, and is not affiliated with, the Trust and the Partnership and holds the Trust Units as capital property. Generally, Trust Units will be capital property of a Unitholder provided the Unitholder does not hold the Trust Units in the course of carrying on a business of trading or dealing in securities and has not acquired them in one or more transactions considered to be an adventure in the nature of trade. Certain persons who might not otherwise be considered to hold their Trust Units as capital property may, in certain circumstances, be entitled to have them treated as capital property by making the election permitted by subsection 39(4) of the Tax Act.

This summary is not applicable to a Unitholder that has entered or will enter into a "derivative forward agreement" with respect to the Trust Units, all within the meaning of the Tax Act. Such Unitholders should contact their own tax advisors having regard to their own particular circumstances.

This summary is based on the information set out in this Offering Memorandum, the provisions of the Tax Act in force as of the date hereof, all specific proposals to amend the Tax Act publicly announced by or on behalf of the Minister of Finance (Canada) prior to the date hereof (the "**Proposed Amendments**") and Counsel's understanding of the current published administrative policies and assessing practices of the Canada Revenue Agency (the "**CRA**") that have been made publicly available as of the date hereof. There is no certainty that the Proposed Amendments will be enacted in the form proposed, or at all. This summary is not exhaustive of all possible Canadian federal income tax considerations applicable to the Offering and, except for the Proposed Amendments, does not take into account or anticipate any changes in the law, whether by legislative, governmental or judicial action or changes in the administrative policies or assessing practices of the CRA. This summary does not take into account provincial, territorial or foreign tax considerations, which may differ significantly from those discussed herein.

In general, for the purposes of the Income Tax Act, all amounts not otherwise expressed in Canadian dollars must be converted into Canadian dollars based on the single day rate as quoted by the Bank of Canada for the applicable day or such other rate of exchange that is acceptable to the Minister of National Revenue (Canada). Class CU Units and Class FU Units are denominated in U.S. dollars. A Unitholder of Class CU Units and Class FU Units may realize a capital gain or loss by virtue of the fluctuations in the Canadian dollar/U.S. dollar exchange rate.

This summary is of a general nature only and is not intended to be relied on as legal or tax advice or representations to any particular Unitholder. Consequently, prospective Unitholders are urged to seek independent tax advice regarding the consequences to them of investing in the Trust Units, in their own particular circumstances.

Status of the Trust

This summary assumes that the Trust qualifies as a "mutual fund trust" for purposes of the Tax Act at all relevant times.

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

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

Taxation of the Trust

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

The Trust generally intends to deduct, in computing its income, the full amount available for deduction in each taxation year to the extent of its taxable income for the year otherwise determined and to make payable to Unitholders an amount equal to its remaining taxable income so that the Trust will not be liable for any material amount of tax under Part I of the Tax Act in any taxation year of the Trust.

Losses incurred by the Trust in a taxation year cannot be allocated to Unitholders but may be deducted by the Trust in future years, subject to the loss suspension rules contained in the Tax Act which may restrict the Trust's ability to deduct certain losses in certain circumstances.

Taxation of the Partnership

The Partnership is not itself liable for income tax. However, the income or loss of the Partnership will be computed for each fiscal period as if the Partnership was a separate person resident in Canada.

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

Taxation of Unitholders

Trust Distributions

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

Provided that appropriate designations are made by the Trust, the portion of its taxable capital gains and taxable dividends received from taxable Canadian corporations that are paid or payable to a Unitholder will retain their character as taxable capital gains and taxable dividends to the Unitholder for purposes of the Tax Act. Such dividends, when designated to a Unitholder that is an individual, will be subject to the gross-up and dividend tax credit provisions normally applicable to taxable dividends received from taxable Canadian corporations, including the enhanced gross-up and dividend tax credit rules for eligible dividends. Income of the Trust that is designated as taxable dividends from taxable Canadian corporations or as net realized capital gains may affect an individual Unitholder's liability for alternative minimum tax.

The non-taxable portion of net realized capital gains of the Trust that is paid or payable to a Unitholder in a taxation year will not be included in computing the Unitholder's income for the year and will not reduce the adjusted cost base of the Unitholder's Trust Units. Any other amount in excess of the Net Income of the Trust that is paid or payable by the Trust to a Unitholder in a year will generally not be included in the Unitholder's income for the year but will reduce the adjusted cost base of the Trust Units held by such Unitholder. To the extent that the adjusted cost base to a Unitholder of a Trust Unit is less than zero at any time in a taxation year, such negative amount will be deemed to be a capital gain of the Unitholder from the disposition of the Trust Unit in that year. The amount of such capital gain will be added to the adjusted cost base of such Trust Unit.

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

Disposition of Units

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

Redemption of Units

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

less) than the Unitholder's aggregate adjusted cost base of the Trust Units so redeemed and any reasonable costs of disposition.

If a Unitholder redeems Trust Units, the Trust may distribute income or capital gains realized by the Trust in the year to the Unitholder as partial payment of the redemption price. Any income or capital gains so distributed must be included in the calculation of the Unitholder's income in the manner described above. Proposed Amendments announced on March 19, 2019, if enacted, would deny the Trust a deduction for (i) the portion of a capital gain of the Trust distributed to a Unitholder on a redemption of Trust Units that is greater than the Unitholder's accrued gain, and (ii) any income distributed to a Unitholder on a redemption of Trust Units, where, in each case, the Unitholder's proceeds of disposition are reduced by the distribution. If enacted as proposed, these Proposed Amendments will be effective for taxation years of the Trust that begin on or after March 19, 2019.

Capital Gains and Capital Losses

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

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

Eligibility for Investment by Tax Deferred Plans

Provided the Trust qualifies as a "mutual fund trust" within the meaning of the Tax Act, the Trust Units, when issued, will be a qualified investment under the Tax Act for Tax Deferred Plans.

The Trust Units will generally not be a prohibited investment for a trust governed by a RRSP, TFSA, RESP, RRIF or RDSP if the annuitant, holder or subscriber of such plan, as the case may be, (i) deals at "arm's length" with the Trust (for the purposes of the Tax Act) and (ii) such annuitant, holder or subscriber does not have a "significant interest" (as defined in the Tax Act) in the Trust. Prospective investors should consult with their tax advisors regarding whether an investment in the Trust will be a prohibited investment in their particular circumstances.

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

COMPENSATION PAID TO SELLERS AND FINDERS

The Trust will retain selling agents in respect of the distribution and sale of the Trust Units. In addition, the Trust has retained Pennant, a registered exempt market dealer, as a wholesaler in connection with the Offering to provide marketing and sales assistance to Selling Agents. Pennant will be reimbursed by the Partnership for expenses incurred in connection with wholesaling services. See "Interests of Directors, Management and Principal Holders - Fees and Expenses" Potential investors will not be "clients" of Pennant and accordingly, Pennant will not provide any advice or recommendations to potential investors, nor will Pennant accept any subscriptions from potential investors. Accordingly, Pennant will not undertake any "know your client" or "suitability" assessments in respect of potential investors in the Trust.

The Trust will, indirectly, pay commissions and certain fees in respect of administrative matters in connection with the Offering of up to 6% of the gross proceeds realized on the Class A Units sold directly by Selling Agents. In addition, the Partnership may also at the sole discretion of its General Partner distribute an annual fee of up to 0.80% per annum of the net asset value of the Class A Partnership Units (purchased by the Trust using the subscription proceeds of the

Class A Units) that remains invested in the Partnership (pro-rated for holders of Class A Partnership Units who have held the Class A Partnership Units for less than a year), payable to certain Selling Agents.

CONCURRENT OFFERINGS

In addition to Class A Units, the Trust will, from time to time, also be distributing other securities of the Trust, including Class C Units, Class F Units, Class G Units, Class J Units, Class CU Units and Class FU Units of the Trust. The Partnership, the entity through which the Trust will be making all of its investments will, from time to time, also be distributing other securities of the Partnership, including Class D Units of the Partnership. See "Business of the Trust – Structure". The Class C Units, Class F Units, Class G Units, Class J Units, Class CU Units and Class FU Units of the Trust and Class D Units of the Partnership have different rights and obligations, including with respect to distributions and commissions payable.

Up-front commissions and fees are as follows for the Class C Units (3%), Class G Units (6%) and Class CU Units (3%) of the Trust and Class D Units (3%) of the Partnership. No up-front commissions and fees are payable on the Class F Units, Class J Units or Class FU Units. However, deferred commissions may also be applicable. For additional information about the Class C Units, Class F Units, Class G Units, Class J Units, Class CU Units and Class FU Units of the Trust and Class D Units of the Partnership, ask your Selling Agent, who may provide you with a separate offering memorandum related thereto.

RISK FACTORS

An investment in the Trust is speculative and contains certain risks. Prospective investors should carefully consider, among other factors, the matters described below, each of which could have an adverse effect on the value of the Trust Units. As a result of these factors, as well as other risks inherent in any investment, there can be no assurance that the Trust will meet its investment objectives or otherwise be able to successfully carry out its investment program. The Trust's returns may be unpredictable and, accordingly, the Trust's investment program is not suitable as the sole investment vehicle for an investor or for an investor that is looking for a predictable source of cash flow. An investor should only invest in the Trust as part of an overall investment strategy. Based on, among others, the factors described below, the possibility of partial or total loss of capital will exist and investors should not subscribe unless they can readily bear the consequences of such loss.

Risks Associated with the Offering

Speculative Offering

THIS IS A SPECULATIVE OFFERING. The purchase of Trust Units involves a number of risk factors. There is no assurance that Unitholders will receive any return or repayment of their capital contributions to the Trust. An investment in Trust Units is appropriate only for Subscribers who have the capacity to absorb a total loss of their investment. Subscribers who are not willing to rely on the sole and exclusive discretion and judgment of the Administrator and the Portfolio Manager should not subscribe for Trust Units.

Liquidity

THERE IS NO MARKET FOR THESE SECURITIES AND THE TRANSFER OF TRUST UNITS IS SIGNIFICANTLY LIMITED AND, IN SOME CIRCUMSTANCES, PROHIBITED. An investment in the Trust Units should only be considered by those Unitholders who do not require immediate liquidity of their investment and are able to make and bear the economic risk of a long-term investment and the possible total loss of their investment.

Risks Associated with the Trust Units

Restrictions on Redemption and Transfer; Illiquidity of Units

Unitholders should be aware that redemption rights in their favour are subject to significant limitations and restrictions. For example, if the Trustee determines that the Trust does not have sufficient cash reserves to pay the amounts payable on the redemption of Trust Units, the Trustee may advise the Unitholder that the proceeds of any redemption of Trust Units payable in respect of Trust Units tendered for redemption in the applicable calendar month shall be paid by issuance of Redemption Notes.

There will be no public market for the Trust Units and an application for listing of the Trust Units on a stock exchange will not be made. Trust Units in the Trust are highly illiquid investments and should only be acquired by investors able to bear the economic risk of an investment in the Trust Units for an indefinite period of time. The Trust Units are being sold on a "private placement" basis in reliance upon exemptions from prospectus and registration requirements of applicable securities laws and therefore are subject to significant statutory restrictions on transfer or sale. The Trust

Units will be subject to "hold periods" under applicable securities legislation and, as the Trust is currently not a "reporting issuer" in any province or territory, the "hold periods" may never expire. Consequently, Unitholders may not be able to sell the Trust Units readily or at all, and they may not be accepted as collateral for a loan Additionally, Unitholders will not be permitted to transfer or sell their Trust Units without the consent of the Trustee, which may be withheld in the Trustee's sole discretion, and the satisfaction of certain other conditions, including the provision of an opinion of counsel that such a transfer would not subject the Trust or the Unitholders to any regulatory or tax burdens or result in violation of any applicable law or governmental regulation.

Unitholders Do Not Have a Right to Vote on Management of the Partnership

The Unitholders are not entitled to participate in the management or control of the Partnership. In particular, the Unitholders do not have a general right to remove the General Partner or the Portfolio Manager (unless the General Partner or the Portfolio Manager has committed a material breach of the Partnership Agreement or the Portfolio and Investment Fund Management Agreement that is not cured within the time provided), to cause the General Partner or the Portfolio Manager to withdraw from the Trust or the Partnership, to appoint new directors to the General Partner's or the Portfolio Manager's board of directors, to remove existing directors from the General Partner's or the Portfolio Manager's board of directors or to prevent a change of control of the General Partner or the Portfolio Manager. As a result, unlike holders of common stock of a corporation, Unitholders are not able to influence the direction of the Trust or the Partnership, including its policies and procedures, or to cause a change in its management, even if they are unsatisfied with the performance of the Trust or the Partnership.

Issuance of Additional Trust Units and Partnership Units will Result in Dilution

In addition to Class A Units, the Trust will, from time to time, also be distributing other securities of the Trust, including Class C Units, Class F Units, Class G Units, Class J Units, Class CU Units and Class FU Units of the Trust. The Partnership, the entity through which the Trust will be making all of its investments will, from time to time, also be distributing other securities of the Partnership, including Class D Units of the Partnership. Any issuance of Class A Units, Class C Units, Class F Units, Class G Units, Class J Units, Class CU Units and Class FU Units by the Trust and issuance of Class D Units by the Partnership or other securities of the Trust or the Partnership will have a dilutive effect on existing Unitholders.

Nature of Trust Units

Each Trust Unit represents an equal undivided beneficial interest in the assets of the Trust attributable for investment by holders of such Class A Units. The Trust Units do not represent debt instruments and there is no principal amount owing to Unitholders under the Trust Units. The Trust Units do not represent shares in the Trustee, the Administrator, the Portfolio Manager or their affiliates or any other entity. Corporate law does not govern the Trust or the rights of Unitholders.

Unitholders Do Not Have the Same Rights as Shareholders

Unitholders do not have all the statutory rights normally associated with ownership of shares of a company including, for example, the right to bring "oppression" or "derivative" actions against the Trust. The Trust Units are not "deposits" within the meaning of the *Canada Deposit Insurance Corporation Act* and are not insured under the provisions of that Act or any other legislation.

Mutual Fund Trust Status

To qualify as a mutual fund trust under the Tax Act, the sole undertaking of the Trust must be the investing of its funds in property (other than certain real property or interests in real property), the Trust must comply on a continuous basis with certain requirements including those relating to the qualification of the Trust Units for distribution to the public, the number of Unitholders and the dispersal of ownership of Trust Units. As well, the Trust must not be reasonably considered to have been established or maintained primarily for the benefit of Non-residents. If the Trust fails or ceases to qualify as a "mutual fund trust", there may be adverse tax consequences to the Trust and Unitholders, and the tax consequences would be materially different than those described herein.

Eligibility of Units for Investment by Tax Deferred Plans

If the Trust ceases to qualify as a "mutual fund trust" the Trust Units will not be qualified investments for Tax Deferred Plans which will have adverse tax consequences to Tax Deferred Plans and their annuitants, holders or beneficiaries.

Trust Assets or Redemption Notes received as a result of a distribution or redemption of Trust Units will not be a qualified investment for Tax Deferred Plans, which may give rise to adverse consequences to a Tax Deferred Plan and the annuitant, holder or beneficiary thereunder.

Tax Treatment of Trust Units and Unitholders

Canadian federal or provincial income tax legislation may be amended, or their interpretation changed, so as to alter fundamentally the tax consequences of holding or disposing of Trust Units or the investments held by the Trust. Moreover, the alternative minimum tax could limit tax benefits available to Unitholders.

There is no assurance that income tax laws or administrative practices of tax officials in the various jurisdictions of Canada will not be changed in a manner which will adversely alter the tax treatment of Unitholders.

Tax characterization of Trust Income and Trust Capital Gains

The designation of income or gains realized by the Trust to Unitholders, including the designation of gains realized by the Partnership on the disposition of investments as capital gains will depend largely on factual considerations. Management will endeavor to make appropriate characterizations of income or gains realized by the Trust for purposes of designating such income or gains to Unitholders based on information reasonably available to it. However, there is no certainty that the manner in which the Trust characterizes such income or gains will be accepted by the CRA. If it is subsequently determined that the Trust's characterization of a particular amount was incorrect, Unitholders might suffer material adverse tax consequences as a result. Losses incurred by the Trust in a taxation year cannot be allocated to Unitholders but may be deducted by the Trust in future years, subject to certain loss suspension rules contained in the Tax Act which may restrict the Trust's ability to deduct certain losses in certain circumstances.

SIFT Status

If investments in the Trust are listed or traded on a stock exchange or other public market, the Trust may be taxable as a "SIFT trust" under the Tax Act, which will have adverse tax consequences to the Unitholders and the Trust and the Canadian federal income tax considerations of investing in the Trust will be materially different from those described herein.

Risks Associated with the Trust

Nature of Investment

An investment in the Trust requires a long-term commitment, with no certainty of return. Investments made by the Trust, indirectly through the Partnership, may not generate current income. Therefore, the return of capital and the realization of gains, if any, from an investment generally will occur upon the partial or complete realization or disposition of such investment. While an investment may be realized or disposed of at any time, it is generally expected that the ultimate realization or disposition of most of the Trust's indirect investments will not occur for a number of years after such investments are made. The Trust expects to invest, indirectly through the Partnership, primarily in securities that are illiquid and subject to resale restrictions. These investments are subject to various risks, particularly the risk that the Trust, indirectly through the Partnership, will be unable to realize its investment objectives by sale or other disposition at attractive prices or otherwise be unable to complete any exit strategy. In some cases, the Trust, indirectly through the Partnership, may be prohibited or limited by contract from selling certain securities for a period of time, and as a result, may not be permitted to dispose of an investment at a time it might otherwise desire to do so. Furthermore, the types of investments made may require a substantial length of time to liquidate. There can be no assurance that a public market will develop for any of the Trust's indirect investments or that the Trust, indirectly through the Partnership, will otherwise be able to realize such investments. While the Trust maintains sufficient cash balances to cover general and operating expenses, the illiquidity of the Trust's investments may cause deficiencies if substantial unexpected expenses become due. The Trust is not a reporting issuer or the equivalent thereof under the securities legislation in any jurisdiction in Canada and it is not currently anticipated that the Trust will become a reporting issuer or the equivalent thereof under such securities legislation.

No Assurance of Investment Return

The success of the Trust will depend on the ability of the Portfolio Manager to identify, select, close, grow and exit appropriate investments. The task of identifying investment opportunities, monitoring such investments and realizing a significant return for Unitholders is difficult. Many organizations operated by individuals of competence and integrity have been unable to make, manage and realize on such investments successfully. There is no assurance that the Administrator and the Portfolio Manager will be able to generate returns for Unitholders or that returns will be at levels currently anticipated by the Portfolio Manager. The expenses of the Trust may exceed its investment returns, and the Unitholders could lose the entire amount of their contributed capital.

Distributions may Consist of Proceeds of Offerings

The Portfolio Manager may fund distributions from cash flow from the business and operations of the Partnership, debt, or Capital Contributions. Although it is the Portfolio Manager's intention that distributions be primarily paid from cash flow from the business and operations of the Partnership, in certain circumstances, distributions may exceed the cash flow of the Partnership for any particular distribution period. In such circumstances, distributions to Unitholders may consist, directly or indirectly, of the proceeds from the sale of securities by the Trust (including this offering) and the Net Asset Value of the Trust Units will be impacted.

No Assurance in Achieving Investment Objectives or Distributions

There is no assurance that the Trust will be able to achieve its investment objectives. Furthermore, there is no assurance that the Trust will be able to pay distributions in the short or long term, nor is there any assurance that the Net Asset Value will be preserved. Changes in the relative weightings between the various types of investment vehicles making up the Partnership portfolio can affect the overall yield to Unitholders. The funds available for distribution to Unitholders will vary according to, among other things, the return on its investments and the value of the Trust Assets, including Partnership Units. Accordingly, cash distributions are not guaranteed and cannot be assured.

Forward-looking Information May Prove Inaccurate

Numerous statements containing forward-looking information are found in this Offering Memorandum and documents incorporated by reference herein. Such statements and information are subject to risks and uncertainties and involve certain assumptions, some, but not all, of which are discussed elsewhere in this document. The occurrence or non-occurrence, as the case may be, of any of the events described in such risks could cause actual results to differ materially from those expressed in the forward-looking information.

Performance of the Portfolio

The Net Asset Value per Trust Unit of each class will vary as the value of the Investments varies. The Trust has no control over the factors that affect the value of the Investments, including factors that affect the debt and equity markets generally such as general economic and political conditions and fluctuations in interest rates, foreign currency exchange rates and factors unique to each issuer included in the portfolio, such as commodity prices or the performance of emerging market economies generally. The Trust's and the Partnership's holdings in particular Investments and the terms of such Investments may be insufficient to give it control or influence over changes in management, changes in strategic direction, achievement of strategic goals, mergers, acquisitions and divestitures, changes in distribution policies and other events that may affect the value of its securities.

Asset Allocation

Investments will be allocated among Lending Strategies, Energy Working Interests and other investments (including investments into the Wholly-Owned Subsidiaries) based on judgements by the Portfolio Manager. There is a risk that the Trust may allocate assets to an asset class that underperforms the other asset class.

Valuation of the Trust's Investments

The valuation of the Trust's and the Partnership's securities and other investments by the Portfolio Manager may involve uncertainties and judgmental determinations and, if such valuations should prove to be incorrect, the Net Asset Value could be adversely affected. Independent pricing information may not at times be available regarding certain of the Trust's and the Partnership's securities and other investments. Valuation determinations will be made in good faith in accordance with the Trust Indenture. The Trust, indirectly through the Partnership, may have some of its assets in investments, including private companies or asset-backed securities, which by their very nature may be extremely difficult to value accurately and may depend significantly on assumptions. To the extent that the value assigned by the Administrator to any such investment differs from the actual value, the Net Asset Value may be understated or overstated, as the case may be. The Portfolio Manager does not intend to adjust the Net Asset Value retroactively.

Reliance on the Administrator and Portfolio Manager

All decisions with respect to the Trust Property and the operations of the Trust are expected to be made exclusively by the Administrator and the Portfolio Manager. Unitholders will have no right to make any decisions with respect to the management, disposition or other realization of any investment, or other decisions regarding the Trust's business and affairs. No prospective investor should purchase a Trust Unit in the Trust unless such prospective investor is willing to entrust all aspects of the management of the Trust to the Administrator and the Portfolio Manager. Certain personnel of the Administrator and Portfolio Manager, and their respective affiliates may work on other projects and, therefore, conflicts may arise in the allocation of management resources. The General Partner has the exclusive ability to appoint a

person as Portfolio Manager and as such, the person or persons acting as Portfolio Manager may change from time to time.

Dependence on Investment Professionals

The success of the Trust will depend in large part upon the skill and expertise of the investment professionals and other personnel employed by the Administrator and the Portfolio Manager. There can be no assurance that such personnel will remain with the Administrator and the Portfolio Manager. The loss of one or more of these individuals could have a significant adverse impact on the business of the Trust.

Conflicts of Interest

The Trust and the Partnership may be subject to various conflicts of interest because the directors and officers of the Portfolio Manager are also the directors and officers of the Administrator, Trustee, and General Partner. Jason Brooks and Allison Taylor own all of the shares of the Portfolio Manager, which owns all of the shares of the Trustee, the Administrator and the General Partner. The Trust and the Partnership may become involved in transactions which conflict with the interests of one or more of the foregoing entities or individuals.

Certain conflicts of interest are specifically permitted by the Trust Indenture and the Partnership Agreement. See "Summary of the Trust Indenture – Conflict of Interest" and "Summary Of The Partnership Agreement – Competing Interests".

The Portfolio Manager's services are not exclusive to the Trust. The Portfolio Manager and the directors and officers of the Portfolio Manager are each engaged in a wide range of investment and other business activities. There may be occasions when the officers and directors of the Portfolio Manager encounter conflicts of interest in connection with the activities of the Trust and the Partnership, including where the Portfolio Manager is providing advisory (or other business) services to other entities, have another business relationship with regards to an investment or are engaged in other investment management business activities, including with respect to Shoreline, Fort Greene Fund and Fort Greene Funding 2012 and pursuant to the Management Agreement. See "Interests of Directors, Management and Principal Holders". There may be conflicts in allocating investment opportunities among the Trust and other funds managed by the Portfolio Manager.

The unanimous approval of the Independent Review Committee is required to consent to or approve conflict of interest matters.

Use of Available Cash

The payment in cash by the Trust of the Redemption Price will reduce the amount of cash available to the Trust for the payment of distributions to Unitholders, as cash payments of the amount due in respect of redemptions will take priority over the payment of cash distributions.

Redemption Price

The redemption price in respect of each Unit is based on estimated Net Asset Value. There is a risk that the Net Asset Value of a Unit estimated by the Partnership may not accurately reflect the fair market value of such Unit and the Unitholders will have no recourse against the Partnership or the Trust in this respect.

Payment in cash of the Redemption Price may not be provided where the Trustee determines, in its sole discretion, that the Trust does not have sufficient cash reserves to pay the amounts payable on the redemption of Trust Units.

Redemption Notes

Redemption Notes will be unsecured by debt obligations of the Trust and may be subordinated in other financing obtained by the Trust. Circumstances may arise where the Trust does not have the funds available to pay on maturity of any Redemption Note the principal balance and interest owing on such Redemption Note.

Redemption Notes may, in certain circumstances, have priority over Trust Units in the event of a termination or winding-up of the Trust. There are various considerations with respect to creditor rights and bankruptcy law that will need to be considered both at the time Redemptions Notes are issued and at the time of any liquidation of the assets of the Trust in order to determine if such a priority exists.

Substantial Redemption

If holders of a substantial number of Trust Units exercise their redemption rights, the number of Trust Units outstanding and the Net Asset Value could be significantly reduced. In any such circumstance, the Trustee may at any time

terminate the Trust without the approval of the Unitholders if, in the opinion of the Trustee, it is no longer economically feasible to continue the Trust or the Trustee determines that it would be in the best interests of Unitholders to terminate the Trust.

Lack of Independent Counsel Representing Unitholders

The Trust, the Trustee and the Administrator have consulted with and retained for their benefit legal counsel to advise them in connection with the formation and terms of the Trust and the offering of Trust Units. Unitholders have not, however, as a group been represented by independent legal counsel or independent tax and financial advisors regarding the desirability of purchasing Trust Units and the suitability of investing in the Trust. 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.

Unitholder Liability

There is a risk that Unitholders could become subject to liability. The Trust Indenture provides that no Unitholder shall be liable in connection with the ownership or use of the Trust Property, the obligations or activities of the Trust, any acts or omissions of the Trustee, the Administrator or any other person in respective of the activities or affairs of the Trust or any taxes or fines payable by the Trust or the Trustee or Administrator, provided that each Unitholder remain responsible for taxes assessed against them by reason of or arising out of their ownership of Trust Units. Further, if a Unitholder is held to be liable in circumstances for which the Trust Indenture provides that there is to be no liability to the Unitholder. The Unitholder will be entitled to be indemnified and reimbursed out of the Trust Property for the full extent of any such costs and liability to the Unitholder. The Trust Indenture provides that every contract entered into by or on behalf of the Trust, whether by the Trustee, the Administrator or otherwise, shall include a provision to the effect that such obligation will not be binding upon Unitholders personally.

Recourse to the Trust's Assets

The Trust Property, including any investments made by the Trust and any capital held by the Trust, are available to satisfy all liabilities and other obligations of the Trust. If the Trust itself becomes subject to a liability, parties seeking to have the liability satisfied may have recourse to the Trust's assets generally and not be limited to any particular asset, such as the investment giving rise to the liability.

Indemnification

The Trustee, each former Trustee, the Administrator and each officer of the Trust and each former officer of the Trust is entitled to indemnification and reimbursement out of the Trust Property, except under certain circumstances, from the Trust. Such indemnification obligations could decrease the returns which would otherwise be available to the Unitholders of the Trust.

Effect of Expenses on Returns

The Trust or the Partnership will bear all expenses related to its operations and such expenses will reduce the actual returns to the Unitholders. Most of the expenses will be paid regardless of whether the Trust produces positive investment returns. If the Trust does not produce significant positive investment returns, these expenses could result in a Unitholder incurring a net loss in its investment. The Trust Units of the Trust are available in more than one class. If the Trust cannot pay the expenses of one class using its proportionate share of the Trust Property, the Trust will be required to pay those expenses out of the other class's proportionate share of the Trust's assets. This may lower the investment returns of the other class of Trust Units. See "Interests of Directors, Management and Principal Holders - Fees and Expenses".

Lack of Regulatory Oversight

The Trust is not a "reporting issuer" or the equivalent under securities legislation and is not subject to the same level of regulatory oversight as applicable to "reporting issuers" (or the equivalent).

Risks Associated with the Business

General Economic Conditions

Changes in general economic conditions may affect the Trust, the Partnership and the Wholly-Owned Subsidiaries. The businesses in which the Partnership expects to invest are exposed to local, regional, national and international economic conditions and other events and occurrences beyond their control, including, but not limited to the following: credit and capital market volatility, business investment levels, government spending levels, consumer spending levels, changes in

laws, rules or regulations, trade barriers, commodity prices, currency exchange rates and controls, national and international political circumstances (including wars, terrorist acts or security operations), changes in interest rates, inflation rates, the rate and direction of economic growth, and general economic uncertainty. Changes in any of the above may have a material adverse effect on the performance of the investments of the Trust and the Partnership. No assurance can be given as to the effect of these events on the Trust's and the Partnership's investments or investment objectives.

In addition, economic conditions in North America and globally may be affected, directly or indirectly, by political events throughout the world. In particular, the new United States-Mexico-Canada Agreement and certain other international trade agreements as well as conflicts or, conversely, peaceful developments, arising in the Middle East, the Korean Peninsula, Venezuela or Eastern Europe and other areas of the world that have a significant impact on the price of important commodities can have a significant impact on financial markets and the global economy. Any such negative impacts could have a material adverse effect on the business, financial condition, results of operations and cash flows of the Trust, the Partnership and the Wholly-Owned Subsidiaries.

Liquidity of Investments

The Partnership expects to invest in assets that can be hard to sell, especially if market conditions are poor. A lack of liquidity could limit the Partnership's ability to vary its portfolio or assets promptly in response to changing economic or investment condition. In addition, the Partnership may not be able to dispose of certain holdings quickly or at prices that represent true market value.

Competitive Marketplace

The Partnership will be competing for investment opportunities with a significant number of other entities offering sources of equity and debt capital, including banks, private equity funds, institutional investors, strategic investors, as well as the public equity markets. Many of the entities with which the Partnership competes are substantially larger than the Partnership and possess greater financial, technical and marketing resources. As a result of this competition, there can be no assurance that the Partnership will be able to locate suitable investment opportunities, acquire them for an appropriate level of consideration, achieve its targeted rate of return or fully invest its capital contributions. In addition, if the Partnership makes only a limited number of investments, the aggregate returns realized by the Trust could be adversely affected in a material manner by the unfavourable performance of even one such investment.

Reliance on Key Employees

The success of the Trust, the Partnership, the Administrator, the Portfolio Manager and the Wholly-Owned Subsidiaries depends in large measure on certain key executive personnel. The loss of the services of such key personnel could have a material adverse effect on the Trust, the Partnership, the Administrator, the Portfolio Manager and the Wholly-Owned Subsidiaries. The contributions of these individuals to the immediate operations are likely to be of central importance. In addition, competition for qualified personnel in the industry is intense, and there can be no assurance that the Trust, the Partnership, the Administrator, the Portfolio Manager or the Wholly-Owned Subsidiaries will be able to continue to attract and retain all personnel necessary for the development and operation of its business. Investors must rely upon the ability, expertise, judgment, discretion, integrity and good faith of the management of the Portfolio Manager.

Currency Risk

Currency risk is the risk that the value of investments denominated in foreign currencies will fluctuate due to changes in exchange rates. The assets and liabilities of the Trust are held in the functional currency of the Trust, which is the Canadian dollar. The Class CU Units and Class FU Units are denominated in U.S. dollars. A Unitholder of Class CU Units and Class FU Units may realize a capital gain or loss by virtue of the fluctuations in the Canadian dollar/U.S. dollar exchange rate. Furthermore, the Partnership and the Wholly-Owned Subsidiaries may at times have exposures to more than one currency and in this case, fluctuation in the value of the U.S. dollar could devalue the Partnership's investments. See also "– Variations in Foreign Exchange Rates and Interest Rates".

Foreign Market Risk

The Partnership may, at any time, include securities of an issuer established in jurisdictions outside Canada and the U.S. Although most of such issuers will be subject to uniform accounting, auditing and financial reporting standards comparable to applicable Canadian and U.S. companies, some issuers may not be subject to such standards and, as a result, there may be less publicly available information about such issuers than Canadian or U.S. companies. Volume and liquidity in some foreign markets may be less than in Canada and the U.S. and, at times, volatility of price may be greater than in Canada or the U.S. As a result, the price of such securities may be affected by conditions in the market of the jurisdiction in which the issuer is located or its securities are traded. Investments in foreign markets may carry the

potential exposure to the risk of political upheaval, acts of terrorism and war, all of which could have an adverse impact on the value of such securities.

Inability to Fund Investments

The Partnership may commit to making future investments in anticipation of repayment of principal outstanding and/or the payment of interest under existing investments. In the event that such repayments of principal or payments of interest are not made, the Partnership may be unable to advance some or all of the funds required to be advanced pursuant to the terms of its commitments and may be required to obtain interim financing and to fund such commitments or face liability in connection with its failure to make such advances.

Need for Follow-On Investments

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

Ability to Manage Growth

The Partnership intends to grow its investment portfolio. In order to effectively deploy its capital and monitor its loans in the future, the Portfolio Manager may need to retain additional personnel and may be required to augment, improve or replace existing systems and controls, each of which can divert the attention of management from their other responsibilities and present numerous challenges. As a result, there can be no assurance that the Partnership would be able to effectively manage its growth and, if unable to do so, the Partnership's investment portfolio may be materially adversely affected.

U.S. Market Factors

The Partnership may invest in investments comprising pools of performing U.S. commercial and residential mortgages. Global market and economic conditions since the beginning of 2008 have been challenging with recession in the North American economy. Although the recession technically ended in June 2009, the U.S. economy has not returned to operating at a normal capacity and the effects of the current market dislocation may persist as governments wind down fiscal stimulus programs. Concern about the stability of the markets generally and the strength of the economic recovery may lead lenders to reduce or cease to provide funding to businesses and consumers, and force financial institutions to continue to take the necessary steps to restructure their business and capital structures. As a result, this economic downturn has reduced demand for space and removed support for rents and property values. Although a recovery in the real estate market is in its early stages, the Trust cannot predict when the real estate market will return to their pre-downturn levels. The value of any real estate acquired may decline if current market conditions persist or get worse.

Litigation Risks

In the normal course of the Partnership's and the Wholly-Owned Subsidiaries' operations, whether directly or indirectly, it may become involved in, named as a part to or the subject of, various legal proceedings, including regulatory proceedings, tax proceedings and legal actions 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 the Partnership and as a result, could have a material adverse effect on the Partnership's or the Wholly-Owned Subsidiaries' investments, liabilities, business, financial condition and results of operations. Even if the Partnership or the Wholly-Owned Subsidiaries 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 Partnership's or the Wholly-Owned Subsidiaries' business operations, which could have a material adverse effect on the Partnership's or the Wholly-Owned Subsidiaries' business, cash flow, financial condition and results of operations and ability to make distributions. This risk may be heightened for the Partnership as compared to other Canadian entities without investments in the U.S. because the legal climate in the U.S., in comparison to that in Canada, tends to give rise to a greater number of claims and larger damages awards.

Uninsured and Underinsured Losses

The Partnership and the Wholly-Owned Subsidiaries use their discretion in determining amounts, coverage and limits and deductibility provisions of insurance for their operations and assets, with a view to maintaining appropriate

insurance coverage on their assets at a commercially reasonable cost and on suitable terms. This may result in insurance coverage that, in the event of a substantial loss, would not be sufficient to pay the full current market value or current replacement cost of their assets. Further, in many cases certain types of losses (generally of a catastrophic nature) are either uninsurable or not economically insurable. A judgment against the Partnership or the Wholly-Owned Subsidiaries in excess of available insurance or in respect of which insurance is not available could have a material adverse effect on the Partnership's or the Wholly-Owned Subsidiaries' business and financial condition. A substantial loss without adequate insurance coverage could have a material adverse effect on the business, financial condition, liquidity and results of operations for the Partnership and the Wholly-Owned Subsidiaries.

Income Tax Risk

The Trust and the Partnership intends to file all required income tax returns and believes that it will be in full compliance with the provisions of the Tax Act and all applicable provincial tax legislation. However, such returns are subject to reassessment by the applicable taxation authority which may have an impact on current and future taxes payable.

Investments in Early Stage Companies

The Partnership's strategy may include investing in companies at an early stage of development. Early stage companies may be more volatile due to their limited operating and financial history, relative lack of financial resources or their susceptibility to major setbacks or downturns.

Longer-term Commitment Required for Wholly-Owned Subsidiaries.

As of December 31, 2018, the Partnership had a total of approximately $70.6 million of net asset value attributed to the Wholly-Owned Subsidiaries (of which $40.8 million was in the form of secured debt obligations and $29.8 million was in the form of equity), accounting for approximately 41% of the Net Asset Value. An investment in the Wholly-Owned Subsidiaries generally requires a longer-term commitment compared to Lending Strategies, with realization on the equity valuation contingent upon full or partial sale of the company or the listing of securities on a public exchange.

Composition of Investments

The composition of the Investments taken as a whole may vary widely from time to time and may be concentrated by type of security, commodity, industry or geography, resulting in the Investments being less diversified than anticipated. Overweighting investments in certain sectors or industries involves risk that the Trust will suffer a loss because of declines in the prices of securities in those sectors or industries.

Technology and Information Security

The Partnership's business is subject to risks relating to its ability to safeguard its information systems, including the security and privacy of its information systems. The Partnership's business relies on the safety and integrity of the information systems of the Portfolio Manager. The Partnership relies on information technology to manage its business, including maintaining proprietary databases containing sensitive and confidential information about its investees and counterparties (which may include personally identifiable information and credit information) and for the electronic transfer of funds from time to time. Unauthorized parties may attempt to gain access to the Partnership's systems or facilities through various means, including hacking into the Partnership's systems or facilities, fraud, trickery or other means of deceiving the Partnership's employees or contractors. A party that is able to circumvent the Partnership's security measures could misappropriate the Partnership's or its investees' confidential information, cause interruption to the Partnership's operations, damage its computing infrastructure or otherwise damage its reputation. Although the Partnership maintains information security measures, there can be no assurance that the Partnership will be immune from these security risks, and any breach of the Partnership's information security may have a material adverse impact on its business and results of operations. Security breaches could expose the Partnership to a risk of loss or litigation and possible liability for damages. The Partnership may be required to make significant expenditures to protect against security breaches or to alleviate problems caused by any breaches.

Business Continuity, Disaster Recovery and Crisis Management

Inability to restore or replace critical systems or capacity in a timely manner may impact business and operations. A serious event could have a material adverse effect on the Partnership's or the Wholly-Owned Subsidiaries' business, results of operations and financial condition. This risk is mitigated by the development of business continuity arrangements, including disaster recovery plans and back-up delivery systems, to minimize any business disruption in the event of a major disaster. Insurance coverage may minimize any losses in certain circumstances.

Risks Associated with Investments in Lending Strategies

Credit Risk

An Investment in Lending Strategies involves certain risks. The Investments in Lending Strategies will expose the Partnership and the Trust to the credit risk of the underlying investees through the possibility of borrowers defaulting on their repayment obligations. The Partnership's Investments in Lending Strategies are expected to be primarily, and potentially fully, concentrated in assets that are not investment grade. Investments in Lending Strategies involves greater risks than investment grade debt, including risks of default in the payment of interest and principal, lower recovery rates on debt that is in default and greater price changes due to such factors as general economic conditions and the issuer's creditworthiness. Whether the Partnership will realize satisfactory investment returns on these loans is uncertain and may be beyond the Partnership's control. If some of these debt investments fail, the Partnership's Investments could be devalued or lost.

Credit Losses

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

Changes in Collateral Values

The Partnership's investments in Lending Strategies will be secured by the assets of the investee company, the value of which can fluctuate. The value of the collateral is affected by general economic conditions, local markets, the attractiveness of the collateral, operating expenses and other factors.

A substantial decline in value of the assets provided as security for a loan may cause the value of the collateral to be less than the outstanding principal amount of the loan. The exercise of its security by the Partnership on any such loan generally would not provide the Partnership with proceeds sufficient to satisfy the outstanding principal amount of the loan.

Subordinated and Unregistered Loan Financing

Some of the Partnership's loans do not have a first-ranking charge on the underlying assets. When a charge on collateral is in a position other than first-ranking, it is possible for a holder of a senior-ranking charge on the collateral, if the borrower is in default under the terms of its obligations to such holder, to take a number of actions against the borrower and ultimately against the collateral to realize on the security given for such loan. Such actions may include an exercise by such lender on its security interest, which may have the ultimate effect of depriving any person having other than a first-ranking charge of its rights on the collateral. If an action is taken to sell the collateral and sufficient proceeds are not realized from such sale to pay off creditors who have prior charges on the property, the holder of a subsequent charge may lose its investment or part thereof to the extent of such deficiency unless they can otherwise recover such deficiency from other property, if any, owned by the debtor.

Enforcement and Related Costs

One or more borrowers could fail to make payments according to the terms of their loan, and the Partnership could therefore be forced to exercise its rights as a secured creditor. The recovery of a portion of the Partnership's assets may not be possible for an extended period of time during this process and there are circumstances where there may be complications in the enforcement of the Partnership's rights. Legal fees and expenses and other costs incurred by the Partnership in enforcing its rights as secured creditor against a defaulting borrower are usually recoverable from the borrower directly or through the sale of the collateral by power of sale or otherwise, although there is no assurance that they will actually be recovered. In the event that these expenses are not recoverable, they will be borne by the Partnership.

Interest Rate Risk

Interest rate risk is the risk that the market value of the Trust's interest-bearing investments will fluctuate due to changes in market interest rates. Generally, interest-bearing investments will decrease in value when interest rates rise and increase in value when interest rates decline. The Net Asset Value of the Partnership will fluctuate with interest rate changes and the corresponding changes in the value of the Investments.

Reliance on Major Customers

Certain of the Wholly-Owned Subsidiaries rely on a limited number of regular customers. While it is believed that relationships with existing customers are good, the loss of one or more major customers, or a significant reduction in business with one or more of these customers, if not offset by sales to new or existing customers, could have a material adverse effect on business, results of operations and prospects, and therefore on the ability of such Wholly-Owned Subsidiaries to pay distributions to the Partnership in the future. Mergers and acquisitions activity in the industries in which the Wholly-Owned Subsidiaries operate can impact demand for services provided, as customers focus on internal reorganization prior to committing funds to other ventures. In addition, demand could be negatively affected in that upon completion, the merger and acquisitions customers may re-direct their work to competitors of the Wholly-Owned Subsidiaries.

Risks Associated with the E&P Companies and Gator

Industry Conditions

The oil and natural gas industry is subject to extensive controls and regulations imposed by various levels of government. It is not expected that any of these controls or regulations will affect the E&P Companies' operations in a manner materially different than they would affect other oil and gas entities of similar size. All current legislation is a matter of public record, and the Partnership and the Portfolio Manager are unable to predict what additional legislation or amendments may be enacted.

The following industry conditions may materially impact the E&P Companies and Gator.

Pricing and Marketing – Oil

In Canada and the United States, producers of oil negotiate sales contracts directly with oil purchasers. Oil prices are primarily based on worldwide and North American supply and demand. The specific price paid depends in part on oil quality, prices of competing fuels, distance to market, the value of refined products and the supply/demand balance. In the United States, transportation of crude oil is subject to rate and access regulation. The Federal Energy Regulatory Commission regulates interstate crude oil pipeline transportation rates under the Interstate Commerce Act of 1887. In general, such pipeline rates must be cost-based. Intrastate crude oil pipeline transportation rates may be subject to regulation by state regulatory commissions. The basis for intrastate pipeline regulation, and the degree of regulatory oversight and scrutiny given to intrastate crude oil pipeline rates, varies from state to state. In Canada, the National Energy Board ("**NEB**") regulates inter-provincial pipeline tariffs and tolls. On February 8, 2018, the Canadian Government released Bill C-69, proposing to replace the NEB with a new "Canadian Energy Regulator" ("**CER**"). Should Bill C-69 come into force it is unclear if the CER will modify the way inter-provincial pipeline tariffs and tolls are regulated. Intra-provincial pipelines in Saskatchewan are regulated by the Government of Saskatchewan.

Oil exports from Canada may be made pursuant to an export contract with a term not exceeding one year in the case of light crude oil, and not exceeding two years in the case of heavy crude oil, provided that an order approving any such export has been obtained from the NEB. Any oil export to be made pursuant to a contract of longer duration (to a maximum of 25 years) requires an exporter to obtain an export licence from the NEB and the issue of such a licence requires the approval of the Governor in Council. Should Bill C-69 come into force it is unclear if the CER will modify export order/export licence requirements. On December 18, 2015, the U.S. Congress passed and the President signed legislation into law which repealed the 40-year old ban on exports of crude oil produced in the United States. Accordingly, most exports of domestically-produced crude oil may be made without an export license. Only exports to embargoed or sanctioned countries continue to require authorization from the U.S. Department of Commerce.

The North American Free Trade Agreement

On January 1, 1994, the North American Free Trade Agreement ("**NAFTA**") among the governments of Canada, the U.S. and Mexico became effective. NAFTA carries forward most of the material energy terms contained in the Canada-U.S. Free Trade Agreement. In the context of energy resources, Canada continues to remain free to restrict exports to the U.S. or Mexico provided that such export restrictions do not: (i) reduce the proportion of the energy resource exported relative to the total supply of that energy resource in Canada as compared to the proportion prevailing in the

most recent 36-month period, (ii) impose an export price higher than the domestic price; and (iii) disrupt normal channels of supply. All three countries are prohibited from imposing minimum export or import price requirements except in exceptional circumstances.

NAFTA also requires the parties thereto to ensure that their respective energy regulators implement any energy regulatory measures in an orderly and equitable manner and in a manner which avoids disrupting contractual relationships to the maximum extent possible.

The Trump administration has indicated an intent to renegotiate the terms of NAFTA and has indicated an intent to withdraw if satisfactory terms cannot be reached. At this time, the parties to NAFTA are engaged in negotiations concerning NAFTA and at present, the future of NAFTA remains unclear. If NAFTA is materially modified or if the U.S. withdraws from NAFTA, the Partnership's, the E&P Companies' and Gator's business and financial condition could be adversely affected.

United States-Mexico-Canada Agreement

On November 30, 2018, U.S. President Donald Trump, Canadian Prime Minister Justin Trudeau, and Mexican President Enrique Pena Nieto signed an authorization for a new trade deal that will replace NAFTA, known as the United States-Mexico-Canada Agreement ("**USMCA**"). Despite the authorization for USMCA being executed, NAFTA currently remains inforce as USMCA has not yet been ratified by the legislative bodies of the signatory countries. It is unclear when USMCA will replace NAFTA. In the energy context, and as it is currently drafted, USMCA lacks the proportionality rules contained in NAFTA as discussed above. If USMCA is ratified, it may significantly change the trade rules between the three countries, impacting the oil and gas industry at large.

Redwater Decision

On January 31st, 2019, the Supreme Court of Canada ("**SCC**") released its decision in *Orphan Well Association v Grant Thornton Ltd.* ("**Redwater**") whereby the SCC held that there is no operational conflict between provincial abandonment and reclamation legislation and the federal *Bankruptcy and Insolvency Act*, meaning that trustees and receivers can no longer walk away from the abandonment and reclamation obligations of a debtor's estate. This decision impacts all participants in insolvency proceedings, including secured lenders and oil and gas producers operating in Canada. It is not yet clear what effect Redwater will have on lending practices in the oil and gas industry, nor is it clear how provincial energy regulators will react to this decision.

Royalties and Land Tenure

In addition to federal regulation, each province in Canada and state in the United States has legislation which governs land tenure, royalties, production rates, environmental protection and other matters. In all jurisdictions where the E&P Companies hold working interests, producers of oil and natural gas are required to pay annual rental payments in respect of State, Federal or Crown leases and royalties and freehold production taxes in respect of oil and natural gas produced from Crown and freehold lands, respectively. The royalty regime is a significant factor in the profitability of oil and natural gas production. Royalties payable on production from lands other than State/Federal/Crown lands are determined by negotiations between the mineral owner and the lessee. State/Federal/Crown royalties are determined by governmental regulation and are generally calculated as a percentage of the value of the gross production, and the rate of royalties payable generally depends in part on prescribed reference prices, well productivity and depth, geographical location, field discovery date and the type or quality of the petroleum product produced.

Colorado

In Colorado, royalties payable for oil and gas production vary depending on whether the oil and gas estate is owned by the federal government, the state government or a private landholder. Generally, the current federal royalty rate for onshore U.S. federal oil and gas leases is 12.5%. Oil and gas leases with respect to oil and gas properties owned by the State of Colorado are issued by the Colorado State Land Board. Such Colorado oil and gas leases have a primary term of five years, an annual rental rate of $2.50 per acre for the life of the lease, and a standard royalty rate of 20% with no deductions allowed for post-production costs. Royalties payable under private oil and gas leases in Colorado are determined by negotiations between the mineral owner and the lessee.

Saskatchewan

With respect to production obtained from Crown lands in the Province of Saskatchewan, the amount payable as a royalty in respect of crude oil depends on the vintage of the oil, the type of oil, the quantity of oil produced in a month, and the price of the oil. For both Crown royalty and freehold production tax purposes, crude oil is categorized by oil type as either "heavy oil", "southwest designated oil", or "non-heavy oil other than southwest designated oil".

Additionally, the oil in each category is subdivided according to the conventional royalty and production tax classifications as either "fourth tier oil", "third tier oil", "new oil", or "old oil". Depending on the categorization and classification of the oil, monthly production, and a prescribed reference price determined monthly by the Saskatchewan Ministry of Energy and Resources, the royalty reserved to the Crown ranges from 0% to 45%.

Similarly, the amount payable as a royalty in respect of natural gas in the Province of Saskatchewan depends on the vintage of the gas, the type of gas production, the quantity of gas produced in a month, and the price of the gas. For both Crown royalty and freehold production tax purposes, natural gas is categorized as either non-associated gas or associated gas, the former being gas produced from gas wells and the latter being gas produced from oil wells. Additionally, the gas is divided according to the royalty and production tax classifications as either "fourth tier gas", "third tier gas", "new gas", or "old gas". Depending on the categorization and classification of the natural gas, monthly production, and a reference price, the royalty reserved to the Crown ranges from 0% to 45%. As an incentive for the production and marketing of natural gas which may otherwise have been flared, the royalty rate on associated gas is less than on non-associated natural gas.

From time to time, the Government of Saskatchewan has established incentive programs which have included royalty rate reductions, royalty holidays and tax credits for the purpose of encouraging oil and natural gas exploration or enhanced planning projects. Such programs are generally introduced when commodity prices are low and are designed to encourage exploration and development activity by improving earnings and cash flow within the industry. These programs reduce the amount of Crown royalties otherwise payable.

Approximately one-fifth of the mineral rights in the Province of Saskatchewan are freehold mineral rights not owned by the Crown. With respect to production from freehold lands, the tax levied on oil and gas production in the Province of Saskatchewan will depend on the classification of the oil or gas.

Pipeline Capacity

Although pipeline expansions are ongoing, the lack of firm pipeline capacity in Canada continues to affect the oil and natural gas industry and limit the ability to produce and to market production. In addition, the pro-rationing of capacity on the inter provincial pipeline systems also continues to affect the ability to export oil and natural gas.

Seasonality

The level of activity in the Canadian and United States oil and gas industry is influenced by seasonal weather patterns. Wet weather and spring thaw may make the ground unstable. Consequently, municipalities and provincial transportation departments may at times restrict the movement of drilling rigs and other heavy equipment, thereby reducing activity levels. Also, certain oil and natural gas producing areas are located in areas that are inaccessible other than during the winter months because the ground surrounding the sites in these areas consists of swampy terrain. Seasonal factors and unexpected weather patterns may lead to declines in exploration and production activity and corresponding declines in the demand for the goods and services of Energy Working Interests and of Gator.

Environmental Regulation and Protection Requirements

All phases of the oil and natural gas business present environmental risks and hazards and are subject to environmental regulation pursuant to international conventions and national, provincial, state, territorial and municipal laws. Environmental legislation provides for, among other things, restrictions and prohibitions on spills, releases, discharges, or emissions of various substances produced or used in association with oil and gas operations, as well as requirements with respect to oilfield waste handling, storage and disposal, land reclamation, habitat and endangered species protection, and minimum setbacks of oil and gas activities from surface water bodies.

United States

Oil and natural gas operations in the United States are regulated by administrative agencies under statutory provisions of the states where such operations are conducted and by certain agencies of the federal government for operations on federal leases. These statutory provisions regulate matters such as the exploration for and production of crude oil and natural gas, including provisions related to permits for the drilling of wells, bonding requirements in order to drill or operate wells, the location of wells, the method of drilling and casing wells, the surface use and restoration of properties upon which wells are drilled and the abandonment of wells.

Operations in the United States are also subject to various conservation laws and regulations which regulate matters such as the size of drilling and spacing units or proration units, the number of wells which may be drilled in an area, and the unitization or pooling of crude oil and natural gas properties. In addition, state conservation laws sometimes establish maximum rates of production from crude oil and natural gas wells, generally prohibit the venting or flaring of

natural gas, and impose certain requirements regarding the rateability or fair apportionment of production from fields and individual wells. In some instances, compulsory pooling or unitization may be implemented by third parties and subject Shoreline's non-operated working interest to third party operations. On April 3, 2019, Colorado lawmakers approved a bill ("**SB-181**") imposing new regulations on the state's oil and gas industry. SB-181 directs the Colorado Oil and Gas Commission (the "**Commission**") to "regulate" oil and gas production – a significant change from the Commission's current statutory mandate to "foster" oil and gas production. SB-181 also enables local governments to plan for and regulate the surface impacts of oil and gas drilling. Although SB-181 and subsequent regulations have yet to be implemented, oil and gas companies anticipate that local governments may soon impose additional regulatory burdens on the industry, including new limits on oil and gas production. Indeed, even before SB-181 passed the Colorado legislature, Adams County (which includes the state's capital, Denver) voted unanimously to approve a six-month moratorium on issuing oil and natural gas permits. On April 10, 2019, the President issued executive orders EO 13867 and EO 13868 (the "**EOs**"), which EOs may, if they remain in place, have an impact on oil and natural gas operations in the United States. Due to the broad scope of the EOs and potential legislative and judicial challenges which may arise thereto, the effects of the EOs on the implementation of SB-181 are difficult to predict with any certainty.

These laws and regulations may impose numerous obligations on the operation of Shoreline's non-operated working interest including the acquisition of a permit before conducting regulated drilling activities, the restriction of types, quantities and concentration of materials that can be released into the environment, the limitation or prohibition of drilling activities on certain lands lying within wilderness, wetlands and other protected areas, the application of specific health and safety criteria addressing worker protection and the imposition of substantial liabilities for pollution resulting from the operation. Numerous governmental authorities and analogous state agencies have the power to enforce compliance with these laws and regulations and the permits issued under them. Such enforcement actions often involve taking difficult and costly compliance measures or corrective actions. Shoreline may be required to contribute to significant capital and operating expenditures or perform remedial or other corrective actions at its wells and properties to comply with the requirements of these environmental laws and regulations or the terms or conditions of permits issued pursuant to such requirements.

Failure to comply with these laws and regulations may result in the assessment of sanctions, including administrative, civil or criminal penalties, the imposition of investigatory or remedial obligations, and the issuance of orders limiting or prohibiting some or all operations. In addition, the operations may experience delays in obtaining or be unable to obtain required permits, which may delay or interrupt operations and limit growth and revenue. Such penalties, obligations, limits on operations or delays may adversely affect Shoreline's business and financial condition.

The following is a summary of the more significant existing environmental, health and safety laws and regulations in the United States to which Shoreline's business operations are subject and for which compliance may have a material adverse impact on Shoreline's capital expenditures, results of operations or financial position.

The *Comprehensive Environmental Response, Compensation, and Liability Act* (the "**CERCLA**") and comparable state statutes impose strict, joint and several liability on owners and operators of sites and on persons who disposed of or arranged for the disposal of "hazardous substances" found at such sites. It is not uncommon for the government to file claims requiring cleanup actions, demands for reimbursement for cleanup costs, or natural resource damages, or for neighbouring landowners and other third parties to file claims for personal injury and property damage allegedly caused by hazardous substances released into the environment. The CERCLA currently excludes petroleum from its definition of "hazardous substance."

The *Federal Solid Waste Disposal Act*, the *Resource Conservation and Recovery Act* and comparable state statutes govern the disposal of "solid waste" and "hazardous waste" and authorize the imposition of substantial fines and penalties for noncompliance, as well as requirements for corrective actions.

Other statutes relating to the storage and handling of pollutants include the *Oil Pollution Act of 1990* (the "**OPA**"), which requires certain owners and operators of facilities that store or otherwise handle oil to prepare and implement spill response plans relating to the potential discharge of oil into surface waters. The OPA contains numerous requirements relating to prevention of, reporting of, and response to oil spills into waters of the United States. State laws mandate oil cleanup programs with respect to contaminated soil. A failure to comply with the OPA's requirements or inadequate cooperation during a spill response action may subject a responsible party to civil or criminal enforcement actions.

The *Endangered Species Act* (the "**ESA**") seeks to ensure that activities do not jeopardize endangered or threatened animal, fish and plant species, or destroy or modify the critical habitat of such species. Under the ESA, exploration and production operations, as well as actions by federal agencies, may not significantly impair or jeopardize the species or its habitat. The ESA has been used to prevent or delay drilling activities and provides for criminal penalties for wilful violations of its provisions. Other statutes that provide protection to animal and plant species and that may apply to

Shoreline's operations include, without limitation, the *Fish and Wildlife Coordination Act*, the *Fishery Conservation and Management Act*, the *Migratory Bird Treaty Act*, and the *Bald and Golden Eagle Protection Act*.

The *National Environmental Policy Act* (the "**NEPA**") requires a thorough review of the environmental impacts of "major federal actions" and a determination of whether proposed actions on federal and certain Indian lands would result in "significant impact" on the environment. For purposes of NEPA, "major federal action" can be something as basic as issuance of a required permit. For oil and gas operations on federal and certain Indian lands or requiring federal permits, NEPA review can increase the time for obtaining approval and impose additional regulatory burdens on the natural gas and oil industry, thereby increasing Shoreline's costs of doing business and its profitability.

The *Clean Water Act* (the "**CWA**") and comparable state statutes, impose restrictions and controls on the discharge of pollutants, including spills and leaks of oil and other substances, into waters of the United States. The discharge of pollutants into regulated waters is prohibited, except in accordance with the terms of a permit issued by the Environmental Protection Agency (the "**EPA**") or an analogous state agency. The CWA regulates storm water run-off from oil and natural gas facilities and requires a storm water discharge permit for certain activities. Such a permit requires the regulated facility to monitor and sample storm water run-off from its operations. The CWA and regulations implemented thereunder also prohibit discharges of dredged and fill material in wetlands and other waters of the United States unless authorized by an appropriately issued permit. The CWA and comparable state statutes provide for civil, criminal and administrative penalties for unauthorized discharges of oil and other pollutants and impose liability on parties responsible for those discharges for the costs of cleaning up any environmental damage caused by the release and for natural resource damages resulting from the release.

The *Safe Drinking Water Act* (the "**SDWA**") and the Underground Injection Control ("**UIC**") program promulgated thereunder, regulate the drilling and operation of subsurface injection wells. The EPA directly administers the UIC program in some states and in others the responsibility for the program has been delegated to the state. The program requires that a permit be obtained before drilling a disposal well. Violation of these regulations and/or contamination of groundwater by oil and natural gas drilling, production, and related operations may result in fines, penalties, and remediation costs, among other sanctions and liabilities under the SDWA and state laws. In addition, third party claims may be filed by landowners and other parties claiming damages for alternative water supplies, property damages, and bodily injury.

Operation of assets in which Shoreline holds a working interest employ hydraulic fracturing techniques to stimulate oil and natural gas production from unconventional geological formations, which entails the injection of pressurized fracturing fluids into a well bore. At present, hydraulic fracturing is regulated primarily at the state level, typically by state oil and natural gas commissions and similar agencies. Indeed, the federal *Energy Policy Act* of 2005 amended the SDWA to exclude hydraulic fracturing from the definition of "underground injection" under certain circumstances. However, the repeal of this exclusion has been advocated by certain advocacy organizations and others in the public. Legislation to amend the SDWA to repeal this exemption and require federal permitting and regulatory control of hydraulic fracturing, as well as legislative proposals to require disclosure of the chemical constituents of the fluids used in the fracturing process, have been introduced in Congress. In addition, the EPA at the request of Congress recently conducted a national study examining the potential impacts of hydraulic fracturing on drinking water resources. The final report, *Hydraulic Fracturing for Oil and Gas: Impacts from the Hydraulic Fracturing Water Cycle on Drinking Water Resources in the United States*, was issued in December 2016. The report raised some concerns regarding potential vulnerabilities in the process that could impact drinking water. However, the EPA noted that data gaps and uncertainties limited the agency's ability to draw conclusions about the impact of hydraulic fracturing activities on drinking water sources.

On May 16, 2013, the U.S. Bureau of Land Management ("**BLM**") published revised proposed rules to regulate hydraulic fracturing on federal public lands and Indian lands. The proposed rules would address well stimulation operations, including requiring agency approval for certain activities, and would require certain disclosures of well stimulation fluids and other information, as well as address issues relating to flowback water. In addition, some states and localities have adopted, and others are considering adopting, regulations or ordinances that could restrict hydraulic fracturing in certain circumstances, or that would impose higher taxes, fees or royalties on natural gas production. In July of 2013, the BLM extended the public comment period on the proposed rules to August of 2013. On May 20, 2015 the BLM published its finalized rules on hydraulic fracturing. Following passing of the finalized rules, several states and industry groups filed suit to prevent enforcement of the rules and on September 30, 2015, a United States federal court granted a motion for a preliminary injunction preventing enforcement of the BLM's new rules. On June 21, 2016, the federal court set aside the BLM's new hydraulic fracturing rule. On December 29, 2017, the BLM issued a final rule rescinding in its entirety the agency's 2015 final rule regulating hydraulic fracturing. Many states currently independently regulate hydraulic fracturing operations in the state. If the new federal rules or new state laws or regulations that significantly restrict hydraulic fracturing are adopted, such legal requirements could result in delays, eliminate certain drilling and injection activities, make it more difficult or costly for Shoreline or the applicable operator

to perform fracturing and increase the costs of compliance and doing business. It is also possible that Shoreline's drilling and injection operations could adversely affect the environment, which could result in a requirement to perform investigations or clean-ups or in the incurrence of other unexpected material costs or liabilities.

The *Clean Air Act*, as amended, restricts the emission of air pollutants from many sources, including oil and gas operations. The *Clean Air Act* and regulations implemented thereunder regulate oil and natural gas production, processing, transmission and storage operations under the New Source Performance Standards and National Emission Standards for Hazardous Air Pollutants programs, including air standards for natural gas wells that are hydraulically fractured. In addition, the EPA has deemed CO2 and other greenhouse gases, including methane, to be a danger to public health, which is leading to regulation of greenhouse gases in a manner similar to other pollutants. For example, the EPA finalized new regulations (the "**2016 New Source Requirements**") focused on methane emissions from the oil and gas industry in June of 2016. Although these regulations are currently in effect, the EPA has since proposed a series of "targeted improvements" to the 2016 New Source Requirements as a way to "significantly decrease unnecessary burdens on domestic energy producers".

The BLM finalized similar methane and gas-capture rules for oil and gas operations on federal and tribal leases and certain committed state or private tracts in a federally approved unit or communitized agreement in 2016, but these rules were also targeted as part of the current administration's rollback of Obama-era regulations. In December of 2017, the BLM published a rule to temporarily postpone certain requirements of the 2016 Waste Prevention Rule until January 17, 2019; however, in September of 2018, the BLM announced that it would repeal key provisions of the rule and reinstate pre-2016 regulations. The revised rule came into effect on November 27, 2018. Environmental groups have sued in federal district court to challenge the legality of aspects of the revised rule, and the outcome of this litigation is currently uncertain.

In 2014 and 2017, Colorado expanded its oil and gas air regulations, including the adoption of new and additional fugitive methane emission control regulations. In addition, the EPA has lowered the national ambient air quality standard for ozone pollution, which may require the oil and gas industry to further reduce emissions of volatile organic compounds and nitrogen oxides. Further, Colorado's ozone non-attainment status was bumped-up from "marginal" to "moderate," which triggered significant additional obligations for the State under the *Clean Air Act* and resulted in additional regulatory requirements for the oil and gas industry. In March of 2019, Colorado withdrew its request to the EPA for more time to comply with federal air-quality standards and has pledged to adopt more stringent environmental regulations. These state and federal regulations may increase the costs of compliance for some facilities, and federal and state regulatory agencies can impose administrative, civil and criminal penalties for non-compliance with air permits or other requirements of the *Clean Air Act* and associated state laws and regulations. Should the foregoing arise with respect to the operation of Shoreline's working interests, Shoreline's business and financial condition could be adversely affected.

The Emergency Planning and Community Right-to-Know Act ("**EPCRA**") requires certain facilities to disseminate information on chemical inventories to employees as well as local emergency planning committees and emergency response departments. In October 2015, the EPA indicated its intent to commence a rulemaking to add natural gas processing facilities to the list of facilities that must report under EPCRA. A proposed rule to add natural gas processing facilities to the scope of the industrial sectors covered by the reporting requirements under the EPCRA was published by the EPA in January of 2016, however, the EPA has not since moved to finalize the proposed rule.

Shoreline is subject to a number of federal and state laws and regulations, including the federal *Occupational Safety and Health Act* (the "**OSHA**") and comparable state laws, whose purpose is to protect the health and safety of workers. In addition, the OSHA hazard communication standard, the EPA community right-to-know regulations under Title III of the federal *Superfund Amendment and Reauthorization Act* and comparable state statutes require that information be maintained concerning hazardous materials used or produced in Shoreline's operations and that this information be provided to employees, state and local government authorities and citizens.

Public interest in the protection of the environment has increased dramatically in recent years. The trend of more expansive and stringent environmental legislation and regulations applied to the crude oil and natural gas industry could continue, resulting in increased costs of doing business and consequently affecting profitability. Indeed, in Colorado, certain local jurisdictions imposed moratoria or bans on hydraulic fracturing, all of which have been invalidated, including on appeal to the Colorado Supreme Court. Disputes at the local level regarding high-intensity oil and gas development in proximity to residential areas have not subsided. With the passage of SB-181, several Colorado counties have already announced their intention to impose new bans on hydraulic fracturing, prompting renewed threats of litigation. Changes in environmental laws, regulations and local ordinances occur frequently, and any changes that result in more stringent or costly well drilling, construction, completion or water management activities or waste handling, storage, transport, disposal or cleanup requirements could require the E&P Companies to make significant expenditures to attain and maintain compliance and may otherwise have a material adverse effect on the industry in general.

Canada

Environmental legislation in the Province of Saskatchewan is, for the most part, set out in the *Environmental Management and Protection Act, 2010* and the *Oil and Gas Conservation Act*, which regulate harmful or potentially harmful activities and substances, any release of such substances, and remediation and abandonment obligations in Saskatchewan. Certain development activities in Saskatchewan, depending on the location and potential environmental impact, may require an environmental impact assessment under the provincial *Environmental Assessment Act*.

Environmental legislation also requires that wells and facility sites be operated, maintained, decommissioned, abandoned and reclaimed to the satisfaction of applicable regulatory authorities. Compliance with such legislation can require significant expenditures and a breach may result in the imposition of fines and penalties, some of which may be material, or in the suspension or revocation of necessary licences and approvals. Decommissioning liability estimates are calculated based on the Licensee Liability Rating Program Guideline in Saskatchewan. Certain environmental protection legislation may subject Canadian E&P Companies to statutory strict liability in the event of an accidental spill or discharge from a facility, meaning that fault on the part of need not be established if such a spill or discharge is found to have occurred.

Environmental legislation is evolving in a manner expected to result in stricter standards and enforcement, larger fines and liability, and potentially increased capital expenditures and operating costs. The discharge of oil, natural gas or other pollutants into the air, soil or water may give rise to liabilities to third parties or regulators or result in the suspension or revocation of regulatory approvals and may require the Canadian E&P Companies to incur costs to remedy such a discharge in an event not covered by insurance, which insurance is in line with industry practice. Furthermore, there will likely be incremental future costs associated with compliance with increasingly complex environmental protection requirements with respect to greenhouse gas ("**GHG**") emissions or otherwise, some of which may require the installation of emissions monitoring and measuring devices, the verification and reporting of emissions data and additional financial expenditures to comply with GHG emissions reduction requirements.

Greenhouse Gas Emissions

United States

In recent years, United States federal, state and local governments have taken steps to reduce GHG emissions. The EPA has issued a series of GHG monitoring, reporting and emissions control rules for the oil and natural gas industry, and the United States Congress has, from time to time, considered adopting legislation to reduce emissions.

In November 2015, the United States participated in the twenty-first session of the Conference of the Parties of the United Nations Framework Convention on Climate Change ("**COP 21**") in Paris, France, the goal of which was to reach a new agreement for fighting global climate change. COP 21 resulted in the adoption of the Paris Agreement which made several recommendations, including: (i) holding the increase in the global average temperature to well below 2°C above pre-industrial levels and pursuing efforts to limit the temperature increase to 1.5°C above pre-industrial levels, recognizing that this would significantly reduce the risks and impacts of climate change, (ii) increasing the ability to adapt to the adverse impacts of climate change and foster climate resilience and low GHG emissions development, in a manner that does not threaten food production and (iii) making finance flows consistent with a pathway towards low GHG emissions and climate-resilient development. The Paris Agreement came into effect on November 4, 2016. On June 1, 2017, the United States announced its intention to withdraw from the Paris Agreement. The earliest date such withdrawal could occur is November 4, 2020. Yet withdrawal is by no means certain; indeed, the current U.S. administration has repeatedly expressed a willingness to sign the Paris Agreement in exchange for more favorable terms for American industries.

The costs that may be associated with the impacts of climate change and the regulation of GHG emissions in the United States have the potential to affect Shoreline's business in many ways, including negatively impacting the costs to produce oil and natural gas and the demand for and consumption of oil and natural gas (due to changes in both costs and weather patterns). If the operators of Shoreline's working interests are unable to recover or pass through a significant level of costs related to complying with United States climate change regulatory requirements, it could have a material adverse effect on our results of operations and financial condition. To the extent financial markets view climate change and GHG emissions as a financial risk, this could negatively impact our cost of and access to capital. At this time, however, it is not possible to estimate how future laws or regulations or climatic changes may impact our business.

Canada

On May 11, 2009, the Government of Saskatchewan announced *The Management and Reduction of Greenhouse Gases Act* (the "**MRGHGA**") to regulate GHG emissions in the province. The MRGHGA came into force January 1, 2018, except for a number of sections that have not yet been proclaimed. On September 1, 2018, The *Management and*

Reduction of Greenhouse Gases (Reporting and General) Regulations came into force. This regulation imposes reporting requirements on Saskatchewan facilities producing more than 10,000 tonnes of carbon dioxide each year. Most recently, on January 1, 2019, The *Oil and Gas Emissions Management Regulations* came into effect. These regulations apply to all oil and gas operators whose combined potential emissions are greater than 50,000 tonnes of carbon dioxide equivalent per year, and obligate licensees to propose an emissions reduction plan in accordance with an annual emissions limit.

The Canadian E&P Companies' facilities and other operations emit GHG emissions, making it possible that the Canadian E&P Companies' will be subject to federal and provincial GHG emissions controls or reduction requirements if their facilities or operations are above applicable thresholds. In the near term, the Canadian E&P Companies do not expect to have any facilities subject to reporting based on these preliminary regulations.

In December 2002, the Government of Canada ratified the Kyoto Protocol, which requires a reduction in GHG emissions by signatory countries between 2008 and 2012. Canada formally withdrew from the Kyoto Protocol in December 2011.

Canada is a party to the Paris Agreement discussed above, which came into force on November 4, 2016. In addition, over the last several years, the federal government has undertaken a number of initiatives to achieve domestic GHG reductions. These measures include regulations, codes and standards, targeted investments, incentives, tax measures and programs that directly reduce GHG emissions.

On June 21, 2018, the Government of Canada enacted the *Greenhouse Gas Pollution Pricing Act* ("**GGPPA**"). As of April 1, 2019, the GGPPA requires that the Province of Saskatchewan, among other provinces, impose a minimum price of $20 per ton of pollutant emissions for any subject fuel used or imported into Saskatchewan. The Government of Saskatchewan, which considers GGPPA to be outside the scope of the Government of Canada's constitutional powers, has commenced legal action challenging the validity of GGPPA. This challenge is currently before the Saskatchewan Court of Appeal. The increased price associated with fuels may reduce demand for oil and gas, while at the same time increasing operational costs.

On January 15, 2018 the Government of Canada released for public comment a draft *Greenhouse Gas Pollution Pricing Act* ("**GGPPA**"). The GGPPA, if brought into force as currently drafted, would levy a carbon tax of $10 per tonne of GHG emissions starting January 1, 2018 in each province and territory that does not at that time have a carbon tax or cap and trade system, with the $10 per tonne levy increasing by $10 per tonne each year until it reaches $50 per tonne in 2022. However, the Government of Canada has announced that the carbon tax will not be imposed until at least the end of 2018.

The Canadian E&P Companies anticipate that, based on current production levels, Government of Canada GHG regulations will apply to their operations in the future, and as a result, additional costs will be incurred to comply with reduction requirements and to perform necessary monitoring, measurement, verification and reporting of GHG emissions.

In addition, on June 29, 2016 Canada joined the United States and Mexico in agreeing to reduce methane emissions from the oil and gas sector by up to 45% by 2025 by developing and implementing federal regulations for both existing and new sources of venting and fugitive methane emissions. Previously, on March 10, 2016 Canada and the United States committed to take action on methane emissions through federal regulations as expeditiously as possible. On April 26, 2018, the Government of Canada passed the *Regulation Respecting Reduction in the Release of Methane and Certain Volatile Organic Compounds (Upstream Oil and Gas Sector)* (the "**Federal Methane Regulation**"). The Federal Methane Regulation seeks to reduce emissions of methane from the oil and gas sector, but will not come into force until January 1, 2020, with full implementation expected for January 1, 2023.

The Canadian E&P Companies anticipate changes in environmental legislation may require reductions in emissions from their operations and result in increased capital expenditures. Further changes in environmental legislation could occur, which may result in stricter standards and enforcement, larger fines and liability and increased capital expenditures and operating costs, which could have a material adverse effect on our financial condition and results of operations.

Risks Associated with the Oil and Gas Industry

Commodity Price Volatility

The E&P Companies' results of operations and financial condition are dependent on the prevailing prices of crude oil and natural gas. Crude oil and natural gas prices have fluctuated widely in the recent past and are subject to fluctuations in response to relatively minor changes in supply, demand, market uncertainty and other factors that are beyond the

E&P Companies' control. Crude oil and natural gas prices are impacted by a number of factors including, but not limited to: the global supply of and demand for crude oil and natural gas; global economic conditions; market expectations about future prices of oil and natural gas; the cost of exploring for, developing, producing, and delivering oil and natural gas; the actions of the Organization of Petroleum Exporting Countries ("**OPEC**"); trading in oil and natural gas derivative contracts; the level of consumer product demand; domestic and foreign government regulation and taxes; political and economic stability; the ability to transport crude to markets; developments related to the market for liquefied natural gas; technological advances affecting energy consumption; the availability and prices of alternate fuel sources; and weather conditions and natural disasters. In addition, significant growth in crude production volumes in western Canada and the United States has resulted in pressure on transportation and pipeline capacity, contributing to the widening of the light oil pricing differential between WTI and Cromer/WCS/Hardisty, resulting in fluctuations in the price of oil and natural gas. These factors are beyond the Canadian E&P Companies' control and can result in a high degree of price volatility.

Fluctuations in currency exchange rates further compound this volatility when the commodity prices, which are generally set in U.S. dollars, are stated in Canadian dollars. The Canadian E&P Companies' financial performance also depends on revenues from the sale of commodities which differ in quality and location from underlying commodity prices quoted on financial exchanges. Of particular importance are the price differentials between the Canadian E&P Companies' light/medium Saskatchewan oil (in particular the light/heavy differential) and quoted market prices. Not only are these discounts influenced by regional supply and demand factors, they are also influenced by other factors such as transportation costs, capacity and interruptions; refining demand; the availability and cost of diluent used to blend and transport product; and the quality of the oil produced, all of which are beyond the Canadian E&P Companies' control. See also "Variations in Foreign Exchange Rates and Interest Rates" below.

Fluctuations in the price of commodities and associated price differentials may impact the value of the E&P Companies' assets and the E&P Companies' ability to maintain its business and to fund growth projects. Prolonged periods of commodity price depression and volatility may also negatively impact the E&P Companies' ability to meet guidance targets and meet all of its financial obligations as they come due. Any substantial and extended decline in the price of oil and gas would have an adverse effect on the E&P Companies' carrying value of its reserves, borrowing capacity, revenues, profitability and cash flows from operations and may have a material adverse effect on the E&P Companies' business, financial condition, results of operations, prospects and the level of expenditures for the development of oil and natural gas reserves, including delay or cancellation of existing or future drilling or development programs or curtailment in production.

Any material or sustained decline in prices could result in a reduction of the E&P Companies' net production revenue. The economics of producing from some wells may change as a result of lower prices, which could result in reduced production of oil or gas and a reduction in the volumes of the E&P Companies' reserves. Shoreline and/or their partners in respect of the Energy Working Interests and the Canadian E&P Companies might also elect not to produce from certain wells at lower prices. All of these factors could result in a material decrease in the E&P Companies' expected net production revenue and a reduction in their oil and gas acquisition, development and exploration activities.

Crude oil and natural gas prices are expected to remain volatile for the near future as a result of market uncertainties over the supply and demand of these commodities due to the current state of world economies and OPEC actions. Volatile oil and gas prices make it difficult to estimate the value of producing properties for acquisition and often cause disruption in the market for oil and gas producing properties, as buyers and sellers have difficulty agreeing on such value. Price volatility also makes it difficult to budget for and project the return on acquisitions and development and exploitation projects.

The E&P Companies conduct regular assessments of the carrying value of their assets in accordance with International Financial Reporting Standards. If crude oil and natural gas prices decline significantly and remain at low levels for an extended period of time, the carrying value of the E&P Companies' assets may be subject to impairment.

Demand for the services provided by Gator is directly impacted by the prices that Gator's customers receive for the crude oil and natural gas they produce. The prices received, and the volumes produced have a direct correlation to the cash flow available to invest in drilling activity and other oilfield services. Prices for oil and natural gas are subject to large fluctuations in response to relatively minor changes in the supply of, and demand for, oil and natural gas, market uncertainty and a variety of additional factors beyond the control of Gator.

Gator only rents tools and has very limited field operations and employee overhead as field activity is restricted to the training of clients in the operations of such tools.

Alternatives to and Changing Demand for Petroleum Products

Fuel conservation measures, alternative fuel requirements, increasing consumer demand for alternatives to oil and natural gas, and technological advances in fuel economy and energy generation devices could reduce the demand for crude oil and other liquid hydrocarbons. The Canadian E&P Companies and Gator cannot predict the impact of changing demand for oil and natural gas products, and any major changes may have a material adverse effect on their business, financial condition, results of operations and cash flows.

Variations in Foreign Exchange Rates and Interest Rates

World oil and gas prices are quoted in U.S. dollars and the price received by Canadian producers is therefore affected by the Canadian/U.S. dollar exchange rate, which will fluctuate over time. Material increases in the value of the Canadian dollar negatively impact the Canadian E&P Companies' production revenues. Future Canadian/U.S. dollar exchange rates could accordingly impact the future value of Canadian E&P Companies' reserves as determined by independent evaluators. To the extent that Canadian E&P Companies' engage in risk management activities related to foreign exchange rates, there is a credit risk associated with counterparties with which the Canadian E&P Companies may contract. Furthermore, an increase in interest rates could result in a significant increase in the amount the E&P Companies pays to service debt. The E&P Companies do not currently have any hedging positions.

Gator derives revenues from the U.S. which are denominated in the local currency. Future Canadian/U.S. dollar exchange rates would impact the value of Gator's distribution to the Partnership, if any.

Taxation

The Tax Cut and Jobs Act (the "**TCJA**") was passed in December 2017. The TCJA includes provisions that could limit certain tax deductions, including (i) interest expense is limited to 30% of our taxable income (with certain adjustments), and (ii) net operating loss (NOL) related to losses incurred after 2017 are limited to 80% of taxable income but can be carried forward indefinitely.

These changes may increase our future tax liability in some circumstances. In addition, proposals are made from time to time to amend U.S. federal and state income tax laws in ways that would be adverse to us, including by eliminating certain key U.S. federal income tax preferences currently available with respect to crude oil and natural gas exploration and production. The changes could include (i) the repeal of the percentage depletion deduction for crude oil and natural gas properties, (ii) the elimination of current deductions for intangible drilling and development costs, (iii) the elimination of the deduction for certain U.S. production activities and (iv) an extension of the amortization period for certain geological and geophysical expenditures. Also, state severance taxes may increase in the states in which we operate. This could adversely affect our existing operations in Colorado and the economic viability of future drilling.

Third Party Credit Risk

The E&P Companies may be exposed to third party credit risk through their contractual arrangements with their respective current or future customers, joint venture partners, marketers of their petroleum and natural gas production and other parties. In the event such entities fail to meet their contractual obligations, such failures may have a material adverse effect on the E&P Companies' business, financial condition, results of operations and prospects. In addition, poor credit conditions in the industry and of joint venture partners may impact a joint venture partner's willingness to participate in the ongoing capital programs associated with the E&P Companies, potentially delaying the program and the results of such program until the operator finds a suitable alternative partner.

All of Gator's accounts receivables are with customers involved in the oil and natural gas industry, whose revenue may be impacted by fluctuations in commodity prices. Although collection of these receivables could be influenced by economic factors affecting this industry and thereby have a materially adverse effect on operations, management considers risk of significant loss to be minimal at this time. To mitigate this risk, Gator's customers are subject to an internal credit review along with ongoing monitoring of the amount and age of receivables balances outstanding.

Operating Risks and Insurance

The E&P Companies are subject to risks inherent in the oil and natural gas industry, such as environmental hazards (such as uncontrollable releases of oil, natural gas, brine, well fluids, toxic gas or other pollution into the environment, including groundwater, air and shoreline or river contamination), abnormally pressured formations, mechanical difficulties (such as stuck oilfield drilling and service tools and casing collapse), fires, explosions and ruptures of pipelines or processing facilities, personal injuries and death, natural disasters and terrorist (including eco-terrorist and cyber-terrorist) attacks targeting natural gas and oil related facilities and infrastructure. The E&P Companies may also be secondarily liable for damage to the environment caused by the operators of Shoreline's working interests. The

above could expose the E&P Companies to substantial liability for personal injury, loss of life, business interruption, damage to and destruction of property, natural resources and equipment, pollution and other environmental damages, regulatory investigations and penalties, suspension of our operations and repair and remediation costs.

In accordance with what management believes to be customary industry practice, the E&P Companies maintain insurance against some, but not all, of their business risks. The E&P Companies' insurance may not be adequate to cover any or all of the losses or liabilities they may suffer. Also, insurance may no longer be available to the E&P Companies or, if it is, its availability may be at premium levels that do not justify its purchase. The occurrence of a significant uninsured claim, a claim in excess of the insurance coverage limits maintained by the E&P Companies or a claim at a time when the E&P Companies are not able to obtain liability insurance could have a material adverse effect on the E&P Companies' ability to conduct normal business operations and on the E&P Companies' financial condition, results of operations or cash flows. In addition, the E&P Companies may not be able to secure additional insurance or bonding that might be required by new governmental regulations. This may cause the E&P Companies to restrict the E&P Companies' operations, which might severely impact the E&P Companies' financial condition. The E&P Companies may also be liable for environmental damage caused by previous owners of properties acquired by the E&P Companies, which liabilities may not be covered by insurance.

Gator attempts to obtain indemnification from its customers by contract for some of these risks in addition to having insurance coverage. These indemnification agreements may not adequately protect against liability from all of the consequences described above.

Government Regulation

The oil and natural gas industry in the U.S. and Canada is subject to federal, state, provincial and municipal legislation and regulation governing such matters as land tenure, well spacing, the plugging and abandonment of wells, provisions related to the unitization or pooling of the oil and natural gas properties, commodity prices, production royalties, production rates, environmental protection controls, the exportation of crude oil, natural gas and other products, as well as other matters. The industry is also subject to regulation by governments in such matters, including laws and regulations relating to health and safety, the conduct of operations, the protection of the environment and the manufacturing, management, transportation, storage and disposal of certain materials used in the E&P Companies' operations. Failure to comply with these laws, regulations and permits may result in the assessment of administrative, civil and criminal penalties, the imposition of remedial obligations, the imposition of stricter conditions on or revocation of permits, the issuance of injunctions limiting or preventing some or all of the E&P Companies' operations, delays in granting permits and cancellation of leases. Moreover, these laws and regulations have continually imposed increasingly strict requirements for water and air pollution control and solid waste management. Significant expenditures may be required to comply with governmental laws and regulations applicable to the E&P Companies and Gator.

Government regulations may change from time to time in response to economic or political conditions. The exercise of discretion by governmental authorities under existing regulations, the implementation of new regulations or the modification of existing regulations affecting the crude oil and natural gas industry could reduce demand for services increase costs to provide services and impact the financial condition of the E&P Companies and Gator. There can be no assurance that the provincial, state and local governments, the Government of Canada or the U.S. Federal Government will not adopt a new royalty regime or modify the methodology of royalty calculation which could increase the royalties paid by the E&P Companies' and Gator's customers, either of which could have a material adverse impact on the E&P Companies and Gator, respectively.

Environmental Risks

All phases of the oil and gas business present environmental risks and hazards and are subject to environmental regulation pursuant to a variety of federal, provincial and local laws and regulations. Environmental legislation provides for, among other things, restrictions and prohibitions on spills, releases or emissions of various substances produced in association with oil and natural gas operations. The legislation also requires that wells and facility sites be operated, maintained, abandoned and reclaimed to the satisfaction of applicable regulatory authorities. Compliance with such legislation can require significant expenditures and a breach of applicable environmental legislation may result in the imposition of fines and penalties, some of which may be material. Environmental legislation is evolving in a manner expected to result in stricter standards and enforcement, larger fines and liability and potentially increased capital expenditures and operating costs. The discharge of oil, natural gas or other pollutants into the air, soil or water may give rise to liabilities to governments and third parties and may require the E&P Companies to incur costs to remedy such discharge. Although the E&P Companies believe that they and their operators will be in material compliance with current applicable environmental regulations, no assurance can be given that environmental laws will not result in a curtailment of production or a material increase in the costs of production, development or exploration activities or otherwise have a material adverse effect on the E&P Companies' business, financial condition, results of operations and prospects.

Although the E&P Companies maintain insurance consistent with prudent industry practice, it is not fully insured against certain environmental risks, either because such insurance is not available or because of high premium costs. In particular, insurance against risks from environmental pollution occurring over time (as opposed to sudden and catastrophic damages) is not available on economically reasonable terms. Accordingly, the E&P Companies' properties may be subject to liability due to hazards that cannot be insured against, or that have not been insured against due to prohibitive premium costs or for other reasons. It is also possible that changing regulatory requirements or emerging jurisprudence could render such insurance of less benefit to the E&P Companies.

Terrorism

Acts of terrorism (including eco-terrorism and cyber-terrorism) could have a material adverse effect on the E&P Companies' financial condition, results of operations and cash flows. The E&P Companies' assets and operations may be targets of terrorist activities that could disrupt their business or cause significant harm to the E&P Companies' operations, such as full or partial disruption to the E&P Companies' or their operators' ability to produce, process, transport, market or distribute oil and natural gas. Acts of terrorism, as well as events occurring in response to or in connection with acts of terrorism, could cause environmental and other repercussions that could result in a significant decrease in revenues or significant reconstruction or remediation costs, which could have a material adverse effect on the E&P Companies' financial condition, results of operations and cash flows. In addition, acts of terrorism, and the threat of such acts, could result in volatility in the prices for oil and natural gas and could affect the markets for such commodities.

Risks Associated with Oil and Gas Exploration and Production Activities

Shoreline is a Delaware corporation that owns non-operated working interests in the Wattenberg oil field in the DJ Basin in Colorado. The working interests are highly diversified across the DJ basin in Colorado comprising small percentage positions (average 3.7% working interest in producing wells; 2.8% in average net revenue interest) in over 234 producing wells and comprising over 1000 net acres at year end 2016. The Canadian E&P Companies' business consists of the exploration for and production of crude oil and natural gas projects, with the majority of properties in Saskatchewan and one shut in well in Alberta. There are a number of inherent risks associated with the exploration and production of oil and gas reserves. Many of these risks are beyond the control of the E&P Companies. Investors should carefully consider the risk factors set out below and consider all other information contained herein before making an investment decision.

Markets and Marketing

The marketability and price of crude oil and natural gas that may be acquired or discovered by the E&P Companies is and will continue to be affected by numerous factors beyond their control. The E&P Companies' and their operators' ability to market crude oil and natural gas may depend upon the ability to acquire space on pipelines, tanker trucks, and other transportation methods that deliver crude oil and natural gas to commercial markets. The E&P Companies and their operators may also be affected by deliverability uncertainties related to the proximity of their reserves to pipelines, tanker trucks, other transportation methods and processing and storage facilities and operational problems affecting such transportation methods and facilities as well as extensive government regulation relating to price, taxes, royalties, land tenure, allowable production, the export of oil and natural gas and many other aspects of the oil and gas business. The amount of crude oil and natural gas that can be produced and sold is subject to curtailment in certain other circumstances, such as pipeline interruptions due to scheduled and unscheduled maintenance, excessive pressure, physical damage and extreme weather conditions. Also, the shipment of the E&P Companies' crude oil and natural gas on third-party pipelines may be curtailed or delayed if it does not meet the quality specifications of the pipeline owners. The curtailments arising from these and similar circumstances may last from a few days to several months. Any significant curtailment in gathering system or transportation, processing, or refining-facility capacity could reduce the E&P Companies' or their operators' ability to market oil production and have a material adverse effect on the E&P Companies' financial condition and results of operations.

Equipment, Materials and Labor Shortages

The oil and natural gas industry is cyclical, which can result in shortages of drilling rigs, equipment, raw materials, supplies and personnel. When shortages occur, the costs and delivery times of rigs, equipment, and supplies increase and demand for, and wage rates of, qualified drilling rig crews also rise with increases in demand. In accordance with customary industry practice, the E&P Companies and their operators rely on independent third-party service providers to provide many of the services and equipment necessary to drill new wells. If the E&P Companies or their operators are unable to secure a sufficient number of drilling rigs at reasonable costs, the E&P Companies' financial condition and results of operations could suffer. Shortages of drilling rigs, equipment, raw materials, supplies, personnel and production equipment could delay or restrict the E&P Companies' or their operators' exploration and development

operations, which in turn could have a material adverse effect on the E&P Companies' financial condition and results of operations.

Exploration, Development and Production Risks

Oil and natural gas operations involve many risks that even a combination of experience, knowledge and careful evaluation may not be able to overcome. The long-term commercial success of the E&P Companies depends on their ability to find, acquire, develop and commercially produce oil and natural gas reserves. Without the continual addition of new reserves, any existing reserves held by the E&P Companies at any particular time, and the production therefrom will decline over time as such existing reserves are exploited. A future increase in the E&P Companies' reserves will depend not only on their ability to explore and develop any properties it may have from time to time, but also on their ability to select and acquire suitable producing properties or prospects. No assurance can be given that the E&P Companies will be able to continue to locate satisfactory properties for acquisition or participation. Moreover, if such acquisitions or participations are identified, management of the E&P Companies may determine that current markets, terms of acquisition and participation or pricing conditions make such acquisitions or participations uneconomic. There is intense competition for acquisition opportunities in the oil and gas industry, and competition for acquisitions may increase the cost of, or cause us to refrain from, completing acquisitions. There is no assurance that further commercial quantities of oil and natural gas will be discovered or acquired by the E&P Companies.

Future oil and natural gas exploration may involve unprofitable efforts, not only from dry wells, but also from wells that are productive but do not produce sufficient petroleum substances to return a profit after drilling, operating and other costs. Completion of a well does not assure a profit on the investment or recovery of drilling, completion and operating costs. In addition, drilling hazards or environmental damage could greatly increase the cost of operations, and various field operating conditions may adversely affect the production from successful wells. These conditions include delays in obtaining governmental approvals or consents, shut-ins of connected wells resulting from extreme weather conditions, insufficient storage or transportation capacity or other geological and mechanical conditions. While diligent well supervision and effective maintenance operations can contribute to maximizing production rates over time, production delays and declines from normal field operating conditions cannot be eliminated and can be expected to adversely affect revenue and cash flow levels to varying degrees. Oil and natural gas exploration, development and production operations are subject to all the risks and hazards typically associated with such operations, including hazards such as fire, explosion, blowouts, cratering, sour gas releases and spills, each of which could result in substantial damage to oil and natural gas wells, production facilities, other property and the environment or personal injury. In particular, the E&P Companies may explore for and produce sour natural gas in certain areas. An unintentional leak of sour natural gas could result in personal injury, loss of life or damage to property and may necessitate an evacuation of populated areas, all of which could result in liability to the E&P Companies. In accordance with industry practice, E&P Companies are not fully insured against all of these risks, nor are all such risks insurable. Although the E&P Companies maintain liability insurance in an amount they it considered consistent with industry practice, the nature of these risks is such that liabilities could exceed policy limits, in which event the E&P Companies could incur significant costs. Oil and natural gas production operations are also subject to all the risks typically associated with such operations, including encountering unexpected formations or pressures, premature decline of reservoirs and the invasion of water into producing formations. Losses resulting from the occurrence of any of these risks may have a material adverse effect on the E&P Companies' business, financial condition, results of operations and prospects.

Acquisition Risk

Any acquisition of property involves potential risks, including, among other things: the validity of the assumptions about estimated proved reserves, future production, prices, revenues, capital expenditures, operating expenses, and costs; a decrease in the E&P Companies' liquidity by using a significant portion of their cash generated from operations or borrowing capacity to finance acquisitions; a significant increase in the E&P Companies' interest expense or financial leverage if they incur debt to finance acquisitions; the assumption of unknown liabilities, losses, or costs for which they are not indemnified or for which any indemnity they receive is inadequate; mistaken assumptions about the overall cost of equity or debt; their ability to obtain satisfactory title to the assets they acquire; an inability to hire, train, or retain qualified personnel to manage and operate their growing business and assets; and the occurrence of other significant changes, such as impairment of oil and natural gas properties, goodwill or other intangible assets, asset devaluation, or restructuring charges.

The success of any completed acquisition will depend on the E&P Companies' or their operators' ability to integrate effectively the acquired assets into the existing operations. The process of integrating acquired assets may involve unforeseen difficulties and may require a disproportionate amount of the E&P Companies' or their operators' managerial and financial resources. The E&P Companies' or their operators' failure to achieve consolidation savings, to integrate the acquired businesses and assets into their existing operations successfully, or to minimize any unforeseen operational difficulties could have a material adverse effect on their financial condition and results of operations. The inability to

effectively manage the integration of acquisitions could reduce the E&P Companies' focus on subsequent acquisitions and current operations, which, in turn, could negatively impact the E&P Companies' growth and results of operations.

Weakness in the Oil and Gas Industry

Exposure to the oil and gas industry represented approximately 72% of the Net Asset Value of the Partnership as of December 31, 2018. Recent market events and conditions, including global excess oil and natural gas supply, actions taken by OPEC, slowing growth in emerging economies, market volatility and disruptions in Asia, sovereign debt levels and political upheavals in various countries have caused significant weakness and volatility in commodity prices. These events and conditions have caused a significant decrease in the valuation of oil and gas companies and a decrease in confidence in the oil and gas industry. Due to the recent changes in government at a federal level in the United States and Canada, uncertainty has increased regarding regulatory, tax, royalty changes and environmental regulation that have been announced or may be implemented by the new governments. In addition, the inability to get the necessary approvals to build pipelines and other facilities to provide better access to markets for the oil and gas industry in Western Canada has led to additional downward price pressure on oil and gas produced in Western Canada and uncertainty and reduced confidence in the oil and gas industry in Western Canada. Lower commodity prices may also affect the volume and value of the E&P Companies' reserves, rendering certain reserves uneconomic. In addition, lower commodity prices have restricted, and may continue to restrict, the E&P Companies' cash flow resulting in a reduced capital expenditure budget. Consequently, the E&P Companies and their operators may not be able to replace production with additional reserves and both the E&P Companies' production and reserves could be reduced on a year over year basis.

Additional Funding Requirements

The E&P Companies' cash flow from their reserves may not be sufficient to fund their ongoing activities at all times. From time to time, the E&P Companies may require additional financing in order to carry out their oil and gas acquisition, exploration and development activities. Failure to obtain such financing on a timely basis could cause the E&P Companies to forfeit their interest in certain properties, miss certain acquisition opportunities and reduce or terminate their operations. If the E&P Companies' revenues from their reserves decrease as a result of depressed oil and natural gas prices or otherwise, it will affect the E&P Companies' ability to expend the necessary capital to replace their reserves or to maintain their production. If the E&P Companies' cash flow from operations is not sufficient to satisfy their capital expenditure requirements, there can be no assurance that additional debt or equity financing will be available to meet these requirements or, if available, on terms acceptable to the E&P Companies. Continued uncertainty in domestic and international credit markets could materially affect the E&P Companies' ability to access sufficient capital for their capital expenditures and acquisitions, and as a result, may have a material adverse effect on the E&P Companies' ability to execute their business strategy and on their business, financial condition, results of operations and prospects. The third party operators of the E&P Companies' non-operated working interests are also dependent on the availability of financing to maintain their drilling programs and are subject to the same risks and uncertainties discussed above.

Finding, Developing and Acquiring Petroleum and Natural Gas Reserves on an Economic Basis

Petroleum and natural gas reserves naturally deplete as they are produced over time. The success of the E&P Companies' business is highly dependent on their or their operators' ability to acquire and/or discover new reserves in a cost-efficient manner. A substantial amount of the E&P Companies' cash flow is derived from the sale of the petroleum and natural gas reserves they or their operators accumulate and develop. In order to remain financially viable, the E&P Companies must be able to replace reserves over time at a lesser cost on a per unit basis than their cash flow on a per unit basis. The reserves and costs used in this determination are estimated each year based on numerous assumptions and these estimates and costs may vary materially from the actual reserves produced or from the costs required to produce those reserves. In particular, the production decline rates of the E&P Companies' properties may be significantly higher than currently estimated if the wells on such properties do not produce as expected. The E&P Companies mitigates this risk by engaging qualified and experienced petroleum and natural gas professionals, operating in geological areas in which prospects are well understood by management and by closely monitoring the capital expenditures made for the purposes of increasing their petroleum and natural gas reserves. The E&P Companies may also not be able to find, acquire, or develop additional reserves to replace the current and future production of their properties at economically acceptable terms, however, which would adversely affect their business, financial condition and results of operations.

Operational Dependence

The E&P Companies depend on various unaffiliated operators for all of the exploration, development, and production on the properties underlying their royalty interests and non-operated working interests, which includes all of the interests owned by Shoreline. A substantial portion of the E&P Companies' revenue is derived from the sale of oil and natural gas production from producing wells in which they own a royalty interest or a non-operated working interest. A reduction in the expected number of wells to be drilled by third party operators or the failure of such operators to adequately and efficiently develop and operate these properties could have an adverse effect on the E&P Companies' results of operations.

The failure of the E&P Companies' operators to adequately or efficiently perform operations or an operator's failure to act in ways that are in their best interests could reduce production and revenues. The E&P Companies' operators could determine to drill and complete fewer wells on the E&P Companies' acreage than is currently expected. The success and timing of drilling and development activities on the E&P Companies' properties, and whether the operators elect to drill any additional wells on the E&P Companies' acreage, depends on a number of factors that will be largely outside of the E&P Companies' control, including the capital costs required for drilling activities by the E&P Companies' operators, which could be significantly more than anticipated, the ability of the E&P Companies' operators to access capital, prevailing commodity prices, the availability of suitable drilling equipment, production and transportation infrastructure, and qualified operating personnel, the operators' expertise, operating efficiency, and financial resources, approval of other participants in drilling wells, the operators' expected return on investment in wells drilled on the E&P Companies' acreage as compared to opportunities in other areas, the selection of technology, the selection of counterparties for the marketing and sale of production and the rate of production of the reserves.

The E&P Companies' operators may elect not to undertake development activities, or may undertake these activities in an unanticipated fashion, which may result in significant fluctuations in the E&P Companies' results of operations. Sustained reductions in production by the operators on the E&P Companies' properties may also adversely affect the E&P Companies' results of operations.

Title to Assets

Although title reviews may be conducted prior to the purchase of oil and natural gas producing properties or the commencement of drilling wells, such reviews do not guarantee or certify that an unforeseen defect in the chain of title will not arise to defeat the claim of the E&P Companies. With respect to their non-operated working interests, the E&P Companies typically depend upon title opinions prepared at the request of the operator of the property to be drilled. Title defects, or curative work to correct such defects, may have a material adverse effect on the E&P Companies' business, financial condition, results of operations and prospects.

Reserve Estimates

There are numerous uncertainties inherent in estimating quantities of oil, natural gas and natural gas liquids reserves and the future cash flows attributed to such reserves, which could result in inaccuracies in such estimates.

Any reserve and associated cash flow information set forth herein are estimates only. In general, estimates of economically recoverable oil and natural gas reserves and the future net cash flows therefrom are based upon a number of variable factors and assumptions, such as historical production from the properties, production rates, ultimate reserve recovery, timing and amount of capital expenditures, marketability of oil and gas, royalty rates, the assumed effects of regulation by governmental agencies and future operating costs, all of which may vary materially from actual results. For those reasons, estimates of the economically recoverable oil and natural gas reserves attributable to any particular group of properties, classification of such reserves based on risk of recovery and estimates of future net revenues associated with reserves prepared by different engineers, or by the same engineers at different times, may vary. The E&P Companies' actual production, revenues, taxes and development and operating expenditures with respect to their reserves will vary from estimates thereof and such variations could be material. Further, the evaluations are based in part on the assumed success of exploitation activities intended to be undertaken in future years. The reserves and estimated cash flows to be derived therefrom contained in such evaluations will be reduced to the extent that such exploitation activities do not achieve the level of success assumed in the evaluation.

Estimates of proved reserves that may be developed and produced in the future are often based upon volumetric calculations and upon analogy to similar types of reserves rather than actual production history. Recovery factors and drainage areas were estimated by experience and analogy to similar producing pools. Estimates based on these methods are generally less reliable than those based on actual production history. Subsequent evaluation of the same reserves based upon production history and production practices will result in variations in the estimated reserves and such variations could be material.

There are numerous uncertainties inherent in estimating quantities of resources, including many factors beyond the E&P Companies' control. No assurance can be given that the indicated level of resources will be realized. In general, estimates of recoverable resources are based upon a number of factors and assumptions made as of the date on which the resource estimates were determined, such as geological and engineering estimates which have inherent uncertainties, the assumed effects of regulation by governmental agencies and estimates of future commodity prices and operating costs, all of which may vary considerably from actual results. All such estimates are, to some degree, uncertain and classifications of resources are only attempts to define the degree of uncertainty involved. For these reasons, estimates of the economically recoverable natural gas and the classification of such resources based on risk of recovery prepared by different engineers or by the same engineers at different times may vary substantially.

Reserve Replacement

The E&P Companies' future oil and natural gas reserves, production, and cash flows to be derived therefrom are highly dependent on the E&P Companies successfully acquiring or discovering new reserves. Without the continual addition of new reserves, any existing reserves the E&P Companies may have at any particular time and the production therefrom will decline over time as such existing reserves are exploited. A future increase in the E&P Companies' reserves will depend not only on the E&P Companies' ability to develop any properties they may have from time to time, but also on their ability to select and acquire suitable producing properties or prospects. There can be no assurance that the E&P Companies' future exploration and development efforts will result in the discovery and development of additional commercial accumulations of oil and natural gas.

Expiration of Licences and Leases

The E&P Companies' oil and gas properties are held in the form of licences and leases and working interests therein. If the E&P Companies or the holder of the licence, lease or similar grant fails to meet the specific requirement of a licence, lease or similar grant, the licence, lease or similar grant may terminate or expire. There can be no assurance that any of the obligations required to maintain each licence, lease or similar grant will be met. The termination or expiration of the E&P Companies' licence, lease or similar grant or the working interests relating thereto may have a material adverse effect on the E&P Companies' business, financial condition, results of operations and prospects.

Risks Associated with Oilfield Services Activities

Performance of Obligations

Gator's success depends in large part on whether it fulfills its obligations with clients and maintains client satisfaction. If Gator fails to satisfactorily perform its obligations, makes errors in the provision of its services, or does not perform its services to the expectations of its clients, its clients could terminate working relationships, exposing Gator to loss of its professional reputation and risk of loss or reduced profits, or in some cases, the loss of a project and claims by customers for damages.

Competition

The oil and natural gas service industry in which Gator conducts business is highly competitive. Gator competes with other more established companies which have greater financial, marketing and other resources and certain of which are large international oil and natural gas service companies which offer a wider array of oil and natural gas services to their clients than Gator.

At any time, there may be an excess of certain classes of oilfield service equipment in North America in relation to current levels of demand. The supply of equipment in the industry does not always correlate to the level of demand for that equipment. Periods of high demand often spur increased capital expenditures on oilfield service equipment, and those capital expenditures may result in equipment levels which exceed actual demand. In periods of low demand, there may be excess equipment available within the industry. Excess equipment supply in the industry could cause competitors to lower their rates and could lead to a decrease in rates in the oilfield services industry generally, which could have an adverse effect on revenues, cash flows and earnings in the industry and for Gator.

Access to Parts, Consumables and Technology and Relationships with Key Suppliers

The ability of Gator to compete and expand will be dependent on Gator having access, at a reasonable cost, to equipment, parts and components for purchased equipment for the development and acquisition of new competitive technologies. An inability to access these items and delays in accessing these items could have a material adverse effect on Gator's business, financial condition, results of operations and cash flow. Gator's equipment may become obsolete or experience a decrease in demand due to competing products that are lower in cost, have enhanced performance capabilities or are determined by the market to be more preferable for environmental or other reasons. Although Gator

has very good relationships with its key suppliers, there can be no assurances that those sources of equipment, parts, components or relationships with key suppliers will be maintained. If these are not maintained, Gator's ability to compete may be impaired. If the relationships with key suppliers come to an end, the availability and cost of securing certain parts, components and equipment may be adversely affected.

Potential Replacement or Reduced Use of Products and Services

Certain of Gator's equipment or systems may become obsolete or experience a decrease in demand through the introduction of competing products that are lower in cost, exhibit enhanced performance characteristics or are determined by the market to be more preferable for environmental or other reasons. Gator will need to keep current with the changing market for oil and natural gas services and regulatory changes. If Gator fails to do so, this could have a material adverse effect on its business, financial condition, results of operations and cash flows.

Safety Performance

Gator adheres to its client's programs that are in place to address compliance with current safety and regulatory standards. Gator is responsible for adhering to its client's policies and monitoring operations consistent with those policies. Poor safety performance could lead to lower demand for Gator's services. Standards for accident prevention in the oil and natural gas industry are governed by company safety policies and procedures, accepted industry safety practices, customer-specific safety requirements, and health and safety legislation. Safety is a key factor that customers consider when selecting an oilfield service company. A decline in Gator's safety performance could result in lower demand for services, and this could have a material adverse effect on revenues, cash flows and earnings. Gator is subject to various health and safety laws, rules, legislation and guidelines which can impose material liability, increase costs or lead to lower demand for services.

Risks Associated with Industrial Gas Facilities

Cost/Availability of Raw Materials and Energy

Procurement of energy sources, such as electricity and diesel fuel, represent a substantial portion of the cost involved in the production of industrial gases. As Aspen's industrial facilities use substantial amounts of electricity and other energy sources, cost variability of energy sources or a disruption in the supply of energy can have a significant impact on Aspen's financial performance. This risk is mitigated by maintaining vendor contracts with set prices and by regularly monitoring Aspen's energy efficiency in its operations.

Competition

Aspen operates within a highly competitive environment and competes with other more established companies which have greater financial, marketing and other resources. Competition in the US industrial gas industry is based on many factors such as price, reliability, product availability, geographic location, etc. Inability to remain competitive in its industry could have a material adverse effect on Aspen's business, financial condition, results of operations and cash flows.

Legal and Regulatory Risk

Aspen is subject to a number of laws and regulations, including with respect to environmental protection and safety. Changes to applicable laws and/or regulations may necessitate Aspen devoting additional resources in order to remain compliant. Furthermore, violations of laws and regulations could result in significant penalties, including the costs of remediating environmental contamination.

Catastrophic Events

Catastrophic events such as extreme weather could disrupt Aspen's ability to distribute its products to customers. Some customers require site deliveries to remote locations which could be delayed or cancelled if weather conditions significantly affect the safety of the roads leading to those sites. Extreme weather may also slow plant production and make it difficult or impossible for Aspen to satisfy orders and deliveries.

Operational Risks

There are many risks inherent to Aspen's operations that require continuous oversight. Mechanical failure and accidents can cause loss of production, damage to the environment, and harm to employees. This risk is mitigated by establishing safety procedures and protocols, continually training employees, and maintaining continuous oversight to ensure that these standards are being followed.

The foregoing list of risk factors does not purport to be a complete enumeration or explanation of the risks involved in an investment in the Trust. Prospective investors should read this entire Offering Memorandum and consult their own counsel and financial advisors before deciding to invest in the Trust.

Neither the Trust, the Trustee, the Administrator, the General Partner, nor the Portfolio Manager is responsible for, and undertakes no obligation to, determine the general investment needs and objectives of a potential investor and the suitability of the Trust Units having regard to any such investment needs and objectives of the potential investor.

REPORTING OBLIGATIONS

The Trust will send to Unitholders within 120 days of the Trust's fiscal year end, and in any event, on or before any earlier date prescribed by Applicable Laws: (i) annual audited financial statements of the Trust, together with comparative audited financial statements for the preceding fiscal year, and the auditor's report thereof; and (ii) so long as required by applicable securities laws, a notice of the Trust disclosing in reasonable detail the use of the aggregate gross proceeds raised by the Trust and in New Brunswick, Nova Scotia and Ontario to make available a notice of specified key events under section 2.9 of NI 45-106. In addition, the Independent Review Committee is also required to make an annual report reasonably available to the Unitholders at the same time as it provides investors with its annual audited financial statements.

The Trustee or Administrator will, within the time required under the Tax Act, forward to each Unitholder who received distributions from the Trust in the prior calendar year, such information and forms as may be needed by the Unitholder in order to complete its income tax return in respect of the prior calendar year under the Tax Act and equivalent provincial legislation in Canada.

The Trust is not a "reporting issuer" or equivalent under the securities legislation of any jurisdiction. Accordingly, the Trust is not subject to the "continuous disclosure" requirements of any securities legislation and there is therefore no requirement that the Trust make ongoing disclosure of its affairs including, without limitation, the disclosure of financial information on a quarterly basis or the disclosure of material changes in the business or affairs of the Trust. The Trust files information on SEDAR only as required pursuant to section 2.9 of NI 45-106, which information is available electronically from SEDAR at www.sedar.com.

The Trust will deliver to prospective investors certain documents, including this Offering Memorandum, a subscription agreement and any updates or amendments to the Offering Memorandum, from time to time by way of facsimile or e-mail. In accordance with the terms of the subscription agreement provided to prospective investors, delivery of such documents by email or facsimile shall constitute valid and effective delivery of such documents unless the Trust receives actual notice that such electronic delivery failed. Unless the Trust receives actual notice that the electronic delivery failed, the Trust is entitled to assume that the facsimile or e-mail and the attached documents were actually received by the prospective investor and the Trust will have no obligation to verify actual receipt of such electronic delivery by the prospective investor.

RESALE RESTRICTIONS

General

The Class A 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 Class A Units unless you comply with an exemption from the prospectus and registration requirements under securities legislation. Additionally, Unitholders will not be permitted to transfer their securities without the consent of the Trustee or the Administrator. See "Summary of the Trust Indenture – Transfer of Trust Units" and See "Summary of the Trust Indenture – Non-Resident Ownership Constraints".

Restricted Period

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

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

(a) the Trust has filed a prospectus with the regulator in Manitoba with respect to the securities you have purchased and the regulator in Manitoba has issued a receipt for that prospectus; or

(b) you have held these securities for at least twelve months.

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

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

The Trustee or Administrator must approve of any proposed disposition. It is the responsibility of each individual subscriber to ensure that all forms required by the applicable securities legislation are filed as required upon disposition of the Class A Units acquired pursuant to this Offering.

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

PURCHASERS' RIGHTS

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

Two Day Cancellation Right

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

Statutory and Contractual Rights of Action in the Event of a Misrepresentation

Securities legislation in certain of the provinces of Canada provides purchasers with a statutory right of action for damages or rescission in cases where an offering memorandum or any amendment thereto contains an untrue statement of a material fact or omits to state a material fact that is required to be stated or is necessary to make any statement contained therein not misleading in light of the circumstances in which it was made (a "**misrepresentation**"). These rights, or notice with respect thereto, must be exercised or delivered, as the case may be, by purchasers within the time limits prescribed and are subject to the defences and limitations contained under the applicable securities legislation. Purchasers of Class A Units resident in provinces of Canada that do not provide for such statutory rights will be granted a contractual right similar to the statutory right of action and rescission described below for purchasers resident in Ontario and such right will form part of the subscription agreement to be entered into between each such purchaser and the Trust in connection with this Offering.

The following summaries are subject to the express provisions of the securities legislation applicable in each of the provinces of Canada and the regulations, rules and policy statements thereunder. Purchasers should refer to the securities legislation applicable in their province along with the regulations, rules and policy statements thereunder for the complete text of these provisions or should consult with their legal advisor. The contractual and statutory rights of action described in this Offering Memorandum are in addition to and without derogation from any other right or remedy that purchasers may have at law.

Rights of Purchasers in Alberta

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

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

(b) for damages against the Trust, every person who was a director of the Administrator at the date of this Offering Memorandum and every person or company who signed this Offering Memorandum.

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

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

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

Rights of Purchasers in British Columbia

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

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

(b) for damages against the Trust, every person who was a director of the Administrator at the date of this Offering Memorandum and every person who signed this Offering Memorandum.

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

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

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

Rights of Purchasers in Saskatchewan

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

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

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

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

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

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

Rights of Purchasers in Manitoba

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

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

(b) for damages against the Trust, every person who was a director of the Administrator at the date of this Offering Memorandum and every person or company who signed this Offering Memorandum.

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

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

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

Rights of Purchasers in Ontario

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

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

(b) for damages against the Trust.

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

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

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

Rights of Purchasers in Québec

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

Rights of Purchasers in Nova Scotia

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

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

(b) for damages against the Trust, every person who was a director of the Administrator at the date of this Offering Memorandum and every person who signed this Offering Memorandum.

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

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

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

Rights of Purchasers in New Brunswick

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

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

(b) for damages against the Trust, every person who was a director of the Administrator at the date of this Offering Memorandum and every person who signed this Offering Memorandum.

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

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

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

Rights of Purchasers in Newfoundland and Labrador

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

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

(b) for damages against the Trust, every person who was a director of the Administrator at the date of this Offering Memorandum and every person or company who signed this Offering Memorandum.

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

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

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

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

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

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

(b) for damages against the Trust, every person who was a director of the Administrator at the date of this Offering Memorandum and every person who signed this Offering Memorandum.

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

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

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

INDEPENDENT AUDITORS

The auditors of the Trust are PricewaterhouseCoopers LLP, Chartered Professional Accountants, located at Suite 3100, 111 5th Avenue SW, Calgary, Alberta T2P 5L3.

FINANCIAL STATEMENTS

Invico Diversified Income Fund

Financial Statements
December 31, 2018

Independent Auditor's Report

To the Partners of
Invico Diversified Income Fund (the Fund)

Our opinion

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Fund as at December 31, 2018 and 2017 and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards (IFRS).

What we have audited
The Fund's financial statements comprise:

- the statements of financial position as at December 31, 2018 and 2017;
- the statements of comprehensive income for the years then ended;
- the statements of changes in net assets attributable to holders of redeemable units for the years then ended;
- the statements of cash flows for the years then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies.

Basis for opinion

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

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

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

PricewaterhouseCoopers LLP
111 5 Avenue SW, Suite 3100, Calgary, Alberta, Canada T2P 5L3
T: +1 403 509 7500, F: +1 403 781 1825

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

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

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

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

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

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

PricewaterhouseCoopers LLP

Chartered Professional Accountants

Calgary, Alberta
April 19, 2019

Invico Diversified Income Fund

Statements of Financial Position

As at December 31, 2018

	2018 $	2017 $
Assets		
Cash	20,889	32,814
Investments (see Schedule of Investments)	137,513,646	105,505,055
Distribution receivable (note 5)	3,747,433	1,042,054
Due from related parties (note 5)	85,000	30,000
	141,366,968	106,609,923
Liabilities		
Accounts payable and accrued liabilities	913,254	683,907
Distribution payable	2,881,847	406,633
Subscriptions in transit	95,000	51,000
	3,890,101	1,141,540
Net Assets	137,476,867	105,468,383
Net asset attributable to holders of redeemable units		
Class A units	9,258,235	6,437,702
Class C units	32,370,568	31,358,225
Class CU units	560,521	-
Class F units	35,420,937	19,842,572
Class FU units	276,135	-
Class G units	52,755,744	43,136,077
Class J units	6,834,727	4,693,807
Redeemable units outstanding (note 7)		
Class A units	922,235	693,485
Class C units	3,130,820	3,121,178
Class CU units	43,288	-
Class F units	3,408,775	2,009,870
Class FU units	21,065	-
Class G units	5,124,987	4,494,696
Class J units	658,623	479,025
Net asset attributable to holders of redeemable units per unit		
Class A units	10.04	9.28
Class C units	10.34	10.05
Class CU units	12.95	-
Class F units	10.39	9.87
Class FU units	13.11	-
Class G units	10.29	9.60
Class J units	10.38	9.80

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

Approved by Invico Diversified Income Fund Trustee Corporation, as trustee

"Allison Taylor"

"Jason Brooks"

Invico Diversified Income Fund

Statements of Comprehensive Income

For the year ended December 31, 2018

	2018 $	2017 $
Income		
Net gain on investments		
Distribution income (note 5)	13,508,949	8,875,048
Interest income	1,676	459
Net change in unrealized appreciation (depreciation)	6,473,349	(1,957,753)
	19,983,974	6,917,754
Other Income	117,979	110,044
Total Income	20,101,953	7,027,798
Expenses		
General and operating expenses (note 4)	65,861	124,831
Trailer fees (note 9)	919,303	649,921
Administration fees (note 5)	89,250	89,250
	1,074,414	864,002
Increase in net asset attributable to holders of redeemable units	19,027,539	6,163,796

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

Invico Diversified Income Fund

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

For the year ended December 31, 2018

	2018 $	2017 $
Net assets attributable to holders of redeemable units – Beginning of year	105,468,383	78,900,976
Increase in net asset attributable to holders of redeemable units	19,027,539	6,163,796
Issuance of redeemable units (note 7)	27,153,671	29,239,470
Distribution to holders of redeemable units (note 8)	(12,482,833)	(8,002,011)
Reinvestments by investors	4,637,541	3,490,850
Redemption of redeemable units	(6,327,434)	(4,324,698)
Net assets attributable to holders of redeemable units – End of year	137,476,867	105,468,383

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

Invico Diversified Income Fund

Statements of Cash Flows

For the year ended December 31, 2018

	2018 $	2017 $
Cash provided by (used in)		
Operating activities		
Increase in net assets attributable to holders of redeemable units	19,027,539	6,163,796
Adjustments		
Net change in unrealized appreciation of investments	(6,473,349)	1,957,753
Non-cash distribution income	(4,637,541)	(3,490,850)
Purchase of investments	(27,153,671)	(29,239,470)
Proceeds on sale of investments	6,255,969	4,245,253
Change in non-cash working capital items		
Due from related party	(55,000)	(30,000)
Distributions receivable	(2,705,379)	(204,295)
Accounts payable and accrued liabilities	229,347	112,483
Due to related parties	-	(15,527)
	(15,512,085)	(20,500,857)
Financing activities		
Distributions to unitholders	(5,370,077)	(4,433,844)
Proceeds from the issuance of redeemable units (note 7)	27,197,671	29,290,470
Amounts paid on redemption of redeemable units (note 7)	(6,327,434)	(4,324,698)
	15,500,160	20,531,928
Increase (Decrease) in cash for the year	(11,925)	31,071
Cash – Beginning of year	32,814	1,743
Cash – End of year	20,889	32,814
Supplementary information		
Interest received	1,676	459
Distributions received	10,803,570	8,670,753

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

Invico Diversified Income Fund

Schedule of Investments

As at December 31, 2018

	Fair value as % of net asset	Cost $	Fair value $
Investments			
Invico Diversified Income LP	100	133,300,384	137,513,646
Less: Other liabilities (net)	-	-	(36,779)
	100	133,300,384	137,476,867

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

1 Nature of operations

Invico Diversified Income Fund (the "Fund") is an unincorporated open-ended, limited purpose mutual fund trust formed in the Province of Alberta pursuant to the Trust Indenture dated September 25, 2013, with operations commencing on October 3, 2013. The Fund was formed for the purpose of offering units and investing the net proceeds of such subscriptions to acquire partnership units in Invico Diversified Income LP (the "Partnership"). The Partnership was established for purposes of investing in securities or other investments that provide a high level of current income while offering the potential for moderate capital appreciation by investing primarily in high-yielding investments in a well-diversified manner. Target investments include (i) lending based strategies including asset backed corporate lending, first and second mortgages (including residential and commercial mortgage backed securities), lending for development drilling of established oil and gas reserves in Canada and the United States, collateralized debt obligations, consumer financing for durable goods (including automobiles), secured primary and subordinated debt lending opportunities and factoring of receivables; (ii) investment in producing oil and gas properties, non-producing properties and undeveloped land by participating in working interest ownership and/or gross overriding royalties in proven producing oil and gas reserves in both Canada and the United States; and (iii) such other investments that meet the Partnership's desire for security and returns.

The address of the Partnership is 600, 209 – 8th Avenue S.W., Calgary, Alberta, T2P 1B8. The trustee of the Fund is Invico Diversified Income Fund Trustee Corp. (the "Trustee"). The administrator of the Fund is Invico Diversified Income Administration Ltd. (the "Administrator").

The Fund's capital is represented by net assets attributable to holders of redeemable units. See note 3 for further details with respect to the treatment of Fund capital as a financial liability.

The financial statements were authorized for issue by the Trustee on April 19, 2019.

2 Basis of presentation and adoption of IFRS

These financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as published by the International Accounting Standards Board. The accounting policies applied in these financial statements are based on IFRS effective for the year ended December 31, 2018.

These financial statements are presented in Canadian dollars, which is the Fund's functional currency. All financial information is rounded to the nearest dollar except per unit amounts and where otherwise indicated.

The financial statements have been prepared on the historical cost basis except for investments at fair value.

3 Summary of Significant accounting policies

a) Financial instruments

The Fund recognizes financial instruments at fair value upon initial recognition, plus transaction costs in the case of financial instruments measured at amortized cost. Regular way purchases and sales of financial assets are recognized at their settlement date. The Fund's investments are measured at fair value through profit or loss ("FVTPL"). Subsequent to initial recognition, all financial instruments at FVTPL are measured at fair value. Gains and losses arising from changes in the fair value of FVTPL financial instruments are presented in the statement of comprehensive income as net changes in unrealized appreciation (depreciation) of investments and derivatives in the period in which they arise.

All other financial assets and liabilities are measured at amortized cost. Under this method, financial assets and liabilities reflect the amount required to be received or paid, discounted, when appropriate, at the contract's effective interest rate.

The Fund's accounting policies for measuring the fair value of its investments and derivatives are identical to those used in measuring its net asset value ("NAV") for transactions with unitholders.

Financial assets and liabilities are offset, and the net amount reported in the statement of financial position when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the asset and settle the liabilities simultaneously.

The financial instruments not measured at FVTPL are short-term financial assets and financial liabilities whose carrying amounts approximate fair value because of their short-term nature and, for the financial assets, the high credit quality of counter-parties.

b) Impairment of financial assets

At each reporting date, the Fund assesses whether there is objective evidence that a financial asset at amortized cost is impaired. The Fund applies IFRS 9 simplified approach to measuring expected credit losses which provides a loss allowance at an amount equal to the lifetime expected credit losses if the credit risk of that financial asset has increased significantly since initial recognition, otherwise, at an amount equal to the 12-month expected credit losses.

c) Cash

Cash includes cash on hand and deposits held at financial institutions.

d) Fair value measurement

The fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The Fund invests in financial instruments that are not traded in an active market. The fair value of such instruments is determined by the net asset value per unit held in the Partnership.

e) Investments

All investments are carried at fair value and classified as FVTPL. As a result, gains and losses arising from changes in the fair value are recorded in the "net change in unrealized appreciation (depreciation)" category and are included in the statement of comprehensive income in the period in which they arise. Investments are recorded on a settlement-date basis (ie. the date the order to buy or sell is completed). Gains and losses on sales of investments are determined on an average cost basis and are included in income when realized.

f) Income recognition

Distribution income is recorded on the accrual basis and earned from investments. Realized gains or losses on the sale of investments are calculated based on an average cost basis of the related investments.

Gains and losses from redemptions are included in the statement of comprehensive income under other income. The Trustee may charge any unitholders a $200 redemption fee for each redemption. During 2018, the Fund recorded a gain of $118,065 (2017 – $110,044).

g) Income taxes

The Fund is not in itself, a taxable entity, however, it is required to compute its taxable income as though it was an individual subject to income taxes and to allocate such taxable income to its investors. The share of the annual income or loss allocated to each investor is included in their respective income tax returns. The Fund does not include a provision for income taxes payable by its investors in its financial statements.

h) Net assets attributable to holders of redeemable units

Net assets attributable to holders of redeemable units are classified as a financial liability, due to contractual payment provisions to each of the unitholders within the Trust agreement.

i) Critical accounting estimates and judgments

The financial statements include estimates and assumptions made by the Trustee that affect the reported amount of assets and liabilities and contingent liabilities at the date of the financial statements and the reported amounts of income and expenses during the reporting period. Actual results could differ from those estimates.

The following discusses the most significant accounting judgments and estimates that the Fund has made in preparing the financial statements:

Fair value measurement of derivatives and securities not quoted in an active market

The Fund holds financial instruments that are not quoted in active markets, including derivatives. The fair value of such instruments is determined by the net asset value per unit held in the Partnership. Refer to note 6 for further information about the fair value measurement of the Fund's financial instruments.

Classification and measurement of investments and application of the fair value option

In classifying and measuring financial instruments held by the Fund, Invico Capital Corporation, the Portfolio Manager of the Fund and the Partnership (the "Portfolio Manager") considers the Business Model Test and Contractual Cashflow Characteristics Test as set out in IFRS 9, 'Financial Instruments'. The Portfolio Manager will need to use judgement when it assesses its business model for managing financial assets and that assessment is not determined by a single factor or activity. Instead, the Fund must consider all relevant evidence that is available at the date of the assessment. Since the Fund's portfolio of financial assets is managed and whose performance is evaluated on a fair value basis, such portfolios are measured at fair value through profit or loss.

Classification of redeemable units issued by the Fund

The Fund's agreement contains contractual payment provisions to each of the unitholders. Unitholders are entitled to a return of capital as the Fund sells investments for excess cash proceeds, as approved by the Trustee. An entity with contractual obligations to deliver cash or other financial assets to another entity prior to liquidation fails to meet the criterial outlined in IAS 32.16A - IAS 32.16D. As such, in accordance with the standard, the Fund units have been classified as a financial liability.

j) Accounting standards, interpretations and amendments to existing standards effective January 1, 2018

On January 1, 2018, the Fund adopted IFRS 9, 'Financial Instruments' prospectively. It addresses the classification, measurement and recognition of financial assets and financial liabilities and replaces the guidance in IAS 39 that relates to the classification and measurement of financial instruments. Under IFRS 9, all financial instruments are subsequently measured at amortized cost, fair value through other comprehensive income ("FVTOCI") or fair value through profit or loss ("FVTPL") on the basis of both the Business Model Test and Contractual Cash Flow Characteristics Test. IFRS 9 contains an option to designate, at initial recognition, a financial asset to be measured at FVTPL if doing so eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise from measuring assets or liabilities or recognising the gains and losses on them on different bases.

The Fund solely invests in the Partnership units and these equity investments are measured at FVTPL. The Fund will not elect to use FVTOCI.

The adoption of IFRS 9 has not resulted in any change to the classification and measurement of investments in either current or prior year period for the Fund.

Financial asset measured at amortized cost include distribution receivables. As they are on-demand short-term financial assets, their effective interest rate is assumed to be zero and the effect of discounting is immaterial. Financial liabilities measured at amortized cost include trade payables, accrued liabilities and distribution payable. Due to their short-term nature, carrying value approximates fair value. Related party transactions arise from commonly-controlled entity measured at amortized cost due to its on-demand short term nature. values.

	IAS 39		IFRS 9		
		2017		2018	Impact
		$		$	$
Investments in units	FVTPL (mandated)	105,505,055	FVTPL (mandated)	137,513,646	-
Distribution receivable	Amortized cost	1,042,054	Amortized Cost	3,747,433	-
Due from related party	Amortized cost	30,000	Amortized Cost	85,000	-
Trade payables and accrued payables	Amortized cost	(683,907)	Amortized Cost	(913,254)	-

IFRS 7, Financial Instruments: Disclosures has also been amended for disclosures in respect of the transition from IAS 39 to IFRS 9.

4 General and operating expenses

The Trustee may pay, or cause to be paid, fees, costs and expenses incurred in connection with the administration and management of the Fund and in connection with the Trustee's or the Administrator's duties, including fees, costs and expenses of auditors, accountants, lawyers, appraisers and other professional advisors of the Trust as well as the offering costs. All costs, charges and expenses properly incurred by the Trustee or the Administrator on behalf of the Fund shall be payable out of the Fund. The Partnership will reimburse the Fund for the offering costs.

During the year, the Fund incurred $65,861 (2017 – $124,831) of general and operating expenses.

5 Related party transactions

a) Administration fees

The Trustee and the Administrator shall be entitled to receive for their services as trustee and administrator, as applicable, reasonable compensation and fair and reasonable remuneration for services rendered in any other capacity including, without limitation, services as transfer agent. The Trustee and the Administrator shall have priority over distributions to holders of units in respect of amounts payable or reimbursable to the trustee and the Administrator. During the year, the Fund recorded $89,250 (2017 – $89,250) of administration fees.

b) Due from (to) related parties

Amounts due from (to) related parties is receivable from a commonly-controlled entity and is non-interest bearing and has no repayment terms.

The distribution receivable is relating to the distribution receivable from the Partnership. The due to related party is an amount owing by the Fund related to certain expenses. Amounts have no repayment terms and are non-interest bearing. During 2018, the Fund recorded distribution income of $13,508,949 (2017 – $8,875,048) from the Partnership and as at December 31, 2018 $3,747,433 is recorded as distribution receivable (2017 – $1,042,054).

6 Fair value of Investments

Investments are comprised of units of the Partnership, an unlisted entity, which amounts to $137,513,646 – 100% (2017 – $105,505,055 – 100%) of total net assets and has been fair valued by the Partnership as at December 31, 2018. The total amount of changes in fair value estimates of the Fund using valuation techniques that was recognized in the statement of comprehensive income during the year was a gain of $6,473,349 (2017 – $1,957,753 loss). The Fund invests solely in the Partnership which is a related party established for the purpose of investing in securities or other investments.

The Funds classes of units have equal ranking against net assets but differ in other respects as follows:

Unit Class	Fair value of investment $	
Class A	9,259,239	• Targeted yield of 9% per annum • Up front commission costs of 7%
Class C	32,372,679	• Targeted yield of 8% per annum • Up front commission costs of 4% • Trailer rate of up to 1.25%
Class CU	560,580	• Targeted yield of 8% per annum • Up front commission costs of 4% • Trailer rate of up to 1.25% • Issued in US dollars
Class F	35,417,172	• Targeted yield of 10% per annum • No commission
Class FU	276,162	• Targeted yield of 10% per annum • No commission • Issued in US dollars
Class G	52,791,307	• Targeted yield of 8% per annum • Up front Commission costs of 7% • Trailer rate of up to 1.25%
Class J	6,836,507	• Targeted yield of 10% per annum • Up front commission costs of 1% • Trailer rate of up to 1.25%

Fair Value Measurement

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

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

If inputs of different levels are used to measure an asset's or liability's fair value, the classification within the hierarchy is based on the lowest level input that is significant to the fair value measurement. The following table illustrates the classification of the Partnership's financial instruments within the fair value hierarchy as at December 31, 2018 and 2017:

	Financial assets at fair value as at December 31, 2018			
	Level 1 $	**Level 2 $**	**Level 3 $**	**Total $**
Investments	-	-	137,513,646	137,513,646

	Financial assets at fair value as at December 31, 2017			
	Level 1 $	**Level 2 $**	**Level 3 $**	**Total $**
Investments	-	-	105,505,055	105,505,055

All fair value measurements above are recurring. The carrying values of all the assets and liabilities except investments approximate their fair values due to their short-term nature. Fair values are classified as Level 1 when the related security or derivative is actively traded, and a quoted price is available. If an instrument classified as Level 1 subsequently ceases to be actively traded, it is transferred out of Level 1. In such cases, instruments are reclassified into Level 2, unless the measurement of its fair value requires the use of significant unobservable inputs, in which case it is classified as Level 3.

There were no transfers between levels in 2018 or 2017. The fair value hierarchy remained consistent throughout each year. The partnership's policy is to record transfers between levels at the end of the period.

The following table reconciles the Fund's Level 3 fair value measurements from December 31, 2017 to December 31, 2018:

	2018 $	**2017 $**
Opening balance	105,505,055	78,977,741
Purchases	31,791,211	32,730,320
Sale of investments	(6,255,969)	(4,245,253)
Change in unrealized appreciation of investments	6,473,349	(1,957,753)
Closing balancing	137,513,646	105,505,055

The Trustee is responsible for performing the fair value measurements included in the financial statements of the Fund, including level 3 measurements. Investments classified within level 3 make use of significant unobservable inputs in deriving fair value. As observable prices are not available for these securities, the Fund has used the net

assets value of the Partnership to derive the fair value. In order to assess level 3 valuations, the trustee reviews the performance of the Partnership on an ongoing basis.

The Fund's investments are detailed in the Schedule of Investments. The following table shows a complete list of the portfolio investments that have been classified as level 3. It also shows a description of the valuation methodology used to assess the related fair value of these investments.

					2018
Description	**Fair value of net assets**	**Cost**	**Fair value**	**Unit price**	**Valuation method**
	%	$	$	$	
Investments – Units					
Private Fund					
Invico Diversified Income LP	100	133,300,383	137,513,646	10.33	The fair value of the investment is based on net assets value of the Partnership units. No other observable market transactions occurred that would change the fair value assumption per our model.

					2017
Description	**Fair value of net assets**	**Cost**	**Fair value**	**Unit price**	**Valuation method**
	%	$	$	$	
Investments – Units					
Private Fund					
Invico Diversified Income LP	100	107,986,481	105,505,055	9.77	The fair value of the investment is based on net assets value of the Partnership units. No other observable market transactions occurred that would change the fair value assumption per our model.

Significant unobservable inputs in measuring fair value

The tables below sets out information about significant unobservable inputs used in measuring financial instruments categorized as level 3 in the fair value hierarchy.

	2018		
	Fair value $	**Possible shift +/- input %**	**Change in valuation $**
Net asset value	137,513,646	1	1,375,136

	2017		
	Fair value $	**Possible shift +/- input %**	**Change in valuation $**
Net asset value	105,505,055	1	1,055,051

"Net asset value" is the value of the Partnership's asset less the value of its liabilities.

The valuation of the investment in the Partnership is derived from the fair values of the Partnership's underlying investments. The following are the methods used by the Partnership in assessing the fair value of its investments:

Description	**Valuation Method**
Loans – Private entities	The fair value of the loans to private entities are based on a discounted cash flow model and recoverable amount.
Equity – Private entities	The fair value of the equity investments in private entities are based on a discounted cash flow model and reserve report based price, comparable price and recoverable amount.

"Discounted cash flow model price" is the price of an investment based on its estimated future cash flows, discounted to present value with an appropriate discount rate.

"Reserve report based price" is the fair value of an oil and gas investment based on the value of its oil and gas reserves evaluated by an independent third-party consulting firm. This value is determined through a discounted cash flow analysis in which future production, forecast commodity price curves, and discount rate used are significant inputs.

"Comparable price" is an extrapolated value for a company generated by applying valuation multiples from its publicly-traded peers, with appropriate discounts or premiums where justified.

"Recoverable amount" is the estimated collateral value of assets pledged as security for a debt investment. The significant inputs vary based on the nature of collateral and may be subject to estimates based on current economic conditions, commodity prices, and comparable prices.

7 Units of capital

In 2018, a total 2,695,581 (2017 – 2,923,947) Fund units were issued at $10 per unit for $27,153,671 (2017 – $29,239,470) in cash. During the year, US dollar denominated Class CU and FU units were issued by the Fund at US $10 per unit.

The Fund also implemented a Dividend Reinvestment Plan ("DRIP"). Under the DRIP plan, investors can elect to receive additional shares of their unit class in lieu of a monthly cash distribution. During the year, the Fund issued 463,689 shares (2017 – 349,085 shares) due to DRIP.

The following table outlines the total number of units outstanding at December 31, 2018 and 2017 for each class:

					2018 Units
Unit Class	Beginning balance	Subscription	DRIP	Redemption	Ending balance
A	693,485	235,940	24,101	(31,291)	922,235
C	3,121,178	172,653	94,101	(257,112)	3,130,820
CU	-	43,140	148	-	43,288
F	2,009,870	1,327,318	164,673	(93,086)	3,408,775
FU	-	21,000	65	-	21,065
G	4,494,696	749,630	142,517	(261,856)	5,124,987
J	479,025	145,900	38,084	(4,386)	658,623
	10,798,254	2,695,581	463,689	(647,731)	13,309,793

Unit Class	Beginning balance	Subscription	DRIP	Distribution	Redemption	Net Income	Ending balance
							2018 $
A	6,437,702	2,359,400	241,010	(707,711)	(286,155)	1,213,989	9,258,235
C	31,358,225	1,726,530	941,010	(3,834,187)	(2,567,164)	4,746,154	32,370,568
CU	-	567,381	1,934	(11,916)	-	3,122	560,521
F	19,842,572	13,273,180	1,646,730	(3,208,872)	(918,064)	4,785,391	35,420,937
FU	-	271,880	847	(6,716)	-	10,124	276,135
G	43,136,077	7,496,300	1,425,170	(4,094,760)	(2,513,770)	7,306,727	52,755,744
J	4,693,807	1,459,000	380,840	(618,671)	(42,281)	962,032	6,834,727
	105,468,383	27,153,671	4,637,541	(12,482,833)	(6,327,434)	19,027,539	137,476,867

Unit Class	Beginning balance	Subscription	DRIP	Redemption	Ending balance
					2017
A	544,652	159,868	19,535	(30,570)	693,485
C	2,717,316	568,708	80,900	(245,746)	3,121,178
F	1,095,371	887,084	103,941	(76,526)	2,009,870
G	3,441,205	1,005,787	124,380	(76,676)	4,494,696
J	158,268	302,500	20,329	(2,072)	479,025
	7,956,812	2,923,947	349,085	(431,590)	10,798,254

Unit Class	Beginning balance	Subscription	DRIP	Distribution	Redemption	Net Income	Ending balance
							2017 $
A	5,133,460	1,598,680	195,350	(566,198)	(283,205)	359,615	6,437,702
C	27,636,974	5,687,080	809,000	(2,339,091)	(2,509,170)	2,073,432	31,358,225
F	11,005,015	8,870,840	1,039,410	(1,541,748)	(768,996)	1,238,051	19,842,572
G	33,568,582	10,057,870	1,243,800	(3,283,475)	(742,702)	2,292,002	43,136,077
J	1,556,945	3,025,000	203,290	(271,499)	(20,625)	200,696	4,693,807
	78,900,976	29,239,470	3,490,850	(8,002,011)	(4,324,698)	6,163,796	105,468,383

The revenue of the Fund for each fiscal year is allocated to a class based on its class weighted net capital. The Fund expenses are identified and attributed on a class by class basis as per the nature of the expenditures. Expenses that cannot be attributed to a specific class will be allocated by the weighted net capital. In 2018, the net income of $19,027,539 (2017 - $6,163,796) was allocated to all classes.

All contributions were made in the form of cash. A unitholder may not sell, assign, or otherwise transfer, pledge or encumber any unit without the consent of the Trustee and in accordance with the terms of the Trust agreement. The Fund is open ended and under the provisions of the Trust agreement, units may be redeemed by the unitholders.

8 Distributions payable to unitholders

As per sections 3.4 and 3.5 of the Limited Partnership Agreement, the Partnership as it relates to the Fund, may distribute an amount to the Partnership's unitholders after payment and reservation of all amounts necessary for

- the payment of all hurdle rates,
- all expenses of the Partnership, including, but not limited to expenses of the General Partner,
- any contribution that may be made by the General Partner to the Capital Accounts,
- payment of the management fees,
- reservation of such amounts as in the opinion of the General Partner are necessary having regard to the then current and anticipated resources of the Partnership and its commitments and anticipated commitments,
- distributions of cash assets or property of the partnership or from the proceeds of the sale of all or any assets of the Partnership.

Distributions of the Fund, as declared by the Administrator, are made on a monthly basis to each unitholder on the applicable distribution record date. For the year ended December 31, 2018, the Fund declared total distributions of $12,482,833 (2017 – $8,002,011).

9 Trailer fees

As per the Fund's Offering Memorandum and Limited Partnership Agreement, the Partnership and the Fund may pay, at the sole discretion of the General Partner, a fee of up to 1.25% per annum of the net asset value that remains invested at the end of the period to qualified selling agents. Such fee, incurred by the Fund, may be paid by the Partnership by way of distribution.

For the year ended December 31, 2018, the Fund recorded total trailer fees of $919,303 (2017 – $649,921) which is included under "General and operating expenses" in the statement of comprehensive income.

10 Financial risk management

The Fund may be exposed to a variety of financial risks. The Fund's exposures to financial risks are concentrated in its investment holdings. The Fund's risk management practice includes the monitoring of compliance to investment guidelines. The portfolio manager manages the potential effects of these financial risks on the Fund's performance by employing and overseeing professional experienced portfolio managers that regularly monitor the Fund's positions, market events and diversify the Fund's investment portfolio within the constraints of the investment guidelines.

Credit risk

Credit risk is the risk that a loss could arise from a security issuer or counterparty to a financial instrument not being able to meet its financial obligations. The Fund is indirectly subject to credit risk due to their underlying investments in the Partnership. As at December 31, 2018, 66% (2017 – 65%) of the Partnership's net assets are subject to credit risk. The Partnership does not hold investments that have been rated by credit rating services. Instead, the portfolio manager will analyze investments based on the portfolio company's track record of payment, the security for the loan and the company's ability to recover defaults. At times, the Partnership will look to take assignment or ownership of the underlying security to help prevent loss of capital. Within the specific investment portfolios, credit risk is managed using a variety of techniques. As at December 31, 2018, 100% (2017 – 100%) of investments subject to credit risk are secured by a mixture of collateral assets, personal guarantee, insurance coverage, and/or some other form of identifiable security. A 1% change in the default rate would lead to a $1,096,503 (2017 – $820,799) change in net assets.

Interest rate risk

The Fund is indirectly exposed to interest rate risk due to its underlying investments in the Partnership. Interest rate risk is the risk that the market value of the Partnership's interest-bearing investments will fluctuate due to changes in market interest rates. As at December 31, 2018, the Partnership has 52% (2017 – 43%) of its net assets invested in financial instruments that are subject to interest rate risk. A 1% change in interest rates would lead to a $708,637 (2017 – $327,234) change in net assets.

Concentration risk

Concentration risk is the risk associated with the exposure to any one or more particular country, sector, asset class or security. The Fund currently holds 100% (2017 – 100%) of its underlying investments in the Partnership. The Fund is also exposed to concentration risk due to its underlying investment in the Partnership. The Partnership is currently exposed to concentration risk in that 66% (2017 – 65%) of the fair value of its investment holdings are in loan-based investments and that 72% (2017 – 56%) of its investment holdings are in oil and gas industry. The Partnership's concentration risk is mitigated by the monitoring of the investment portfolio to ensure compliance with its investment guidelines. The portfolio manager regularly monitors the Fund's positions and market events and diversifies the investment portfolio within the constraints of the investment guidelines.

Market risk

Market risk is the risk that the fair value of financial instruments will fluctuate as a result of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in a market. Other assets and liabilities are monetary items that are short term in nature and will not fluctuate with changes in market price. The Partnership invests with a medium to long-term outlook, focusing on quality businesses that have significant growth opportunities while managing its aggregate risk profile. The Fund's exposures to market risk are concentrated in its investment holdings via its units in the underlying Partnership. The Partnership does not expose unitholders to leverage on a long-term basis. A majority of the Partnership's holdings are notes, debentures, shares and other instruments with private companies which do not trade in an active market and are therefore not subject to the same level of volatility as stocks in publicly traded companies.

Currency risk

Currency risk is the risk that the value of investments denominated in foreign currencies will fluctuate due to changes in exchange rates. The Fund is indirectly exposed to currency risk due to its underlying investments in the Partnership. The Partnership currently has investments in both Canadian and US dollars. The Partnership will manage re-investments and distributions with like currencies to reduce portfolio value fluctuations attributed to changes in exchange rates.

The Partnership holds $117,287,105 (2017 – $67,172,873) of the fair value of its investments in United States Dollar. A 1% change in foreign exchange rates would lead to a $859,750 (2017 – $535,455) change in the net assets of the Partnership.

Liquidity risk

Liquidity risk is the risk that the Fund will encounter difficulty in meeting its financial liabilities. Liquidity risk may result from an inability to sell a security quickly at close to its fair value. Given the private nature of the majority of the Fund's investments, there can be no assurance that an active trading market for the investments will exist at all times, or that the prices at which the securities trade accurately reflect their values. Sufficient cash balances are maintained to cover the administration fees and general and operating expenses of the Fund.

The Fund closely monitors its monthly cash receivables from its investments in order to meet its distributions to unitholders and potential redemptions. As distributions and redemptions are known in advance, the portfolio manager maintains a cash balance in order to service these payments in addition to any additional financial liability obligations.

Investors are currently required to provide 60 days redemption notice prior to the last business day of a fiscal quarter-end and the Fund has 30 days subsequent to the last business day of a fiscal quarter-end to pay such redemption. The Fund in its sole discretion may pay for such redemptions through the issuance of redemption notes. All other liabilities of the Fund are due within one year.

Capital management

The Fund's capital structure consists of contributions from unitholders. The Fund's capital management practices are focused on investing in the equities of primarily private companies with the objective of creating returns for its unitholders. The net assets attributed to the redeemable units consist of unitholders' contributions, net operating gain (loss) for the year, realized gains and losses on disposals and net change in unrealized appreciation (depreciation) on investments. The General Partner has policies and procedures in place to manage the capital in accordance with its investment objectives, strategies and restrictions. The Fund has no specific capital requirements except for certain financial liability obligations as incurred by the Fund.

11 Comparative Figures

Certain comparative figures have been reclassified to conform with current year presentation.

Invico Diversified Income LP

Financial Statements
December 31, 2018

Independent Auditor's Report

To the Partners of Invico Diversified Income LP (the Fund)

Our opinion

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Fund as at December 31, 2018 and 2017 and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards (IFRS).

What we have audited
The Fund's financial statements comprise:

- the statements of financial position as at December 31, 2018 and 2017;
- the statements of comprehensive income for the years then ended;
- the statements of changes in net assets attributable to partners for the years then ended;
- the statements of cash flows for the years then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies.

Basis for opinion

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

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

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

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

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

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

PricewaterhouseCoopers LLP

Chartered Professional Accountants

Calgary, Alberta
April 19, 2019

Invico Diversified Income LP

Statements of Financial Position

As at December 31, 2018

	2018 $	2017 $
Assets		
Cash	7,772,908	2,845,643
Prepaid expenses	14,199	34,196
Investments (see Schedule of Investments)	166,307,185	125,504,443
Due from related parties (note 5)	1,859,247	1,100,785
Income receivable	95,097	179,994
	176,048,636	129,665,061
Liabilities		
Accounts payable and accrued liabilities	853,439	432,035
Short term credit facility (note 12)	2,500,000	-
Due to related parties (note 5)	3,730,452	12,250
Subscriptions in transit	-	275,000
Distributions payable (note 11)	4,573,096	1,603,871
	11,656,987	2,323,156
Net Assets	164,391,649	127,341,905
Net asset attributable to partners		
Class A units	9,254,700	6,438,300
Class C units	32,360,848	31,361,537
Class CU units	560,661	-
Class D units	26,912,003	21,840,791
Class F units	35,420,868	19,830,684
Class FU units	276,067	-
Class G units	52,769,377	43,177,313
Class J units	6,837,125	4,693,280
Partnership units (note 10)		
Class A units	922,235	693,485
Class C units	3,130,820	3,121,178
Class CU units	43,288	-
Class D units	2,644,879	2,301,929
Class F units	3,408,775	2,009,870
Class FU units	21,065	-
Class G units	5,124,987	4,494,696
Class J units	658,623	479,025
Net asset attributable to partners per unit		
Class A units	10.04	9.28
Class C units	10.34	10.05
Class CU units	12.95	-
Class D units	10.18	9.49
Class F units	10.39	9.87
Class FU units	13.11	-
Class G units	10.30	9.61
Class J units	10.38	9.80

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

Approved by Invico Diversified Income GP Ltd., as General Partner

(signed) “Allison Taylor” (signed) “Jason Brooks”

Invico Diversified Income LP

Statements of Comprehensive Income

For the year ended December 31, 2018

	2018 $	2017 $
Income		
Net gain on investments		
Interest income for distribution purposes	10,551,197	8,818,692
Distribution income	1,091,472	359,661
Net realized gain / (loss)	1,122,262	(301,125)
Net change in unrealized appreciation	18,206,458	4,083,540
	30,971,389	12,960,768
Other income	367,118	317,113
Total income	31,338,507	13,277,881
Expenses		
Management fees (note 4)	2,619,848	2,112,757
Commission	1,100,967	1,409,691
Performance fees (note 6)	1,515,154	-
Trailer fees (note 7)	253,472	180,333
Bad Debts (note 4)	419,453	468,979
General and operating expenses (note 4)	1,212,143	749,363
	7,121,037	4,921,123
Increase in net assets attributable to partners	24,217,470	8,356,758

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

Invico Diversified Income LP

Statements of Changes in Net Assets Attribubtable to Partners

For the year ended December 31, 2018

	2018 $	2017 $
Net assets – Beginning of year	127,341,905	96,169,890
Issuance of units – Partner's contributions (note 10)	31,325,761	35,678,340
Increase in net assets attributable to partners	24,217,470	8,356,758
Distribution to partners (note 11)	(16,135,285)	(10,940,886)
Reinvestments by investors	5,221,592	3,998,760
Redemption of partnership units	(7,579,794)	(5,920,957)
Net assets – End of year	164,391,649	127,341,905

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

Invico Diversified Income LP

Statements of Cash Flows

For the year ended December 31, 2018

	2018 $	2017 $
Cash provided by (used in)		
Operating activities		
Increase in net assets attributable to partners	24,217,470	8,356,758
Adjustments		
Net realized gain (loss) on sale of investments	(1,122,262)	301,125
Net change in unrealized appreciation of investments	(18,242,262)	(4,083,540)
Purchase of investments	(42,269,462)	(45,778,346)
Proceeds on sale of investments	20,795,439	9,966,472
	(16,621,077)	(31,237,531)
Change in non-cash working capital items		
Prepaid expenses	19,997	(26,895)
Income receivable	84,897	520,346
Accounts payable and accrued liabilities	421,404	202,303
Short term credit facility	2,500,000	-
Due to related parties	2,959,741	(802,362)
	(10,635,038)	(31,344,139)
Financing activities		
Proceeds on issuance of units	31,050,761	35,586,340
Distributions to partners (note 11)	(7,944,468)	(6,565,500)
Redemption of partnership units	(7,579,794)	(5,920,957)
	15,526,499	23,099,883
Increase (decrease) in cash for the year	4,891,461	(8,244,256)
Cash – Beginning of year	2,845,643	11,077,706
Foreign exchange gain (loss) on cash	35,804	12,193
Cash – End of year	7,772,908	2,845,643
Supplementary information		
Interest received	9,591,064	8,157,436
Distributions received	1,091,472	359,661

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

Invico Diversified Income LP

Schedule of Investments

As at December 31, 2018

	Fair value of net assets %	Cost $	Fair value $
Investments – Loan			
Private entities			
Real estate investment	0.91	1,500,000	1,500,000
Bridgegate Pictures Corp	0.49	729,250	806,258
Critical Control Energy Services Corp	4.08	6,088,082	6,701,155
Daughter Productions Inc.	1.22	1,906,068	2,003,586
Gator Technologies, LLC	6.84	10,433,924	11,248,249
Humanity Productions Inc.	1.14	1,670,753	1,867,159
Hurricane Energy Services Ltd.	3.12	5,129,342	5,129,342
Invico Energy Holding USA Inc.	16.89	24,433,694	27,760,620
Pele Energy Inc.	4.11	6,662,988	6,762,023
Recall Productions Inc.	1.64	2,192,993	2,696,821
Remote Camps Company	5.17	8,500,000	8,500,000
Shoreline Energy Holding II Inc.	9.19	13,680,038	15,106,629
Sulvaris Inc.	2.67	4,250,000	4,392,944
The Manor Productions, Inc.	0.18	291,946	298,126
Undying Productions Inc.	1.18	1,717,735	1,939,818
YAR Productions, Inc.	2.86	4,987,760	4,694,175
		94,174,573	101,406,905
Investments – Equity			
Private entities			
2012474 Alberta Inc.	-	2,505,561	-
Fort Greene 2012-1 Ltd.	0.51	1,176,287	835,143
Fort Greene Fund	0.22	782,628	364,738
Invico Energy Holding USA Inc.	32.75	12,396,898	53,835,388
Invico Trade Capital LP	4.28	10,092,726	7,043,553
Pele Energy Inc.	1.72	4,709,435	2,821,458
Live Out There Ltd.	-	3,905,640	-
		35,569,175	64,900,280
Total investments		129,743,748	166,307,185
Other net of assets	(1.17)		(1,915,536)
	100	129,743,748	164,391,649

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

1 Nature of operations

Invico Diversified Income LP (the "Partnership") was created on September 25, 2013 in the Province of Alberta. The Partnership was established for purposes of investing in securities or other investments that provide a high level of current income while offering the potential for moderate capital appreciation by investing primarily in high-yielding investments in a well-diversified manner. Target investments include (i) lending based strategies including asset backed corporate lending, first and second mortgages (including residential and commercial mortgage backed securities), lending for development drilling of established oil and gas reserves in Canada and the United States, collateralized debt obligations, consumer financing for durable goods (including automobiles), secured primary and subordinated debt lending opportunities and factoring of receivables; (ii) investment in producing oil and gas properties, non-producing properties and undeveloped land by participating in working interest ownership and/or gross overriding royalties in proven producing oil and gas reserves in both Canada and the United States; and (iii) such other investments that meet the Partnership's desire for security and returns. The Partnership shall terminate when all of its assets have been sold and net proceeds distributed as per Section 8 of the Limited Partnership Agreement.

The Partnership is a limited partnership domiciled in Canada and established under the laws of the Province of Alberta and the Federal laws of Canada applicable in such province. The Partnership commenced operations on October 3, 2013. The address of the Partnership is 600, 209 - 8th Avenue S.W., Calgary, Alberta, T2P 1B8.

The Partnership's capital is represented by net assets attributable to partners. See note 3 for further details with respect to the treatment of Partnership capital as a financial liability.

The general partner of the Partnership is Invico Diversified Income GP Ltd. (the "General Partner"). The portfolio manager of the Partnership is Invico Capital Corporation (the "Portfolio Manager").

The financial statements were authorized for issue by the General Partner on April 19, 2019.

2 Basis of presentation and adoption of IFRS

These financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as published by the International Accounting Standards Board. The accounting policies applied in these financial statements are based on IFRS effective for the year ended December 31, 2018.

These financial statements are presented in Canadian dollars, which is the Partnership's functional currency. All financial information is rounded to the nearest dollar except per unit amounts and where otherwise indicated.

The financial statements have been prepared on the historical cost basis except for those financial instruments at fair value.

3 Summary of Significant accounting policies

a) Financial instruments (prior to January 1, 2018)

The Partnership recognizes financial instruments at fair value upon initial recognition, plus transaction costs in the case of financial instruments measured at amortized cost. Regular way purchases and sales of financial assets are recognized at their trade date. The Partnership's investments and derivative assets and liabilities are measured at fair value through profit or loss ("FVTPL"), including certain investments in debt securities which have been designated at FVTPL. Subsequent to initial recognition, all financial instruments at FVTPL are measured at fair value. Gains and losses arising from changes in the fair value of FVTPL financial instruments are presented in the Statement of Comprehensive Income as net changes in unrealized appreciation of investments in the period in which they arise.

All other financial assets and liabilities are measured at amortized cost. Under this method, financial assets and liabilities reflect the amount required to be received or paid, discounted, when appropriate, at the contract's effective interest rate. The Partnership's accounting policies for measuring the fair value of its investments and derivatives are identical to those used in measuring its net asset value ("NAV") for transactions with partners.

Financial assets and liabilities are offset, and the net amount reported in the statement of financial position when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the asset and settle the liabilities simultaneously.

The financial instruments not measured at FVTPL are short-term financial assets and financial liabilities whose carrying amounts approximate fair value because of their short-term nature and, for the financial assets, the high credit quality of counter-parties.

Refer to l) for accounting policy adopted on January 1, 2018.

b) Cash

Cash includes cash on hand and deposits at financial institutions.

c) Investments

All investments are carried at fair value and classified as FVTPL. As a result, gains and losses arising from changes in the fair value are recorded in the "Net change in unrealized appreciation" category and are included in Statement of Comprehensive Income in the period in which they arise. Investments are recorded on the date the order to buy or sell is completed. Gains and losses on sale of investments are determined on an average cost basis and are included in income when realized.

d) Fair value measurement

The fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value of financial assets and liabilities traded in active markets are based on quoted market prices at the close of trading on the reporting date. In determining fair value, the Partnership uses the last traded market price for both financial assets and financial liability where the last traded price falls within that day's bid-ask spread. Where the bid-ask spread is too wide, the Portfolio Manager determines the point within the bid-ask spread, that is more representative of fair value based on the specific facts and circumstances.

The Partnership has investments that are not traded in an active market. The fair value of such instruments is determined by the General Partner, in conjunction with the Portfolio Manager using generally accepted valuation techniques. The Portfolio Manager uses a variety of methods and makes assumptions that are based on market conditions existing at each balance sheet date. Valuation techniques used include the use of comparable recent arm's length transactions or recent grey market trading, subsequent follow on financings, third party and company management estimates of net asset value, discounted cash flow analysis, option pricing models and other valuation techniques commonly used by market participants.

Warrants held by the Partnership may or may not have value depending on the value of the underlying common stock for which they may provide the option to acquire.

e) Impairment of financial assets

At each reporting date, the Partnership assesses whether there is objective evidence that a financial asset at amortized cost is impaired. The Partnership applies IFRS 9 "Financial Instruments" simplified approach to measuring expected credit losses. This provides a loss allowance at an amount equal to the lifetime expected credit losses if the credit risk of that financial asset has increased significantly since initial recognition, otherwise, at an amount equal to the 12-month expected credit losses. The Partnership evaluates the impairment allowance on its trade receivables based on the aging trend, carrying balance and payment pattern and calculates the loss allowance by using the probability distribution of write off. Impairment allowance on interest receivables is triggered when the credit risk of the underlying investment is impaired. The Portfolio Manager performs credit risk analysis on each investment on a regular basis to determine if there is material evidence of an increase in credit risk. Evidence of credit risk impairment may include a breach of covenants, a default event or a significant deterioration of the debtor's financial position. The impairment loss allowance is calculated on individual investment based on the debtor's overall ability to repay, balance of interest reserves, default reserves, collateral and the renegotiated repayment schedule of the loan.

f) Income recognition

Interest income is recorded on the accrual basis. Interest income from investments in debt securities is presented at the coupon rate of interest received by the Partnership. Interest receivable is shown separately in the statement of financial position based on the debt instruments' stated rates of interest. The cost of investments is determined using the average cost method. Realized gains or losses on the sale of investments are calculated based on the weighted average cost of the related investments.

Gains from redemptions and redemption fee are included on the Statement of Comprehensive Income under other income. During 2018, the Partnership recorded a gain of $74,482 (2017 – $86,185).

g) Financial asset derecognition

A financial asset is derecognized when the contractual rights to the cash flows from the financial asset ceases or if substantially all the risks and rewards of ownership of the financial asset are transferred. A financial liability is derecognized when it is extinguished, with any gain or loss on extinguishment to be presented in the Statement of Comprehensive Income.

h) Income taxes

The Partnership is not in itself, a taxable entity, however, it is required to compute its taxable income as though it was an individual subject to income taxes and to allocate such taxable income to its limited partners. The share of the annual income or loss allocated to each limited partner is included in their respective income tax returns. The Partnership does not include a provision for income taxes payable by its limited partners in its financial statements.

i) Foreign currency translation

The financial statements are presented in Canadian dollars, which is also the Partnership's functional currency.

Foreign monetary assets and liabilities held at period end are translated into Canadian dollars at the period end exchange rate. Unrealized foreign exchange gains or losses on monetary assets and liabilities are included on the Statement of Comprehensive Income. Interest, income and expenses are translated at the rates in effect when the related transactions occurred. Realized gains or losses on payments are recorded in the Statement of Comprehensive Income.

Unrealized foreign exchange gains or losses on investments is the difference between the original foreign exchange rate and the period end exchange rate multiplied by the fair value of the investment. Foreign exchange differences arising on translation on financial instruments at FVTPL are recognized as a component of "net change in unrealized appreciation (depreciation) of investments".

j) Net assets attributable to holders of redeemable units

Net assets attributable to partners are classified as a financial liability, due to contractual payment provisions to each of the partners within the limited partnership agreement.

k) Critical accounting estimates and judgments

The financial statements, include estimates and assumptions made by the General Partner that affect the reported amount of assets and liabilities and contingent liabilities at the date of the financial statements and the reported amounts of income and expenses during the reporting period. Actual results could differ from those estimates.

The following discusses the most significant accounting judgments and estimates that the Partnership has made in preparing the financial statements:

Fair value measurement of derivatives and securities not quoted in an active market

The Partnership holds financial instruments that are not quoted in active markets, including derivatives. Fair values of such instruments are determined using valuation techniques and may be determined using reputable pricing sources (such as pricing agencies) or indicative prices from market makers. Broker quotes as obtained from the pricing sources may be indicative and not executable or binding. Where no market data is available, the Partnership may value positions using its own models, which are usually based on valuation methods and techniques generally recognized as standard within the industry. The models used to determine fair values are validated and periodically reviewed by experienced personnel of the Manager, independent of the party that created them. The models used for private equity securities are based mainly on earnings multiples adjusted for a lack of marketability as appropriate. Models use observable data, to the extent practicable. However, areas such as credit risk (both own and counterparty), volatilities and correlations require the Portfolio Manager to make estimates. Changes in assumptions about these factors could affect the reported fair values of financial instruments. The Partnership considers observable data to be market data that is readily available, regularly distributed and updated, reliable and verifiable, not proprietary, and provided by independent sources that are actively involved in the relevant market. Refer to note 8 for further information about the fair value measurement of the Partnership's financial instruments.

Classification and measurement of investments and application of the fair value option

In classifying and measuring financial instruments held by the Partnership, the Portfolio Manager considers the Business Model Test and Contractual Cashflow Characteristics Test as set out in IFRS 9. The Portfolio Manager will need to use judgment when it assesses its business model for managing financial assets and that assessment is not determined by a single factor or activity. Instead, the Partnership must consider all relevant evidence that is available at the date of the assessment. Since the Partnership's portfolio of financial assets is managed and whose performance is evaluated on a fair value basis, such portfolios are measured at fair value through profit or loss.

Classification of redeemable units issued by the Partnership

The Partnership's units have a finite life and the limited partnership agreement contains contractual payment provisions to each of the partners. Limited partners are entitled to a return of capital as the partnership sells investments for excess cash proceeds, as approved by the General Partner. An entity with contractual obligations to deliver cash or other financial assets to another entity prior to liquidation fails to meet the criteria outlined in IAS 32.16A – IAS 32.16D. As such, in accordance with the standard, the partnership units have been classified as a financial liability.

Consolidation exception

Amendments to IFRS 10, IFRS 12 and IAS 28 provide an exception to consolidation under IFRS 10 for investment entities. The Portfolio Manager has performed this assessment and has concluded that the Partnership meets the definition of an investment entity as the Partnership has investors, as well as several distinct third-party investments. In addition, the Partnership intends to focus on investments that provide a high-level of income by investing primarily in high-yielding investments in a well-diversified manner. Target investments include (i) lending based strategies including asset backed lending, first and second mortgages, lending for development drilling of oil and gas reserves in Canada and the United States, collateralized debt obligations, consumer financing for durable goods, secured primary and subordinated debt lending opportunities, film financing and factoring of receivables; (ii) investment in oil and gas properties by participating in working interest ownership and/or overriding royalties in proven producing oil and gas reserves.

It is the Partnership's intention to provide long-term capital appreciation through its 100% ownership in Invico Energy Holdings USA Inc. whose principal business is conducted in the United States and its 89% ownership in Fort Greene Fund and 82% ownership in Fort Greene 2012-1 Ltd, both companies hold US mortgaged backed securities. In addition, the Partnership also has 75% ownership in Pele Energy Inc. whose principal business is conducted in Canada and 100% ownership in Live Out There Ltd., 2012474 Alberta Inc. and Invico Trade Capital Ltd., all of which conduct business in Canada.

The Partnership meets the definition of an investment entity as defined by IFRS 10. Furthermore, the subsidiaries are not deemed to be an operating entity providing services to the Partnership, and therefore is able to apply the exception to consolidation.

l) Accounting standards, interpretations and amendments to existing standards effective January 1, 2018

On January 1, 2018, the Partnership adopted IFRS 9, "Financial Instruments". It addresses the classification, measurement and recognition of financial assets and financial liabilities and replaces the guidance in IAS 39 that relates to the classification and measurement of financial instruments. Under IFRS 9, all financial instruments are subsequently measured at amortized cost, fair value through other comprehensive income ("FVTOCI") or fair value through profit or loss ("FVTPL") on the basis of both the Partnership's Business Model Test and Contractual Cash Flow Characteristics Test. IFRS 9 contains an option to designate, at initial recognition, a financial asset to be measured at FVTPL if doing so eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise from measuring assets or liabilities or recognising the gains and losses on them on different bases.

The Partnership's investments include private loans and private equity investments that are managed and whose performance are evaluated on a fair value basis. As such, all these investments should be measured at FVTPL. The Portfolio Manager reviewed all 2017 private loan investments and determined that the same should be measured at FVTPL consistent with IAS 39.

Equity investments are measured at FVTPL and the Partnership will not elect to use FVTOCI at the initial recognition.

The adoption of IFRS 9 has not resulted in any change to the classification and measurement of investments in either current or prior year period for the Partnership other than related party transactions arising from investments in subsidiaries which were measured at amortized cost in 2017. The change in classification and measurement had nominal impact since the carrying amount approximates the fair value. In 2018 Due from Related Party arising from the ownership control relationship amounting to $1,859,248 (2017 - $1,075,785) and Due to Related Party from ownership control relationship amounting to $2,063,331 (2017 - $nil) are designated and measured at FVTPL in order to significantly reduce measurement or recognition inconsistency.

Due from and to related parties with common management relationship are subsequently measured at amortized cost due to their short-term nature.

Financial asset measured at amortized cost include trade receivables and interest receivables. As they are on-demand short-term financial assets, their effective interest rate is assumed to be zero and the effect of discounting is immaterial. The Partnership reviewed its trade and interest receivables and determined that it expects to collect the full amount. Financial liabilities, other than due to related parties under ownership control relationship, measured at amortized cost include trade payables, short term credit facility and accrued payables. Due to their short-term nature, carrying values approximate fair values.

	IAS 39		**IFRS 9**		
		2017		**2018**	Impact
		$		**$**	**$**
Investments - loans	FVTPL (mandated)	73,264,707	FVTPL (mandated)	101,406,905	-
Investments - equity	FVTPL (mandated)	52,239,736	FVTPL (mandated)	64,900,280	-
Trade receivables	Amortized cost	179,994	Amortized Cost	95,097	-
Due from related party (commonly-controlled entities)	Amortized cost	25,000	Amortized Cost	-	-
Due from related party (subsidiaries)	Amortized cost	1,075,785	FVTPL (option)	1,859,248	-
Trade & accrued payables	Amortized cost	(432,035)	Amortized Cost	(853,439)	-
Due to related party (commonly-controlled entities)	Amortized cost	(12,250)	Amortized Cost	(1,667,121	-
Due to related party (subsidiaries)	Amortized cost	-	FVTPL (option)	(2,063,331)	-

IFRS 7, Financial Instruments: Disclosures has also been amended for disclosures in respect of the transition from IAS 39 to IFRS 9.

4 General and operating expenses

Pursuant to section 4.5 of the Limited Partnership Agreement, the Partnership will reimburse the General Partner for all costs and expenses incurred by the General Partner in the performance of its duties hereunder, which costs and expenses (the "Expenses of the General Partner") will be the Partnership's sole responsibility. For greater certainty, such costs and expenses for which the General Partner is to be reimbursed include the General Partner's and the Partnership's direct general and administrative expenses, including legal, audit, insurance and regulatory fees as well as the general and administrative expenses, including legal, audit, insurance and regulatory fees of the Limited Partner. The expenses of the General Partner shall also include the offering costs, as some may be incurred by the General Partner.

Pursuant to section 4.6 of the Limited Partnership Agreement, all Class A, C, CU, D, F, FU, G and J units of the Partnership will pay the Portfolio Manager monthly management fees (the "Management fees") equal to an annual rate of 1.75% of the Committed Capital of the Partnership as at the last date of the preceding month, calculated and payable, in advance, at the beginning of each month. Any Management fees attributable to any period of less than one full month (whether as to the Partnership generally or to any Limited Partner) shall be pro-rated appropriately and be payable on the first day of such period. At the sole discretion of the Portfolio Manager, payment of the Management fees or any accrual thereof may be waived. During the year, the Partnership incurred $2,619,848 (2017 – $2,112,757) in Management fees and nil (2017 - $nil) was waived.

The Partnership also pays commissions for new units subscribed. In 2018, $1,100,967 (2017 - $1,409,691) were paid as commission expenses. A total of $313,237 (2017 - $346,519) was paid to Pennant Capital Partners Inc., a related party under common management and $787,730 (2017 - $1,063,172) was paid to dealers.

The Partnership also pays allocated overhead expenses and general and administrative expenses. In 2018, $471,207 (2017 - $116,149) was paid to the Portfolio Manager.

Each class of units of the Partnership will be allocated its proportionate share of the general and operating expenses, and any additional expenses that are directly incurred by the specific class.

As at December 31, 2018, $419,453 (2017 – $468,979) was written off as uncollectible advances from Live Out There Ltd. and some nominal interest receivables on movie loans.

5 Related party transactions

Due to and Due from related party are non-interest bearing, unsecured and measured in accordance with the underlying agreements or at their exchange amounts, being the amounts agreed to between the related parties, and consist of the following.

	2018		2017	
	Amounts due from related parties $	**Amounts due to related parties $**	**Amounts due from related parties $**	**Amounts due to related parties $**
Invico Capital Corporation	-	149,657	25,000	12,250
Invico Capital Advisory Services Inc.	-	2,310	-	-
Invico Diversified Income GP Ltd.	-	1,515,154	-	-
Invico Trade Capital LP	-	-	5,466	-
Invico Energy Holding USA, Inc	274,978			
Aspen Air U.S., LLC	-	2,063,331	-	-
Fort Greene Fund	51,661		53,982	-
Fort Greene 2012-1 Ltd.	50,260		79,811	-
Gator Technologies, LLC	189,291	-	300,987	-
Hurricane Energy Services Ltd.	314,715		51,160	
Pele Energy Inc.	978,343	-	336,001	-
Live Out There Ltd.	-	-	248,378	-
	1,859,248	3,730,452	1,100,785	12,250

Prior year related party transactions have been reclassified to conform to the current year's presentation.

As at December 31, 2018, $149,657 (2017 – $12,250) due to Invico Capital Corporation relates to allocated overhead and general and administrative expenses.

As at December 31, 2018, $2,310 (2017 - $nil) due to Invico Capital Advisory Services Inc. relates to reimbursement of travel expenses incurred by the Partnership.

As at December 31, 2018, $1,515,154 (2017 - $nil) due to Invico Diversified Income GP Ltd., the Partnership's General Partner, relates to the accrued special distribution.

As at December 31, 2018, $274,978 (2017 - $nil) was due from Invico Energy Holding USA Inc., a wholly owned subsidiary. This amount owing to the Partnership relates to interest receivable bearing 15% interest as per the loan agreement.

As at December 31, 2018, $2,063,331 ($2017 – nil) due to Aspen Air U.S., LLC, a subsidiary indirectly owned by the Partnership providing wholesale and commercial industrial gas production and distribution, relates to the Partnership's accrued liabilities for real property taxes, trade payables, equipment leases and legal fees.

As at December 31, 2018, $51,661 (2017 - $53,982) due from Fort Greene Fund relates to distribution receivable from mortgage payments.

As at December 31, 2018, $50,260 (2017 - $79,811) due from Fort Greene 2012-1 Ltd. owing relates to distribution receivable from mortgage payments.

As at December 31, 2018, $189,291 (2017 - $300,987) was due from Gator Technologies, LLC., an investment in a related party, with common control. This amount owing to the Partnership relates to interest receivable bearing 13% interest as per the loan agreement.

As at December 31, 2018, $314,715 was due from Hurricane Energy Services Ltd., an investment in a related party, with common control. This amount owing to the Partnership relates to interest receivable bearing 16% as per loan agreement.

As at December 31, 2018, $978,343 (2017 - $336,001) was due from Pele Energy Inc., a subsidiary which is 75% owned by the Partnership. This amount owing to the Partnership relates to interest receivable for advances made.

The Partnership declared distributions of $13,508,949 (2017 – $8,875,073) to Invico Diversified Income Fund, a majority owner of the Partnership. No amounts were due from Invico Diversified Income Fund as at December 31, 2018 (2017 - $nil). Any balances receivable are non-interest bearing and have no terms of repayment.

6 Carried interest fees

The General Partner shall be entitled to a Carried interest fee as per Section 3.4 to 3.6 of the Limited Partnership Agreement. The Carried Interest fee may differ based on the Unit Class and amount of Committed Capital a Unitholder subscribed for. The carried interest is calculated after payment and reservation of all amounts necessary for the payment of all expenses of the Partnership, including but not limited to Expenses of the General Partner, any contribution that may be made by the General Partner to the Capital Accounts and payment of the Management fees, and reservation of such amounts as in the opinion of the General Partner are necessary having regard to the then current and anticipated resources of the Partnership and its commitments and anticipated commitments, distributions of cash assets or property of the Partnership or from the proceeds of the sale of all or any assets of the Partnership (the "Distributable Proceeds"). In 2018, $4,024,910 was accrued (2017 – $ nil) as a special distribution in accordance with Section 3.4 to 3.6. A total of $2,509,756 (2017 - $nil) was allocated to unit classes and $1,515,154 (2017 - $nil) was allocated to the General Partner. Special distributions to the General Partner are recorded in the Statement of Comprehensive Income as a Performance fee.

7 Trailer fees

As per the Partnership's Offering Memorandum and Limited Partnership Agreement, the Partnership may pay, at the sole discretion of the General Partner, a fee of up to 1.25% per annum of the net asset value that remains invested at the end of the year to qualified selling agents.

For the year ended December 31, 2018, the Partnership incurred total trailer fees of $253,472 (2017 – $180,333) in the Statement of Comprehensive Income.

8 Impairment of trade and interest receivables

During the year, the Partnership applied the IFRS 9 simplified approach to measure expected credit losses on its trade receivables and interest receivables. The receivable balances at the beginning and end of 2018 is specified

in the table below. The Partnership reviewed and expects to collect the full amount of receivables and the impairment loss allowance is nominal.

	2018 receivable ending balance $	2018 receivable beginning balance $
Aging		
Current	55,625	142,219
31-60 days	21,207	29,428
61-90 days	18,265	8,434
91-365 days	-	-
365 + days	-	(87)
	95,097	179,994

9 Fair value of investments

Investments are comprised of loans and equity securities, which amounts to $166,307,185 (2017 – $125,504,443) and have been fair valued by management as at December 31, 2018. The unlisted equities have been fair valued by management as at December 31, 2018 by examining subsequent follow on financings, the use of comparable recent arm's length transactions, third party and company management estimates of net asset value, discounted cash flow analysis and recent grey market trading. The total amount of changes in fair value estimates of the Partnership for investments using valuation techniques incorporating significant unobservable inputs (level 3) that was recognized in the Statement of Comprehensive Income during the year was an income of $18,206,458 (2017 – $4,083,540).

The prior year reserve payable balance has been reclassified to investments to conform to the current year's presentation.

Fair value measurement

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

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

If inputs of different levels are used to measure an asset's or liability's fair value, the classification within the hierarchy is based on the lowest level input that is significant to the fair value measurement. The following table illustrates the classification of the Partnership's assets and liabilities measured at fair value within the fair value hierarchy as at December 31, 2018 and 2017:

	Financial assets and financial liabilities at fair value as at December 31, 2018			
	Level 1 $	**Level 2 $**	**Level 3 $**	**Total $**
Investment-Loans	-	-	101,406,905	101,406,905
Investment-Equity	-	-	64,900,280	64,900,280
Due from Related Party			1,859,247	1,859,247
Due to Related Party			(2,063,331)	(2,063,331)
	-	-	166,103,101	166,103,101

	Financial assets and financial liabilities at fair value as at December 31, 2017			
	Level 1 $	**Level 2 $**	**Level 3 $**	**Total $**
Investment-Loans	-	-	73,264,707	73,264,707
Investment-Equity	-	-	52,239,736	52,239,736
Due from Related Party			1,075,785	1,075,785
Due to Related Party			-	-
	-	-	126,580,228	126,580,228

All fair value measurements above are recurring. The carrying values of cash, accounts receivable, interest receivable, accounts payables, accrued liabilities and amount due from (to) related parties approximate their fair values due to their short-term nature. Fair values are classified as Level 1 when the related security or derivative is actively traded and a quoted price is available. If an instrument classified as Level 1 subsequently ceases to be actively traded, it is transferred out of Level 1. In such cases, instruments are reclassified into Level 2, unless the measurement of its fair value requires the use of significant unobservable inputs, in which case it is classified as Level 3.

There were no transfers between levels in 2018 or 2017. The fair value hierarchy remained consistent throughout each year. The Partnership's policy is to record transfers between levels at the end of the period.

The following table reconciles the Partnership's Level 3 fair value measurements on investments to December 31, 2018:

	2018 $	2017 $
Opening balance	125,504,443	87,609,428
Purchases	42,269,462	44,091,267
Sale of investments (including realised gain/(loss) $1,122,262 (2017 – ($301,125))	(19,673,178)	(10,267,598)
Change in unrealized appreciation of investments	18,206,458	4,071,346
Closing balance	166,307,185	125,504,443

The Portfolio Manager is responsible for performing the fair value measurements included in the financial statements of the Partnership, including level 3 measurements. Investments classified within level 3 make use of significant unobservable inputs in deriving fair value. As observable prices are not available for these securities, the Partnership has used valuation techniques to derive the fair value. In order to assess level 3 valuations, the Portfolio Manager reviews the performance of these companies on an ongoing basis and is regularly in contact with the management of the company in order to make assessments of business and operational matters which are considered in the valuation process. Where appropriate, the Portfolio Manager also tracks peer company multiples, recent transaction results and credit rating for similar instruments and companies.

The Partnership's investments in private companies are detailed in the Schedule of Investments.

The Partnership realized a non-cash $5,907,657 gain from a strategic investment. The Partnership acquired debt instruments at a discount of a distressed company. Subsequently, based on the performance of the company, the Partnership decided to utilize these debt instruments to acquire certain assets of the company for $20,387,733 during the receivership proceeding. This Agreement of Purchase and Sale was duly recognized by the Courts in US and Canada.

The loan investments with a fair value of $101,406,905 as at December 31, 2018 (2017 - $73,264,707) are valued using discounted cash flow models using a 12% rate, the maturity of the loans is between zero and seven years. The details are provided in the Schedule of Investments. At December 31, 2018, 0.8% of loan investments were in default (2017 – nil %) in respect of which the Partnership was pursuing appropriate collection efforts, and 4.4% (2017 – nil %) of loan investments were in arrears with respect to scheduled interest payments in the amount of S223,172 (2017 - $nil). This information has been considered as part of determining the fair value of those loan investments.

The following table presents the equity investments that have been classified as level 3 and the valuation methodologies used to determine the fair value of these investments.

	December 31, 2018		
Description	**Cost $**	**Fair value $**	**Valuation method**
Investments – Equity			
2012474 Alberta Inc.	2,505,561	-	The fair value of the investment is based on the internal reserve report. No other observable market transactions occurred that would change the fair value assumption per this model.
Fort Greene 2012-1 Ltd.	1,176,287	835,143	The fair value of the investment is based on a discounted cash flow model. No other observable market transactions occurred that would change the fair value assumption per this model.
Fort Greene Fund	782,628	364,738	The fair value of the investment is based on a discounted cash flow model. No other observable market transactions occurred that would change the fair value assumption per this model.
Hurricane Energy Services Ltd.	-	-	The fair value of the investment is based on an earnings multiple method of valuation whereby Earnings Before Interest, Taxes, Depreciation and Amortization ("EBITDA") is multiplied by an appropriate multiple referencing EBITDA multiple of comparable companies and adjusting for an illiquidity discount.

	December 31, 2018		
Description	**Cost $**	**Fair value $**	**Valuation method**
Invico Energy Holding USA Inc.	12,396,898	53,835,388	The shares were acquired with the loan investment to Invico Energy USA, which consist of three investments in the oil and gas industry. The energy working interest investment is valued based on an NI 51-101 compliant reserve report as prepared by an independent third-party reserve engineering firm. It is based on the valuation of the sum of the total proved and total probable reserves. The fair value of the oil and gas services investment is based on an earnings multiple method of valuation whereby EBITDA is multiplied by an appropriate multiple referencing the EBITDA multiple of comparable companies and adjusting for illiquidity discount. No other observable market transactions occurred that would change the fair value assumption per this model. The fair valuation of the cryogenics investment is based on an earnings multiple method of valuation whereby EBITDA is multiplied by an appropriate multiple referencing the EBITDA multiple of comparable companies and adjusting for illiquidity discount. No other observable market transactions occurred that would change the fair value assumption per this model.
Invico Trade Capital LP	10,092,726	7,043,553	The fair value of the investment is based on the net asset value of Invico Trade Capital LP. No other observable market transactions occurred that would change the fair value assumption per our model.
Pele Energy Inc.	4,709,435	2,821,458	The fair value of the investment is based on the internal reserve report. No other observable market transactions occurred that would change the fair value assumption per this model.
Live Out There Ltd.	3,905,640	-	The fair value of the investment is based on net realizable value of $nil, because the company is generating negative cash flows and has insignificant net assets.
Total Equity Investments	35,569,175	64,900,280	

	December 31, 2017		
Description	**Cost $**	**Fair value $**	**Valuation method**
Investments – Equity			
Invico Energy Holding USA Inc.	12,582,958	34,863,406	The shares were acquired with the loan investment to Invico Energy USA, which consist of two investments in the oil and gas industry. The energy working interest investment is valued based on an NI 51-101 compliant reserve report as prepared by an independent third-party reserve engineering firm. The fair value of the oil and gas services investment is based on an earnings multiple method of valuation whereby EBITDA is multiplied by an appropriate multiple referencing the EBITDA multiple of comparable companies and adjusting for illiquidity discount. No other observable market transactions occurred that would change the fair value assumption per this model.
2012474 Alberta Inc.	2,505,561	-	The fair value of the investment is based on the internal reserve report. No other observable market transactions occurred that would change the fair value assumption per this model.
Pele Energy Inc.	4,709,435	4,119,029	The fair value of the investment is based on the internal reserve report. No other observable market transactions occurred that would change the fair value assumption per this model.
Fort Greene 2012-1 Ltd.	1,416,720	1,037,159	The fair value of the investment is based on a discounted cash flow model. No other observable market transactions occurred that would change the fair value assumption per this model.
Fort Greene Fund	872,807	505,013	The fair value of the investment is based on a discounted cash flow model. No other observable market transactions occurred that would change the fair value assumption per this model.
Invico Trade Capital LP	9,092,726	6,498,912	The fair value of the investment is based on the net asset value of Invico Trade Capital LP. No other observable market transactions occurred that would change the fair value assumption per our model.
Hurricane Energy Services Ltd.	-	1,310,577	The fair value of the investment is based on an earnings multiple method of valuation whereby Earnings Before Interest, Taxes, Depreciation and Amortization (“EBITDA”) is multiplied by an appropriate multiple referencing EBITDA multiple of comparable companies and adjusting for an illiquidity discount.

Description	December 31, 2017 Cost $	Fair value $	Valuation method
Live Out There Ltd.	3,905,640	3,905,640	Live Out There Inc. defaulted on its loan payments in 2017. As a result, the Partnership seized the underlying collateral assets. The loan value was converted to 50% loan and 50% equity, both carried at cost in a new entity, Live Out There Ltd.
Total Equity Investments	35,085,847	52,239,736	

Significant unobservable inputs in measuring fair value

The tables below sets out information about significant unobservable inputs used in measuring financial instruments categorized as level 3 in the fair value hierarchy.

	2018 Fair value $	Possible shift +/- input %	Change in valuation $
Valuation Methodology			
Discounted cash flow model rate (12%)	86,671,185	0.5	708,637
Reserve report based price	29,665,969	1.0	552,061
Recoverable amount	7,043,553	1.0	70,436
Principal amount	15,935,601	0.0	-
Comparable Price	26,990,877	1.0	528,147

	2017 Fair value $	Possible shift +/- input %	Change in valuation $
Discounted cash flow model rate (12%)	53,334,389	0.5	327,234
Reserve report based price	28,189,915	1.0	480,876
Recoverable amount	6,519,216	1.0	65,192
Principal amount	25,357,828	0.0	-
Comparable Price	12,103,095	1.0	110,703

"Discounted cash flow model price" is the price of an investment based on its estimated future cash flows, discounted to present value with an appropriate discount rate.

"Reserve report based price" is the fair value of an oil and gas investment based on the value of its oil and gas reserves evaluated by an independent third-party consulting firm. This value is determined through a discounted cash flow analysis in which future production, forecast commodity price curves, and discount rate used are significant inputs.

"Recoverable amount" is the estimated collateral value of assets pledged as security for a debt investment. The significant inputs vary based on the nature of collateral and may be subject to estimates based on current economic conditions, commodity prices, and comparable prices.

"Comparable price" is an extrapolated value for a company generated by applying valuation multiples from its publicly-traded peers, with appropriate discounts or premiums where justified.

10 Partnership units

In 2018, a total of 15,954,672 Partnership units (2017 – 13,100,183), issued at $10 per unit in eight classes, were outstanding. During the year, US dollar denominated Class CU and FU were issued by the Partnership at $10 per unit. The following table outlines the total number of units and dollar amount outstanding at December 31, 2018 for each class.

									2018 Units
	Class A	**Class C**	**Class CU**	**Class D**	**Class F**	**Class FU**	**Class G**	**Class J**	**Total**
Beginning balance	693,485	3,121,178	-	2,301,929	2,009,870	-	4,494,696	479,025	13,100,183
Subscriptions	235,940	172,653	43,140	417,209	1,327,318	21,000	749,630	145,900	3,112,790
Reinvestments	24,101	94,101	148	58,405	164,673	65	142,517	38,084	522,094
Redemption	(31,291)	(257,112)	-	(132,664)	(93,086)	-	(261,856)	(4,386)	(780,395)
Ending balance	922,235	3,130,820	43,288	2,644,879	3,408,775	21,065	5,124,987	658,623	15,954,672

									2018 $
	Class A	**Class C**	**Class CU**	**Class D**	**Class F**	**Class FU**	**Class G**	**Class J**	**Total**
Beginning balance	6,438,300	31,361,537	-	21,840,791	19,830,684	-	43,177,313	4,693,280	127,341,905
Subscriptions	2,359,400	1,726,530	567,381	4,172,090	13,273,180	271,880	7,496,300	1,459,000	31,325,761
Reinvestments	241,010	941,010	1,934	584,050	1,646,730	848	1,425,170	380,840	5,221,592
Distributions	(773,612)	(4,195,090)	(13,643)	(2,626,336)	(3,233,851)	(6,779)	(4,604,833)	(681,141)	(16,135,285)
Redemption	(286,155)	(2,567,164)	-	(1,252,358)	(918,064)	-	(2,513,772)	(42,281)	(7,579,794)
Net Income	1,275,757	5,094,025	4,989	4,193,766	4,822,189	10,118	7,789,199	1,027,427	24,217,470
Ending balance	9,254,700	32,360,848	560,661	26,912,003	35,420,868	276,067	52,769,377	6,837,125	164,391,649

							2017 Units
	Class A	**Class C**	**Class D**	**Class F**	**Class G**	**Class J**	**Total**
Beginning balance	544,652	2,717,316	1,770,313	1,095,371	3,441,205	158,268	9,727,125
Subscriptions	159,868	568,708	643,887	887,084	1,005,787	302,500	3,567,834
Reinvestments	19,535	80,900	50,791	103,941	124,380	20,329	399,876
Redemption	(30,570)	(245,746)	(163,062)	(76,526)	(76,676)	(2,072)	(594,652)
Ending balance	693,485	3,121,178	2,301,929	2,009,870	4,494,696	479,025	13,100,183

							2017 $
	Class A	**Class C**	**Class D**	**Class F**	**Class G**	**Class J**	**Total**
Beginning balance	5,134,659	27,651,258	17,203,595	10,995,070	33,628,631	1,556,677	96,169,890
Subscriptions	1,598,680	5,687,080	6,438,870	8,870,840	10,057,870	3,025,000	35,678,340
Reinvestments	195,350	809,000	507,910	1,039,410	1,243,800	203,290	3,998,760
Distributions	(618,828)	(2,639,440)	(2,065,812)	(1,579,218)	(3,724,693)	(312,895)	(10,940,886)
Redemptions	(283,205)	(2,509,170)	(1,596,125)	(768,996)	(742,836)	(20,625)	(5,920,957)
Net Income	411,644	2,362,809	1,352,353	1,273,578	2,714,541	241,833	8,356,758
Ending balance	6,438,300	31,361,537	21,840,791	19,830,684	43,177,313	4,693,280	127,341,905

The revenue of the Partnership for each fiscal year is allocated to a class based on its class weighted net capital. The Partnership expenses are identified and attributed on a class by class basis as per the nature of the expenditures. Expenses that cannot be attributed to a specific class will be allocated by the weighted net capital. In 2018, the net income of $24,217,470 (2017 - $8,356,758) was allocated to all classes.

All contributions were made in the form of cash. A limited partner may not sell, assign, or otherwise transfer, pledge or encumber any unit without the consent of the General Partner and in accordance with the terms of the limited partner partnership agreement. The partnership is closed ended but under the provisions of the Limited Partnership agreement units may be redeemed by the limited partners.

11 Distributions payable to unitholders

As per section 3.4 and 3.5 of the Limited Partnership Agreement, the Partnership as it relates to The Partnership, may distribute an amount to Unitholders after payment and reservation of all amounts necessary for:

- the payment of all hurdle rates,
- all expenses of the Partnership, including but not limited to expenses of the General Partner,
- any contribution that may be made by the General Partner to the Capital Accounts,
- payment of the Management fees,

- reservation of such amounts as in the opinion of the General Partner are necessary having regard to the then current and anticipated resources of the Partnership and its commitments and anticipated commitments,
- distributions of cash assets or property of the partnership or from the proceeds of the sale of all or any assets of the Partnership.

Distributions of the Partnership, as declared by the Portfolio Manager, are made on a monthly basis to each unitholder on the applicable distribution record date. For the year ended December 31, 2018, the Partnership declared total distributions of $16,135,285 (2017 – $10,940,886).

12 Available credit facility

In 2017, the Fund established a revolving facility in Canadian currency totaling to a maximum of $2,000,000 bearing interest at bank's prime plus 2.5%. During 2018, the revolving facility was increased to a maximum of $6,000,000. This facility is to be used as short-term bridging finance between the eligible investment and the upcoming subscription closing. As at December 31, 2018, the amount outstanding was $2,500,000 (2017 - $nil). The operating loan is secured by General Security Agreement and Continuing Guarantee.

13 Financial risk management

The Partnership may be exposed to a variety of financial risks. The Partnership's exposures to financial risks are concentrated in its investment holdings. The Partnership's risk management practice includes the monitoring of compliance to investment guidelines. The Portfolio Manager manages the potential effects of these financial risks on the Partnership's performance by employing and overseeing professional experienced portfolio managers that regularly monitor the Partnership's positions, market events and diversify the Partnership's investment portfolio within the constraints of the investment guidelines.

Credit risk

Credit risk is the risk that a loss could arise from a security issuer or counterparty to a financial instrument not being able to meet its financial obligations. As at December 31, 2018, 66% (2017 – 65%) of the Partnership's net assets are subject to credit risk. The Partnership does not hold investments that have been rated by credit rating services. Instead, the Portfolio Manager will analyze investments based on the portfolio company's track record of payment, the security for the loan and the company's ability to recover defaults. At times, the Partnership will look to take assignment or ownership of the underlying security to help prevent loss of capital. Within the specific investment portfolios, credit risk is managed using a variety of techniques. As at December 31, 2018, 100% (2017 – 100%) of investments subject to credit risk are secured by a mixture of collateral assets, personal guarantee, insurance coverage, and/or some other form of identifiable security. A 1% change in default rate would lead to a $1,096,503 (2017– $820,799) change in net assets.

Interest rate risk

Interest rate risk is the risk that the market value of the Partnership's interest-bearing investments will fluctuate due to changes in market interest rates. As at December 31, 2018, the Partnership has 52% (2017 – 43%) of its

net assets invested in financial instruments that are subject to interest rate risk. A 0.5% change in interest rates would lead to a $708,637 (2017 – $327,234) change in net assets.

Concentration risk

Concentration risk is the risk associated with the exposure to any one or more particular country, sector, asset class or security. The Partnership is currently exposed to concentration risk in that 72% (2017 – 56%) of the fair value of its investment holdings are in oil and gas industry investments and that 66% (2017 – 65%) of its investments holdings are in loan-based investments. The Partnership's concentration risk is mitigated by the monitoring of the investment portfolio to ensure compliance with its investment guidelines. The Portfolio Manager regularly monitors the Fund's positions and market events and diversifies the investment portfolio within the constraints of the investment guidelines.

Market risk

Market risk is the risk that the fair value of financial instruments will fluctuate as a result of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in a market. Other assets and liabilities are monetary items that are short term in nature and will not fluctuate with changes in market price. The Partnership invests with a medium to long-term outlook, focusing on quality businesses that have significant growth opportunities while managing its aggregate risk profile. The Partnership does not expose unitholders to leverage on a long-term basis. The majority of the Partnership’s holdings are notes, debentures, shares and other instruments with private companies which do not trade in an active market and are therefore not subject to the same level of volatility as stocks in publicly traded companies.

Currency risk

Currency risk is the risk that the value of investments denominated in foreign currencies will fluctuate due to changes in exchange rates. The Partnership currently has investments in both Canadian and US dollars. The Partnership will manage re-investments and distributions with like currencies to reduce portfolio value fluctuations attributed to changes in exchange rates.

The Partnership holds $117,287,105 (2017 – $67,172,873) of the fair value of its investments in United States dollars. A 1% change in foreign exchange rates would lead to a $859,750 (2017 – $535,455) change in the net assets of the Partnership.

Liquidity risk

Liquidity risk is the risk that the Partnership will encounter difficulty in meeting its financial liabilities. Liquidity risk may result from an inability to sell a security quickly at close to its fair value. Given the private nature of the majority of the Partnership's investments, there can be no assurance that an active trading market for the investments will exist at all times, or that the prices at which the securities trade accurately reflect their values. Sufficient cash balances are maintained to cover the Management fees and general and operating expenses of the Partnership.

The Partnership closely monitors its monthly cash receivables from its investments in order to meet its distributions to unitholders and potential redemptions. As distributions and redemptions are known in advance, the Portfolio Manager maintains a cash balance in order to service these payments in addition to any additional financial liability obligations.

Limited partners are currently required to provide 60 days redemption notice prior to a quarter-end and the General Partner has 30 days subsequent to a quarter-end to pay such redemption. The General Partner in its sole discretion may pay for such redemptions through the issuance of redemption notes as per Section 3.11 of the Limited Partnership Agreement. All other liabilities of the Partnership are due within one year.

Capital management

The Partnership's capital structure consists of contributions from limited partners. The Partnership's capital management practices are focused on investing in the equities of primarily private companies with the objective of creating returns for its limited partners. The net assets attributed to the redeemable units consist of partners' contributions, net operating gain (loss) for the year, realized gains and losses on disposals and net change in unrealized appreciation (depreciation) on investments. The General Partner has policies and procedures in place to manage the capital in accordance with its investment objectives, strategies and restrictions as detailed in the Limited Partnership Agreement. The Partnership has no specific capital requirements except for certain financial liability obligations as incurred by the Partnership.

14 Guarantee Contracts

The Partnership has entered into a limited guarantee contract agreement to guarantee a loan between a Canadian bank and a former investee of the Partnership. The loan guaranteed is $2,000,000 and the Partnership earns an annual fee of 1.8% of the guaranteed amount, which is included in Other income on the Statement of Comprehensive Income.

15 Comparative Figures

Certain comparative figures have been reclassified to conform with current year presentation.

CERTIFICATE

Dated this 22nd day of April, 2019.

This Offering Memorandum does not contain a misrepresentation.

INVICO DIVERSIFIED INCOME FUND
by its Administrator, Invico Diversified Income Administration Ltd.

"Jason Brooks"
President

"Allison Taylor"
Chief Executive Officer

On behalf of the Administrator, Invico Diversified Income Administration Ltd.

"*Jason Brooks*"
President

"*Allison Taylor*"
Chief Executive Officer

On behalf of the board

"*Allison Taylor*"
Director

"*Jason Brooks*"
Director

Schedule "A"

Trust Indenture

TRUST INDENTURE

in respect of

INVICO DIVERSIFIED INCOME FUND

(Mutual Fund Trust)

Made as of September 25, 2013

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THIS TRUST INDENTURE is made as of the 25th day of September, 2013.

BETWEEN:

INVICO DIVERSIFIED INCOME FUND TRUSTEE CORPORATION, a corporation incorporated pursuant to the laws of Alberta, (hereinafter called the "**Trustee**")

- and -

ALLISON TAYLOR, an individual residing in the City of Calgary in the Province of Alberta (hereinafter called the "**Settlor"** or the "**Initial Unitholder**" as the context requires)

- and –

INVICO DIVERSIFIED INCOME ADMINISTRATION LTD., a corporation incorporated pursuant to the laws of Alberta (hereinafter called the "**Administrator**")

- and -

Each person who after the date hereof becomes a Unitholder as herein provided.

RECITALS

WHEREAS the Settlor desires to settle and create a trust for the purpose of, among other things, acquiring an interest in an Alberta limited partnership and all transactions related thereto, and has paid to the Trustee the Initial Contribution (as defined herein) for the purpose of settling the Trust constituted hereby;

AND WHEREAS the Trustee has agreed to hold the Initial Contribution paid by the Settlor to the Trustee, and all amounts and assets subsequently received under this Trust Indenture (the "**Trust Indenture**") upon the trusts and in accordance with the provisions hereinafter set forth;

AND WHEREAS the Trustee desires that the beneficiaries of the Trust, including the Initial Unitholder, shall be the holders of Trust Units (as defined herein) being their interests in the Trust as hereinafter provided;

AND WHEREAS it is intended that the Trust will offer the Trust Units for sale and the proceeds shall be used to acquire an interest in the Partnership (as defined herein);

AND WHEREAS the parties hereto desire to set out the agreements, terms and conditions which shall govern the mutual and respective rights, powers and obligations of the parties hereto with respect to the administration of the Trust;

NOW THEREFORE THIS INDENTURE WITNESSETH THAT, in consideration of the premises and the mutual and respective covenants and agreements contained herein, the Trustee declares, covenants and agrees with the Settlor and the Initial Unitholder, and the Settlor and the Initial Unitholder covenant and agree with the Trustee as follows:

ARTICLE 1
INTERPRETATION

1.1 Definitions

In this Trust Indenture, unless there is something in the subject matter or context inconsistent therewith, the following terms have the meanings ascribed to them below:

(a) "**Administration Agreement**" means the agreement made as of the date hereof, among the Administrator and the Trust, pursuant to which the Administrator will provide certain administrative and support services to the Trust, as such agreement may be amended, supplemented, restated or replaced from time to time;

(b) "**Administrator**" means Invico Diversified Income Administration Ltd., and its successors and assigns as Administrator hereunder and under the Administration Agreement;

(c) "**Adviser Fees**" means a fee to be paid annually to registered dealers, financial advisors, sales persons or other eligible persons, in respect of applicable Trust Units of up to 1.25% of the Net Asset Value of the Partnership attributable to such Trust Units as have not been redeemed, calculated annually on December 31 of each calendar year;

(d) "**Affidavit**" has the meaning given to it in the Section 6.7;

(e) "**Affiliate**" has the same meaning as in the *Securities Act* (Alberta);

(f) "**Agency Agreement**" means any underwriting, agency or similar agreement entered into by or on behalf of the Trust and investment dealers or other persons relating to an Offering;

(g) "**Applicable Law**" means, unless the context otherwise dictates, any applicable statute of Canada or of a province or territory of Canada or any applicable regulations, orders, instruments, policies or other laws made under statutory authority by any governmental or regulatory body or agency having jurisdiction over the Trust;

(h) "**Associate**" means, in relation to another person ("**Other Person**"):

(i) a person of which the Other Person beneficially owns or controls, directly or indirectly, voting securities entitling the Other Person to more than 10% of the voting rights attached to outstanding securities of the person;

(ii) any person who is a partner of the Other Person;

(iii) any trust or estate in which the Other Person has a substantial beneficial interest or in respect of which the Other Person serves as trustee or in a similar capacity;

(iv) in the case where the Other Person is an individual, a relative of that individual, including:

(A) the spouse of that individual; or

(B) a relative of that individual's spouse;

if the relative has the same home as that individual;

(i) "**Auditors**" means the firm of chartered accountants that may be appointed as the auditors of the Trust from time to time in accordance with the provisions hereof and initially means PricewaterhouseCooopers LLP, Chartered Accountants;

(j) "**Bid Trust Units**" has the meaning given to it in Section 3.28(a);

(k) "**Business Day**" means a day other than a Saturday, Sunday or a day on which the principal chartered banks located at Calgary, Alberta are not open for business;

(l) "**Capital Gains Refund**" has the meaning given to it in Section 5.2;

(m) "**Class**" means a particular class of Trust Units;

(n) "**Class C Unit**" means a class C unit in the Trust;

(o) "**Class C LP Unit**" means a class C limited partnership unit in the Partnership;

(p) "**Class F Unit**" means a class F unit in the Trust;

(q) "**Class F LP Unit**" means a class F limited partnership unit in the Partnership;

(r) "**Class G Unit**" means a class G unit in the Trust;

(s) "**Class G LP Unit**" means a class G limited partnership unit in the Partnership;

(t) "**Close of Business**" means 5:00 p.m. (Calgary time) on a particular date;

(u) "**Control**" and related terms including "controlling" and "controlled", shall mean the possession by or on behalf of a person, directly or indirectly, of voting securities of another person (i) which carry more than 50% of the votes that may be cast to elect directors (or other persons serving in a capacity similar to directors of a corporation) of such other person, other than for the purpose of giving collateral for a bona fide debt, and (ii) where the votes carried by the securities referred to in clause (i) are sufficient, if exercised, to elect a majority of the board of directors (or other person serving in a capacity similar to directors of a corporation) of such other person;

(v) "**Distribution Payment Date**" means the day that is 30 days following the last day of each calendar month;

(w) "**Distribution Period**" means each calendar month, or such other periods in respect of a particular Class of Trust Units as may be hereinafter determined from time to time by the Administrator from and including the first day thereof and to and including the last day thereof;

(x) "**Distribution Record Date**" means the last Business Day of each Distribution Period;

(y) "**Experts**" has the meaning given to it in Section 13.2(a);

(z) "**Governing Authority**" and "**Governmental Authority**" means any stock exchange or any court or governmental department, regulatory body, commission, board, bureau, agency, or instrumentality of Canada, or of any state, province, territory, county, municipality, city, town or other political jurisdiction whether domestic or foreign and whether now or in the future constituted or existing;

(aa) "**Fiscal Year**" has the meaning given to it in Section 2.5;

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

(cc) "**Indemnified Persons**" has the meaning given to it in Section 13.6;

(dd) "**Initial Contribution**" means the silver coin delivered by the Settlor to the Trustee on the date hereof for the purpose of settling the trust constituted by this Trust Indenture;

(ee) "**Initial Unitholder**" means Allison Taylor, an individual resident in the City of Calgary, in the Province of Alberta, as the initial Unitholder of the Trust;

(ff) "**Investments**" means any investments made by the Partnership pursuant to the terms of the Partnership Agreement;

(gg) "**Investment Gains**" shall be calculated in respect of each class of Trust Units, and for the Trust as a whole, as the context dictates, and for a Valuation Period shall mean the excess, if any, of the aggregate

realized and unrealized increase during such Valuation Period in the value of Investments of the Partnership attributable to such limited partnership units of the Partnership as are held by the Trust, as determined pursuant to the Partnership Agreement over the aggregate realized and unrealized decrease during such Valuation Period by the Partnership in the value of Investments of the Partnership attributable to such limited partnership units of the Partnership as are held by the Trust, as determined pursuant to the Partnership Agreement. For greater certainty, expenses incurred in the purchase and sale of Investments are considered a deduction from the Investment Gains;

(hh) "**Investment Losses**" shall be calculated in respect of each class of Trust Units, and for the Trust as a whole, as the context dictates, and for a Valuation Period shall mean the excess, if any, of the aggregate realized and unrealized decrease during such Valuation Period in the value of Investments of the Partnership attributable to such limited partnership units of the Partnership as are held by the Trust, as determined pursuant to the Partnership Agreement over the aggregate realized and unrealized increase during such Valuation Period by the Partnership in the value of Investments of the Partnership attributable to such limited partnership units of the Partnership as are held by the Trust, as determined pursuant to the Partnership Agreement. For greater certainty, expenses incurred in the purchase and sale of Investments are considered an addition to the Investment Losses;

(ii) "**Meeting of Unitholders**" shall mean and include, as the circumstances require, both an ordinary Meeting of any class or classes of, or of all Unitholders and any other Meeting of any class or classes of, or of all Unitholders;

(jj) "**Net Asset Value**" shall mean the net asset value of the applicable Trust Property as determined pursuant to the provisions of the Partnership Agreement;

(kk) "**Net Income**" or "**Net Loss**" of the Trust means: (i) for any period other than a taxation year, the actual distributions received by the Trust from the Partnership; and (ii) for any taxation year means the income or loss of the Trust for such year computed in accordance with the provisions of the Income Tax Act other than paragraph 82(1)(b) and subsection 104(6) of the Income Tax Act regarding the calculation of income for the purposes of determining the "taxable income" of the Trust thereunder; provided, however, that (i) no account shall be taken of any gain or loss, whether realized or unrealized, that would, if realized, be a capital gain or capital loss for the purposes of the Income Tax Act; (ii) if any amount has been designated by the Trust under subsection 104(19) of the Income Tax Act, such designation shall be disregarded; (iii) if such calculation results in income there shall be deducted the amount of any non-capital losses (as defined in the Income Tax Act) of the Trust for any preceding years, and Net Income of the Trust for any period means the income of the Trust for such period computed in accordance with the foregoing as if that period were the taxation year of the Trust;

(ll) "**Net Operating Losses**" shall be calculated in respect of each class of limited partnership units in the Partnership, and means for a Valuation Period, the excess, if any, of the expenses of the general partner of the Partnership incurred during such Valuation Period by the Partnership attributable to the applicable class of limited partnership units (other than expenses incurred in the sale or purchase of Investments) over the aggregate income attributable to the applicable class of limited partnership units earned during such Valuation Period by the Partnership from all sources whatsoever (other than from the sale or purchase of Investments);

(mm) "**Net Operating Profits**" shall be calculated in respect of each class of limited partnership units in the Partnership, and means for a Valuation Period, the excess, if any, of the aggregate income earned during such Valuation Period by the Partnership attributable to the applicable class of limited partnership units from all sources whatsoever (other than from the sale or purchase of Investments) over all expenses of the general partner of the Partnership attributable to such class of limited partnership units incurred during such Valuation Period by the Partnership (other than expenses incurred in the sale or purchase of Investments);

(nn) "**Net Realized Capital Gains**" of the Trust for any taxation year of the Trust shall be determined as the amount, if any, by which the aggregate of the capital gains of the Trust for the year exceeds (i) the

aggregate of the capital losses of the Trust for the year, and (ii) the amount determined by the Trustee in respect of any net capital losses for prior taxation years which the Trust is permitted by the Income Tax Act to deduct in computing the taxable income of the Trust for the year;

(oo) "**Non-resident**" means a person who, at the relevant time, is not resident in Canada within the meaning of the Income Tax Act and includes a partnership that is not a Canadian partnership within the meaning of the Income Tax Act;

(pp) "**Non-resident Restriction**" has the meaning given to it in Section 3.10(a);

(qq) "**Non-Tendering Offeree**" means, in the case of a take-over bid made for Bid Trust Units, a holder of Bid Trust Units who does not accept the take-over bid, and includes a subsequent holder of such Bid Trust Units who acquires them from the first mentioned holder;

(rr) "**Notice**" has the meaning given to it in Section 6.1;

(ss) "**Offeree**" means a person to whom a take-over bid is made;

(tt) "**Offering**" means any issuance, offering or sale of Trust Units or Other Trust Securities;

(uu) "**Offering Documents**" means any one or more of a term sheet, an information memorandum, private placement offering memorandum, prospectus and similar public or private offering document, or any understanding, commitment or agreement to issue or offer Trust Units or any Other Trust Securities;

(vv) "**Offeror**" means a person, other than an agent, who makes a take-over bid, and includes two or more persons who, directly or indirectly, make a take-over bid jointly or in concert;

(ww) "**Ordinary Resolution**" means

(i) a resolution passed by more than 50% of the votes cast by those Unitholders of the particular class or classes of Trust Units entitled to vote on such resolution, whether cast in person or by proxy, at a Meeting of Unitholders of such class or classes of Trust Units, at which a quorum was present, called (at least in part) for the purpose of approving such resolution, or

(ii) a resolution approved in writing, in one or more counterparts, by holders of more than 50% of the votes represented by those Units of the particular class or classes of Trust Units entitled to be voted on such resolution;

(xx) "**Other Trust Securities**" means any type of securities of the Trust, other than Trust Units, including options, rights, warrants and other securities convertible into or exercisable for Trust Units or other securities of the Trust (including convertible debt securities, subscription receipts and instalment receipts);

(yy) "**Partnership**" means Invico Diversified Income Limited Partnership;

(zz) "**Partnership Agreement**" means the limited partnership agreement dated September 25, 2013 among Invico Diversified Income GP Ltd., as the general partner, and the limited partners, as of such date as amended from time to time;

(aaa) "**Personal Representative**" has the meaning given to it in Section 6.7;

(bbb) "**Privacy Laws**" has the meaning given to it in Section 18.10;

(ccc) "**Redemption Fee**" means an administration fee of $250 that may be charged by the Trustee in connection with a redemption of Trust Units;

(ddd) "**Redemption Notes**" means promissory notes issued in series, or otherwise, by the Trust pursuant to a note indenture or otherwise and issued to redeeming Unitholders in principal amounts equal to the Redemption Price per Trust Unit multiplied by the number of Trust Units to be redeemed less the applicable Redemption Fee and having the following terms and conditions;

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

(ii) subordinated and postponed to all senior indebtedness and which may be subject to specific subordination and postponement agreements to be entered into by the Trustee pursuant to the note indenture with holders of senior indebtedness;

(iii) subject to earlier prepayment, being due and payable on the fifth anniversary of the date of issuance; and

(iv) 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 Trustee or the Administrator;

(eee) "**Redemption Price**" means, in the event of a redemption of any Trust Unit, the net redemption proceeds per limited partnership unit that are received by the Trust upon redemption by the Trust of the corresponding limited partnership units redeemed by the Trust to pay for the redemption of such Trust Unit less the per limited partnership unit allocation of any redemption fee charged by the Partnership in connection with the redemption;

(fff) "**Register**" means the register of registered holders of Trust Units as set out in Section 3.17, as it may be amended from time to time;

(ggg) "**Regular Redemption Date**" has the meaning given to it in Section 6.1;

(hhh) "**resident**" means a person who, at the relevant time, is resident in Canada within the meaning of the Income Tax Act and includes a partnership that is a Canadian partnership within the meaning of the Income Tax Act;

(iii) "**Settlor**" means Allison Taylor, an individual resident in the City of Calgary, in the Province of Alberta, as settlor of the Fund;

(jjj) "**Special Resolution**" means

(i) a resolution passed by more than $66^{2}/_{3}\%$ of the votes cast by those Unitholders of the particular class or classes of Trust Units entitled to vote on such resolution, whether cast in person or by proxy, at a meeting of Unitholders of such class or classes of Units, at which a quorum was present, called (at least in part) for the purpose of approving such resolution, or

(ii) a resolution approved in writing, in one or more counterparts, by holders of more than $66^{2}/_{3}\%$ of the votes represented by those Trust Units of the particular class or classes of Trust Units entitled to be voted on such resolution;

(kkk) "**tax**" or "**taxes**" means all taxes, charges, fees, levies, imposts and other assessments, including all income, sales, use, goods and services, value added, capital, capital gains, alternative, net worth, transfer, profits, withholding, payroll, employer health, excise, franchise, real property and personal property taxes, and any other taxes, customs duties, fees, assessments, royalties, duties, deductions, compulsory loans or similar

charges in the nature of a tax including Canada Pension Plan and provincial pension plan contributions, employment insurance payments and worker compensation premiums, together with any instalments, and any interest, fines and penalties, imposed by any Governmental Authority, whether disputed or not;

(lll) "**this Trust Indenture**", "**this Indenture**", "**hereto**", "**herein**", "**hereof**", "**hereby**", "**hereunder**" and similar expressions refer to this Trust Indenture, including the Schedules hereto, as the same may be amended, restated or modified from time to time, and includes every instrument supplemental or ancillary to or in implementation of this Trust Indenture and, except where the context otherwise requires, does not refer to any particular Article, Section or other portion hereof or thereof;

(mmm) "**Transmission**" has the meaning given to it in Section 6.7;

(nnn) "**Trust**" means the trust constituted by this Trust Indenture;

(ooo) "**Trust Liabilities**" has the meaning given to it in Section 2.10(a)(vi);

(ppp) "**Trust Property**", at any time, means all of the money, properties and other assets of any nature or kind whatsoever, including both income and capital of the Trust, as are, at such time, held by the Trust or by the Trustee on behalf of the Trust;

(qqq) "**Trust Unit**" means a trust unit of the Trust as described in Section 3.1;

(rrr) "**Trustee**" means Invico Diversified Income Fund Trustee Corporation. in its capacity as trustee of the Trust or any successor trustee of the Trust in accordance with the provision of this Trust Indenture;

(sss) "**Trustee's Regulations**" has the meaning given to it in Section 8.4;

(ttt) "**Unit Certificate**" means a certificate, in the form approved by the Administrator, evidencing one or more Trust Units, issued and certified in accordance with the provisions hereof;

(uuu) "**Unitholder**" means, at any time, a holder at that time of one or more Trust Units, as shown on any of the Registers and such holders are collectively called "**Unitholders**";

(vvv) "**Valuation Period**" shall mean each calendar month of the Partnership or, if for any calendar month of the Partnership any contribution to the capital of the Partnership shall have been made at any time other than the first day of such calendar month or any withdrawal from the capital of the Partnership shall have been made at any time other than as of the last day of such calendar month, then: (a) the period commencing on the first day of such calendar month and ending on the date of such withdrawal or the day next preceding the date of any such contribution; and (b) each successive period in such month commencing on the date of any such contribution or day following the date of such withdrawal and ending on the earlier to occur of (i) the last day of such calendar month or (ii) the date of the next such withdrawal or the day next preceding the date of the next such contribution to the capital of the Partnership during such calendar month;

(www) any reference to "**property**" or "**property of the Trust**" or "**assets**" or "**assets of the Trust**" includes, in each case, the Trust Property;

1.2 References to Acts Performed by the Trust

For greater certainty, where any reference is made in this Trust Indenture to:

(a) an act to be performed by the Trust or to rights of the Trust, such reference shall be construed and applied for all purposes to refer to an act to be performed by the Trustee or the Administrator on behalf of the Trust or by some other person duly authorized to do so by the Trustee or the Administrator pursuant to the provisions hereof;

(b) actions, rights or obligations of the Trustee or the Administrator, such reference shall be construed and applied for all purposes to refer to actions, rights or obligations of the Trustee or the Administrator in its capacity as Trustee or Administrator of the Trust, as the case may be, and not in its other capacities, unless the context clearly requires otherwise.

1.3 Extended Meanings

In this Trust Indenture, unless herein otherwise expressly provided or unless the context otherwise requires, words importing the singular number include the plural, and vice-versa and words importing a gender shall include the feminine, masculine and neuter genders. Where the word "including" or "includes" is used in this Trust Indenture it means "including without limitation" or "includes without limitation", respectively. Any reference to any document shall include a reference to any schedule, amendment or supplement thereto or any agreement in replacement thereof, all as permitted under such document.

1.4 Statutory References

A reference herein to any statute includes every regulation (and other similar ancillary instrument having the force of law) made pursuant thereto, all amendments to the statute or to any such regulation (or other similar ancillary instrument) in force from time to time, and any statute or regulation (or other similar ancillary instrument) which supplements or supersedes such statute or regulation (or other similar ancillary instrument); and a reference to any section or provision of a statute includes all amendments to such section or provision, as made from time to time, and all sections or provisions which supplement or supersede such section or provision referred to herein.

1.5 Headings for Reference Only

The division of this Trust Indenture into Articles, Sections and Schedules, the provision of a Table of Contents and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation of this Trust Indenture. Unless something in the subject matter or context is inconsistent therewith, references herein to Articles and Sections are to Articles and Sections of this Trust Indenture.

1.6 Day Not a Business Day

Except as otherwise set out herein, in the event that any day on which any amount is to be determined or any other determination is to be made or any action is required to be taken hereunder is not a Business Day, then, subject to the discretion of the Trustee, such amount shall be determined, or such other determination shall be made, or such action shall be required to be taken, at or before the requisite time on the next succeeding day that is a Business Day.

1.7 Governing Law

This Trust Indenture and the Unit Certificates shall be construed in accordance with the laws of the Province of Alberta and the laws of Canada applicable therein. The parties hereto hereby irrevocably submit and attorn to the jurisdiction of the courts of the Province of Alberta.

1.8 Schedules

The Schedules attached hereto are incorporated by reference herein and form an integral part of this Trust Indenture.

1.9 Currency

Unless otherwise specified, all references herein to currency shall be references to currency of Canada.

ARTICLE 2
DECLARATION OF TRUST

2.1 Settlement of Trust

The delivery by the Settlor, concurrent with the execution of this Trust Indenture, of the Initial Contribution to the Trustee for the purpose of settling the Trust is hereby confirmed.

2.2 Declaration of Trust

The Trustee hereby agrees to act as Trustee on behalf of, and to hold, use and administer the Trust Property in trust for the benefit of, the Unitholders and their permitted assigns and personal representatives in accordance with and subject to the terms and conditions hereinafter declared and set forth, such trust to constitute the Trust hereunder.

2.3 Name of Trust

The Trust shall be known and designated as "**Invico Diversified Income Fund**" and, whenever lawful and convenient, the property of the Trust shall be held and the affairs of the Trust shall be conducted and transacted under that name. The Trust, with the consent of the Administrator, may use such other designation or may adopt such other name as the Administrator deems appropriate, and the Trust may hold property and conduct and transact its affairs under such other designation or name.

2.4 Situs and Head Office

The situs of the Trust shall be the Province of Alberta and the head office of the Trust shall be located at Calgary, Alberta, or such other place or places in Canada as the Administrator may from time to time designate and will initially be located at 300, 116 - 8th Avenue SW, Calgary, Alberta T2P 1B3.

2.5 Fiscal Year

The fiscal year ("**Fiscal Year**") of the Trust shall end on December 31 of each year.

2.6 Nature of the Trust

The Trust is an open-end, unincorporated trust, established for the purpose specified in Section 4.1. The Trust is not, is not intended to be, shall not be deemed to be and shall not be treated as, a general partnership, limited partnership, syndicate, association, joint venture, company, corporation or joint stock company; further, neither the Trustee, the Administrator, the Unitholders, nor any of them, shall be, or be deemed to be, treated in any way whatsoever as liable or responsible hereunder as partners or joint venturers. Neither the Trustee nor the Administrator shall be, or be deemed to be, agent of the Unitholders. The relationship of the Unitholders to the Trustee shall be solely that of beneficiaries of the Trust, and their rights shall be limited to those expressly conferred upon them by this Trust Indenture.

2.7 Mutual Fund Trust Election

In filing a return of income for the Trust's first taxation year, the Trust shall elect in accordance with Subsection 132(6.1) of the Income Tax Act, provided that the Trust has become a "mutual fund trust" at any particular time before the 91st day after the end of the Trust's first taxation year, to be deemed to be a "mutual fund trust" for purposes of the Income Tax Act from the beginning of its first taxation year until the particular time.

2.8 Rights of Unitholders and Ownership of Assets of the Trust

(a) The rights of each Unitholder to call for a distribution or division of assets, monies, funds, income and capital gains held, received or realized by the Trustee or the Administrator are limited to those contained

herein. Except as otherwise expressly provided for herein, no Unitholder shall be entitled to interfere with, or give any direction to, the Trustee or the Administrator with respect to the affairs of the Trust or in connection with the exercise of any powers or authorities conferred upon the Trustee or the Administrator under this Trust Indenture.

(b) The legal ownership of the Trust Property and the right to conduct the affairs of the Trust are vested exclusively in the Trustee, or such other persons as the Trustee may determine or as are permitted in accordance with the terms hereof, and the Unitholders shall have no interest therein other than the interest specifically set forth in this Trust Indenture and they shall have no right to compel or call for any redemption of Trust Units or any partition, division, dividend or distribution of the Trust Property, except as specifically provided herein. Except as specifically provided herein, no Unitholder shall be entitled to interfere with or give any direction to the Trustee with respect to the affairs of the Trust or in connection with the exercise of any powers or authorities conferred upon the Trustee under this Trust Indenture.

(c) Trust Units shall be personal property and shall confer upon the holders thereof only the interest and rights as specifically set forth in this Trust Indenture.

2.9 Unitholders Bound

This Trust Indenture shall be binding upon all persons who become Unitholders from time to time. By acceptance of a Unit Certificate representing any Trust Units upon completion of a purchase of any such Trust Units, the Unitholder thereof shall be deemed to agree to be bound, and shall be so bound, by this Trust Indenture. Furthermore, where applicable, this Trust Indenture shall be binding upon all persons who from time to time hold Other Trust Securities, and acceptance of a certificate or confirmation of purchase of such Other Trust Securities in whatever manner shall result in such holder of Other Trust Securities being deemed to agree to be bound, and shall be so bound, by the applicable provisions of this Trust Indenture.

2.10 Liability of Unitholders

(a) No Unitholder, in its capacity as such, shall incur or be subject to any liability, direct or indirect, absolute or contingent, in contract or in tort or of any other kind to any person, and no resort shall be had to, nor shall recourse or satisfaction be sought from the private property of any Unitholder for any liability whatsoever in connection with:

(i) the Trust Property or the ownership, use, operation, acquisition or disposition thereof or exercise or enjoyment of the rights, privileges, conditions or benefits attached thereto, associated therewith or derived therefrom;

(ii) the obligations or the activities or affairs of the Trust;

(iii) any actual or alleged act or omission of the Trustee, the Administrator or by any other person in respect of the activities or affairs of the Trust (whether or not authorized by or pursuant to this Trust Indenture);

(iv) any act or omission of the Trustee, the Administrator or any other person in the performance or exercise, or purported or attempted performance or exercise, of any obligation, power, discretion or authority conferred upon the Trustee, the Administrator or such other person in respect of the activities or affairs of the Trust (whether or not authorized by or pursuant to this Trust Indenture);

(v) any transaction entered into by the Trustee, the Administrator or by any other person in respect of the activities or affairs of the Trust (whether or not authorized by or pursuant to this Trust Indenture); or

(vi) any taxes, levies, imposts or charges or fines, penalties or interest in respect thereof payable by the Trust or by the Trustee, the Administrator or by any other person on behalf of or in connection with the activities or affairs of the Trust,

(collectively, "**Trust Liabilities**").

(b) No Unitholder, in its capacity as such, shall be liable to indemnify the Trustee, the Administrator or any other person with respect to any Trust Liabilities.

(c) To the extent that, notwithstanding the provisions of this Section 2.10, any Unitholder, in its capacity as such, may be determined by a judgment of a court of competent jurisdiction to be subject to or liable in respect of any Trust Liabilities, such judgment and any writ of execution or similar process in respect thereof, shall be enforceable only against, and shall be satisfied only out of, the Unitholder's share of the Trust Property represented by its Trust Units or any Other Trust Securities held by it.

2.11 Contracts of the Trust

Every contract entered into by or on behalf of the Trust, whether by the Trustee, the Administrator or otherwise, shall (except as the Trustee or the Administrator may otherwise expressly agree in writing with respect to their own personal liability) include a provision substantially to the following effect:

> The parties hereto acknowledge that the Trustee and the Administrator are entering into this agreement solely in their capacity as Trustee or Administrator on behalf of the Trust and the obligations of the Trust hereunder shall not be personally binding upon the Trustee or the Administrator or any of the Unitholders of the Trust and that any recourse against the Trust or any Unitholder in any manner in respect of indebtedness, obligation or liability of the Trust arising hereunder or arising in connection herewith or from the matters to which this agreement relates, if any, including without limitation claims based on negligence or otherwise tortious behavior, shall be limited to, and satisfied only out of, the Trust Assets as defined in the trust indenture of the Trust dated as of September 25, 2013 as amended from time to time.

The omission of such a provision from any such written instrument shall not operate to impose personal liability on the Trustee, the Administrator or any Unitholder.

ARTICLE 3
CREATION, ISSUE AND SALE OF TRUST UNITS

3.1 Nature of Trust Units

(a) All of the beneficial interest in the Trust shall be divided into interests of multiple classes of Trust Units. There shall be no limit on the number of Classes or, except as designated in the rights, restrictions and conditions of that Class, on the number of any Trust Units in any Class. All Trust Units of a Class outstanding from time to time shall be entitled to equal shares in any such Class distribution by the Trust and, in the event of termination or winding-up of the Trust, in the net assets of the Trust relating to that Class of Trust Units. All Trust Units of a Class shall rank among themselves equally and rateably without discrimination, preference or priority. The Administrator, on behalf of the Trustee, may, in its discretion, determine the designation and attributes of a Class, which may include: the initial closing date and offering price for the first issuance of Trust Units, any minimum initial or subsequent investment thresholds, minimum aggregate net asset value balances to be maintained by Unitholders, and procedures in connection therewith (including a requirement to redeem Trust Units), the fees payable to the Administrator, if any, as management, performance, or other fees, the organization, sales and redemption fees to be paid upon the acquisition, over time or on redemption of Trust Units, the frequency of subscriptions or redemptions, the period of time Trust Units must be held before they may be redeemed, the period of notice required for

redemption of Trust Units, minimum redemption amounts and any other limits on redemption, convertibility among Classes and such additional Class specific attributes as the Trustee or Administrator may in their discretion specify. The Administrator, on behalf of the Trustee, may prescribe in its discretion the maximum number of Trust Units or maximum dollar amount of Trust Units that may be sold in the Trust. Class attributes may be prescribed by the Administrator, on behalf of the Trustee, from time to time in a supplemental indenture.

(b) Class attributes of Trust Units may be amended from time to time in accordance with the provision of this Trust Indenture.

(c) Trust Units shall be issued only as fully paid and once issued, shall be non-assessable. There shall be no limit to the number of Trust Units that may be issued, subject to any determination to the contrary made by the Trustee, or the Administrator acting on behalf of the Trustee, in its sole discretion. No Trust Unit of the same Class shall have any rights, preference or priorities over any other Trust Unit of the same Class and each Trust Unit of the same Class will represent an equal undivided interest in the net assets of the Trust attributable to that Class of Trust Unit.

(d) The Administrator may, by providing written notice to the Trustee, add additional Classes of Trust Units at any time, without the prior approval of Unitholders. All rights, restrictions and conditions attaching to a Class of Trust Units shall be set out in a supplemental indenture.

(e) At any time and from time to time after providing the Trustee and Unitholder(s) with thirty (30) days' prior written notice, the Administrator may re-designate outstanding Trust Units of a Class issued to the Unitholder as Trust Units of another Class.

(f) No Class of Trust Units shall be created or issued if after such creation or issuance there exists more than one Class of Trust Units and it can reasonably be considered that one of the reasons for the existence of different Classes of Trust Units (or any conditions, rights or attributes in respect thereof) is to give Unitholders of any Class of Trust Units a percentage interest in the income of the Trust that is greater than their percentage interest in the property of the Trust.

(g) The Trust Units shall not be listed or traded on a stock exchange or a public market.

(h) Each Trust Unit shall entitle the holder or holders thereof to one vote at a meeting of the Unitholders in respect of any vote upon which the applicable Class of Trust Units is entitled to vote and represents an equal fractional undivided beneficial interest in any Class distribution from the Trust (whether of Net Income, Net Realized Capital Gains or other amounts) and in any Class net assets of the Trust in the event of termination or winding-up of the Trust.

(i) The initial Classes of Trust Units shall be designated as the "Class C Units", "Class F Units" and "Class G Units", shall be issued at a price of ten ($10) dollars per Trust Unit and shall have the additional rights and restrictions set out below:

(i) Class C Units.

(A) Proceeds raised pursuant to the issuance of Class C Units may only be used for the purpose of purchasing Class C LP Units.

(B) The Class C Units shall be the only class of Trust Units entitled to the investment proceeds and Trust Property realized by the Trust on distributions made by the Partnership in respect of Class C LP Units, and the Class C Units shall not be entitled to any distributions from the Trust or to any Trust Property that is not derived from the investment by the Trust into Class C LP Units.

(C) Each Class C Unit shall entitle the holder thereof to receive notice of, attend at, and cast one vote in respect of such Class C Unit at any Meeting of Unitholders, or to execute any written Ordinary Resolution or Special Resolution in respect of such Class C Unit in accordance with the terms of this Trust Indenture, provided that:

(I) in respect of any Meeting of Unitholders, Ordinary Resolution or Special Resolution affecting Class C Units in a manner different from the treatment of holders of one or more other Classes of Trust Units, then only holders of Class C Units may attend and vote at such Meeting of Unitholders or execute the applicable Special Resolution or Ordinary Resolution to the extent that such matter affects the rights of holders of Class C Units; and

(II) in respect of any Meeting of Unitholders, Ordinary Resolution or Special Resolution affecting holders of a class or classes of Trust Units other than holders of Class C Units in a manner that treats holders of such class or classes of Trust Units differently from the treatment of holders of Class C Units, but does not affect the rights or obligations of holders of Class C Units, then holders of Class C Units may not attend or vote at such Meeting of Unitholders or execute the applicable Special Resolution or Ordinary Resolution;

(ii) Class F Units.

(A) Proceeds raised pursuant to the issuance of Class F Units may only be used for the purpose of purchasing Class F LP Units.

(B) The Class F Units shall be the only class of Trust Units entitled to the investment proceeds and Trust Property realized by the Trust on distributions made by the Partnership in respect of Class F LP Units, and the Class F Units shall not be entitled to any distributions from the Trust or to any Trust Property that is not derived from the investment by the Trust into Class F LP Units.

(C) Each Class F Unit shall entitle the holder thereof to receive notice of, attend at, and cast one vote in respect of such Class F Unit at any Meeting of Unitholders, or to execute any written Ordinary Resolution or Special Resolution in respect of such Class F Unit in accordance with the terms of this Trust Indenture, provided that:

(I) in respect of any Meeting of Unitholders, Ordinary Resolution or Special Resolution affecting Class F Units in a manner different from the treatment of holders of one or more other Classes of Trust Units, then only holders of Class F Units may attend and vote at such Meeting of Unitholders or execute the applicable Special Resolution or Ordinary Resolution to the extent that such matter affects the rights of holders of Class F Units; and

(II) in respect of any Meeting of Unitholders, Ordinary Resolution or Special Resolution affecting holders of a class or classes of Trust Units other than holders of Class F Units in a manner that treats holders of such class or classes of Trust Units differently from the treatment of holders of Class F Units, but does not affect the rights or obligations of holders of Class F Units, then holders of Class F Units may not attend or vote at such Meeting of Unitholders or execute the applicable Special Resolution or Ordinary Resolution;

(iii) Class G Units.

(A) Proceeds raised pursuant to the issuance of Class G Units may only be used for the purpose of purchasing Class G LP Units.

(B) The Class G Units shall be the only class of Trust Units entitled to the investment proceeds and Trust Property realized by the Trust on distributions made by the Partnership in respect of Class G LP Units, and the Class G Units shall not be entitled to any distributions from the Trust or to any Trust Property that is not derived from the investment by the Trust into Class G LP Units.

(C) Each Class G Unit shall entitle the holder thereof to receive notice of, attend at, and cast one vote in respect of such Class G Unit at any Meeting of Unitholders, or to execute any written Ordinary Resolution or Special Resolution in respect of such Class G Unit in accordance with the terms of this Trust Indenture, provided that:

(I) in respect of any Meeting of Unitholders, Ordinary Resolution or Special Resolution affecting Class G Units in a manner different from the treatment of holders of one or more other Classes of Trust Units, then only holders of Class G Units may attend and vote at such Meeting of Unitholders or execute the applicable Special Resolution or Ordinary Resolution to the extent that such matter affects the rights of holders of Class G Units; and

(II) in respect of any Meeting of Unitholders, Ordinary Resolution or Special Resolution affecting holders of a class or classes of Trust Units other than holders of Class G Units in a manner that treats holders of such class or classes of Trust Units differently from the treatment of holders of Class G Units, but does not affect the rights or obligations of holders of Class G Units, then holders of Class G Units may not attend or vote at such Meeting of Unitholders or execute the applicable Special Resolution or Ordinary Resolution;

3.2 Designation of Other Class of Units

Prior to the issue of any Class of Trust Units, other than the Class C Units, Class F Units and Class G Units, the Administrator shall designate in a supplemental indenture a designation for that Class, an issue price for all Trust Units of that Class, the maximum number, if any, of Trust Units in that Class and the rights, restrictions and conditions of the Trust Units of that Class. All Trust Units of a Class shall be issued at a price equal to the issue price designated for that Class, plus (at the option of the Administrator) an amount to adjust for interest accrued on investments relating to that Class in the case of later issuances of such Trust Units.

3.3 Authorized Number of Securities

The aggregate number of Class C Units, Class F Units and Class G Units that are authorized and may be issued hereunder is unlimited. The aggregate number of Other Trust Securities which are authorized and may be issued hereunder is unlimited.

3.4 Issue of Trust Units

(a) Concurrently with the execution and delivery of this Trust Indenture by the parties hereto, the Trustee shall issue to the Initial Unitholder, in consideration for the payment of $10.00, one (1) Class C Unit and the Trustee shall cause the Initial Unitholder to be entered on the Register as the holder of one (1) Class C Unit.

(b) On the date of the first issuance of any class of Trust Units subsequent to the date hereof and immediately following such first issuance, the Trust shall repurchase the initial one (1) Class C Unit from the Initial Unitholder, and the Initial Unitholder shall sell the initial one (1) Class C Unit to the Fund for a purchase price of $10.00 and, upon the completion of such purchase and sale, the initial one (1) Class C Unit shall be cancelled and shall no longer be outstanding for any of the purposes of this Trust Indenture.

(c) Trust Units may be issued at the times, to the Unitholders, for the consideration and on the terms and conditions that the Administrator, on behalf of the Trustee, determines in its absolute discretion. The Administrator may provide for the payment by the Trust of commissions or may allow discounts to Unitholders in consideration of their subscribing or agreeing to subscribe, whether absolutely or conditionally, for Trust Units or of their agreeing to produce subscriptions therefor, whether absolute or conditional.

3.5 Subdivision of Trust Units

The Administrator may, on behalf of the Trustee, at any time or times and on not less than 14 days' notice in writing, give to each applicable Unitholder and the Trustee a notice that each Trust Unit of a particular Class or Classes shall be subdivided into additional Trust Units of such Class or Classes whereupon each applicable Trust Unit shall stand subdivided accordingly. The Administrator shall thereupon send or cause to be sent to each Unitholder a written confirmation indicating the number of additional Trust Units of such Class or Classes to which the Unitholder has become entitled by reason of the subdivision. The Administrator shall also take such steps as may be necessary to update the Register of Unitholders of the Trust.

3.6 Consolidation of Trust Units

The Administrator may, on behalf of the Trustee, at any time or times and on not less than 14 days' notice in writing, give to each applicable Unitholder and the Trustee a notice that each Trust Unit of a particular Class or Classes shall be consolidated into a fraction of a Trust Unit of such Class or Classes whereupon each applicable Trust Unit shall stand consolidated accordingly. The Administrator shall thereupon send or cause to be sent to each Unitholder a written confirmation indicating the basis of consolidation and the number of Trust Units of such Class or Classes which the Unitholder then owns. The Administrator shall also take such steps as may be necessary to update the Register of Unitholders of the Trust, or to issue replacement Unit Certificates.

3.7 Rights, Warrants and Options

The Administrator may, on behalf of the Trustee, create and issue rights, warrants or options to subscribe for fully paid Trust Units and may issue Trust Units on an instalment receipt basis. Such rights, warrants or options may be exercisable, and such instalment receipts may be issued, at such subscription price or prices and at such time or times as the Administrator may determine. The rights, warrants or options so created may be issued for such consideration or for no consideration, all as the Administrator may determine. A right, warrant or option is not a Trust Unit and a holder thereof is not a Unitholder.

3.8 Trust Units Fully Paid and Non-Assessable

(a) Subject to allowable discounts (if any) as referred to in Section 3.4, Trust Units are only to be issued when fully paid and are not subject to future calls or assessments.

(b) The consideration for any Trust Unit issued by the Trust shall be paid in money or in property or in past services that are not less in value than the fair equivalent of the money that the Trust would have received if the Trust Unit had been issued for money.

3.9 No Conversion, Retraction, Redemption or Pre-Emptive Rights

No person shall be entitled, as a matter of right, to subscribe for or purchase any Trust Unit, and except as otherwise set forth herein, there are no conversion, retraction or pre-emptive rights attaching to the Trust Units.

3.10 Non-Resident Ownership Constraints

(a) It is in the best interest of the Unitholders that the Trust always qualify as a "mutual fund trust" under the Income Tax Act and this requires, among other things, that the Trust shall not be established or maintained primarily for the benefit of Non-residents. In addition, it is in the best interest of the Unitholders that the Trust not be considered an "investment company", if possible, required to register as an "investment company" or controlled by an "investment company" for the purposes of the United States Investment Company Act of 1940, as amended. Accordingly, for so long as it is required by the Income Tax Act for the Trust to maintain its status as a "mutual fund trust", at no time may Non-residents be the beneficial owners of more than 49% of the outstanding Trust Units, on both a non-diluted and fully-diluted basis, and, if necessary, at no time may more than 100 persons resident in the United States (as determined by the Administrator) be the beneficial owners of Trust Units. It shall be the responsibility of the Administrator to monitor compliance by the Trust with these Non-resident restrictions (collectively, the "**Non-resident Restriction**") in accordance with the published policies of the relevant taxation authority and otherwise in relation to the United States Investment Company Act of 1940, as amended.

(b) A Unitholder shall advise the Trustee and the Administrator in writing not less than thirty (30) days prior to becoming a Non-resident that it intends to become a Non-resident and identify the date for the change in residency status.

(c) Notwithstanding anything herein contained, the Administrator (or any delegate thereof) may (at the expense of the Trust), at any time and from time to time, take all such actions as it determines in its discretion are reasonable and practicable in the circumstances in order to ensure compliance by the Trust with the Non-resident Restriction, including (i) obtaining declarations from Unitholders as to whether such securities held thereby are held by or for the benefit of Non-residents, or declarations from Unitholders or others as to the jurisdictions in which beneficial owners of securities of the Trust are resident for Canadian income tax purposes, (ii) performing residency searches of Unitholder and beneficial holder mailing address lists to determine or estimate, to the extent practicable, the residence for Canadian income tax purposes of beneficial holders of Trust Units, and (iii) placing such other limits on ownership of securities by the Trust by Non-residents as the Trustee or Administrator may deem necessary in its sole discretion to maintain the Trust's status as a "mutual fund trust" and ensure that the Trust is not an "investment company" required to be registered under United States Investment Company Act of 1940, as amended.

(d) If at any time the Administrator, in its sole discretion, determines that it is in the best interest of the Trust, the Administrator, may:

(i) require the Trust to refuse to accept a subscription for securities of the Trust from, or issue or register a transfer of securities of the Trust to, a person unless the person provides a declaration to the Administrator that the securities of the Trust to be issued or transferred to such person will not when issued or transferred be beneficially owned by a Non-resident;

(ii) send a notice to registered holders of securities of the Trust which are beneficially owned by Non-residents, chosen in inverse order to the order of acquisition or registration of such securities beneficially owned by Non-residents, or chosen in such other manner as the Administrator may consider equitable and practicable, requiring such Non-resident holders to sell their securities of the Trust, or a specified portion thereof, within a specified period of not less than 60 days or such shorter period as may be required to preserve the status of the Trust as a "mutual fund trust" under the Income Tax Act or ensure the Trust is not an "investment company" required to be registered under United States Investment Company Act of 1940, as amended. If the holders of securities of the Trust receiving such notice have not, within such period, sold the specified number of such

securities or provided the Trustee with evidence satisfactory to the Administrator that such securities are not beneficially owned by Non-residents, the Administrator may, on behalf of such registered Unitholder, sell such securities to a third party that is not a Non-resident and, in the interim and to the extent applicable, suspend the voting and distribution rights attached to such securities of the Trust. Any such sale shall be made in such manner in which the Administrator shall determine, and upon such sale, the affected securityholders shall cease to be holders of such securities so disposed of and their rights shall be limited to receiving the net proceeds of sale (net of applicable taxes and costs of sale) upon surrender of the certificates representing such securities; and

(iii) take such other actions as the Administrator determines, in its sole discretion, may be appropriate in the circumstances that will reduce or limit the number of securities of the Trust held by Non-residents to ensure that the Trust is not established or maintained primarily for the benefit of Non-residents and is not considered an "investment company" required to be registered under United States Investment Company Act of 1940, as amended.

(e) The Administrator and the Trustee shall not have any liability in connection with sales of securities of the Trust made pursuant to Section 3.10(d)(ii), including in respect of the amounts received upon such sales and the costs incurred in connection with such sales.

(f) None of the Trustee, the Administrator or any holder of Trust Units, shall be liable for a determination that the Trust is an "investment company" or is an "investment company" required to be registered under United States Investment Company Act of 1940, as amended, or that the Trust is established or maintained primarily for the benefit of Non-residents as a result of an excess number of securities of the Trust being held by Non-residents during the term of the Trust.

(g) It is acknowledged that at any time that Trust Units are registered in the name of depositories or other non-beneficial holders, the ability of the Administrator to monitor compliance by the Trust with the Non-resident Restriction will be limited, and in this regard the Administrator shall be entitled to rely on information respecting the residency of Unitholders provided in any subscription agreement or directly by the depositories or other non-beneficial holders to the Administrator and the Administrator may exercise its discretion in making any determination under this Section 3.10, and any reasonable and *bona fide* exercise of such discretion shall be binding for the purpose of this Section 3.10.

(h) Notwithstanding any other provision of this Trust Indenture, unless determined otherwise by the Trustee and the Administrator, Non-residents, whether registered holders or beneficial holders of securities of the Trust, shall not be entitled to vote in respect of any Special Resolution to amend this Section 3.10.

3.11 Declaration as to Beneficial Ownership

The Trustee or Administrator may require any Unitholder as shown on the Register of Unitholders to provide a declaration, in form prescribed by the Trustee or Administrator, as to the beneficial owner of Trust Units registered in such Unitholder's name and as to the jurisdiction in which such beneficial owner is resident for Canadian income tax purposes or for the purposes of the United States Investment Company Act of 1940, as amended, and the Unitholders shall comply with any such request.

3.12 Unit Certificates

The Administrator may determine not to issue any Unit Certificates, in which case the Register shall be a conclusive record of the Unitholders of the Trust. In the absence of a determination by the Administrator not to issue any Unit Certificates, each Unitholder, with respect to each Class of Trust Units held thereby, shall be entitled to a Unit Certificate bearing an identifying certificate number in respect of the Trust Units of such Class or Classes held by it, signed in the manner hereinafter prescribed.

The Trust is not bound to issue more than one Unit Certificate in respect of any Trust Unit(s) held jointly or in common by two or more persons, and delivery of a Unit Certificate to one of them shall be sufficient delivery to all.

3.13 Execution of Unit Certificates

Unit Certificates for Trust Units shall be manually signed on behalf of the Trust by the Trustee in respect of the particular Class of Trust Units in question. The signature of the Administrator required on Unit Certificates may be printed or otherwise mechanically reproduced thereon and Unit Certificates so signed are as valid as if they had been signed manually. If a Unit Certificate contains a signature of a person who has ceased to be an authorized representative of the Trustee or Administrator, then such Unit Certificate is valid as if the person continued to be an authorized representative of the Trustee or Administrator at the date of its issue.

3.14 Certificate Fee

The Trustee may establish a reasonable fee to be charged to the applicable Unitholder for every Unit Certificate issued.

3.15 Form of Unit Certificate

Unit Certificates shall be in such form as is from time to time authorized by the Administrator. The definitive form(s) of the Unit Certificates for each Class of Trust Units may be in English only or, in the discretion of the Administrator, in the English and French languages. Unit Certificates may be engraved, printed or lithographed, or partly in one form and partly in another, as the Administrator may determine and may have such letter, numbers or other marks of identification and such legends or endorsements placed thereon as may be required hereunder or as may be necessary to comply with Applicable Law and the rules of any securities regulatory authority or exchange, or as may be determined by the Administrator. In connection with any removal, or request for removal, of any legend or endorsement on the Unit Certificates the Trustee shall be entitled to require, among other things, such declarations as to residency and such opinions, from appropriate persons (including Unitholders), as it considers prudent or necessary.

3.16 Fractional Trust Units

Fractions of Trust Units shall not be issued and where Trust Units to be received by the Unitholder include a fraction, such number shall be rounded to the next whole number.

3.17 Trust Unit Register

A register (the "**Register**" and where more than one, the "**Registers**") shall be kept by, or on behalf and under the direction of, the Trustee in respect of each Class of Trust Units, and each Register shall contain the names and addresses of Unitholders, the respective numbers of Trust Units held by such Unitholders, the certificate numbers of the Unit Certificates held by them, and a record of all transfers thereof.

Except as may otherwise be provided in this Trust Indenture, only persons whose Trust Units are recorded on the Registers shall be entitled to vote or to receive distributions, as the case may be, or otherwise exercise or enjoy the rights of Unitholders.

3.18 Entry on Register

Upon any issue of Trust Units, the name of the subscriber or other person entitled to such Trust Units shall be promptly entered on the Register as the owner of the number of Trust Units issued to such subscriber or other person, or if the subscriber is already a Unitholder, the Register shall be amended to include such subscriber's additional Trust Units.

3.19 Transfer of Trust Units

(a) Subject to the provisions of this Article 3, no transfer of Trust Units shall be effective as against the Trustee or shall be in any way binding upon the Trustee, until the following has occurred:

(i) the details concerning the transfer, including name, address and country of residence of the transferee, as well as the price per Trust Unit at which the sale and transfer has occurred, have been reported to the Trust; unless the Trustee determines in its sole discretion that such information need not be provided;

(ii) the Trustee has received a form of transfer acceptable to the Trustee which shall include such representations and/or opinions or other assurance regarding compliance with Applicable Law; and

(iii) the transfer has been recorded on the applicable Register.

(b) In the case of Unit Certificates bearing a legend restricting the transfer of the Trust Units under applicable United States federal and state securities laws, the Trustee shall not register such transfer unless the transferor has provided the certificate representing the Trust Units and the transfer is being made (i) to the Trust, (ii) outside the United States in compliance with the requirements of Rule 904 of Regulation S promulgated under the United States Securities Act of 1933, as amended, and in compliance with applicable local laws and regulations, (iii) in compliance with the exemption from registration under the United States Securities Act of 1933, as amended, provided by Rule 144 or Rule 144A thereunder, if available, and in accordance with applicable state securities laws, or (iv) in another transaction that does not require registration under the United States Securities Act of 1933, as amended, or any applicable state securities laws, and the holder has prior to such sale furnished to the Trust an opinion of counsel of recognized standing in form and substance satisfactory to the Trust to such effect.

(c) No transfer of a Trust Unit shall be recognized unless such transfer is of a whole Trust Unit.

(d) Subject to the provisions of this Article 3, Trust Units shall be transferable on the applicable Register or one of the branch transfer registers of Unitholders of the Trust only by the Unitholders of record thereof or their executors, administrators or other legal representatives or by their agents hereunto duly authorized in writing, and only upon delivery to the Trustee, of the Unit Certificate therefore (if certificates representing such Class of Trust Units have been issued) properly endorsed or accompanied by a duly executed instrument of transfer and accompanied by all necessary transfer or other taxes imposed by law, together with such evidence of the genuineness of such endorsement, execution and authorization and other matters that may reasonably be required by the Trustee. Subject to the foregoing, such transfers shall be recorded on the applicable Registers and a new Unit Certificate for the Trust Units so transferred shall be issued to the transferee and, in case of a transfer of only part of the Trust Units represented by any Unit Certificate, a new Unit Certificate for the remaining Trust Units shall be issued to the transferor.

3.20 Successors in Interest to Unitholders

Subject to Section 3.10, upon a person becoming entitled to any Trust Units as a consequence of the death, bankruptcy or incapacity of any Unitholder or otherwise by operation of law, and upon production by such person of such documentation as the Trustee may reasonably require in order to evidence such entitlement of such person, such person shall be recorded in the Registers as the holder of such Trust Units and shall receive a new Unit Certificate therefor upon production of evidence of such entitlement satisfactory to the Trustee and delivery of the existing Unit Certificate to the Trustee, but until such record is made, the Unitholder of record shall continue to be and be deemed to be the holder of such Trust Units for all purposes whether or not the Trust or the Trustee shall have actual or other notice of such death, bankruptcy, incapacity or other event.

3.21 Trust Units Held Jointly or in Fiduciary Capacity

The Trust may treat two or more persons holding any Trust Unit as joint owners of the entire interest therein unless the ownership is expressly otherwise recorded on the Registers, but no entry shall be made in the Registers or on any Unit Certificate that any person is in any other manner entitled to any future, limited or contingent interest in any Trust Unit; provided, however, that any person recorded in the Registers as a Unitholder may, subject to the provisions herein contained, be described in the Registers or on any Unit Certificate as a fiduciary of any kind and any customary words may be added to the description of the holder to identify the nature of such fiduciary relationship; provided further that none of the Trust or the Trustee shall be required to recognise a person as having any interest in the Trust Unit, other than the person recorded in the Registers as the holder of such Trust Unit.

3.22 Performance of Trusts

None of the Trustee, the Administrator, the Unitholders or other agent of the Trust shall have a duty to inquire into any claim that a transfer of a Trust Unit was or would be wrongful or that a particular person is the owner of or has an interest in the Trust Unit or any other adverse claim, or be bound to see to the performance of any trust, express or implied or of any charge, pledge or equity to which any of the Trust Units or any interest therein are or may be subject, or to ascertain or inquire whether any sale or transfer of any such Trust Units or interest therein by any Unitholder or its personal representatives is authorized by such trust, charge, pledge or equity, or to recognize any person as having any interest therein, except for the person recorded as Unitholder of such Trust Unit.

3.23 Lost Unit Certificates

In the event that any Unit Certificate is lost, stolen, destroyed or mutilated, the Trustee may authorize the issuance of a new Unit Certificate for the same number and class of Trust Units in lieu thereof and the Trustee may in its discretion, before the issuance of such new Unit Certificate, require the owner of the lost, stolen, destroyed or mutilated Unit Certificate, or the legal representative of the owner, to make such affidavit or statutory declaration, setting forth such facts as to the loss, theft, destruction or mutilation as the Trustee deems necessary and may require the applicant to supply to the Trust a "lost certificate" or similar bond in such reasonable amount as the Trustee directs indemnifying the Trustee for so doing. The Trustee shall have the power, but shall in no event be required, to acquire from an insurer or insurers a blanket lost certificate security bond or bonds in respect of the replacement of lost, stolen, destroyed or mutilated Unit Certificates. The applicable Unitholder shall pay all premiums and other sums of money payable for such purpose. If such blanket lost certificate security bond is acquired, the Trustee may authorize and direct (upon such terms and conditions as it may from time to time impose) the Trustee or others to whom the indemnity of such bond extends, to take such action to replace such lost, stolen, destroyed or mutilated Unit Certificates without further action or approval by the Trustee.

3.24 Death of Unitholders

The death of a Unitholder during the continuance of the Trust shall not terminate the Trust or any of the mutual or respective rights and obligations created by or arising under this Trust Indenture nor give such Unitholder's personal representative, or the heirs of the estate of the deceased Unitholder, a right to an accounting or to take any action in court or otherwise against other Unitholders or the Trustee or the property of the Trust, but shall only entitle the personal representatives or heirs of the deceased Unitholder, in accordance and upon compliance with the provisions of Section 3.20, to succeed to all rights of the deceased Unitholder under this Trust Indenture.

3.25 Unclaimed Payments

In the event that the Trustee shall hold any amount of interest or other distributable amount which is unclaimed or which cannot be paid for any reason, neither the Trustee nor any distribution disbursing agent shall be under any obligation to invest or reinvest the same and they shall only be obliged to hold the same in a current non-interest-bearing account pending payment to the person or persons entitled thereto. The Trustee shall, as and

when required by law, and may at any time prior to such required time, pay all or part of such interest or other distributable amount so held, net of any amount required to be withheld by the Income Tax Act, to the public trustee or a court in the province where the Trust has its head office (or other appropriate government official or agency) whose receipt shall be a good release, acquittance and discharge of the obligations of the Trustee with respect thereto.

3.26 Exchanges of Trust Certificates

Unit Certificates representing any number of Trust Units may be exchanged for Unit Certificates representing an equivalent number of Trust Units of the same Class, in the aggregate. Any exchange of Unit Certificates may be made at the offices of the Trustee where Registers are maintained for the Unit Certificates pursuant to the provisions of this Article 3. Any Unit Certificates tendered for exchange shall be surrendered to the Trustee and shall be cancelled. The Unitholder shall be responsible for all transfer and exchange fees associated with any such exchange.

3.27 Repurchase of Securities

The Trust shall be entitled to offer, and upon acceptance of such offer, to purchase for cancellation, at any time, by private agreement or otherwise, the whole or from time to time any part of the outstanding Trust Units, or Other Trust Securities, in respect of which the offer was accepted, at a price per security and on a basis as determined by the Administrator in its discretion but in compliance with all Applicable Laws, rules, regulations or policies governing same. For greater certainty, the Trust has the right to undertake and complete all purchases as may be necessitated as a result of subscribers exercising, in connection with any Offering, their statutory or contractual (as the case may be) rights of withdrawal or rescission. Trust Units purchased by the Trust will be cancelled.

3.28 Take–Over Bids

(a) If there is a take-over bid for all of the outstanding Trust Units and, within 120 days after the date of such take-over bid, the bid is accepted by holders holding Trust Units representing 90% or more of the market value of the Trust Property (collectively such Trust Units subject to the bid are herein referred to as the "**Bid Trust Units**"), other than Bid Trust Units held by or on behalf of, or issuable to, the Offeror or an Affiliate or Associate of the Offeror on the date of the take-over-bid, the Offeror is entitled, on complying with this Section 3.28, to acquire the Bid Trust Units held by the Non-Tendering Offerees.

(b) An Offeror may acquire Bid Trust Units held by a Non-Tendering Offeree by sending by registered mail within 60 days after the date of termination of the take-over bid and in any event within 180 days after the date of the take-over bid, an Offeror's notice to each Non-Tendering Offeree stating that:

(i) Offerees holding Trust Units representing not less than 90% of the value of the Trust Property accepted the take-over bid;

(ii) the Offeror has taken up and paid for the Bid Trust Units of the Offerees who accepted the take-over bid;

(iii) a Non-Tendering Offeree is required to transfer his Bid Trust Units to the Offeror on the terms on which the Offeror acquired the Bid Trust Units of the Offerees who accepted the take-over bid; and

(iv) a Non-Tendering Offeree who is a Unitholder and who does not transfer his Bid Trust Units within 20 days after it receives the Offeror's notice hereunder is deemed to have elected to transfer, and to have transferred, his Bid Trust Units on the same terms that the Offeror acquired Bid Trust Units from the Offerees who accepted the take-over bid.

(c) Concurrent with sending the Offeror's notice under Section 3.28(b), the Offeror shall send to the Trust a notice of adverse claim disclosing the name and address of the Offeror and the name of the Non-Tendering Offeree with respect to each Bid Trust Unit held by a Non-Tendering Offeree.

(d) A Non-Tendering Offeree to whom an Offeror's notice is sent under Section 3.28(b) shall, within 20 days after it receives that notice, send its Bid Trust Units, or cause same to be sent, to the Trust.

(e) Within 20 days after the Offeror sends an Offeror's notice under Section 3.28(b), the Offeror shall pay or transfer to the Trust the amount of money or other consideration that the Offeror would have had to pay or transfer to a Non-Tendering Offeree if the Non-Tendering Offeree had tendered under the take-over bid.

(f) The Trust is deemed to hold on behalf of the Non-Tendering Offeree the money or other consideration it receives under Section 3.28(e), and the Trust shall deposit the money in a separate account in a bank or other body corporate any of whose deposits are insured by the Canada Deposit Insurance Corporation (or any successor thereof), and shall place the other consideration in the custody of a bank or such other body corporate. No such monies or other consideration shall form any part of the Trust Property.

(g) If the money or other consideration is deposited with the Trust as required by Section 3.28(e) above, then:

(i) with respect to each of those Non-Tendering Offerees who have complied with Section 3.28(d), Bid Trust Units held by a Non-Tendering Offeree shall be deemed to be cancelled and the Trust shall, without delay upon being satisfied that the Unit Certificates evidencing Bid Trust Units have been received by or transferred to the Trust in accordance with Section 3.28(d), send to such Non-Tendering Offeree the portion of the money or other consideration deposited with the Trust as required by Section 3.28(e) above and to which such Non-Tendering Offeree is entitled; and

(ii) with respect to each of those Non-Tendering Offerees who have not complied with Section 3.28(d), send to each such Non-Tendering Offeree a notice stating that:

(A) his or her Bid Trust Units have been transferred to the Offeror;

(B) the Trustee or some other person designated in such notice are holding in trust the consideration for such Bid Trust Units; and

(C) the Trustee, or such other person, will send the consideration to such Non-Tendering Offeree as soon as practicable after receiving the Unit Certificates evidencing such Non-Tendering Offeree's Bid Trust Units together with such other documents as the Trustee or such other person may require;

and the Trustee is hereby appointed the agent and attorney of the Non-Tendering Offerees for the purposes of giving effect to the foregoing provisions.

3.29 Power of Attorney

Each Unitholder hereby grants to each of the Trustee and the Administrator, and each of its successors and assigns, a power of attorney constituting the Trustee and the Administrator, with full power of substitution, as his true and lawful attorney to act on his behalf, with full power and authority in his name, place and stead, to execute, under seal or otherwise, swear to, acknowledge, deliver, make, file or record (and to take all requisite actions in connection with such matters), when, as and where required:

(a) this Trust Indenture and any other instrument required or desirable to qualify, continue and keep in good standing the Trust as a mutual fund trust in all jurisdictions that the Trustee or the Administrator deems appropriate;

(b) any instrument, deed, agreement or document in connection with carrying on the affairs of the Trust as authorized in this Trust Indenture, including all conveyances, transfers and other documents required to facilitate any sale of Trust Units or in connection with any disposition of Trust Units required under Sections 3.10 or 18.1;

(c) all conveyances, transfers and other documents required in connection with the dissolution, liquidation or termination of the Trust in accordance with the terms of this Trust Indenture;

(d) any and all elections, determinations or designations whether jointly with third parties or otherwise, under the Income Tax Act or any other taxation or other legislation or similar laws of Canada or of any other jurisdiction in respect of the affairs of the Trust or of a Unitholder's interest in the Trust;

(e) any instrument, certificate and other documents necessary or appropriate to reflect and give effect to any amendment to this Trust Indenture which is authorized from time to time as contemplated by Article 10; and

(f) all transfers, conveyances and other documents required to facilitate the acquisition of Trust Units of Non-Tendering Offerees pursuant to Section 3.28.

The power of attorney granted herein is, to the extent permitted by applicable law, irrevocable, is a power coupled with an interest, and shall survive the death, mental incompetence, disability and any subsequent legal incapacity of the Unitholder and shall survive the assignment by the Unitholder of all or part of the Unitholder's interest in the Trust and will extend to and bind the heirs, executors, administrators and other legal representatives and successors and assigns of the Unitholder. Without limiting any other manner in which this power of attorney may be exercised by the Trustee or the Administrator on behalf of one or more Unitholders, the Trustee or the Administrator, as the case may be, may, in executing any instrument on behalf of all Unitholders collectively, execute such instrument with a single signature and indicating such execution is as attorney and agent for all of such Unitholders. Each Unitholder agrees to be bound by any representations or actions made or taken by the Trustee or the Administrator pursuant to this power of attorney and hereby waives any and all defences which may be available to contest, negate or disaffirm any actions taken by the Trustee or the Administrator in good faith under this power of attorney.

ARTICLE 4
UNDERTAKING OF THE TRUST

4.1 Undertaking of the Trust

The activities and undertaking of the Trust is restricted to:

(a) investing in, and the holding of, limited partnership units in the Partnership;

(b) temporarily holding cash and other investments in connection with and for the purposes of the Trust's activities, including paying liabilities of the Trust (including administration and trust expenses), paying any amounts required in connection with the redemption of Trust Units, and making distributions to Unitholders;

(c) borrowing money and issuing debt securities, at any time and from time to time, for any of the purposes set forth in this Section 4.1;

(d) disposing of any part of the Trust Property or mortgaging, pledging, charging, granting a security interest in or otherwise encumbering all or any part of the Trust Property;

(e) issuing Trust Units, instalment receipts, and Other Trust Securities (including securities convertible into or exchangeable for Trust Units or other securities of the Trust, or warrants, options or other rights to acquire Trust Units or other securities of the Trust), for the purposes of: (i) conducting, or facilitating the conduct

of, the activities and undertaking of the Trust (including for the purpose of raising funds for further acquisitions); (ii) repayment of any indebtedness or borrowings of the Trust or any Affiliate thereof; (iii) satisfying obligations to deliver securities of the Trust, including Trust Units, pursuant to the terms of securities convertible into or exchangeable for such securities of the Trust, whether or not such convertible or exchangeable securities have been issued by the Trust; and (iii) carrying out any of the transactions contemplated by any Offering Documents and satisfying all obligations in connection with such transactions;

(f) repurchasing or redeeming Trust Units or Other Trust Securities, subject to the provisions of this Trust Indenture and Applicable Law;

(g) carrying out any of the transactions, and entering into and exercising and performing any of the rights and obligations of the Trust under any agreements, entered into in connection with pursuing the purposes of the Trust; and

(h) engaging in all activities ancillary or incidental to any of those activities set forth in Sections 4.1(a) through (g) above.

4.2 Use of Funds

Money or other property received by the Trust or the Trustee on behalf of the Trust, including the net proceeds of any Offering, may be used at any time and from time to time for any purpose not inconsistent with this Trust Indenture and the purposes of the Trust set out in Section 4.1 (including making distributions and redemptions under Article 5 and Article 6, respectively).

4.3 Investment Restrictions

The Administrator shall exercise commercially reasonable efforts to: (a) ensure that the Trust complies at all times with the requirements of section 108(2) and subsection 132(6) of the Income Tax Act, (b) ensure that the Trust does not take any action, or acquire or retain any investment, that would result in the Trust not being considered either a "unit trust" or a "mutual fund trust" or be a "SIFT trust" for purposes of the Income Tax Act.

ARTICLE 5
DISTRIBUTIONS

5.1 Distributions

(a) The Trustee or the Administrator, as the case may be, shall, on a Distribution Record Date, declare payable to the holders of each class of Trust Units, an amount equal to the Net Income of the Trust attributable to such class of Trust Units for the Distribution Period. In addition, the Trustee or the Administrator shall declare payable to the holders of each class of Trust Units on a Distribution Record Date, an amount equal to the Net Realized Capital Gains of the Trust attributable to such class of Trust Units for the Distribution Period. Distributions that have been declared to be payable to such holders of each class of Trust Units in respect of a Distribution Period shall be paid in cash to the holders of each class of Trust Units on the Distribution Payment Date in respect of such Distribution Period *pro-rata* in accordance with the number of such class of Trust Units then held (before giving effect to any issuances of Trust Units of such class on such date).

(b) On the last day of each Fiscal Year, an amount equal to the Net Income of the Trust for the taxation year of the Trust ending in such Fiscal Year not previously paid or made payable in the Fiscal Year, shall be payable to Unitholders of record on such day, which amount shall be allocated between the classes of Trust Units in accordance with the entitlement of each class of Trust Units to Net Income, and distributed among the Trust Units of each class *pro-rata*. In addition, on the last day of each Fiscal Year, an amount equal to the Net Realized Capital Gains of the Trust for the taxation year of the Trust ending in such Fiscal Year not

previously paid or made payable in the Fiscal Year shall be payable to Unitholders of record on such date, which amount shall be allocated between the classes of Trust Units in accordance with the entitlement of each class of Trust Units to Net Realized Capital Gains, and distributed among the Trust Units of each class *pro-rata*, except to the extent of Net Realized Capital Gains in respect of which the tax payable by the Trust would be refunded as a "capital gains refund" as defined in the Income Tax Act (and in applicable provincial tax legislation) for the taxation year of the Trust ending in such Fiscal Year.

(c) For greater certainty, it is hereby declared that it is the intention of the Trustee that sufficient Net Income and Net Realized Capital Gains of the Trust be paid or payable to Unitholders in each Fiscal Year so that the Trust is not liable to pay tax under Part I of the *Income Tax Act* for the taxation year of the Trust ending in such Fiscal Year.

(d) For greater certainty, it is anticipated that the Net Income of the Trust attributable to each class of Trust Units shall be derived from the distributions received by the Trust from the Partnership in respect of the corresponding limited partnership units in the Partnership purchased using the subscription proceeds from such class of Trust Units, and any commissions, costs or expenses unique to a class or classes of Trust Units shall be incurred and paid for by the Partnership on behalf of the Trust and allocated to such class or classes of Trust Units by the Partnership and the Administrator, and deducted and withheld from the distributions payable to the Trust in respect of such class or classes of Trust Units, as shall be provided for in the Administration Agreement.

5.2 Tax Designations, Elections, Determinations

The Administrator may, pursuant to the Income Tax Act or any other tax statutes, make or not make any elections, determinations and designations on behalf of the Trust regarding transactions or non-transactions between the Trust and the beneficiaries of the Trust and any person.

The Net Income and Net Realized Capital Gains for a taxation year ending in a Fiscal Year payable to Unitholders in the Fiscal Year shall be allocated to Unitholders in the same proportion as the total distributions made to Unitholders under Section 5.1 subject to adjustment in the case of Unitholders who did not hold their Trust Units for the entire Fiscal Year based upon the portion of the Fiscal Year during which such Trust Units were owned by such Unitholders. In accordance with and to the extent permitted by the Income Tax Act, the Administrator in each year shall make designations in respect of amounts paid or payable to Unitholders as the Trustee deems to be reasonable in the circumstances, including designations relating to taxable dividends received by the Trust in the year on shares of taxable Canadian corporations, Net Realized Capital Gains in the year and foreign source income received by the Trust in the year as well as designations under subsections 104(13.1) and/or (13.2) of the Income Tax Act that income be taxed to the Trust, rather than to such Unitholders. The Administrator may make certain adjustments to allocations to effect an equitable allocation of all amounts among the Unitholders. For greater certainty, the Administrator shall be entitled to make allocations of Net Income and Net Realized Capital Gains of the Trust for tax purposes in respect of a Fiscal Year to any person who has been a Unitholder at any time in the Fiscal Year.

The Trust will be entitled for each taxation year to reduce (or receive a refund in respect of) its liability, if any, for tax on its net realized taxable capital gains by an amount determined under the Income Tax Act based on the redemption of Trust Units during the year (the "**Capital Gains Refund**"). In certain circumstances, the Capital Gains Refund in a particular taxation year may not completely offset the Trust's tax liability for that taxation year arising in connection with the distribution of its property on the redemption of Trust Units. All or a portion of any income or taxable capital gain realized by the Trust as a result of that redemption may, at the discretion of the Administrator, be treated as income or taxable capital gain paid to, and designated as income or taxable capital gain of, the redeeming Unitholder(s), and thus generally deductible by the Trust in computing its income.

With respect to any distribution by the Trust in or in respect of a taxation year, the Trust shall mail to each Unitholder annually no later than 90 days after the taxation year end of the Trust, information necessary for each Unitholder to report on their income tax return.

5.3 Payment of Distributions

Subject to Section 5.7, all distributions payable to a Unitholder, less any amount required to be withheld therefrom under Applicable Law, shall be paid in Canadian funds by the mailing or delivery of a cheque to the Unitholder at his last address as shown in the record of Unitholders or by electronic transfer of funds as may be implemented by the Administrator or in such other manner as the Trustee determines. Any payment so made shall, unless a cheque is not honoured on presentation, discharge Trust, the Trustee and the Administrator from all liability to the Unitholder in respect of the amount thereof plus any amount required by law to be withheld.

5.4 Enforcement of Payment

Notwithstanding any other provision of this Article 5, a Unitholder shall be entitled to enforce payment of the amount of any distribution declared or otherwise made payable to the Unitholders hereunder and not yet received by the Unitholder not later than the end of the Fiscal Year in which such amount became payable. In the event that any Unitholder demands payment to it of any income of the Trust made payable holders of Trust Units, then prior to the end of the applicable taxation year, the Trust shall make a demand on the Partnership for the Partnership to distribute such income to the Trust, and upon receipt of such distribution, from the Partnership, the Trust shall pay such amount to the Unitholder.

5.5 Encroachment on Capital

For greater certainty, the Administrator may encroach on and pay from the capital of the Trust an amount payable under this Article 5 if the net income of the Trust, calculated without regard to the provisions of the *Income Tax Act*, is insufficient to permit payment of the amount so payable.

5.6 Entitlement Default

Where the Trustee, or any party appointed by the Trustee (including the Administrator), has been unable, because of default on the part of any party to make payment of any distributions or dividends declared or interest accrued or any other amounts owing in respect of the securities of the Trust, to collect any amount which has been included in determining any amount paid or payable to any Unitholder, the Trustee, or any party appointed by the Trustee (including the Administrator), shall have the right, where such amount has been paid to such Unitholder, to recover such amount from such Unitholder. Notwithstanding the foregoing, the Trustee, or any party appointed by the Trustee (including the Administrator), shall not be required to exercise such right with respect to any particular amount or class of amounts where, in the judgment of the Trustee, or any party appointed by the Trustee (including the Administrator), the anticipated costs and likelihood of recovery outweigh the anticipated benefit of such recovery. For greater certainty, the Trustee or the Administrator, as the case may be, shall not be required to distribute any funds hereunder except to the extent that such funds have been deposited with it in accordance herewith.

5.7 Reinvestment

Subject to any required approvals, including any Unitholder approval imposed by applicable laws, the Trustee may establish one or more distribution reinvestment plans and Unit purchase plans, Unit option plans or other compensation, benefit or incentive plans at any time and from time to time.

ARTICLE 6
REDEMPTION

6.1 Right of Redemption by Holders of Trust Units

Subject to the terms and conditions set forth in any supplemental Indenture applicable thereto, Trust Units of any class may be surrendered for redemption at anytime at the demand of the Unitholder, and the Trust will agree to redeem the applicable Trust Units at prices determined and payable in accordance with this Article 6. Trust Units surrendered for redemption will be redeemed only on a Regular Redemption Date. On the

last Business Day of a fiscal quarter (a "**Regular Redemption Date**"), Trust Units that have been surrendered by a Unitholder upon giving prior written notice to the Trustee will be redeemed for the Redemption Price multiplied by the number of Trust Units redeemed less the applicable Redemption Fee. Any Unitholder seeking a redemption pursuant to this Section 6.1 must give written notice to the Trustee stating its intention to redeem and the number and class of Trust Units to be redeemed (the "**Notice**"). The Notice must be given at least sixty (60) days in advance of a Regular Redemption Date, and if sixty (60) days notice is not given, such Notice shall be effective on the last Business Day of the next following Regular Redemption Date. Any redemption must be in increments of ten (10) whole Trust Units of each applicable class (unless redeeming all Trust Units of the applicable class held by a Unitholder), provided however that any partial redemption, (i.e. not a redemption of all of Trust Units of the applicable class held by a Unitholder), must result in a Unitholder holding not less than ten (10) Trust Units of the applicable class in the Trust.

6.2 Redemption Fees and Redemption at the Demand of the Trustee

The Trustee may, in its discretion, charge any Unitholder a redemption fee of $200 (the "**Redemption Fee**"). No Redemption Fee will be charged as a result of a redemption upon the death of a Unitholder or as a result of the Unitholder exercising a statutory right of withdrawal or rescission. The amount of such Redemption Fee charged will be deducted from the proceeds of any redemption of Trust Units otherwise payable or paid by the Trustee. The Trustee may waive all or any part of the Redemption Fee in respect of any Unitholder.

The Trustee may, at any time and from time to time, without prior written notice, redeem all or any portion of the outstanding Trust Units, other than the Unit held by the Initial Unitholder, on a *pro-rata* basis with all Unitholders at a per Trust Unit price equal to the Redemption Price.

6.3 Redemption Price and Payment

(a) The Trustee shall pay to each Unitholder who has requested redemption pursuant to Section 6.1 or whose Trust Units are required to be redeemed pursuant to Section 6.2, out of the Trust Property, an amount equal to the Redemption Price of the applicable class of Trust Units on the applicable Regular Redemption Date on which the redemption occurs, multiplied by the number of the applicable Class of Trust Units to be redeemed, together with the proportionate share attributable to such Trust Units of any distribution of net income and net realized capital gains of the Trust which has been declared and not paid prior to the relevant Close of Business and less the Redemption Fee, or other disbursements and taxes payable by the Unitholder or required to be withheld or deducted.

(b) Subject to Section 6.5, payment for Trust Units which are redeemed will be made in accordance with Section 6.4(a). The redemption proceeds will be paid to a Unitholder who redeems Trust Units within thirty (30) days of the Regular Redemption Date (provided the Unitholder's payment for the purchase of those Trust Units being redeemed has been cleared). Following a redemption, the Unitholder shall cease to have any further rights with respect to such Trust Units unless the redemption proceeds are not paid.

6.4 Manner of Payment

(a) Subject to Section 6.5, payment shall be made by cheque payable to or to the order of the Unitholder or by such other manner of payment, including electronic fund transfer, wire transfer or payment in kind, approved by the Trustee from time to time. The payment, if made by cheque, shall be conclusively deemed to have been made upon hand-delivery of a cheque to the Unitholder or to his agent duly authorized in writing or upon the mailing of a cheque by prepaid first-class mail addressed to the Unitholder at his address as it appears on the register unless the cheque is not paid on presentation. Payments may be made to the Unitholder's account at a registered dealer, unless the Unitholder directs otherwise in writing. The Trustee may issue a replacement cheque if it is satisfied that the original cheque has not been received or has been lost or destroyed, upon being furnished with such evidence of loss, indemnity or other document in connection therewith that the Trustee in its discretion may consider necessary.

(b) Any payment, unless not honoured, shall discharge the Trust, the Trustee and their delegates from all liability to such Unitholder in respect of the amount thereof and in respect of the Trust Units redeemed.

6.5 No Cash Redemption in Certain Circumstances

Section 6.4(a) may not be applicable to Trust Units tendered for redemption by a Unitholder:

(a) If on any Regular Redemption Date, the Trustee determines, in its sole discretion, that the Trust does not have sufficient cash reserves to pay the amounts payable on the redemption of Trust Units; or

(b) the redemption of Trust Units may be suspended, if the redemption would result in the Trust losing its status as a "mutual fund trust" for the purposes of the Income Tax Act.

6.6 Redemption Notes

If, pursuant to Section 6.5(a), Section 6.4(a) is not applicable to the Trust Units tendered for redemption by a Unitholder, the Trustee shall advise the Unitholder in writing that the proceeds of any redemption of Trust Units payable in respect of Trust Units tendered for Redemption in the applicable calendar month shall be paid within 60 days of the Regular Redemption Date by the Trust issuing Redemption Notes to the Unitholders who exercise the right of redemption, such Redemption Notes having an aggregate principal amount equal to the Redemption Price per Trust Unit multiplied by the number of Trust Units to be redeemed less the applicable Redemption Fee. At any time in the seven (7) days following the date of the Trustee's notice set out herein, the Unitholders may rescind their applicable Notice. If a Unitholder fails to rescind the Notice in writing pursuant to the terms of this Section 6.6, the Trustee shall issue Redemption Notes to the Unitholders who exercised the right of redemption having an aggregate principal amount equal to the Redemption Price per Trust Unit multiplied by the number of Trust Units to be redeemed pursuant to the terms of this Section 6.6.

6.7 Bankruptcy or Insolvency of Unitholder

Neither the Trust nor the Trustee shall be affected by any notice of bankruptcy, insolvency or other event affecting a Unitholder but each of them may nonetheless, upon becoming aware of any such event, take such action as it may deem appropriate to ensure compliance with Applicable Laws to the extent it is obliged hereunder to ensure such compliance and it shall not become liable to a Unitholder for so doing. Any person becoming entitled to any Trust Units in consequence of the bankruptcy or insolvency of any Unitholder, the transfer of Trust Units, or otherwise by operation of law, shall be recorded as the holder of such Trust Units upon production to the record keeper of the proper evidence thereof provided that such person is not an entity described in Section 3.10 of this Trust Indenture. Until such production is made, the Unitholder of record shall be deemed to be the holder of such Trust Units for all purposes hereof and the Trustee shall not be affected by any notice of such bankruptcy, insolvency or other event, and in particular shall not be affected by reason that the Redemption Price is calculated on the day when actual redemption occurs and not on the day when notice of bankruptcy, insolvency or other event is received by the Trustee. Notwithstanding the foregoing, upon receipt from a Unitholder of notice that its Trust Units have been pledged or otherwise encumbered, the Trustee may, but need not place such restrictions on transfer of the affected Trust Units as are deemed appropriate by the Trustee in its discretion.

Notwithstanding Section 6.1, in the event of the death of a Unitholder, the Trust Units of such deceased Unitholder shall, upon the Trustee being advised in writing of the death of such Unitholder, not be dealt with until directions to redeem satisfactory in form to the Trustee and in accordance with instructions received from time to time from the Trustee as to payment of any applicable taxes (or a release therefrom), are received from the executor, administrator, survivor, successor or personal representative, as the case may be, of such Unitholder, whereupon the redemption of Trust Units will be processed. The Trustee shall not redeem the Trust Units of such deceased Unitholder until it has received such documentation as it deems necessary to make the payment. Notwithstanding the foregoing, until such directions are received, the Unitholder of record shall be deemed to be the holder of such Trust Units for all purposes hereof and the Trustee shall incur no liability to any person of any nature whatsoever by reason only that such Trust Units shall not be redeemed until such directions are so received, and in particular, by reason that the Class Net Asset Value per Trust Unit of the Trust Units for purposes of redemption is

calculated on the day when actual redemption occurs and not on the day when notice of death was received by the Trustee. The death of a Unitholder during the continuance of the Trust shall not terminate this Trust Indenture nor give any such deceased Unitholders' legal representatives any right to an accounting or to take any action in the courts or otherwise against other Unitholders or to the Trust Property, but shall simply entitle the legal representatives of any such deceased Unitholder to succeed to all rights of the deceased Unitholder under this Trust Indenture. Upon the death of a Unitholder, prior to any transmission of the Trust Units to an heir or beneficiary of the deceased Unitholder, the Trustee shall require an affidavit or declaration of transmission ("**Affidavit**") from the personal representative of the deceased Unitholder ("**Personal Representative**"). Such Affidavit shall state whether or not the carrying out of the terms of the Unitholder's will or the application of the applicable laws of intestacy, if the Unitholder died without a will, ("**Transmission**"), will result in an entity described in Section 3.10 obtaining a beneficial interest in Trust Units. If the Affidavit indicates that the Transmission will result in an entity described in Section 3.10 obtaining a beneficial interest in Trust Units, then the Trustee shall cause the Trust to redeem all or such portion of the Trust Units at the Redemption Price per Trust Unit on the date of redemption, or on such other terms as the Trustee in its sole discretion deems equitable in the circumstances with the proceeds of such redemption being payable to the estate of the deceased Unitholder, subject to any applicable law relating to the collection of taxes. If the Affidavit indicates that the Transmission will not result in an entity described in Section 3.10 obtaining a beneficial interest in Trust Units, then the Personal Representative is entitled to become registered as the owner of the Trust Units or to designate a person to be registered as the owner, upon delivery to the Trustee of reasonable proof of governing laws of the deceased Unitholder's interest in the Trust Unit, and of the right of the Personal Representative or the designated person to become the registered Unitholder, with the form and content of such required documentation being in the sole discretion of the Trustee.

6.8 Withholdings by the Trustee

The Trustee or the Administrator, as the case may be, shall deduct or withhold from all payments and distributions payable to any Unitholder all amounts required by law (or proposed law) to be withheld from such payment or such distribution, whether those distributions are in the form of cash, additional Trust Units or otherwise. For greater certainty, in the event of a distribution in the form of additional Trust Units, the Trustee or the Administrator may sell Trust Units on behalf of those Unitholders to pay those withholding taxes and to pay all of the Trustee's reasonable expenses with regard thereto and the Trustee or the Administrator shall have the power of attorney of the Unitholder to do so. Upon such sale, the affected Unitholder shall cease to be the holder of those Trust Units. The Trustee or the Administrator shall have no liability whatsoever to any Unitholders and no resort shall be had to the Trust Property or the Trustee or the Administrator, as the case may be, for satisfaction of any obligation or claim against the Trustee, the Administrator or the Trust in connection with the Trust's sale of Trust Units to comply with its statutory obligations to withhold and remit an amount otherwise payable to the Unitholders.

6.9 Cancellation of Certificates for all Redeemed Trust Units

All Unit Certificates representing Trust Units which are redeemed under this Article 6 shall be cancelled and such Trust Units shall no longer be outstanding.

ARTICLE 7
TRUSTEE

7.1 Trustee's Term of Office

There shall be one (1) Trustee of the Trust. Subject to Sections 7.2 and 7.4, the Trustee is hereby appointed as the initial Trustee of the Trust. The term of office of any person holding office as the Trustee hereunder commences from the date on which its election or appointment becomes effective (which, in the case of the Trustee, is on the date of this Trust Indenture) and shall continue until the earlier of the date of the termination of the Trust, the effective date of the Trustee's resignation or removal of the Trustee in accordance with Section 7.3.

7.2 Qualifications of the Trustee

The Trustee shall be a body corporate which shall at all times during which it is the Trustee:

(a) be incorporated under the laws of Canada or under the laws of a province thereof; and

(b) be resident in Canada for the purposes of the Income Tax Act.

7.3 Resignation and Removal of the Trustee

(a) The Trustee may resign from the office of Trustee hereunder by giving to the Administrator not less than 90 days' prior written notice of such resignation.

(b) The Trustee may be removed at any time with or without cause by Ordinary Resolution passed in favour of the removal of the Trustee.

(c) The Trustee may be removed at any time by the Administrator by notice in writing to the Trustee if, at any time:

(i) the Trustee shall no longer satisfy all the requirements of Section 7.2;

(ii) the Trustee shall be declared bankrupt or insolvent or shall enter into liquidation, whether compulsory or voluntary, to wind up its affairs;

(iii) all of the assets of the Trustee, or a substantial part thereof, shall become subject to seizure or confiscation; or

(iv) the Trustee shall otherwise become incapable of performing its responsibilities under this Trust Indenture;

(d) Any resignation or removal pursuant to Sections 7.3(a), (b) or (c) shall take effect on the earliest of: (i) 90 days after the date notice of such resignation is duly given, such Ordinary Resolution is approved, or such notice of the Administrator is given as the case may be; or (ii) a successor Trustee is appointed or elected pursuant to Section 7.5.

(e) Upon the taking effect of any resignation or removal of the Trustee under the terms of this Section 7.3, the Trustee shall:

(i) cease to have rights, privileges, powers and authorities of a Trustee hereunder, except for its rights to be compensated herein and its rights to be indemnified which shall continue notwithstanding the resignation or removal of the Trustee;

(ii) execute and deliver such documents as the Administrator shall reasonably require for the conveyance, to a successor Trustee, of any Trust Property held in the Trustee's name, and provide for or facilitate the transition of the Trust's activities and affairs to such successor Trustee; and

(iii) account for all property, including the Trust Property, which the Trustee held or then holds as Trustee.

(f) Upon the Trustee ceasing to hold office as such hereunder, the Trustee shall cease to be a party (as a Trustee) to this Trust Indenture provided, however, that such Trustee shall continue to be entitled to payment of any amounts owing by the Trust to the Trustee which accrued prior to its vacating of the office of Trustee; and provided further that such Trustee and each of its directors, officers, employees and agents shall continue to be entitled, in respect to all liabilities relating to the period of time when the Trustee held office as Trustee hereunder, to the benefit of any indemnity and limitation of liability provisions which are

expressly set out herein and by their terms are for the benefit of the Trustee and its directors, officers, employees and agents (as the case may be).

(g) The resignation or removal of the Trustee, or the Trustee otherwise ceasing to be the Trustee, shall not affect any liabilities of the Trustee in respect of or in any way arising under or out of the Trust Indenture which have accrued prior to such resignation, removal or termination.

7.4 Vacancies

No vacancy of the office of the Trustee shall operate to annul this Trust Indenture or affect the continuity of the Trust.

7.5 Appointment/Election of Successor Trustee

(a) A successor Trustee to a Trustee which has been removed by an Ordinary Resolution of Unitholders under Section 7.2(b), shall be appointed by an Ordinary Resolution at a Meeting of Unitholders duly called for that purpose, provided the successor meets the requirements of Section 7.2.

(b) If no successor Trustee has been appointed or elected within 60 days of (i) the Trustee's notice of resignation (whether deemed notice or otherwise) under Section 7.3(a), or (ii) the approval of the Ordinary Resolution referred to in Section 7.3(b), as the case may be, any Unitholder, the Trustee or any other interested person may apply to a court of competent jurisdiction for the appointment of a successor Trustee.

Notwithstanding anything herein contained, the election or appointment of a Trustee shall not become effective unless and until such person has, either before or after such election or appointment, executed and delivered to the Trust an acceptance substantially as follows:

"To: Invico Diversified Income Fund (the "**Trust**")

And to: The Administrator of the Trust
And to: The Trustee of the Trust

The undersigned hereby accepts its election or appointment as the Trustee of the Trust and hereby agrees, upon the later of the date of this acceptance and the date of the undersigned's election or appointment as the Trustee of the Trust, to thereby become a party, as the Trustee, to the trust indenture made as of September 25, 2013, as the same may be amended from time to time, governing the Trust (the "**Trust Indenture**"), and the undersigned further agrees to act as Trustee of the Trust in accordance with the terms of the Trust Indenture.

Dated: _____, _____
Name of Company

_____
[Print Name**]**

_____
[Signature**]**

Upon the later of a person being elected or appointed as the Trustee hereunder and executing and delivering to the Trust an acceptance substantially as set forth above, such person shall become the Trustee hereunder and shall be deemed to be a party (as the Trustee) to this Trust Indenture, as amended from time to time.

7.6 Right of Successor Trustee

The rights of the Trustee, subject to the terms hereof, to Control and exclusively administer the Trust and to have the title to the Trust Property drawn up in its name and all other rights of the Trustee at law shall vest automatically in any person who may hereafter become the Trustee upon its due election or appointment and

qualification, in accordance with the terms hereof, without any further act and it shall thereupon have all the rights, privileges, powers, authorities, obligations and immunities of the Trustee hereunder. Such rights shall vest in the Trustee whether or not conveyancing or transfer documents have been executed and delivered pursuant to Section 7.3 or otherwise.

7.7 Compensation and Other Remuneration

The Trustee shall be entitled to receive for its services as Trustee:

(a) such reasonable compensation as shall be negotiated between the Administrator on behalf of the Trust and the Trustee;

(b) reimbursement of the Trustee's reasonable out-of-pocket expenses incurred in acting as the Trustee, either directly or indirectly; and

(c) fair and reasonable remuneration for services rendered to the Trust in any other capacity, which services may include, without limitation, services as the transfer agent.

The Trustee shall, in respect of amounts payable or reimbursable to the Trustee pursuant to this Trust Indenture, have a priority over distributions to holders of Trust Units pursuant to Article 5 or Section 12.6 in respect of amounts payable or reimbursable to the Trustee pursuant to this Section 7.7. Further, in the event the Trustee's fees and expenses are not paid within the time set out in the Trustee's invoice, the Trustee shall be entitled to pay such amounts out of the Trust Property, (or direct the Administrator to pay such amounts out the Trust Property).

7.8 Validity of Acts

Any act of a Trustee is valid notwithstanding any irregularity in the appointment of the Trustee or a defect in the qualifications of the Trustee.

ARTICLE 8
TRUSTEE'S POWERS AND DUTIES

8.1 General Powers

The Trustee, subject only to the specific limitations and grant of powers to the Trustee contained in this Trust Indenture, shall have, without further or other action or consent, and free from any power of control on the part of the Unitholders, full, absolute and exclusive power, control and authority over the Trust Property and over the affairs of the Trust to the same extent as if the Trustee were the sole and absolute beneficial owner of the Trust Property in its own right, to do all such acts and things as in its sole judgement and discretion are necessary or incidental to, or desirable for, carrying out the trust created hereunder.

In construing the provisions of this Trust Indenture, presumption shall be in favour of the granted powers and authority to the Trustee. The enumeration of any specific power or authority herein (including pursuant to Section 8.3) shall not be construed as limiting the general powers or authority or any other specified power or authority conferred herein on the Trustee.

To the maximum extent permitted by law the Trustee shall, in carrying out investment activities, not be in any way restricted by the provisions of the laws of any jurisdiction limiting or purporting to limit investments which may be made by Trustees.

Except as expressly prohibited by law, the Trustee may grant or delegate to any person (including the Administrator) such authority and such powers of the Trustee hereunder as the Trustee may in its sole discretion deem appropriate, necessary or desirable to carry out and effect the actual management and administration of the

duties of the Trustee under this Trust Indenture, without regard to whether such authority is normally granted or delegated by trustees.

The Trustee is hereby authorized, pursuant to the terms of the Administration Agreement, to appoint the Administrator to act for and on behalf of the Trust in accordance with those powers and authorities granted to the Administrator under the terms of such agreement, and the Trustee may delegate to such person (and in addition to those matters, if any, specifically granted or delegated to the Administrator in this Indenture) any of those duties of the Trustee hereunder that the Trustee deems appropriate. Without limiting the generality of the foregoing, the Trustee may grant broad discretion to the Administrator to administer and manage the day-to-day operations of the Trust, to act as agent for the Trust, to execute documents on behalf of the Trust, and to make decisions on behalf of the Trust. The Administrator shall have the powers and duties as may be expressly provided for herein and in the Administration Agreement and may be given, without limitation, the power to further delegate management and administration of the Trust, as well as the power to retain and instruct such appropriate experts or advisors to perform those duties and obligations which it is not best suited to perform.

8.2 Delegation

In performing its functions hereunder, the Trustee shall and hereby does delegate to the Administrator:

(a) all power, authority and responsibility of the Trustee to

(i) supervise the activities and manage the investments and affairs of the Trust;

(ii) maintain records and provide reports to Unitholders;

(iii) collect, sue for and receive all sums of money due to the Trust;

(iv) determine the allocations of Trust Property, Net Income and Net Losses of the Trust and, as may be applicable, such allocations in respect of each Class;

(v) effect payment of distributions to the holders of Trust Units and make determinations as to the amounts and character of such distributions, all as provided in Article 5;

(vi) invest funds of the Trust as provided in Article 4; and

(vii) approve the form of and sign the certificates for Trust Units or Other Trust Securities issued by the Trust;

(b) all power, authority and responsibility of the Trustee with respect to other matters described in Section 8.3;

(c) all power, authority and responsibility of the Trustee that are necessary or desirable to enable the Administrator to fully implement each decision made by it within the scope of the power, authority and responsibility delegated to it hereunder including, without limitation, the power to further delegate from time to time, such powers and authorities, or any of them, to such person or persons the Administrator determines appropriate and qualified to exercise such power and authorities.

The Administrator may, and if directed by the Administrator in writing, the Trustee shall, execute any agreements on behalf of the Trust as the Administrator shall have authorized within the scope of any authority delegated to it hereunder.

8.3 Specific Powers and Authorities

Subject only to the express limitations contained in this Indenture, and in addition to any powers and authorities conferred by this Indenture (including, without limitation, Section 8.1 hereof) or which the Trustee

may have by virtue of any present or future statute or rule of law, but subject to the delegation to the Administrator, the Trustee, without any action or consent by the Unitholders, shall have the following powers and authorities which may be exercised by it from time to time or delegated by it, as herein provided, in its sole judgment and discretion and in such manner and upon such terms and conditions as it may from time to time deem proper:

(a) to open, operate and close accounts and other similar credit, deposit and banking arrangements and to negotiate and sign banking and financing contracts and agreements;

(b) to borrow money and request the issuance of letters of credit upon the credit of the Trust and the Trust Property;

(c) to temporarily hold cash and other short term investments in connection with and for the purposes of the Trust's activities, including paying management, administration and other expenses of the Trust, paying any amounts required in connection with the redemption of Trust Units and making distributions to Unitholders;

(d) to give a guarantee on behalf of the Trust to secure performance of an obligation of another person;

(e) to mortgage, hypothecate, pledge or otherwise create a security interest in all or any movable or immovable, personal or real or other property of the Trust, owned or subsequently acquired, to secure any obligation of the Trust;

(f) to exercise and enforce any and all rights of foreclosure, to bid on property on sale or foreclosure, to take a conveyance in lieu of foreclosure with or without paying any consideration therefor and in connection therewith to revive the obligation on the covenants secured by such security and to exercise and enforce in any action, suit or proceeding at law or in equity any rights or remedies with respect to any such security or guarantee;

(g) to obtain or render services for or on behalf of the Trust necessary or useful to carry out the purposes of the Trust;

(h) to obtain, prepare, compose, design, print, publish, issue and distribute marketing and public relations materials in connection with the Trust;

(i) to establish places of operations of the Trust;

(j) to manage the Trust Property;

(k) to cause legal title to any of the Trust Property to be held in the name of the Trustee or to be drawn up in the name of the Trustee or, to the extent permitted by applicable law, in the name of the Trust or any other person;

(l) to determine conclusively the allocation to capital, income or other appropriate accounts of all receipts, expenses and disbursements of the Trust;

(m) to determine, among other things, the amount of distributable income, income of the Trust and net realized capital gains for the purposes of distributions hereunder and to arrange for distributions to Unitholders pursuant to Article 5 and for redemptions of Trust Units pursuant to Article 6;

(n) to enter into any agreement or instrument to create or provide for the issue of Trust Units (including any firm or best efforts underwriting agreement), to cause such Trust Units to be issued for such consideration (in cash or property in kind) as the Trustee, in its discretion, may deem appropriate and to do such things and prepare and sign such documents, including any prospectus and any registration rights agreement, to qualify such Trust Units for sale in whatever jurisdictions they will be sold or offered for sale;

(o) to enter into any agreement or instrument (including any firm or best efforts underwriting agreement, warrant agreement or other similar document) to create or provide for the issue of securities convertible into or exchangeable for any Trust Units or Other Trust Securities, or warrants, options or other rights to acquire any Trust Units or Other Trust Securities, and such agreements or instruments may provide for any matter determined by the Trustee to be necessary or useful including provisions pertaining to securities certificates (form, manner of execution, and certification), maintenance of registers, use of book-based versus certificated system, repurchases, redemptions and transfers;

(p) to issue or provide for the issuance of Trust Units on terms and conditions and at such time or times as the Trustee may determine, including issuances in accordance with Section 5.2 and issuances in connection with Unitholder rights plans, incentive plans, and other plans established under Section 4.1;

(q) to redeem or repurchase Trust Units in accordance with the terms set forth in this Indenture;

(r) to determine conclusively the value of any or all of the Trust Property from time to time and, in determining such value, to consider such information and advice as the Trustee in its sole judgement, may deem material and reliable;

(s) to pay, out of the Trust Property, all reasonable fees, costs and expenses incurred, from time to time, in the management and administration of the Trust, including those in connection with any Offering (including the Adviser Fees);

(t) where reasonably required, to engage or employ on behalf of the Trust any persons as administrators, trustees, agents, advisors, representatives, employees, independent contractors or subcontractors (including, without limitation, investment advisors, registrars, underwriters, accountants, lawyers, appraisers, brokers or otherwise) in one or more capacities;

(u) to the extent not prohibited by law, to delegate any of the powers and duties of the Trustee to any one or more agents, representatives, officers, employees, independent contractors, subcontractors or other persons without liability to the Trustee except as provided in this Trust Indenture;

(v) to appear and respond to all orders issued by a Governing Authority or claims made by another person, to make all affidavits, sworn declarations and solemn affirmations with respect to such matters, to put in default, sue for and receive all sums of money or obligations due to the Trust, and to engage in, intervene in, prosecute, join, defend, compromise, abandon or adjust, by arbitration or otherwise, any actions, suits, disputes, claims, demands or other litigation or proceedings, regulatory or judicial, relating to the Trust, the Trust Property or the Trust's affairs, to enter into agreements therefor, whether or not any suit or proceeding is commenced or claim asserted and to enter into agreements regarding the arbitration, adjudication or settlement thereof;

(w) to arrange for insurance contracts and policies insuring the Trust, the Trust Property, and/or the Trustee or the Unitholders, including against any and all claims and liabilities of any nature asserted by any person arising by reason of any action alleged to have been taken or omitted by the Trust or by the Trustee or Unitholders or otherwise, and to perform all of the obligations of the Trust under such insurance policies and contracts, the whole to the extent permitted by law;

(x) to do all such things and take all such action, and to negotiate, make, execute, acknowledge and deliver any and all deeds, instruments, contracts, waivers, releases or other documents, necessary or useful for the exercise or accomplishment of: (i) any of the powers herein granted to the Trustee, (ii) the purposes of the Trust as set forth in Section 4.1, and (iii) all of the rights and obligations of the Trustee hereunder; including, without limitation, the negotiation and execution of agreements in connection with an Offering and the Administration Agreement;

(y) to indemnify, out of the Trust Property, any person against any and all liabilities, claims, actions, causes of action, judgments, orders, damages (including foreseeable consequential damages), costs, expenses, fines,

penalties and losses (including sums paid by such person in settlement of claims and all reasonable consultant, expert and legal fees and expenses) or any resulting damages, harm or injuries to such person or property of any third parties arising from the business carried on by the Trust;

(z) to provide or cause to be provided to any bank, creditor, financial institution or any other person such guarantees, indemnities, postponements and subordinations, acknowledgements, assurances or other credit support, in any form whatsoever, as the Trustee, in its sole discretion, deems necessary, useful or desirable in connection with the establishment or arrangement of any and all debt or equity financings of Affiliates and Associates of the Trust, including any extensions, renewals, refinancings or replacements thereof, and to enter into any agreement, indenture, instrument or other document on such terms and conditions as the Trustee, in its sole discretion, may deem appropriate in the circumstances in connection with such financings; and

(aa) to do all such other acts and things as are necessary, useful, incidental or ancillary to the foregoing and to exercise all powers and authorities which are necessary, useful, incidental or ancillary to carry on the affairs of the Trust, to promote the purpose for which the Trust is formed and to carry out the provisions of this Trust Indenture.

Each of the Trustee and the Administrator shall, except as may be prohibited by applicable law, have the right to delegate authority for the above-referenced matters where the Trustee determines in its sole discretion that such delegation is desirable to effect the management or administration of the Trust.

8.4 Further Powers of the Trustee

The Trustee shall have the power to prescribe any form of document or other instrument provided for or contemplated by this Trust Indenture and the Trustee may make, adopt, amend, or repeal regulations containing provisions relating to the conduct of the affairs of the Trust not inconsistent with law or with this Trust Indenture (the "**Trustee's Regulations**"). The Trustee shall also be entitled to make any reasonable decisions, designations or determinations not contrary to this Trust Indenture which it may determine are necessary or desirable in interpreting, applying or administering this Trust Indenture or in administering, managing or operating the Trust. Any Trustee's Regulations, decisions, designations or determinations made pursuant to this Section shall be conclusive and binding upon all persons affected thereby.

8.5 Restrictions on the Trustee's Powers and their Exercise

In addition to any other provisions set forth herein requiring the approval of Unitholders in respect to certain matters, or as a condition precedent to taking certain actions, it is agreed that:

(a) neither the Trustee nor the Administrator shall, without the approval of the Unitholders by Ordinary Resolution, appoint or change the Auditor except in the event of a voluntary resignation by the Auditor or vote, directly or indirectly, its limited partnership units in the Partnership in respect of any ordinary resolution of the Partnership; and

(b) neither the Trustee nor the Administrator shall, without the approval of the Unitholders by Special Resolution:

(i) amend this Trust Indenture, except as permitted in Article 10;

(ii) authorize the termination, liquidation or winding up of the Trust, other than pursuant to a termination in accordance with Section 12.1; or

(iii) vote, directly or indirectly, its limited partnership units in the Partnership in respect of any special resolution of the Partnership.

8.6 Standard of Care

The standard of care required of the Trustee in exercising its powers and carrying out its functions under this Trust Indenture shall be that it exercise its powers and carry out its functions hereunder as Trustee honestly, in good faith and that in connection therewith it exercise that degree of care, diligence and skill that a reasonably prudent trustee would exercise in comparable circumstances. Unless otherwise required by law, the Trustee shall not be required to give bond, surety or security in any jurisdiction for the performance of any duties or obligations hereunder. The Trustee shall not be required to devote its entire time to the affairs of the Trust.

8.7 Reliance Upon the Trustee

Any person dealing with the Trust in respect of any matters pertaining to the Trust, the Trust Property or securities of the Trust shall be entitled to rely on a certificate or statutory declaration executed by the Trustee, the Administrator or, without limitation, such other person as may be authorized by the Trustee or the Administrator as to the capacity, power and authority of the Trustee or any other person, to act for and on behalf and in the name of the Trust. No person dealing with the Trustee shall be bound to see to the application of any money or property passing into the hands or control of the Trustee. The receipt by or on behalf of the Trustee of money or other consideration shall constitute receipt by the Trust and be binding thereon.

8.8 Determinations Binding

All determinations of the Trustee and any agent to whom the Trustee has delegated duties, including but not limited to the Administrator, whether delegated hereunder or pursuant to any other agreement, where such determinations are made in good faith with respect to any matters relating to the Trust, including, without limitation, whether any particular investment or disposition meets the requirements of this Trust Indenture, shall be final and conclusive and shall be binding upon the Trust and all Unitholders (and, where the Unitholder is a "registered retirement savings plan", "registered retirement income Trust", "registered education savings plan", "deferred profit sharing plan", "registered disability savings plan", "tax-free savings account" (all within the meaning of the Income Tax Act), or such other trust or plan registered under the Income Tax Act, upon past, present or future trust or plan beneficiaries and trust or plan holders), and Trust Units shall be issued and sold on the condition and understanding that any and all such determinations shall be final, conclusive and binding as aforesaid.

8.9 Banking

The banking activities of the Trust, or any part thereof, shall be transacted with such bank, trust company, or other firm or corporation carrying on a banking business as the Trustee may designate, appoint or authorize from time to time and all such banking activities, or any part thereof, shall be transacted on behalf of the Trust by the Trustee or such other persons as the Trustee may designate, including, without limitation, the Administrator, appoint or authorize from time to time, including, without limitation, the following activities:

(a) the operation of the accounts of the Trust;

(b) the making, signing, drawing, accepting, endorsing, negotiation, lodging, depositing or transferring of any cheques, promissory notes, drafts, acceptances, bills of exchange and orders for the payment of money;

(c) the giving of receipts for orders relating to any property of the Trust;

(d) the execution of any agreement or instrument relating to any property of the Trust; and

(e) the execution of any agreement relating to any such banking activities and defining the rights and powers of the parties thereto, and the authorizing of any officer of such banker to do any act or thing on the Trust's behalf to facilitate such banking activities.

8.10 Conditions Precedent

The obligation of the Trustee to commence or continue any act, action or proceeding for the purpose of performing its duties under this Indenture or enforcing the rights of the Trustee and of the Unitholders shall, if required by notice in writing by the Trustee, be conditional upon the Trustee, Unitholders or any other person furnishing sufficient funds to commence or continue such act, action or proceeding and furnishing an indemnity (in each case only to the extent sufficient funds for such purpose are not available, or might reasonably be expected not to be available, in the Trust) satisfactory to the Trustee, acting reasonably, to protect and hold harmless the Trustee against the costs, charges, expenses and liabilities to be incurred thereby and any loss and damage it may suffer by reason thereof. None of the provisions contained in this Indenture shall require the Trustee to expend or risk its own funds or otherwise incur financial liability in the performance of any of its duties or in the exercise of any of its rights or powers unless it is indemnified as aforesaid.

8.11 Fees and Expenses

As part of the expenses of the Trust, the Trustee may pay or cause to be paid reasonable fees, costs and expenses incurred in connection with the issuance of Trust Units, the administration and management of the Trust and in connection with the discharge of any of the Trustee's and Administrator's duties herein, including, without limitation, fees, costs and expenses of auditors, accountants, lawyers, appraisers and other professional advisors employed by or on behalf of the Trust, the cost incurred in connection with any Offering (including Adviser Fees), and the cost of reporting to and giving notices to Unitholders. All costs, charges and expenses properly incurred by the Trustee or the Administrator on behalf of the Trust shall be payable out of the Trust Property. The Trustee shall, pursuant to the Partnership Agreement, be entitled to recover the fees and expenses paid hereunder by the Trust from the Partnership.

8.12 Payments to Unitholders

Except as may be otherwise provided herein, any cash payment required under the terms of this Trust Indenture to be made to a Unitholder shall be paid in Canadian dollars, unless otherwise determined by the Trustee, with such payment to be by cheque or bank draft to the order of the registered Unitholder and may be mailed by ordinary mail to the last address appearing on the books of the Trust in respect of such Unitholder but may also be paid in such other manner as such Unitholder has designated to the Trustee and the Trustee has accepted. In the case of joint registered Unitholders, any cash payment required hereunder to be made to a Unitholder shall be deemed to be required to be made to such Unitholders jointly and shall be paid by cheque or bank draft but may also be paid in such other manner as the joint registered Unitholders or any one of the joint registered Unitholders has designated to the Trustee and the Trustee has accepted. For greater certainty, a Unitholder or any one of the joint Unitholders may designate and the Trustee may accept that any payment required to be made hereunder shall be made by deposit to an account of such Unitholder or to a joint account of such Unitholder and any other person or in the case of joint registered Unitholders to an account of joint registered Unitholders or to an account of any one of the joint registered Unitholders. A cheque or bank draft shall, unless the joint registered Unitholders otherwise direct, be made payable to the order of all of the said joint registered Unitholders, and if more than one address appears on the books of the Trust in respect of such joint holding of Trust Units, the cheque or bank draft or payment in other acceptable manner as aforesaid may be sent to the address of any one of the joint registered Unitholders whose name and address appears on the books of the Trust. All payments made in the aforesaid manner shall satisfy and be a valid and binding discharge of all liability of the Trustee or the Trust for the amount so required to be paid unless the cheque or bank draft is not paid at par on presentation at Calgary, Alberta, or at any other place where it is by its terms payable. In the event of non-receipt of any such cheque or bank draft by the person to whom it was mailed, the Trustee on proof of the non-receipt and upon satisfactory indemnity being given to it and to the Trust, shall issue to the person a replacement cheque or bank draft for a like amount.

The receipt, by the registered Unitholder, of any payment not mailed or paid in accordance with this Section 8.12 shall nonetheless be a valid and binding discharge to the Trust and to the Trustee for any payment made in respect of the registered Trust Units, and if several persons are registered as joint registered Unitholders or, in consequence of the death, bankruptcy or incapacity of a Unitholder, one or several persons are entitled so to be

registered in accordance with Sections 3.21 and 3.20, respectively, receipt of payment by any one of them shall be a valid and binding discharge to the Trust and to the Trustee for any such payment.

8.13 Trustee and Administrator May Have Other Interests

Subject to Applicable Laws, and without affecting or limiting the duties and responsibilities or the limitations and indemnities provided in this Indenture, the Trustee and the Administrator are hereby expressly permitted to:

(a) be an Associate or an Affiliate of a Person from or to whom assets of the Trust have been or are to be purchased or sold;

(b) be, or be an Associate or an Affiliate of, a Person with whom the Trust contracts or deals or which supplies services to the Trust;

(c) acquire, hold and dispose of, either for its own account or the accounts of its customers, any assets not constituting part of the Trust Property, even if such assets are of a character which could be held by the Trust, and exercise all rights of an owner of such assets as if it were not a trustee or the Administrator;

(d) in the case of the Trustee, carry on its business as a trust company in the usual course while it is the Trustee, including the rendering of trustee or other services to the Trust or to other trusts and other persons for gain; and

(e) derive direct or indirect benefit, profit or advantage from time to time as a result of dealing with the Trust or the relationships, matters, contracts, transactions, affiliations or other interests stated in this Section 8.13 without being liable to the Trust or any Unitholder for any such direct or indirect benefit, profit or advantage.

Subject to Applicable Laws, none of the relationships, matters, contracts, transactions, affiliations or other interests permitted above shall be, or shall be deemed to be or to create, a material conflict of interest with the Trustee's or the Administrator's duties hereunder.

8.14 Trustee to Declare Interest

Forthwith upon the Trustee becoming aware that it, or an officer or director of the Trustee, is a party to, or is a director or officer of or has a material interest in any person who is a party to, a material contract or proposed material contract with the Trust, the Trustee shall disclose in writing to the Administrator the nature and extent of the interest, and, for greater certainty, upon the Trustee complying with this Section 8.14, neither the Trustee nor the subject officer or director of the Trustee (as the case may be) shall be subject to any liability to the Trust or the Unitholders with respect to the Trust entering or having entered into such material contract or proposed material contract as aforesaid.

8.15 Acknowledgement and Consent of Conflict of Interest

The Unitholders acknowledge that subject to the Trustee's and the Administrator's general obligations under this Agreement:

(a) the Trustee, the Administrator and their respective Affiliates may act as the investment adviser or in a similar capacity for other entities with responsibility for the management of the assets of those other entities at the same time as it is managing the Trust Property and may use the same or different information and trading strategies obtained, produced or utilized in managing the Trust Property and Affiliates of the Trustee or Administrator and their respective officers, directors and employees may, at any time, engage in the promotion, management or investment management of any other fund or partnership;

(b) the Trustee, the Administrator and their respective Affiliates and their respective directors, officers and shareholders, if applicable, may be and are permitted to be engaged in and continue in the private investment and other businesses in which the Trust may or may not have an interest and which may be competitive with the activities of the Trust and, without limitation, the Trustee, and any director, officer or shareholder of the Trustee or Administrator and their respective Associates and Affiliates may be and are permitted to act as a partner, shareholder, officer, director, joint venturer, advisor or in any other capacity or role whatsoever of, with or to other entities, including limited partnerships, which may be engaged in all or some of the aspects of the business of the Trust and may be in competition with the Trust; and

(c) Trust activities may lead to the incidental result of providing additional information with respect to, or augmenting the value of, assets or properties in which the Trustee or other parties not at arm's length with the Trustee or the Administrator have or subsequently acquire either a direct or indirect interest.

Subject to the Trustee's and the Administrator's general obligations hereunder, the Unitholders agree that the activities and facts as set forth in this Section 8.15, shall not constitute a conflict of interest or breach of fiduciary duty to the Trust or the Unitholders, the Unitholders hereby consent to such activities and the Unitholders waive, relinquish and renounce any right to participate in, and any other claim whatsoever with respect to, any such activities. The Unitholders further agree that neither the Trustee, the Administrator nor any other party referred to in this Section 8.15 will be required to account to the Trust or any Unitholder for any benefit or profit derived from any such activities or from such similar or competing activity or any transactions relating thereto by reason of any conflict of interest or the fiduciary relationship created by virtue of the position of the Trustee or Administrator hereunder unless such activity is contrary to the express terms of this Agreement.

8.16 Documents Held by Trustee

Any securities, documents of title or other instruments that may at any time be held by the Trustee subject to the trusts hereof may be placed in the deposit vaults of the Trustee, Administrator or of any chartered bank in Canada, including an Affiliate of the Trustee, or deposited for safekeeping with any such bank.

ARTICLE 9
CONCERNING THE ADMINISTRATOR

9.1 The Administrator

The Trustee is hereby empowered to delegate to the Administrator such authority as the Trustee may in its sole discretion deem necessary or desirable to effect the actual administration of the duties of the Trustee under this Trust Indenture, without regard to whether such authority is normally granted or delegated by trustees, and does so delegate as set out herein and in the Administration Agreement. The Administrator shall have the powers and duties expressly granted to it or delegated to it in Article 8, in this Article 9, and elsewhere herein and in any other agreement providing for the management or administration of the Trust (including the Administration Agreement) including, without limitation, the power to retain and instruct such appropriate experts or advisors to perform those duties and obligations herein which it is not qualified to perform. The Trustee is authorized to enter into the Administration Agreement with the Administrator pursuant to the authority provided for hereunder, and to enter into any amendments thereto approved by the Administrator.

9.2 Disclosure Documents and Offerings

The Trustee shall not have any liability or responsibility in respect of prospectuses, offering memoranda, rights offering circulars, financial statements, management's discussion and analysis, annual information forms, proxy or information circulars, takeover bid or issuer bid circulars, material change reports, press releases or other public disclosures or non-public disclosures to Unitholders or potential purchasers of Trust Units, or filings required by law or the rules or policies of securities regulatory authorities, or any agreements related thereto. The Administrator shall have sole responsibility for the Trust in relation to:

(a) all matters relating to any Offering including:

(i) the filing of documents or obtaining of permission from any governmental or regulatory authority or the taking of any other step under federal or provincial law to enable securities which a Unitholder is entitled to receive to be properly and legally delivered and thereafter traded;

(ii) all matters relating to the content of any Offering Documents, the accuracy of the disclosure contained therein, and the certification thereof; and

(iii) all matters concerning the terms of the sale or issuance of securities including without limitation all matters concerning any Agency Agreement.

Such matters shall be the sole and exclusive responsibility of the Administrator, not by way of a delegation but by way of an allocation of responsibilities under this Trust Indenture. In furtherance thereof, where certification is required under securities laws, the Administrator (which may authorize any directors or officers of the Administrator to do so) shall execute such certification on behalf of the Trust, and shall seek not to have any certification on behalf of the Trust by the Trustee.

9.3 Liability of Trustee

The Trustee shall have no liability or responsibility for any matters delegated to the Administrator or under the Administration Agreement, and the Trustee, in relying upon the Administrator and in entering into the Administration Agreement, shall be deemed to have complied with its obligations under Article 8 and shall be entitled to the benefit of the indemnities, limitations of liability and other protection provisions provided for herein.

9.4 Standard of Care and Duties

In exercising its powers and discharging its duties under this Trust Indenture, the Administrator shall exercise the powers and discharge the duties conferred hereunder honestly, in good faith and in the best interests of the Trust and in connection therewith shall exercise that degree of care, diligence and skill that a reasonably prudent administrator having responsibilities of a similar nature would exercise in comparable circumstances.

9.5 Compliance

The Administrator shall be required to notify the Trustee of any defaults hereunder or under the Administration Agreement of which it becomes aware. Further, the Administrator shall provide an annual compliance certificate in the form and substance satisfactory to the Trustee with respect to the satisfaction of its obligations under this Indenture and the Administration Agreement.

9.6 Special Duties of the Administrator

If the Administrator becomes aware that the beneficial owners of 49% of the Units then outstanding are, or may be, Non-residents or that such situation is imminent the Administrator shall arrange for the procedures regarding the limitations on non-resident ownership as provided herein to be implemented.

9.7 Resignation of the Administrator

(a) The Administrator may resign its position hereunder by giving to the Trustee written notice of such resignation together with a nomination of a corporation to be successor Administrator, satisfactory to the Trustee. If the successor Administrator nominated is satisfactory to the Trustee, the Trustee shall appoint the corporation so nominated to be successor Administrator.

(b) Any resignation pursuant to paragraph (a) shall take effect on the later of: (i) 90 days after the date notice of such resignation is duly given, and (ii) the date the successor Administrator is appointed.

(c) Upon the replacement of the Administrator, the Administrator shall cease to be a party to the Administration Agreement and this Indenture and shall execute and deliver all such documents and instruments and do all such acts and things as the Trustee may reasonably request in order to effectively remove the Administrator as a party to the Administration Agreement and to assign its right, title and interest herein and therein to a successor Administrator so appointed, provided, however, that the Administrator shall continue to be entitled to payment of any amounts owing by the Trust to the Administrator which accrued prior to its replacement; and provided further that such Administrator and each of its directors, officers, employees, shareholders and agents shall continue to be entitled to the benefit of any indemnity and limitation of liability provisions which are expressly set out herein and by their terms are for the benefit of the Administrator and its directors, officers, employees, shareholders and agents (as the case may be).

(d) The resignation of the Administrator shall not affect any liabilities of the Administrator in respect of or in any way arising under or out of this Trust Indenture which have accrued prior to such resignation, removal or termination.

9.8 Compensation and Other Remuneration

The Administrator shall be entitled to receive for its services as Administrator:

(a) such reasonable compensation as shall be negotiated between the Trustee on behalf of the Trust and the Administrator; and

(b) reimbursement of the Administrator's reasonable out-of-pocket expenses incurred in acting as the Administrator, either directly or indirectly.

The Administrator shall, in respect of amounts payable or reimbursable to the Administrator pursuant to this Trust Indenture, have a priority over distributions to holders of Trust Units pursuant to Article 5 or Section 12.6 in respect of amounts payable or reimbursable to the Administrator pursuant to this Section 9.8. Further, in the event the Administrator's fees and expenses are not paid within the time set out in the Administrator's invoice, the Administrator shall be entitled to pay such amounts out of the Trust Property, (or direct the Trustee to pay such amounts out the Trust Property).

9.9 Resignation and Removal of the Administrator

(a) The Administrator may resign from the office of Administrator hereunder by giving to the Trustee not less than 120 days' prior written notice of such resignation.

(b) The Administrator may be removed at any time with or without cause by Ordinary Resolution passed in favour of the removal of the Administrator.

(c) The Administrator may be removed at any time by the Trustee by notice in writing to the Trustee if, at any time:

(i) the Administrator shall be declared bankrupt or insolvent or shall enter into liquidation, whether compulsory or voluntary, to wind up its affairs;

(ii) all of the assets of the Administrator, or a substantial part thereof, shall become subject to seizure or confiscation; or

(iii) the Administrator shall otherwise become incapable of performing its responsibilities under this Trust Indenture;

(d) Any resignation or removal pursuant to Sections 9.9(a), (b), (c) shall take effect on the earliest of: (i) 90 days after the date notice of such resignation is duly given, such Ordinary Resolution is approved, or such

notice of the Trustee is given as the case may be; or (ii) a successor Administrator is appointed or elected pursuant to Section 9.10.

(e) Upon the taking effect of any resignation or removal of the Administrator under the terms of this Section 9.9, the Administrator shall:

(i) cease to have rights, privileges, powers and authorities of a Administrator hereunder, except for its rights to be compensated herein and its rights to be indemnified which shall continue notwithstanding the resignation or removal of the Administrator;

(ii) execute and deliver such documents as the Trustee shall reasonably require for the conveyance, to a successor Administrator, of any Trust Property held in the Administrator's name, and provide for or facilitate the transition of the Trust's activities and affairs to such successor Administrator; and

(iii) account for all property, including the Trust Property, which the Administrator held or then holds as Administrator.

(f) Upon the Administrator ceasing to hold office as such hereunder, the Administrator shall cease to be a party (as an Administrator) to this Trust Indenture provided, however, that such Administrator shall continue to be entitled to payment of any amounts owing by the Trust to the Administrator which accrued prior to its vacating of the office of Administrator; and provided further that such Administrator and each of its directors, officers, employees and agents shall continue to be entitled, in respect to all liabilities relating to the period of time when the Administrator held office as Administrator hereunder, to the benefit of any indemnity and limitation of liability provisions which are expressly set out herein and by their terms are for the benefit of the Administrator and its directors, officers, employees and agents (as the case may be).

(g) The resignation or removal of the Administrator, or the Administrator otherwise ceasing to be the Administrator, shall not affect any liabilities of the Administrator in respect of or in any way arising under or out of the Trust Indenture which have accrued prior to such resignation, removal or termination.

9.10 Appointment/Election of Successor Administrator

(a) A successor Administrator to an Administrator which has been removed by a Ordinary Resolution of Unitholders under Section 9.9(b), shall be appointed by an Ordinary Resolution at a Meeting of Unitholders duly called for that purpose.

(b) If no successor Administrator has been appointed or elected within 60 days of (i) the Administrator's notice of resignation (whether deemed notice or otherwise) under Section 9.9(a), or (ii) the approval of the Ordinary Resolution referred to in Section 9.9(b), as the case may be, any Unitholder, the Administrator or any other interested person may apply to a court of competent jurisdiction for the appointment of a successor Administrator.

Notwithstanding anything herein contained, the election or appointment of a Administrator shall not become effective unless and until such person has, either before or after such election or appointment, executed and delivered to the Trust an acceptance substantially as follows:

"To: Invico Diversified Income Fund (the "**Trust**")
And to: The Trustee of the Trust

The undersigned hereby accepts its election or appointment as the Administrator of the Trust and hereby agrees, upon the later of the date of this acceptance and the date of the undersigned's election or appointment as the Administrator of the Trust, to thereby become a party, as the Administrator, to the trust indenture made as of September 25, 2013, as the same may be amended from time to time, governing the Trust (the "**Trust Indenture**"), and the undersigned further agrees to act as Administrator of the Trust in accordance with the terms of the Trust Indenture.

Dated: _____, _____

Name of Company

_____

[Print Name**]**

_____

[Signature**]**

Upon the later of a person being elected or appointed as the Administrator hereunder and executing and delivering to the Trust an acceptance substantially as set forth above, such person shall become the Administrator hereunder and shall be deemed to be a party (as the Administrator) to this Trust Indenture, as amended from time to time.

ARTICLE 10
AMENDMENTS TO THE TRUST INDENTURE

10.1 Amendment

The provisions of this Trust Indenture may only be amended by Special Resolution except where specifically otherwise provided herein, including pursuant to Sections 10.2 and 10.3.

10.2 Amendment without Approval

Notwithstanding anything herein contained (but subject to Section 10.3), the provisions of this Trust Indenture may be amended by the Trustee with the approval of the Administrator at any time and from time to time, without the consent, approval or ratification of the Unitholders or any other person at any time for the purpose of:

(a) ensuring continuing compliance, by the Trust, with Applicable Laws, regulations, requirements or policies of any Governing Authority having jurisdiction over the Trustee or the Trust;

(b) providing, in the opinion of the Administrator, additional protection for the Unitholders or to obtain, preserve or clarify the provision of desirable tax treatment to Unitholders;

(c) making amendments hereto which, in the opinion of the Administrator, are necessary or desirable in the interests of the Unitholders as a result of changes in taxation laws or in their interpretation or administration;

(d) making corrections, or removing or curing any conflicts or inconsistencies between the provisions of this Trust Indenture or any supplemental indenture and any other agreement of the Trust or any Offering Document with respect to the Trust, or any Applicable Law or regulation of any jurisdiction, provided that in the opinion of the Administrator the rights of the Unitholders are not materially prejudiced thereby;

(e) providing for the electronic delivery by the Trust to Unitholders of documents relating to the Trust (including annual reports, including financial statements, notices of Unitholder meetings and information circulars and proxy related materials) at such time as applicable securities laws have been amended to permit such electronic delivery in place of normal delivery procedures, provided that such amendments to the Indenture, based on the advice of counsel, are not contrary to or do not conflict with such laws;

(f) curing, correcting or rectifying any ambiguities, defective or inconsistent provisions, errors, mistakes or omissions, provided that, in the opinion of the Administrator, the rights of the Unitholders are not materially prejudiced thereby; and

(g) making amendments hereto for any purpose (except one in respect of which a vote by Unitholders is expressly otherwise required), provided that, in the opinion of the Administrator, the rights of the Unitholders are not materially prejudiced thereby.

10.3 Amended by Special Resolution

Subject to Section 11.2, the Unitholders may at any time by Special Resolution approve any amendment to this Trust Indenture which is consented to by the Administrator, including any such amendment for the purpose of effecting:

(a) an exchange, reclassification or cancellation of all or part of the Trust Units;

(b) the addition, change or removal of the rights, restrictions or conditions attached to the Trust Units and, including, without limiting the generality of the foregoing,

(i) the removal or change of rights to distributions;

(ii) the addition or removal of or change to conversion privileges, options, voting, transfer or pre-emptive rights; or

(iii) the reduction or removal of a distribution preference or liquidation preference;

(c) the creation of new rights, restrictions or conditions attaching to certain of the Trust Units;

(d) the constraint on the issue, transfer or ownership of Trust Units or the change or removal of such constraint; or

(e) any other amendment to this Trust Indenture.

No such amendment shall limit, reduce, impair or negate any privilege, right, benefit or indemnity provided to the Trustee herein without the consent of the Trustee.

10.4 Further Restrictions on Amendments

No amendment shall be made to this Trust Indenture:

(a) to modify the voting rights attributable to any Trust Unit or reduce the fractional undivided beneficial interest in the Trust Property represented by any Trust Unit without the consent of the holder of such Trust Unit; and

(b) to amend this Section 10.4, unless the consent of all Unitholders is obtained.

10.5 Notification of Amendment

Following the making of any amendment pursuant to Section 10.2, the Trustee shall provide written notification of the substance of such amendment to each Unitholder and such notification shall be delivered concurrent with the next succeeding mailing of annual financial statements of the Trust pursuant to Section 16.3.

10.6 Further Acts Regarding Amendment

When a vote of the Unitholders approves an amendment to this Trust Indenture, then the Trustee shall sign such documents, on behalf of the Trust, as may be necessary to effect such amendment, provided that nothing herein contained shall be construed so as to obligate the Trustee to give effect to any amendment to this Trust Indenture which has an effect on any of the Trustee's rights, protections and obligations hereunder which is adverse to the Trustee.

ARTICLE 11
MEETINGS OF UNITHOLDERS

11.1 Meetings

At the discretion of the Trustee or the Administrator, there shall be a Meeting of Unitholders for the purpose of:

(a) the appointment of the Auditor of the Trust for the ensuing period; and

(b) transacting such other business as the Trustee may determine or as may properly be brought before the meeting.

Meetings of the Unitholders may be called at any time by the Trustee or by the Administrator. There shall be no requirement to hold an annual meeting of Unitholders.

11.2 Other Meetings

(a) *Meetings of A Class of Unitholders*: The provisions of this Section 11.2 and the remainder of the provisions contained in Sections 11.3 to 11.10, inclusive, shall not only have application to Meetings of Unitholders but shall be equally applicable, as the context requires, to meetings of a particular class or classes of Unitholders; and, accordingly, such provisions (including the use of the word "**Unitholders**" throughout) shall be so construed and applied, *mutatis mutandis*, so as to give effect to such interpretation. For greater certainty, in the event that any decision or matter to be put before the Unitholders at a Meeting of Unitholders or to be approved by Special Resolution or Ordinary Resolution will affect the rights and obligations of a class or certain classes of Unitholders in a manner unique or specific to such class or classes, then such matter shall require the approval at the Meeting of Unitholders or by Ordinary Resolution or Special Resolution, as applicable of such specific class or classes of Unitholders, in addition to any other approval required herein.

(b) *Called by the Trustee*: The Trustee shall have the power, at any time and for any purpose, to call special meetings of the Unitholders at such time and place as the Trustee may determine or the Administrator may request (and, for greater certainty, the Trustee shall call a special Meeting of Unitholders upon request of the Administrator).

(c) *Requisition by Unitholders*: Unitholders or Unitholders of a class or classes holding in the aggregate not less than 33 1/3% of all votes entitled to be voted at a Meeting of Unitholders may requisition the Trustee to call a Meeting of Unitholders or of the Unitholders of that class or classes, as the case may be, for the purposes stated in the requisition. The requisition shall (A) be in writing, (B) set forth the name and address of, and number of Trust Units (which must not be less than 33 1/3% of all votes entitled to be voted at a meeting of such Unitholders) held by, each person who is supporting the requisition, and (C) shall state in reasonable detail the business to be transacted at the meeting and shall be sent to the Trustee at the Trustee's principal place of business in Alberta. Upon receiving a requisition complying with the foregoing, the Trustee shall call a meeting of such Unitholders to transact the business referred to in the requisition, unless:

(i) the Trustee has called a Meeting of Unitholders and has given notice thereof pursuant to Section 11.3; or

(ii) in connection with the business as stated in the requisition:

(A) it clearly appears that a matter covered by the requisition is submitted by the Unitholder primarily for the purpose of enforcing a personal claim or redressing a personal grievance against the Trust, the Trustee, the Administrator (or any Associate or Affiliate of the Administrator), the Unitholders or primarily for the purpose of promoting general

economic, political, religious, social or similar causes or primarily for a purpose that does not relate in a significant way to the business or affairs of the Trust;

(B) the Trust, at the Unitholder's request, had previously included a matter substantially the same as a matter covered by the requisition in notice of meeting relating to a Meeting of Unitholders held within 30 months preceding the receipt of such requisition and the Unitholder failed to present the matter, in person or by proxy, at the meeting;

(C) substantially the same matter covered by the requisition was submitted to Unitholders in a notice of meeting relating to a Meeting of Unitholders held within 30 months preceding the receipt of such requisition and the matter covered by the requisition was defeated; or

(D) it appears that the rights conferred by this Section 11.2 are being abused to secure publicity.

(iii) *Failure to Call Meeting*: If there shall be no Trustee or if the Trustee or the Administrator does not, within 10 days after receiving the requisition, call a meeting (except where the grounds for not calling the meeting are one or more of those set forth in Section 11.2(b) above), any Unitholder who signed the requisition may call the meeting in accordance with the provisions of Article 11, *mutatis mutandis*.

11.3 Notice of Meeting of Unitholders

Notice of all meetings of the Unitholders shall be given or sent by email, facsimile, or unregistered mail postage prepaid addressed to each Unitholder at his email, the facsimile number or registered address, sent at least 10 days and not more than 21 days before the meeting. The attendance of a Unitholder at a meeting (whether in person or by proxy) shall constitute a waiver of notice, or defect therein, with respect to such meeting except where a Unitholder attends a meeting for the express purpose of objecting to the transaction of any business on the ground that the meeting has not been lawfully called or convened. Such notice shall set out the time when, and the place where, such meeting is to be held, held and shall state the purposes of the meeting. Any adjourned meeting may be held as adjourned without further notice. The accidental omission to give notice to or the non-receipt of such notice by the Unitholders shall not invalidate any resolution passed at any such meeting.

11.4 Quorum; Chairman

A quorum for any Meeting of Unitholders shall be two or more persons present in person and being Unitholders or representing, by proxy, Unitholders, and who hold in the aggregate not less than 10% of all votes entitled to be voted at the meeting except for purposes of (i) passing a Special Resolution in which case such persons must hold at least 20% of the Trust Units outstanding and entitled to vote thereon; and (ii) passing a Special Resolution to remove or replace the general partner of the Partnership, in which case such persons must hold at least 50% of the Trust Units outstanding and entitled to vote thereon. In the event of such quorum not being present at the appointed place on the date for which the meeting is called within 30 minutes after the time fixed for the holding of such meeting, the meeting, if convened on requisition of Unitholders, shall be terminated and, if otherwise called, shall stand adjourned to a day not less than 14 days later and to such place and time as may be determined by the chairman of the meeting. If at such adjourned meeting a quorum as above defined is not present, the Unitholders entitled to vote at such meeting and present either personally or by proxy shall form a quorum, and any business may be brought before or dealt with at such an adjourned meeting which might have been brought before or dealt with at the original meeting in accordance with the notice calling the same. Such individual as may be appointed by the Administrator shall be the chairman of any Meeting of Unitholders.

11.5 Voting

(a) Except for meetings of a particular class or classes, the holders of the Trust Units shall be entitled to receive notice of and to attend all meetings of the Unitholders of the Trust, either in person or by proxy, and shall be entitled to one (1) vote in respect of each Trust Unit held at all such meetings.

(b) Every question submitted to a meeting, other than questions to be decided by Special Resolution, shall, unless a poll vote is demanded, be decided by a show of hands on which every person present and entitled to vote shall be entitled to one vote. On a poll vote at any Meeting of Unitholders, each Trust Unit shall be entitled to the number of votes set out in Section 11.5(a).

(c) Any action taken or resolution passed in respect of any matter at a Meeting of Unitholders shall be by Ordinary Resolution, unless the contrary is otherwise expressly provided under any specific provision of this Trust Indenture.

(d) The chairman of any Meeting of Unitholders shall not have a second or casting vote in respect of a Special Resolution but shall, in the case of an equality of voted on an Ordinary Resolution have a casting vote.

11.6 Record Dates

For the purpose of determining the Unitholders who are entitled to receive notice of and vote at any meeting or any adjournment thereof, or who are entitled to receive any distribution, or for the purpose of any other action, the Trustee may from time to time, without notice to Unitholders, close the transfer books for such period, not exceeding 30 days, as the Trustee may determine. With or without closing the transfer books, the Trustee may fix a date not more than 60 days prior to the date of any Meeting of Unitholders or any distribution or any other action to be taken by the Trust, as a record date for the determination of Unitholders entitled to receive notice of and to vote at such meeting or any adjournment thereof or to receive such distribution or to be treated as Unitholders of record for purposes of such other action, as the case may be. Any Unitholder who was a Unitholder (in respect of the class of Trust Units in respect of which such meeting has been called) at the record date so fixed shall be entitled to receive notice of and vote at such meeting or any adjournment thereof, or to receive such distribution, or to be treated as a Unitholder of record for purposes of such other action, even though he has since that date disposed of his Trust Units, and no person who becomes a Unitholder after that date shall be entitled to receive notice of and vote at such meeting or any adjournment thereof, or to receive such distribution, or to be treated as a Unitholder of record for purposes of such other action. In the event that the Trustee does not fix a record date for any Meeting of Unitholders, the record date for such meeting shall be the Business Day immediately preceding the date upon which notice of the meeting is given in accordance with Article 11.

11.7 Proxies

Whenever the vote or consent of Unitholders is required or permitted under this Trust Indenture, such vote or consent may be given either directly by the Unitholder or by a proxy in written form, electronic or other technologically enhanced form, or such other form as is acceptable to the Trustee acting reasonably. A proxy holder need not be a Unitholder. The Trustee may solicit such proxies from the Unitholders or any of them in respect of any matter requiring or permitting the Unitholders' vote, approval or consent in such manner as may be required or permitted by applicable law.

Provided not contrary to applicable law, the Trustee may adopt, amend or repeal such rules relating to proxies, including pertaining to the appointment of proxy holders and the solicitation, execution, validity, revocation and deposit of proxies, as it in its discretion from time to time determines and such rules may be contained in the Trustee's Regulations.

11.8 Solicitation of Proxies

The Trustee may solicit proxies from Unitholders in connection with all meetings of Unitholders.

11.9 Resolution in Lieu of Meeting

An Ordinary Resolution or Special Resolution signed in writing by Unitholders holding at least the required proportions of the outstanding Trust Units (as set forth in the definitions of Ordinary Resolution and Special resolution as set forth in this Trust Indenture), is as valid as if it had been passed at a Meeting of Unitholders duly called and convened for the purpose of approving that resolution.

11.10 Binding Effect of Resolutions

Every Ordinary Resolution and every Special Resolution passed in accordance with the provisions of this Indenture shall be binding upon all the Unitholders, and each and every Unitholder shall be bound to give effect to every such Ordinary Resolution and Special Resolution.

11.11 No Breach

Notwithstanding any provisions of this Trust Indenture, the Unitholders shall not have the power to effect any amendment hereto which would require the Trustee to take any action or conduct the affairs of the Trust in a manner which would constitute a breach or default by the Trust or the Trustee under any agreement binding on or obligation of the Trust or the Trustee.

11.12 Resolutions Binding the Trustee

(a) Unitholders shall be entitled to pass resolutions that will bind the Trustee only with respect to the following matters:

(i) the election or removal of the Trustee;

(ii) the appointment or removal of Auditor;

(iii) amendments of this Trust Indenture;

(iv) the termination or dissolution of the Trust; and

(v) any other matter referred to in Section 8.5 hereof.

(b) Except with respect to the above matters set out in this Section 11.12, no action taken by the Unitholders or any resolution of the Unitholders at any meeting shall in any way bind the Trustee. Further, the Unitholders shall not be entitled to amend the Trust Indenture to reduce, impair or negate the Trustee's right to be compensated or indemnified hereunder or modify this Indenture to increase the Trustee's liability. Any action taken or resolution passed in respect of any matter on which Unitholder approval is required under this Trust Indenture shall be by Special Resolution, unless the contrary is otherwise expressly provided under any specific provision of this Trust Indenture and except for the matters set out in paragraph (a) above, which matters may be dealt with by a resolution passed by a majority of the votes cast by Unitholders represented at the meeting.

ARTICLE 12
TERMINATION

12.1 Term of the Trust

Subject to the other provisions of this Indenture, the Trust shall continue for a term ending 21 years after the date of death of the last surviving issue of Her Majesty, Queen Elizabeth II, alive on September 25, 2013. For the purpose of terminating the Trust by such date, the Trustee shall commence to wind-up the affairs of the Trust on such date as may be determined by the Trustee, being not more than two years prior to the end of the term of the Trust.

12.2 Termination with the Approval of Unitholders

The Trust shall be wound-up or terminated if the Unitholders pass a Special Resolution, authorizing such wind-up or termination, at a Meeting of Unitholders duly called for the purpose of considering the wind-up or termination of the Trust. Following the passage of such Special Resolution, the Trustee shall commence

to wind-up or terminate (as the case may be) the affairs of the Trust. Such Special Resolution may contain such directions to the Trustee as the Unitholders determine.

12.3 Procedure Upon Termination

Forthwith upon being required to commence to wind-up or terminate the affairs of the Trust, the Trustee shall give notice of such wind-up or termination to the Unitholders, which notice shall designate the time or times at which Unitholders may surrender their Trust Units for cancellation and the date at which the Registers of Trust Units of the Trust shall be closed.

12.4 Powers of the Trustee Upon Termination

After the date on which the Trustee is required to commence to wind-up or terminate the affairs of the Trust, the Trustee shall carry on no activities except for the purpose of winding-up or terminating (as the case may be) the affairs of the Trust as hereinafter provided and, for this purpose, the Trustee shall continue to be vested with and may exercise all or any of the powers conferred upon the Trustee under this Trust Indenture.

12.5 Sale of Investments

After the date referred to in Section 12.4, the Trustee shall proceed to wind-up or terminate, as the case may be, the affairs of the Trust as soon as may be reasonably practicable and for such purpose shall, subject to any direction to the contrary in respect of a wind-up or termination authorized under Section 12.2, sell and convert into money the Trust Property and do all other acts appropriate to liquidate the Trust, and shall in all respects act in accordance with the directions, if any, of the Unitholders (in respect of a wind-up or termination authorized under Section 12.2). If the Trustee is unable to sell all or any of the Trust Property or other assets which comprise part of the Trust by the date set for wind-up or termination, the Trustee may distribute undivided interests in the remaining Trust Property or other assets directly to the holders of Trust Units in accordance with their entitlements to the Property of the Trust on a wind-up or termination of the Trust, as such entitlements are determined in accordance with the rights, privileges, restrictions and conditions attaching to the Trust Units.

12.6 Distribution of Proceeds

After paying, retiring or discharging or making provision for the payment, retirement or discharge of all known liabilities and obligations of the Trust and providing for an indemnity against any other outstanding liabilities and obligations, the Trustee shall distribute the remaining part of the proceeds of the sale of the Trust Property to the holders of the Trust Units in accordance with their entitlements to the Property of the Trust on a wind-up or termination of the Trust, as such entitlements are determined in accordance with the rights, privileges, restrictions and conditions attaching to the Trust Units.

12.7 Further Notice to Unitholders

In the event that less than all of the Unitholders have surrendered their Trust Units for cancellation within six (6) months after the time specified in the notice referred to in Section 12.3, the Trustee shall give further notice to the remaining Unitholders to surrender their Trust Units for cancellation and if, within one (1) year after the further notice, all the Trust Units shall not have been surrendered for cancellation, such remaining Trust Units shall be deemed to be cancelled without prejudice to the rights of the holders of such Trust Units to receive their proper entitlements to the Property of the Trust on a wind-up or termination of the Trust, as such entitlements are determined in accordance with the rights, privileges, restrictions and conditions attaching to the Trust Units, and the Trustee may either take appropriate steps, or appoint an agent to take appropriate steps, to contact such Unitholders (deducting all expenses thereby incurred from the amounts to which such Unitholders are entitled as aforesaid) or, in the discretion of the Trustee, the Trustee may pay such amounts into court in the province where the Trust has its head office (or to such other suitable government official or agency in the province where the Trust has its head office) whose receipt shall be a good release, acquittance and discharge of the obligations of the Trustee with respect to such amounts.

12.8 Responsibility of the Trustee after Sale and Conversion

The Trustee shall be under no obligation to invest the proceeds of any sale of investments or other assets or cash forming part of the Trust Property after the date referred to in Section 12.4 and, after such sale, the sole obligation of the Trustee under this Trust Indenture shall be to collect, distribute and hold such proceeds in trust for distribution under this Article 12.

ARTICLE 13
LIABILITY OF TRUSTEE, ADMINISTRATOR, UNITHOLDERS AND OTHER MATTERS

13.1 Acting on Behalf of the Trust

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

13.2 General Limitations of Liability

(a) *Reliance on Experts*: The Trustee shall be entitled to rely on, and shall not be liable for acting or failing to act, in good faith, in relation to any matter relating to this Trust where such action or failure to act is based upon, statements from, the opinion or advice of, or information from the Auditor, Counsel, valuator, engineer, surveyor, appraiser or other expert (herein "**Experts**") where it is reasonable to conclude that the matter in respect of which such statements are made, or opinion or advice given, ought to be within the expertise of such Expert, provided that, with respect to Experts other than the Auditor and Counsel, the Trustee has satisfied its standard of care in Section 8.6 in selecting such Expert.

(b) *Good Faith Reliance*: The Trustee shall not be liable to any Unitholder or other persons in relying in good faith upon statements or information from, the opinion or advice of, or instruments or directions given by an officer, director, employee or agent of the Administrator or Trustee or by a broker, a custodian or any Unitholder, or by such other parties as may be authorized to give instructions or directions to the Trustee. If required by the Trustee, the Administrator shall file with the Trustee a certificate of incumbency setting forth the names and titles of parties authorized to give instructions or directions to the Trustee together with specimen signatures of such persons and the Trustee shall be entitled to rely on the latest such certificate of incumbency filed with it. The Trustee, the Administrator and their respective directors, officers, employees add agents shall not be liable to any Unitholder or other persons for, and shall each be fully protected from liability in respect to, acting upon any instrument, certificate or paper believed by it, in good faith, to be genuine and signed or presented by the proper person or persons.

(c) *Tax Matters*: None of the Trust, the Administrator, or the Trustee shall be accountable or liable to any Unitholder by reason of any act or acts of any such person consistent with the carrying out of any obligations or responsibilities imposed upon any such person under the Income Tax Act.

13.3 Liability of Trustee

(a) Subject to the standard of care, diligence and skill set forth in Section 8.6 none of the Trustee nor any director, officer, employee or agent thereof shall be liable to the Trust or any Unitholder for any action taken in good faith in reliance on any documents that are, *prima facie*, properly executed; for any depreciation of, or loss to, the Trust incurred by reason of the sale of any security; for the loss or disposition of monies or securities; or for any other action or failure to act, except for a breach of the standard of care, diligence and skill as set out in Section 8.6. If the Trustee has retained an appropriate expert or advisor with respect to any matter connected with its duties under this Trust Indenture, the Trustee may act or refuse to act based on the advice of such expert or advisor and, notwithstanding any

provision of this Trust Indenture, including, without limitation, the standard of care, diligence and skill set out in Section 8.6 hereof, the Trustee shall not be liable for any action or refusal to act based on the advice of any such expert or advisor which it is reasonable to conclude is within the expertise of such expert or advisor to give.

(b) Subject to the standard of care, diligence and skill set forth in Section 8.6, none of the Trustee nor any officer, director, employee or agent thereof shall be subject to any liability whatsoever in tort, contract or otherwise, in connection with Trust Property or the affairs of the Trust, including, without limitation, in respect of any loss or diminution in value of any Trust Property, to the Trust or to the Unitholders or to any other person for anything done or permitted to be done by the Trustee. The Trustee shall not be subject to any personal liability for any debts, liabilities, obligations, claims, demands, judgments, costs, charges or expenses against or with respect to the Trust arising out of anything done or permitted or omitted to be done in respect of the execution of the duties of the office of Trustee for or in respect to the affairs of the Trust. No property or assets of the Trustee, owned in its personal capacity or otherwise, will be subject to any levy, execution or other enforcement procedure with regard to any obligations under this Trust Indenture or under any other related agreements. No recourse may be had or taken, directly or indirectly, against the Trustee in its personal capacity. The Trust shall be solely liable therefor and resort shall be had solely to the Trust Property for payment or performance thereof.

13.4 Limitation of Trustee's Liability

Any liability of the Trustee for, or in respect of, or that arise out of, or result from the Trustee's breach of this Indenture shall be limited, in the aggregate, to the amount of remuneration paid by the Trust to the Trustee under this Indenture in the twelve months immediately prior to the Trustee first receiving written notice of such liability; provided that the foregoing limitation shall not apply to any liability of the Trustee that arise out of the Trustee's gross negligence, wilful misconduct or fraud.

13.5 Liability of Administrator

(a) *Limit on Liability*: Except for any obligation or claim arising out of its own wilful misconduct, bad faith or gross negligence in respect of its performance of its duties hereunder, the Administrator shall, in addition to those limits on its liability as set forth in Section 13.2, have no liability whatsoever (whether direct or indirect, absolute or contingent) in tort, contract or otherwise to any person (including the Trust, the Trustee or any Unitholder), nor shall resort be had to the property or assets of the Administrator for satisfaction of any obligation or claim arising out of or in connection with, directly or indirectly, with its duties hereunder, the Trust Property and the conduct and undertaking of the activities and affairs of the Trust, and the Trust only shall be liable, and the Trust Property only subject to levy or execution, in respect thereof.

(b) *Indemnity*: If, in circumstances where there is to be no liability on the Administrator pursuant to the provisions of Sections 13.2 and 13.4(a), the Administrator is held liable to any person, or its property or assets are subject to levy, execution or other enforcement resulting in loss to the Administrator, then the Administrator shall be entitled to indemnity and reimbursement out of the Trust Property, in accordance with Section 13.6, to the full extent of such liability and the costs of any action, suit or proceeding or threatened action, suit or proceeding, including without limitation, the reasonable legal fees and disbursements of its legal counsel.

13.6 Indemnification of Trustee and Others

Each Trustee, the Administrator, each officer of the Trust, each director, officer, employee or agent of the Administrator, each director, officer, employee and agent of the Trustee and each person who formerly held any of such positions, (collectively, "**Indemnified Persons**") shall be entitled to be and shall be indemnified and reimbursed out of the Trust Property in respect of any and all taxes, penalties or interest in respect of unpaid taxes or other governmental charges imposed upon the Indemnified Person in consequence of his or her performance of his or her duties hereunder and in respect of any and all costs, charges and expenses, including amounts paid to settle an action or satisfy a judgment, reasonably incurred in respect of any civil, criminal or administrative action or

proceeding to which the Indemnified Person is made a party by reason of being or having held such position or been, at the request of the Trust, a trustee; provided that an Indemnified Person shall not be indemnified out of the Trust Property in respect of any such amounts that arise directly out of or as a result of such Indemnified Person's gross negligence, wilful misconduct or fraud.

13.7 Indemnification of Trustee

The Trust (to the extent of the Trust Property) is liable to, and shall indemnify and save harmless the Trustee and each of its directors, officers, employees, shareholders and agents in respect of:

(a) any liability and all costs, charges, damages and expenses sustained, suffered or incurred in respect of any claim, action, suit or proceeding that is proposed or commenced against the Trustee or against such directors, officers, employees, shareholders or agents, as the case may be, for or in respect of any act, omission or error in respect of the Trust or the carrying out of any of the Trustee's duties and responsibilities under this Trust Indenture or the exercise of any power, authority or discretion pertaining thereto;

(b) any liability and all losses, damages, costs, charges and expenses sustained or incurred in respect of any action, suit or proceeding that is proposed or commenced against the Trustee or against such directors, officers, employees, shareholders or agents, as the case may be, for or in respect of the Administrator providing or omitting to provide services to the Trust or otherwise performing obligations pursuant to the Administration Agreement or as delegated or otherwise contemplated hereunder;

(c) all other liabilities, losses, costs, charges, taxes, damages, expenses, penalties and interest in respect of unpaid taxes or other tax matters; and

(d) all other expenses and liabilities sustained or incurred by the Trustee in respect of the administration or termination of the Trust;

in each case including the aggregate amount paid in reasonable settlement of any actions, suits, proceedings, investigations or claims and the reasonable fees and expenses of counsel to the indemnified parties that may be incurred in obtaining advice with respect to and defending any action, suit, proceedings, investigation or claim that may be made or threatened against any indemnified party, or that may be incurred in enforcing this indemnity, unless and to the extent any of the foregoing arise principally and directly out of the gross negligence, wilful misconduct or fraud of the Indemnified Person, in which case the provisions of this Section 13.7 shall not apply.

13.8 Limitation on Indemnities

No Person shall be entitled to satisfy any right of indemnity or reimbursement granted herein, or otherwise existing under law, except out of the Trust Property, and no Unitholder or Trustee or Indemnified Person shall be personally liable to any person with respect to any claim for such indemnity or reimbursement as aforesaid.

13.9 Further Limitation on Indemnification

Notwithstanding any other provisions of this Indenture, the Trust shall have no liability to reimburse any person for transfer or other taxes or fees payable on the transfer of Trust Units or any income or other taxes assessed against any person by reason of ownership or disposition of Trust Units.

13.10 Extended Meanings

For the purposes of Sections 13.2 to 13.8 (inclusive) references to the Trustee and the Administrator shall be deemed to include their respective directors, officers, agents and employees.

13.11 Exculpatory Clauses in Instruments

In respect of any obligations or liabilities being incurred by the Trust or the Trustee on behalf of the Trust and the Trustee shall make all reasonable efforts to include as a specific term of such obligations or liabilities a contractual provision substantially to the following effect:

> The parties hereto acknowledge that **[**the Trustee**]** is entering into this agreement solely **[**in its capacity as Trustee**]** on behalf of the Trust and the obligations of the Trust hereunder shall not be personally binding upon **[**the Trustee**]** or any of the unitholders of the Trust or any annuitant, subscriber or beneficiary under a plan of which a unitholder is a trustee or carrier (an "annuitant") and that any recourse against the Trust **[**, the Trustee**]** or any unitholder or annuitant in any manner in respect of any indebtedness, obligation or liability arising hereunder or arising in connection herewith or from the matters to which this agreement relates, if any, including without limitation claims based on negligence or otherwise tortious behaviour, shall be limited to, and satisfied only out of, the Trust Property as defined in the trust indenture of the Trust dated September 25, 2013, as from time to time amended, restated or modified.

The omission of such statement from any such document or instrument shall not render the Trustee liable to any person, nor shall the Trustee be liable for such omission. If, notwithstanding this provision, the Trustee shall be held liable to any person by reason of the omission of such statement from any such agreement, undertaking or obligation such Trustee shall be entitled to indemnity and reimbursement out of the Trust Property to the full extent of such liability.

13.12 Execution of Instruments and Apparent Authority

Any instrument executed in the name of the Trust, or by the Trustee as trustee of the Trust, shall constitute and shall be deemed to constitute a valid obligation of the Trust enforceable in accordance with its terms as if executed by the Trustee.

13.13 Interests of Trustee and Agents

Subject to any agreement to the contrary between the Trust and the Trustee or agent of the Trust, the Trustee or agent of the Trust may, while so engaged and so long as it complies with this Trust Indenture and any other applicable agreements:

(a) acquire, hold and dispose of any property, real or personal, for its account even if such property is of a character which could be held by the Trust, and may exercise all rights of an owner of such property as if it were not a consultant or agent, as the case may be;

(b) have business interests of any nature and may continue such business interests for its own account including the rendering of professional or other services and advice to other persons for gain; and

(c) acquire, hold and sell Trust Units in its own capacity or as an Affiliate of or fiduciary for any other person, or as an Affiliate of any person who acquires, holds or sells Trust Units, and may exercise all rights of a holder thereof as if it were not a consultant or agent of the Trust, provided that it may not make use of any specific confidential information for its own benefit or advantage that, if generally known, might reasonably be expected to significantly affect the value of any of the Trust Units;

and such activities shall be deemed not to conflict with its duties as a trustee or agent of or to the Trust. Except as otherwise specifically agreed with the Trust, no trustee or agent of the Trust shall have any duty to present to the Trust any investment opportunity which it may receive in any capacity other than as consultant or agent of the Trust, and its failure to present to the Trust any such investment opportunity shall not make such consultant or agent liable in law or in equity, to pay, or account to the Trust, or to any Unitholder whether acting individually or on behalf of himself and other Unitholders as a class, for any benefit, profit or advantage derived therefrom.

ARTICLE 14
SUPPLEMENTAL INDENTURES

14.1 Provision for Supplemental Indentures

The Trustee may, subject to the provisions hereof, and it shall, when so directed in accordance with the provisions hereof, execute and deliver indentures or instruments supplemental hereto, which thereafter shall form part hereof, for any one or more or all of the following purposes:

(a) modifying or amending any provisions of this Trust Indenture in the circumstances set forth in Article 10 where the Trustee may do so without the consent, approval or ratification of the Unitholders or any other person;

(b) modifying or amending any provisions of this Trust Indenture where the modification or amendment has been consented to, approved or ratified by some or all of the Unitholders (as the case may be) to the extent required in accordance with the provisions of this Trust Indenture; and

(c) creation of rights and obligations in respect of a new class of Trust Units;

provided that the Trustee may in its sole discretion decline to enter into any such supplemental indenture which in its opinion may not afford adequate protection to the Trustee when the same shall become operative.

ARTICLE 15
NOTICES

15.1 Notices to Unitholders

(a) Any notice, communication or other document required to be given or sent to Unitholders under this Trust Indenture or by law, shall be given or sent by personal service, facsimile, email or through ordinary post addressed to each registered holder at his or her last facsimile number, email or address as applicable appearing on the Registers or in any other manner from time to time permitted by Applicable Law (including Canadian securities legislation), including, without limitation, internet based or other electronic communications; provided that if any such notice or communication shall have been mailed and either prior to or subsequent to such mailing (but prior to delivery of such notice or communication) regular mail service shall have been interrupted by reason of a strike, lockout or other work stoppage, actual or threatened, involving postal employees, such notice or communication shall be deemed to have been received 48 hours after 12:01 a.m. on the day following the resumption of normal mail service; provided further that during the period that regular mail service shall be interrupted, notice may be given by personal service, facsmile or by internet based or other electronic communication (provided done so in accordance with all requirements of applicable law, including Canadian securities law), or by publication twice in the Report on Business section of the National Edition of The Globe and Mail or similar section of any other newspaper having national circulation in Canada; provided further that if there is no newspaper having national circulation, then such notice may be given by publishing twice in the business section of a newspaper in each city where the Register(s) or a branch register is maintained.

(b) Any notice given in the manner provided in Section 15.1(a) shall be deemed to have been given and delivered (i) in the case of notice given by mail, on the day following that on which the letter or other document was mailed, or (ii) in the case of notice given by publication, after publication of such notice twice in the designated newspaper or newspapers, or (iii) in the case of notice given by facsimile, email or internet based or other electronic communication, on the later of (A) the Business Day on which such notice is given and (B) the earliest day and at the earliest time (as applicable) as is permissible in accordance with the law permitting the giving of notice via such internet based or other electronic communication. In proving notice was mailed, it shall be sufficient to prove that such letter or other document was properly addressed, stamped and mailed.

15.2 Notice to the Trustee:

Any notice or other document or written communication to be given to the Trustee shall be addressed to the Trustee and sent to:

Invico Diversified Income Fund Trustee Corporation
300, 116 – 8th Avenue SW
Calgary, Alberta T2P 1B3
Facsimile: (403) 538-4770
Email: amtaylor@invicocapital.com

and shall be deemed to have been given on the date of delivery or, if mailed, five (5) days from the date of mailing or, if sent by email or facsimile transmission, shall be deemed to have been given on the first Business Day thereafter. If any such notice or communication shall have been mailed and if regular mail service shall be interrupted by reason of a strike, lockout or other work stoppage, actual or threatened, involving postal employees, such notice or communication shall be deemed to have been received 48 hours after 12:01 a.m. on the day following the resumption of normal mail service, provided that during the period that regular mail service shall be interrupted any notice or other communication shall be delivered or given by personal delivery, telegram, telex, facsimile transmission, email or other means of prepaid, transmitted or recorded communication.

15.3 Notice to the Administrator:

Any notice or other document or written communication to be given to the Administrator shall be addressed to the Administrator and sent to:

Invico Diversified Income Administration Ltd.
300, 116 - 8th Avenue SW,
Calgary, Alberta T2P 1B3
Facsimile: (403) 538-4770
Email: amtaylor@invicocapital.com

and shall be deemed to have been given on the date of delivery or, if mailed, five (5) days from the date of mailing or, if sent by facsimile transmission or email, shall be deemed to have been given on the first Business Day thereafter. If any such notice or communication shall have been mailed and if regular mail service shall be interrupted by reason of a strike, lockout or other work stoppage, actual or threatened, involving postal employees, such notice or communication shall be deemed to have been received 48 hours after 12:01 a.m. on the day following the resumption of normal mail service, provided that during the period that regular mail service shall be interrupted any notice or other communication shall be delivered or given by personal delivery, telegram, telex, facsimile transmission, email or other means of prepaid, transmitted or recorded communication.

15.4 Failure to Give Notice

The failure by the Trustee or the Administrator, by accident or omission or otherwise unintentionally, to give any Unitholder any notice provided for herein shall not affect the validity, effect or taking effect of any action referred to in such notice, and neither the Trustee nor the Administrator shall be liable to any Unitholder for any such failure.

15.5 Joint Holders

Service of a notice or document on any one of several joint holders of Trust Units shall be deemed effective service on the other joint holders.

15.6 Service of Notice

Any notice or document delivered to a Unitholder pursuant to this Article shall, notwithstanding the death or bankruptcy of such Unitholder, and whether or not the Trustee has notice of such death or bankruptcy,

be deemed to have been fully served and such service shall be deemed sufficient service on all persons having an interest in the Trust Units concerned.

ARTICLE 16
RECORDS AND FINANCIAL INFORMATION

16.1 Trust Records

The Administrator shall prepare and maintain or cause to be prepared and maintained records containing (a) this Trust Indenture; (b) minutes of meetings and resolutions of Unitholders; (c) minutes of meetings and resolutions of the Administrator and the Trustee; and (d) the Registers. The Trust shall also prepare and maintain adequate accounting records. All such records shall be kept at the head office of the Trust or at such other place as the Trustee thinks fit.

16.2 Information Available to Unitholders

Each Unitholder has the right to obtain, on demand and without fee, from the head office of the Trust (i) a copy of this Trust Indenture and any amendments thereto, and (ii) the minutes of the meetings of Unitholders and any written resolutions of Unitholders passed in lieu of holding a Meeting of Unitholders, and will also be entitled to examine a list of the Unitholders, all to the same extent and upon the same conditions, *mutatis mutandis*, as those which apply to shareholders governed by the *Business Corporations Act* (Alberta).

16.3 Financial Disclosure

The Trust will send to Unitholders within 120 days after the end of each Fiscal Year (or within such shorter time as may be required by applicable securities law), the audited statements of the Trust for that fiscal year, together with comparative audited financial statements for the preceding fiscal year, if any, and the report of the Auditor thereon.

Such financial statements shall be prepared in accordance with generally accepted accounting principles or international financial reporting standards; provided that such statements may vary from such principles to the extent required to comply with applicable securities laws or securities regulatory requirements or to the extent permitted by applicable securities regulatory authorities.

16.4 Taxation Information

On or before the date which is 90 days following the end of the Fiscal Year, or such other date as may be required under applicable law, the Trust shall provide to Unitholders who received distributions from the Trust in the prior calendar year, such information regarding the Trust required by Canadian law to be submitted to Unitholders for income tax purposes to enable Unitholders to complete their tax returns in respect of the prior calendar year.

16.5 Income Tax: Obligations of the Trustee

The Trustee shall satisfy, perform and discharge all obligations and responsibilities of the Trustee under the Income Tax Act and neither the Trust nor the Trustee shall be accountable or liable to any Unitholder by reason of any act or acts of the Trustee consistent, or carried out in intended compliance, with any such obligations or responsibilities.

ARTICLE 17
AUDITOR

17.1 Qualification of Auditor

If appointed, the Auditor shall be a recognized firm of chartered accountants which has an office in Canada and which is independent of the Trust and the Trustee. The initial auditor shall be PricewaterhouseCoopers LLP.

17.2 Appointment of Auditor

The Trustee may appoint an Auditor of the Trust as the initial auditor of the Trust to hold such office until the first Meeting of Unitholders or otherwise as determined by the Trustee. The Auditor will be elected at each succeeding Meeting of Unitholders. The Auditor will receive such remuneration as may be approved by the Trustee.

17.3 Change of Auditor

The Auditor may at any be removed by the Trustee with the approval of Unitholders by way of Ordinary Resolution at a Meeting of Unitholders duly called for the purpose and, upon such removal of the Auditor as aforesaid, new auditor may be appointed by the Trustee with the approval of the Unitholders by means of an Ordinary Resolution at a meeting duly called for the purpose. A vacancy created by the removal of the Auditor as aforesaid may be filled at the Meeting of Unitholders at which the Auditor are removed or, if not so filled, may be filled under Section 17.4 below.

17.4 Filling Vacancy

The Auditor may at any time voluntarily resign, and in such event the Trustee shall forthwith fill the vacancy with a new auditor as is approved by the Trustee, and such new auditor shall act as auditor of the Trust for the unexpired term of the predecessor auditor of the Trust.

17.5 Reports of Auditor

The Auditor shall audit the accounts of the Trust at least once in each year and a report of the Auditor with respect to the annual financial statements of the Trust shall be provided to each Unitholder as set out in Section 16.4.

ARTICLE 18
GENERAL

18.1 Withholdings by the Trustee

The Trustee shall deduct or withhold from all payments and distributions payable to any Unitholder all amounts required by law (or proposed law) to be withheld from such payment or such distribution, whether those distributions are in the form of cash, additional Trust Units or otherwise. For greater certainty, in the event of a distribution in the form of additional Trust Units, the Trustee may sell Trust Units on behalf of those Unitholders to pay those withholding taxes and to pay all of the Trustee's reasonable expenses with regard thereto and the Trustee shall have the power of attorney of the Unitholder to do so. Upon such sale, the affected Unitholder shall cease to be the holder of those Trust Units. The Trustee shall have no liability whatsoever to any Unitholders and no resort shall be had to the Trust Property or the Trustee for satisfaction of any obligation or claim against the Trustee or the Trust in connection with the Trust's sale of Trust Units to comply with its statutory obligations to withhold and remit an amount otherwise payable to the Unitholders.

18.2 Trust Property to be Kept Separate

The Trustee shall maintain the Trust Property separate from all other property in its possession and not commingled, and to the extent that all or part of the Trust Property is placed in the possession of any other person on behalf of the Trust, the Trustee shall take such reasonable steps to ensure that such persons shall also keep such Trust Property separate from all other property of such persons and not commingled.

18.3 Trustee May Hold Trust Units

The Trustee and any Affiliates of the Trustee may be Unitholders.

18.4 Execution and Effect of Restated Trust Indenture

A restated Trust Indenture, setting forth the terms of this Trust Indenture, as amended to the time of execution, may be executed at any time or from time to time by the Trustee and such restated Trust Indenture as so executed shall thereafter be effective and may thereafter be referred to *in lieu* of the original Trust Indenture as so amended; provided, however, that no such execution of a restated Trust Indenture shall be deemed to constitute a termination of the Trust or this Trust Indenture.

18.5 Consolidations

The Trustee may prepare consolidated copies of the Trust Indenture as it may from time to time be amended or amended and restated and may certify the same to be a true consolidated copy of the Trust Indenture, as amended or amended and restated.

18.6 Severability

The provisions of this Trust Indenture are severable and if any provisions are in conflict with any applicable law, the conflicting provisions shall be deemed never to have constituted a part of this Trust Indenture and shall not affect or impair any of the remaining provisions thereof. If any provision of this Trust Indenture shall be held invalid or unenforceable in any jurisdiction, such invalidity or unenforceability shall attach only to such provision in such jurisdiction and shall not in any manner affect or render invalid or unenforceable such provision in any other jurisdiction or any other provision of this Trust Indenture in any jurisdiction.

18.7 Successors and Assigns

The provisions of this Trust Indenture shall enure to the benefit of, and be binding upon, the parties and their respective successors and assigns.

18.8 Counterparts

This Trust Indenture may be executed in several counterparts, each of which when so executed shall be deemed to be an original and such counterparts together shall constitute one and the same instrument, which shall be sufficiently evidenced by any such original counterpart.

18.9 Anti-Money Laundering and Anti-Terrorist Legislation

The Trustee shall retain the right not to act and shall not be liable for refusing to act if, due to a lack of information or for any other reason whatsoever, the Trustee, in its sole judgment, acting reasonably, determines that such act might cause it to be in non-compliance with any applicable anti-money laundering or anti-terrorist legislation, regulation or guideline. Further, should the Trustee, in its sole judgment, determine at any time that its acting under this Indenture has resulted in its being in non-compliance with any applicable anti-money laundering or anti-terrorist legislation, regulation or guideline, then it shall have the right to resign on ten days' written notice to the Administrator, provided that (a) the Trustee's written notice shall describe the circumstances of

such non-compliance; and (b) if such circumstances are rectified to the Trustee's satisfaction within such ten day period, then such resignation shall not be effective.

18.10 Privacy Laws

The parties acknowledge that federal and/or provincial legislation that addresses the protection of individuals' personal information (collectively, "**Privacy Laws**") applies to obligations and activities under this Indenture. Despite any other provision of this Indenture, neither party shall take or direct any action that would contravene, or cause the other to contravene, applicable Privacy Laws. The Administrator shall, prior to transferring or causing to be transferred personal information to the Trustee, obtain and retain required consents of the relevant individuals to the collection, use and disclosure of their personal information, or shall have determined that such consents either have previously been given upon which the parties can rely or are not required under the Privacy Laws. The Trustee shall use commercially reasonable efforts to ensure that its services hereunder comply with Privacy Laws. Specifically, the Trustee agrees: (a) to have a designated chief privacy officer; (b) to maintain policies and procedures to protect personal information and to receive and respond to any privacy complaint or inquiry; (c) to use personal information solely for the purposes of providing its services under or ancillary to this Indenture and not to use it for any other purpose except with the consent of or direction from the Administrator or the individual involved; (d) not to sell or otherwise improperly disclose personal information to any third party; and (e) to employ administrative, physical and technological safeguards to reasonably secure and protect personal information against loss, theft, or unauthorized access, use or modification.

[Signature Page Follows]

IN WITNESS WHEREOF this Trust Indenture is executed effective the 25th day of September, 2013.

INVICO DIVERSIFIED INCOME FUND TRUSTEE CORPORATION
Per: (signed) *"Allison Taylor"*

INVICO DIVERSIFIED INCOME ADMINISTRATION LTD.

Per: (signed) *"Allison Taylor"*

(signed) *"Spencer Coupland"*
Witness

(signed) *"Allison Taylor"*
ALLISON TAYLOR

APPENDIX A

UNLESS PERMITTED UNDER SECURITIES LEGISLATION, THE HOLDER OF THIS SECURITY MUST NOT TRADE THE SECURITY BEFORE THE DATE THAT IS 4 MONTHS AND A DAY AFTER THE LATER OF: (I) ●, AND (II) THE DATE THE ISSUER BECAME A REPORTING ISSUER IN ANY PROVINCE OR TERRITORY.

UNIT CERTIFICATE

Class C Trust Units

INVICO DIVERSIFIED INCOME FUND

(A trust constituted under the laws of Alberta)

CERTIFICATE No. C00●

This certifies that **[Insert name]**, located at **[insert address]**, is the registered holder of **[Insert number]** Class C Trust Units (the, "**Units**") issued by **INVICO DIVERSIFIED INCOME FUND**. The rights and obligations of the holder of the Units evidenced by this certificate are set forth in the Trust Indenture made as of September 25, 2013, between Invico Diversified Income Administration Ltd. (the "**Administrator**") and Invico Diversified Income Fund Trustee Corporation, as such agreement may be amended from time to time (including any complete amendment and restatement thereof) (the "**Trust Indenture**"), and all the terms and conditions of the Trust Indenture are herein incorporated by reference. Capitalized terms used herein but not defined shall have the same meanings as given to such terms in the Trust Indenture.

The Units represented by this Unit Certificate may only be transferred or assigned by the holder in accordance with the terms of the Trust Indenture and only if such transfer or assignment is exempt under applicable securities legislation in Canada, and after providing a legal opinion or other evidence of the exemption that is satisfactory to the Administrator.

Dated: ●

INVICO DIVERSIFIED INCOME FUND

Per : _____

[Name]

[Title]

UNLESS PERMITTED UNDER SECURITIES LEGISLATION, THE HOLDER OF THIS SECURITY MUST NOT TRADE THE SECURITY BEFORE THE DATE THAT IS 4 MONTHS AND A DAY AFTER THE LATER OF: (I) ●, AND (II) THE DATE THE ISSUER BECAME A REPORTING ISSUER IN ANY PROVINCE OR TERRITORY.

UNIT CERTIFICATE

Class F Trust Units

INVICO DIVERSIFIED INCOME FUND

(A trust constituted under the laws of Alberta)

CERTIFICATE No. F00●

This certifies that **[Insert name]**, located at **[insert address]**, is the registered holder of **[Insert number]** Class F Trust Units (the, "**Units**") issued by **INVICO DIVERSIFIED INCOME FUND**. The rights and obligations of the holder of the Units evidenced by this certificate are set forth in the Trust Indenture made as of September 25, 2013, between Invico Diversified Income Administration Ltd. (the "**Administrator**") and Invico Diversified Income Fund Trustee Corporation, as such agreement may be amended from time to time (including any complete amendment and restatement thereof) (the "**Trust Indenture**"), and all the terms and conditions of the Trust Indenture are herein incorporated by reference. Capitalized terms used herein but not defined shall have the same meanings as given to such terms in the Trust Indenture.

The Units represented by this Unit Certificate may only be transferred or assigned by the holder in accordance with the terms of the Trust Indenture and only if such transfer or assignment is exempt under applicable securities legislation in Canada, and after providing a legal opinion or other evidence of the exemption that is satisfactory to the Administrator.

Dated: ●

INVICO DIVERSIFIED INCOME FUND

Per : _____

[Name]

[Title]

UNLESS PERMITTED UNDER SECURITIES LEGISLATION, THE HOLDER OF THIS SECURITY MUST NOT TRADE THE SECURITY BEFORE THE DATE THAT IS 4 MONTHS AND A DAY AFTER THE LATER OF: (I) ●, AND (II) THE DATE THE ISSUER BECAME A REPORTING ISSUER IN ANY PROVINCE OR TERRITORY.

UNIT CERTIFICATE

Class G Trust Units

INVICO DIVERSIFIED INCOME FUND

(A trust constituted under the laws of Alberta)

CERTIFICATE No. G00●

This certifies that **[Insert name]**, located at **[insert address]**, is the registered holder of **[Insert number]** Class G Trust Units (the, "**Units**") issued by **INVICO DIVERSIFIED INCOME FUND**. The rights and obligations of the holder of the Units evidenced by this certificate are set forth in the Trust Indenture made as of September 25, 2013, between Invico Diversified Income Administration Ltd. (the "**Administrator**") and Invico Diversified Income Fund Trustee Corporation, as such agreement may be amended from time to time (including any complete amendment and restatement thereof) (the "**Trust Indenture**"), and all the terms and conditions of the Trust Indenture are herein incorporated by reference. Capitalized terms used herein but not defined shall have the same meanings as given to such terms in the Trust Indenture.

The Units represented by this Unit Certificate may only be transferred or assigned by the holder in accordance with the terms of the Trust Indenture and only if such transfer or assignment is exempt under applicable securities legislation in Canada, and after providing a legal opinion or other evidence of the exemption that is satisfactory to the Administrator.

Dated: ●

INVICO DIVERSIFIED INCOME FUND

Per : _____

[Name]

[Title]

SUPPLEMENTAL INDENTURE NO. 1

for the creation and issuance of

CLASS A TRUST UNITS

between

INVICO DIVERSIFIED INCOME ADMINISTRATION LTD.

- and -

INVICO DIVERSIFIED INCOME FUND TRUSTEE CORPORATION

as Trustee

Made as of March 27, 2014

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CLASS A TRUST UNITS

THIS SUPPLEMENTAL INDENTURE is made as of March 27, 2014, between Invico Diversified Income Administration Ltd., a corporation incorporated under the laws of the Province of Alberta (the "**Administrator**") and Invico Diversified Income Fund Trustee Corporation (the "**Trustee**").

WHEREAS pursuant to the Trust Indenture, provision was made for the creation and issuance of new classes of Trust Units from time to time;

AND WHEREAS pursuant to Sections 3.1(a), 3.2 and 14.1 of the Trust Indenture, new classes of Trust Units may, at the election of the Administrator, be created and have the rights and obligations attaching thereto set forth in a supplemental indenture;

AND WHEREAS the Administrator has authorized the creation and issuance of a new class of Trust Units to be designated as the "**Class A Units**";

AND WHEREAS the parties are executing and delivering this Supplemental Indenture to provide for the creation and issuance of the Class A Units;

AND WHEREAS any reference herein to the Administrator includes reference to parties to which the Administrator has delegated its duties in accordance with the terms of the Trust Indenture;

AND WHEREAS the foregoing recitals and statements of fact are made by the Administrator and not by the Trustee;

NOW THEREFORE THIS SUPPLEMENTAL INDENTURE WITNESSES and it is hereby covenanted, agreed and declared as follows:

ARTICLE 1
INTERPRETATION

1.1 Definitions

(1) All initial capitalized terms used in this Supplemental Indenture that are defined in the Trust Indenture shall have the meanings specified therefor in the Trust Indenture except to the extent that such terms are defined or modified in this Supplemental Indenture.

(2) Whenever used in this Supplemental Indenture, the following terms shall have the following meanings, respectively:

"**Class A LP Units**" means Class A limited partnership units in the Partnership;

"**Other Supplemental Indenture**" means any supplemental indenture relating to the Trust other than this Supplemental Indenture;

"**Supplemental Indenture**" means this Supplemental Indenture, together with the schedules hereto, as amended, supplemented, modified, restated or replaced from time to time, together with all schedules hereto and the expressions "hereof", "herein", "hereto", "hereunder", "hereby" and similar expressions refer to this Supplemental Indenture and not to any Article, Section, paragraph, subparagraph or clause hereof; and

"**Trust Indenture**" means the trust indenture made as of September 25, 2013 between the Administrator and the Trustee.

1.2 Interpretation

This Supplemental Indenture is supplemental to the Trust Indenture and the Trust Indenture shall be read in conjunction with this Supplemental Indenture and all of the provisions of the Trust Indenture shall apply to and shall have effect in connection with this Supplemental Indenture in the same manner as if all of the provisions of the Trust Indenture and of this Supplemental Indenture were contained in one instrument. This Supplemental Indenture shall, unless the context otherwise requires, be subject to the interpretative provisions contained in Article 1 of the Trust Indenture. If any terms of the Trust Indenture are inconsistent with the express terms or provisions hereof, the terms and provisions of the Trust Indenture shall be, solely in respect of the Class A Units, amended and supplemented so as to be consistent herewith.

1.3 Application of this Supplemental Indenture

With respect to the Class A Units only, the terms of the Trust Indenture are amended, supplemented, modified, restated and replaced to the extent required to give effect to the provisions of this Supplemental Indenture.

ARTICLE 2
CREATION & PRINCIPAL TERMS

2.1 Creation of Class A Units

There is hereby created a new class of Trust Units to be issued pursuant to the Trust Indenture and this Supplemental Indenture designated as the "**Class A Units**". Each Class A Unit shall be a Trust Unit and shall have attached thereto: (i) all of the rights and obligations of Trust Units as set forth in the Trust Indenture; and (ii) those specific rights, obligations and characteristics of the Class A Units set forth in the Supplemental Indenture, herein, or in any Other Supplemental Indenture.

2.2 Principal Terms

(1) The Principal Terms of the Class A Units are as follows:

(a) **General.** The Trust shall be authorized to issue an unlimited number of Class A Units, at such times and at such prices as shall be determined by the Administrator, provided that the Administrator shall ensure that the consideration received by the trust in respect of the issuance of each Class A Units shall be of

equal value. All Class A Units shall rank among themselves equally and rateably without discrimination, preference or priority.

(b) **Issue Price**. The issue price of the Class A Units shall be as determined by the Administrator and as communicated in any Offering Document produced in respect of the Class A Units.

(c) **Minimum Subscription Amount.** Any purchase of Class A Units must be made in a denomination that is no less than the minimum subscription amount set forth in any Offering Document produced by the Administrator in respect of the Class A Units.

(d) **Form of Unit Certificate**. The Class A Units, shall be evidenced by the issuance of a Unit Certificate that shall be issued substantially in the form set forth in Schedule A hereto, with such appropriate insertions, omissions, substitutions and variations as may be approved by the Administrator or as are required pursuant to applicable securities laws.

(e) **Issue Date**. The Class A Units shall be issued on, and dated as of such dates that the Administrator shall determine in connection with the closing of one or more financings in respect of the issuance of Class A Units.

(f) **Permitted Purpose**. Proceeds raised pursuant to the issuance of Class A Units may only be used for the purpose of purchasing Class A LP Units.

(g) **Voting Rights and Attendance of Meetings of Unitholders.** Each Class A Unit shall entitle the holder thereof to receive notice of, attend at, and cast one vote in respect of such Class A Unit at any Meeting of Unitholders, or to execute any written Ordinary Resolution or Special Resolution in respect of such Class A Unit in accordance with the terms of the Trust Indenture, provided that:

(i) in respect of any Meeting of Unitholders, Ordinary Resolution or Special Resolution affecting Class A Units in a manner different from the treatment of holders of one or more other Classes of Trust Units, then only holders of Class A Units may attend and vote at such Meeting of Unitholders or execute the applicable Special Resolution or Ordinary Resolution to the extent that such matter affects the rights of holders of Class A Units; and

(ii) in respect of any Meeting of Unitholders, Ordinary Resolution or Special Resolution affecting holders of a class or classes of Trust Units other than holders of Class A Units in a manner that treats holders of such class or classes of Trust Units differently from the treatment of holders of Class A Units, but does not affect the rights or obligations of holders of Class A Units, then holders of Class A Units may not attend or vote at such Meeting of Unitholders or execute the applicable Special Resolution or Ordinary Resolution;

(h) **Entitlement to Trust Property.** The Class A Units shall be the only class of Trust Units entitled to the investment proceeds and Trust Property realized by the Trust on distributions made by the Partnership in respect of Class A LP Units, and the Class A Units shall not be entitled to any distributions from the Trust or to any Trust Property that is not derived from the investment by the Trust into Class A LP Units.

(i) **Distributions.** The holder of each Class A Unit shall be entitled to receive its *pro rata* share of distributions from the Trust in accordance with Article 5 of the Trust Indenture.

(j) **Redemption.** Each Class A Unit shall be redeemable in accordance with, and subject to the provisions of Article 6 of the Trust Indenture.

ARTICLE 3
GENERAL

3.1 Confirmation of Trust Indenture

The Trust Indenture, as supplemented by this Supplemental Indenture, shall and does continue in full force and effect, otherwise unamended, and the Trust Indenture, as so supplemented together with all the grants created thereby, is hereby ratified and confirmed.

3.2 Obligations of the Corporation

Nothing contained in this Supplemental Indenture shall in any way modify or relieve the Administrator or the Trustee from its obligations to carry out its covenants contained in the Trust Indenture.

3.3 Acceptance

The Indenture Trustee hereby accepts and acknowledges the trust created hereby in respect of the Class A Units and agrees to perform its obligations in respect thereof in accordance with the terms and conditions set forth in the Trust Indenture as amended by this Supplemental Indenture.

3.4 Execution in Counterparts

This Supplemental Indenture may be executed in several counterparts and electronic or photographic reproductions, each of which when so executed shall be deemed to be an original and all such counterparts when taken together shall constitute one and the same instrument.

3.5 Delivery of Executed Copies

Each party acknowledges delivery of an executed copy of this Supplemental Indenture.

[Signature Page Follows.]

IN WITNESS WHEREOF the parties hereto have duly executed this Supplemental Indenture.

INVICO DIVERSIFIED INCOME ADMINISTRATION LTD.

By: (signed) *"Allison Taylor"*
Name: Allison Taylor
Title: Chief Executive Officer

INVICO DIVERSIFIED INCOME FUND TRUSTEE CORPORATION as Indenture Trustee

By: (signed) *"Allison Taylor"*
Name: Allison Taylor
Title: Chief Executive Officer

"Schedule A"
Form of Class A Unit Certificate

UNLESS PERMITTED UNDER SECURITIES LEGISLATION, THE HOLDER OF THIS SECURITY MUST NOT TRADE THE SECURITY BEFORE THE DATE THAT IS 4 MONTHS AND A DAY AFTER THE LATER OF: (I) ●, AND (II) THE DATE THE ISSUER BECAME A REPORTING ISSUER IN ANY PROVINCE OR TERRITORY.

UNIT CERTIFICATE

Class A Trust Units

INVICO DIVERSIFIED INCOME FUND

(A trust constituted under the laws of Alberta)

CERTIFICATE No. A00●

This certifies that **[Insert name]**, located at **[insert address]**, is the registered holder of **[Insert number]** Class A Trust Units (the, "**Units**") issued by **INVICO DIVERSIFIED INCOME FUND**. The rights and obligations of the holder of the Units evidenced by this certificate are set forth in the Trust Indenture made as of September 25, 2013 and the Supplemental Indenture made as of March 27, 2014, between Invico Diversified Income Administration Ltd. (the "**Administrator**") and Invico Diversified Income Fund Trustee Corporation, as such agreement may be amended from time to time (including any complete amendment and restatement thereof) (the "**Trust Indenture**"), and all the terms and conditions of the Trust Indenture are herein incorporated by reference. Capitalized terms used herein but not defined shall have the same meanings as given to such terms in the Trust Indenture.

The Units represented by this Unit Certificate may only be transferred or assigned by the holder in accordance with the terms of the Trust Indenture and only if such transfer or assignment is exempt under applicable securities legislation in Canada, and after providing a legal opinion or other evidence of the exemption that is satisfactory to the Administrator.

Dated: ●

INVICO DIVERSIFIED INCOME FUND

Per : _____

[Name]

[Title]

SUPPLEMENTAL INDENTURE NO. 2

for the creation and issuance of

CLASS J TRUST UNITS

between

INVICO DIVERSIFIED INCOME ADMINISTRATION LTD.

- and -

INVICO DIVERSIFIED INCOME FUND TRUSTEE CORPORATION

as Trustee

Made as of November 3, 2015

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CLASS J TRUST UNITS

THIS SUPPLEMENTAL INDENTURE is made as of November 3, 2015, between Invico Diversified Income Administration Ltd., a corporation incorporated under the laws of the Province of Alberta (the "**Administrator**") and Invico Diversified Income Fund Trustee Corporation (the "**Trustee**").

WHEREAS pursuant to the Trust Indenture, provision was made for the creation and issuance of new classes of Trust Units from time to time;

AND WHEREAS pursuant to Sections 3.1(a), 3.2 and 14.1 of the Trust Indenture, new classes of Trust Units may, at the election of the Administrator, be created and have the rights and obligations attaching thereto set forth in a supplemental indenture;

AND WHEREAS the Administrator has authorized the creation and issuance of a new class of Trust Units to be designated as the "**Class J Units**";

AND WHEREAS the parties are executing and delivering this Supplemental Indenture to provide for the creation and issuance of the Class J Units;

AND WHEREAS any reference herein to the Administrator includes reference to parties to which the Administrator has delegated its duties in accordance with the terms of the Trust Indenture;

AND WHEREAS the foregoing recitals and statements of fact are made by the Administrator and not by the Trustee;

NOW THEREFORE THIS SUPPLEMENTAL INDENTURE WITNESSES and it is hereby covenanted, agreed and declared as follows:

ARTICLE 1
INTERPRETATION

1.1 Definitions

(1) All initial capitalized terms used in this Supplemental Indenture that are defined in the Trust Indenture shall have the meanings specified therefor in the Trust Indenture except to the extent that such terms are defined or modified in this Supplemental Indenture.

(2) Whenever used in this Supplemental Indenture, the following terms shall have the following meanings, respectively:

"**Class J LP Units**" means Class J limited partnership units in the Partnership;

"**Other Supplemental Indenture**" means any supplemental indenture relating to the Trust other than this Supplemental Indenture;

"**Supplemental Indenture**" means this Supplemental Indenture, together with the schedules hereto, as amended, supplemented, modified, restated or replaced from time to time, together with all schedules hereto and the expressions "hereof", "herein", "hereto", "hereunder", "hereby" and similar expressions refer to this Supplemental Indenture and not to any Article, Section, paragraph, subparagraph or clause hereof; and

"**Trust Indenture**" means the trust indenture made as of September 25, 2013 between the Administrator and the Trustee.

1.2 Interpretation

This Supplemental Indenture is supplemental to the Trust Indenture and the Trust Indenture shall be read in conjunction with this Supplemental Indenture and all of the provisions of the Trust Indenture shall apply to and shall have effect in connection with this Supplemental Indenture in the same manner as if all of the provisions of the Trust Indenture and of this Supplemental Indenture were contained in one instrument. This Supplemental Indenture shall, unless the context otherwise requires, be subject to the interpretative provisions contained in Article 1 of the Trust Indenture. If any terms of the Trust Indenture are inconsistent with the express terms or provisions hereof, the terms and provisions of the Trust Indenture shall be, solely in respect of the Class J Units, amended and supplemented so as to be consistent herewith.

1.3 Application of this Supplemental Indenture

With respect to the Class J Units only, the terms of the Trust Indenture are amended, supplemented, modified, restated and replaced to the extent required to give effect to the provisions of this Supplemental Indenture.

ARTICLE 2
CREATION & PRINCIPAL TERMS

2.1 Creation of Class J Units

There is hereby created a new class of Trust Units to be issued pursuant to the Trust Indenture and this Supplemental Indenture designated as the "**Class J Units**". Each Class J Unit shall be a Trust Unit and shall have attached thereto: (i) all of the rights and obligations of Trust Units as set forth in the Trust Indenture; and (ii) those specific rights, obligations and characteristics of the Class J Units set forth in the Supplemental Indenture, herein, or in any Other Supplemental Indenture.

2.2 Principal Terms

(1) The Principal Terms of the Class J Units are as follows:

(a) **General.** The Trust shall be authorized to issue an unlimited number of Class J Units, at such times and at such prices as shall be determined by the Administrator, provided that the Administrator shall ensure that the consideration received by the trust in respect of the issuance of each Class J Units shall be of equal value. All

Class J Units shall rank among themselves equally and rateably without discrimination, preference or priority.

(b) **Issue Price**. The issue price of the Class J Units shall be as determined by the Administrator and as communicated in any Offering Document produced in respect of the Class J Units.

(c) **Minimum Subscription Amount.** Any purchase of Class J Units must be made in a denomination that is no less than the minimum subscription amount set forth in any Offering Document produced by the Administrator in respect of the Class J Units.

(d) **Form of Unit Certificate**. The Class J Units, shall be evidenced by the issuance of a Unit Certificate that shall be issued substantially in the form set forth in Schedule A hereto, with such appropriate insertions, omissions, substitutions and variations as may be approved by the Administrator or as are required pursuant to applicable securities laws.

(e) **Issue Date**. The Class J Units shall be issued on, and dated as of such dates that the Administrator shall determine in connection with the closing of one or more financings in respect of the issuance of Class J Units.

(f) **Permitted Purpose**. Proceeds raised pursuant to the issuance of Class J Units may only be used for the purpose of purchasing Class J LP Units.

(g) **Voting Rights and Attendance of Meetings of Unitholders.** Each Class J Unit shall entitle the holder thereof to receive notice of, attend at, and cast one vote in respect of such Class J Unit at any Meeting of Unitholders, or to execute any written Ordinary Resolution or Special Resolution in respect of such Class J Unit in accordance with the terms of the Trust Indenture, provided that:

(i) in respect of any Meeting of Unitholders, Ordinary Resolution or Special Resolution affecting Class J Units in a manner different from the treatment of holders of one or more other Classes of Trust Units, then only holders of Class J Units may attend and vote at such Meeting of Unitholders or execute the applicable Special Resolution or Ordinary Resolution to the extent that such matter affects the rights of holders of Class J Units; and

(ii) in respect of any Meeting of Unitholders, Ordinary Resolution or Special Resolution affecting holders of a class or classes of Trust Units other than holders of Class J Units in a manner that treats holders of such class or classes of Trust Units differently from the treatment of holders of Class J Units, but does not affect the rights or obligations of holders of Class J Units, then holders of Class J Units may not attend or vote at such Meeting of Unitholders or execute the applicable Special Resolution or Ordinary Resolution;

(h) **Entitlement to Trust Property.** The Class J Units shall be the only class of Trust Units entitled to the investment proceeds and Trust Property realized by the Trust on distributions made by the Partnership in respect of Class J LP Units, and the Class J Units shall not be entitled to any distributions from the Trust or to any Trust Property that is not derived from the investment by the Trust into Class J LP Units.

(i) **Distributions.** The holder of each Class J Unit shall be entitled to receive its *pro rata* share of distributions from the Trust in accordance with Article 5 of the Trust Indenture.

(j) **Redemption.** Each Class J Unit shall be redeemable in accordance with, and subject to the provisions of Article 6 of the Trust Indenture.

ARTICLE 3
GENERAL

3.1 Confirmation of Trust Indenture

The Trust Indenture, as supplemented by this Supplemental Indenture, shall and does continue in full force and effect, otherwise unamended, and the Trust Indenture, as so supplemented together with all the grants created thereby, is hereby ratified and confirmed.

3.2 Obligations of the Corporation

Nothing contained in this Supplemental Indenture shall in any way modify or relieve the Administrator or the Trustee from its obligations to carry out its covenants contained in the Trust Indenture.

3.3 Acceptance

The Indenture Trustee hereby accepts and acknowledges the trust created hereby in respect of the Class J Units and agrees to perform its obligations in respect thereof in accordance with the terms and conditions set forth in the Trust Indenture as amended by this Supplemental Indenture.

3.4 Execution in Counterparts

This Supplemental Indenture may be executed in several counterparts and electronic or photographic reproductions, each of which when so executed shall be deemed to be an original and all such counterparts when taken together shall constitute one and the same instrument.

3.5 Delivery of Executed Copies

Each party acknowledges delivery of an executed copy of this Supplemental Indenture.

[Signature Page Follows.]

IN WITNESS WHEREOF the parties hereto have duly executed this Supplemental Indenture.

INVICO DIVERSIFIED INCOME ADMINISTRATION LTD.

By: (signed) *"Spencer Coupland"*
Name: Spencer Coupland
Title: Corporate Secretary

INVICO DIVERSIFIED INCOME FUND TRUSTEE CORPORATION
as Indenture Trustee

By: (signed) *"Spencer Coupland"*
Name: Spencer Coupland
Title: Corporate Secretary

"Schedule A"
Form of Class J Unit Certificate

UNLESS PERMITTED UNDER SECURITIES LEGISLATION, THE HOLDER OF THIS SECURITY MUST NOT TRADE THE SECURITY BEFORE THE DATE THAT IS 4 MONTHS AND A DAY AFTER THE LATER OF: (I) ●, AND (II) THE DATE THE ISSUER BECAME A REPORTING ISSUER IN ANY PROVINCE OR TERRITORY.

UNIT CERTIFICATE

Class J Trust Units

INVICO DIVERSIFIED INCOME FUND

(A trust constituted under the laws of Alberta)

CERTIFICATE No. J00●

This certifies that **[Insert name]**, located at **[insert address]**, is the registered holder of **[Insert number]** Class J Trust Units (the, "**Units**") issued by **INVICO DIVERSIFIED INCOME FUND**. The rights and obligations of the holder of the Units evidenced by this certificate are set forth in the Trust Indenture made as of September 25, 2013 and the first Supplemental Indenture made as of March 27, 2014 and the Second Supplemental Indenture made as of October 7, 2015, between Invico Diversified Income Administration Ltd. (the "**Administrator**") and Invico Diversified Income Fund Trustee Corporation, as such agreement may be amended from time to time (including any complete amendment and restatement thereof) (the "**Trust Indenture**"), and all the terms and conditions of the Trust Indenture are herein incorporated by reference. Capitalized terms used herein but not defined shall have the same meanings as given to such terms in the Trust Indenture.

The Units represented by this Unit Certificate may only be transferred or assigned by the holder in accordance with the terms of the Trust Indenture and only if such transfer or assignment is exempt under applicable securities legislation in Canada, and after providing a legal opinion or other evidence of the exemption that is satisfactory to the Administrator.

Dated: ●

INVICO DIVERSIFIED INCOME FUND

Per : _____

[Name]

[Title]

SUPPLEMENTAL INDENTURE NO. 3

for the creation and issuance of

CLASS CU TRUST UNITS AND CLASS FU TRUST UNITS

between

INVICO DIVERSIFIED INCOME ADMINISTRATION LTD.

as Administrator

- and -

INVICO DIVERSIFIED INCOME FUND TRUSTEE CORPORATION

as Trustee

Made as of April 24, 2018

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CLASS CU TRUST UNITS AND CLASS FU TRUST UNITS

THIS SUPPLEMENTAL INDENTURE is made as of April 24, 2018, between Invico Diversified Income Administration Ltd., a corporation incorporated under the laws of the Province of Alberta (the "**Administrator**"**)** and Invico Diversified Income Fund Trustee Corporation (the "**Trustee**"**).**

WHEREAS pursuant to the Trust Indenture, provision was made for the creation and issuance of new classes of Trust Units from time to time;

AND WHEREAS pursuant to Sections 3.1, 3.2 and 14.1 of the Trust Indenture, new classes of Trust Units may, at the election of the Administrator, be created and have the rights and obligations attaching thereto set forth in a supplemental indenture;

AND WHEREAS the Administrator has authorized the creation and issuance of 2 new classes of Trust Units, denominated in United States dollars, to be designated as the "**Class CU Units**" and "**Class FU Units**" (collectively, the "**USD Units**");

AND WHEREAS the parties are executing and delivering this Supplemental Indenture to provide for the creation and issuance of the USD Units;

AND WHEREAS any reference herein to the Administrator includes reference to parties to which the Administrator has delegated its duties in accordance with the terms of the Trust Indenture;

AND WHEREAS the foregoing recitals and statements of fact are made by the Administrator and not by the Trustee;

NOW THEREFORE THIS SUPPLEMENTAL INDENTURE WITNESSES and it is hereby covenanted, agreed and declared as follows:

Article 1
Interpretation

1.1 Definitions

(1) All initial capitalized terms used in this Supplemental Indenture that are defined in the Trust Indenture shall have the meanings specified therefor in the Trust Indenture except to the extent that such terms are defined or modified in this Supplemental Indenture.

(2) Whenever used in this Supplemental Indenture, the following terms shall have the following meanings, respectively:

"**Class CU LP Units**" means Class CU limited partnership units in the Partnership;

"**Class FU LP Units**" means Class FU limited partnership units in the Partnership;

"**Other Supplemental Indenture**" means any supplemental indenture relating to the Trust other than this Supplemental Indenture;

"**Supplemental Indenture**" means this Supplemental Indenture, together with the schedules hereto, as amended, supplemented, modified, restated or replaced from time to time, together with all schedules hereto and the expressions "hereof, "herein", "hereto", "hereunder", "hereby" and similar expressions refer to this Supplemental Indenture and not to any Article, Section, paragraph, subparagraph or clause hereof; and

"**Trust Indenture**" means the trust indenture made as of September 25, 2013 between the Administrator and the Trustee.

1.2 Interpretation

This Supplemental Indenture is supplemental to the Trust Indenture and the Trust Indenture shall be read in conjunction with this Supplemental Indenture and all of the provisions of the Trust Indenture shall apply to and shall have effect in connection with this Supplemental Indenture in the same manner as if all of the provisions of the Trust Indenture and of this Supplemental Indenture were contained in one instrument. This Supplemental Indenture shall, unless the context otherwise requires, be subject to the interpretative provisions contained in Article 1 of the Trust Indenture. If any terms of the Trust Indenture are inconsistent with the express terms or provisions hereof, the terms and provisions of the Trust Indenture shall be, solely in respect of the USD Units, amended and supplemented so as to be consistent herewith.

1.3 Application of this Supplemental Indenture

With respect to the USD Units only, the terms of the Trust Indenture are amended, supplemented, modified, restated and replaced to the extent required to give effect to the provisions of this Supplemental Indenture.

Article 2
Creation & Principal Terms

2.1 Creation of Class CU Units

There is hereby created a new class of Trust Units to be issued pursuant to the Trust Indenture and this Supplemental Indenture designated as the **"Class CU Units".** Each Class CU Unit shall be a Trust Unit and shall have attached thereto: (i) all of the rights and obligations of Trust Units as set forth in the Trust Indenture; and (ii) those specific rights, obligations and characteristics of the Class CU Units set forth in the Supplemental Indenture, herein, or in any Other Supplemental Indenture.

2.2 Principal Terms of Class CU Units

(1) The principal terms of the Class CU Units are as follows:

(a) **General.** The Trust shall be authorized to issue an unlimited number of Class CU Units, at such times and at such prices as shall be determined by the Administrator, provided that the Administrator shall ensure that the consideration received by the trust in respect of the issuance of each Class CU Unit shall be of equal value. All Class CU Units shall rank among themselves equally and rateably without discrimination, preference or priority.

(b) **Issue Price.** The issue price of the Class CU Units shall be as determined by the Administrator and as communicated in any Offering Document produced in respect of the Class CU Units.

(c) **Minimum Subscription Amount.** Any purchase of Class CU Units must be made in a denomination that is no less than the minimum subscription amount set forth in any Offering Document produced by the Administrator in respect of the Class CU Units.

(d) **Form of Unit Certificate.** The Class CU Units shall be evidenced by the issuance of a Unit Certificate that shall be issued substantially in the form set forth in Schedule A hereto, with such appropriate insertions, omissions, substitutions and variations as may be approved by the Administrator or as are required pursuant to applicable securities laws.

(e) **Issue Date.** The Class CU Units shall be issued on, and dated as of such dates that the Administrator shall determine in connection with the closing of one or more financings in respect of the issuance of Class CU Units.

(f) **Permitted Purpose.** Proceeds raised pursuant to the issuance of Class CU Units may only be used for the purpose of purchasing Class CU LP Units.

(g) **Voting Rights and Attendance of Meetings of Unitholders.** Each Class CU Unit shall entitle the holder thereof to receive notice of, attend at, and cast one vote in respect of such Class CU Unit at any Meeting of Unitholders, or to execute any written Ordinary Resolution or Special Resolution in respect of such Class CU Unit in accordance with the terms of the Trust Indenture, provided that:

(i) in respect of any Meeting of Unitholders, Ordinary Resolution or Special Resolution affecting Class CU Unit in a manner different from the treatment of holders of one or more other Classes of Trust Units, then only holders of Class CU Units may attend and vote at such Meeting of Unitholders or execute the applicable Special Resolution or Ordinary Resolution to the extent that such matter affects the rights of holders of Class CU Units; and

(ii) in respect of any Meeting of Unitholders, Ordinary Resolution or Special Resolution affecting holders of a class or classes of Trust Units other than holders of Class CU Units in a manner that treats holders of such class or classes of Trust Units differently from the treatment of holders of Class CU Units, but does not affect the rights or obligations of holders of Class CU Units, then holders of Class CU Units may not attend or vote at such Meeting of Unitholders or execute the applicable Special Resolution or Ordinary Resolution;

(h) **Entitlement to Trust Property.** The Class CU Units shall be the only class of Trust Units entitled to the investment proceeds and Trust Property realized by the Trust on distributions made by the Partnership in respect of Class CU LP Units, and the Class CU Units shall not be entitled to any distributions from the Trust or to any Trust Property that is not derived from the investment by the Trust into Class CU LP Units.

(i) **Distributions.** The holder of each Class CU Unit shall be entitled to receive its *pro rata* share of distributions from the Trust in accordance with Article 5 of the Trust Indenture.

(j) **Redemption.** Each Class CU Unit shall be redeemable in accordance with, and subject to the provisions of Article 6 of the Trust Indenture.

2.3 Creation of Class FU Units

There is hereby created a new class of Trust Units to be issued pursuant to the Trust Indenture and this Supplemental Indenture designated as the **"Class FU Units".** Each Class FU Unit shall be a Trust Unit and shall have attached thereto: (i) all of the rights and obligations of Trust Units as set forth in the Trust Indenture; and (ii) those specific rights, obligations and characteristics of the Class FU Units set forth in the Supplemental Indenture, herein, or in any Other Supplemental Indenture.

2.4 Principal Terms of Class FU Units

(1) The principal terms of the Class FU Units are as follows:

(a) **General.** The Trust shall be authorized to issue an unlimited number of Class FU Units, at

such times and at such prices as shall be determined by the Administrator, provided that the Administrator shall ensure that the consideration received by the trust in respect of the issuance of each Class FU Unit shall be of equal value. All Class FU Units shall rank among themselves equally and rateably without discrimination, preference or priority.

(b) **Issue Price.** The issue price of the Class FU Units shall be as determined by the Administrator and as communicated in any Offering Document produced in respect of the Class FU Units.

(c) **Minimum Subscription Amount.** Any purchase of Class FU Units must be made in a denomination that is no less than the minimum subscription amount set forth in any Offering Document produced by the Administrator in respect of the Class FU Units.

(d) **Form of Unit Certificate.** The Class FU Units shall be evidenced by the issuance of a Unit Certificate that shall be issued substantially in the form set forth in Schedule B hereto, with such appropriate insertions, omissions, substitutions and variations as may be approved by the Administrator or as are required pursuant to applicable securities laws.

(e) **Issue Date.** The Class FU Units shall be issued on, and dated as of such dates that the Administrator shall determine in connection with the closing of one or more financings in respect of the issuance of Class FU Units.

(f) **Permitted Purpose.** Proceeds raised pursuant to the issuance of Class FU Units may only be used for the purpose of purchasing Class FU LP Units.

(g) **Voting Rights and Attendance of Meetings of Unitholders.** Each Class FU Unit shall entitle the holder thereof to receive notice of, attend at, and cast one vote in respect of such Class FU Unit at any Meeting of Unitholders, or to execute any written Ordinary Resolution or Special Resolution in respect of such Class FU Unit in accordance with the terms of the Trust Indenture, provided that:

(iii) in respect of any Meeting of Unitholders, Ordinary Resolution or Special Resolution affecting Class FU Unit in a manner different from the treatment of holders of one or more other Classes of Trust Units, then only holders of Class FU Units may attend and vote at such Meeting of Unitholders or execute the applicable Special Resolution or Ordinary Resolution to the extent that such matter affects the rights of holders of Class FU Units; and

(iv) in respect of any Meeting of Unitholders, Ordinary Resolution or Special Resolution affecting holders of a class or classes of Trust Units other than holders of Class FU Units in a manner that treats holders of such class or classes of Trust Units differently from the treatment of holders of Class FU Units, but does not affect the rights or obligations of holders of Class FU Units, then holders of Class FU Units may not attend or vote at such Meeting of Unitholders or execute the applicable Special Resolution or Ordinary Resolution;

(h) **Entitlement to Trust Property.** The Class FU Units shall be the only class of Trust Units entitled to the investment proceeds and Trust Property realized by the Trust on distributions made by the Partnership in respect of Class FU LP Units, and the Class FU Units shall not be entitled to any distributions from the Trust or to any Trust Property that is not derived from the investment by the Trust into Class FU LP Units.

(i) **Distributions.** The holder of each Class FU Unit shall be entitled to receive its *pro rata* share of distributions from the Trust in accordance with Article 5 of the Trust Indenture.

(j) **Redemption.** Each Class FU Unit shall be redeemable in accordance with, and subject to the provisions of Article 6 of the Trust Indenture.

Article 3
General

3.1 Confirmation of Trust Indenture

The Trust Indenture, as supplemented by this Supplemental Indenture, shall and does continue in full force and effect, otherwise unamended, and the Trust Indenture, as so supplemented together with all the grants created thereby, is hereby ratified and confirmed.

3.2 Obligations of the Corporation

Nothing contained in this Supplemental Indenture shall in any way modify or relieve the Administrator or the Trustee from its obligations to carry out its covenants contained in the Trust Indenture.

3.3 Acceptance

The Trustee hereby accepts and acknowledges the trust created hereby in respect of the Class CU Units and Class FU Units and agrees to perform its obligations in respect thereof in accordance with the terms and conditions set forth in the Trust Indenture as amended by this Supplemental Indenture.

3.4 Execution in Counterparts

This Supplemental Indenture may be executed in several counterparts and electronic or photographic reproductions, each of which when so executed shall be deemed to be an original and all such counterparts when taken together shall constitute one and the same instrument.

3.5 Delivery of Executed Copies

Each party acknowledges delivery of an executed copy of this Supplemental Indenture.

[Remainder of page intentionally left blank.]

IN WITNESS WHEREOF the parties hereto have duly executed this Supplemental Indenture.

INVICO DIVERSIFIED INCOME ADMINISTRATION LTD.
as Administrator

By: (signed) "*Allison Taylor"*
Name: Allison Taylor
Title: Chief Executive Officer

INVICO DIVERSIFIED INCOME FUND TRUSTEE CORPORATION
as Trustee

By: (signed) "*Allison Taylor"*
Name: Allison Taylor
Title: Chief Executive Officer

"Schedule A"
Form of Class CU Unit Certificate

UNLESS PERMITTED UNDER SECURITIES LEGISLATION, THE HOLDER OF THIS SECURITY MUST NOT TRADE THE SECURITY BEFORE THE DATE THAT IS 4 MONTHS AND A DAY AFTER THE LATER OF: (I) ●, AND (II) THE DATE THE ISSUER BECAME A REPORTING ISSUER IN ANY PROVINCE OR TERRITORY.

UNIT CERTIFICATE

Class CU Trust Units

INVICO DIVERSIFIED INCOME FUND

(A trust constituted under the laws of Alberta)

CERTIFICATE No. CUS00

This certifies that **[Insert name],** located at **[insert address],** is the registered holder of **[Insert number]** Class CU Trust Units (the, **"Units")** issued by **INVICO DIVERSIFIED INCOME FUND.** The rights and obligations of the holder of the Units evidenced by this certificate are set forth in the Trust Indenture made as of September 25,2013 and the first Supplemental Indenture made as of March 27,2014, the Second Supplemental Indenture made as of October 7, 2015 and the Third Supplemental Indenture made as of April 24, 2018 between Invico Diversified Income Administration Ltd. (the "**Administrator**") and Invico Diversified Income Fund Trustee Corporation, as such agreement may be amended from time to time (including any complete amendment and restatement thereof) (the "**Trust Indenture**"), and all the terms and conditions of the Trust Indenture are herein incorporated by reference. Capitalized terms used herein but not defined shall have the same meanings as given to such terms in the Trust Indenture.

The Units represented by this Unit Certificate may only be transferred or assigned by the holder in accordance with the terms of the Trust Indenture and only if such transfer or assignment is exempt under applicable securities legislation in Canada, and after providing a legal opinion or other evidence of the exemption that is satisfactory to the Administrator.

Dated: ●

INVICO DIVERSIFIED INCOME FUND

Per:
[Name]
[Title]

"Schedule B"
Form of Class FU Unit Certificate

UNLESS PERMITTED UNDER SECURITIES LEGISLATION, THE HOLDER OF THIS SECURITY MUST NOT TRADE THE SECURITY BEFORE THE DATE THAT IS 4 MONTHS AND A DAY AFTER THE LATER OF: (I) ●, AND (II) THE DATE THE ISSUER BECAME A REPORTING ISSUER IN ANY PROVINCE OR TERRITORY.

UNIT CERTIFICATE

Class FU Trust Units

INVICO DIVERSIFIED INCOME FUND

(A trust constituted under the laws of Alberta)

CERTIFICATE No. FUS00

This certifies that **[Insert name],** located at **[insert address],** is the registered holder of **[Insert number]** Class FU Trust Units (the, **"Units")** issued by **INVICO DIVERSIFIED INCOME FUND.** The rights and obligations of the holder of the Units evidenced by this certificate are set forth in the Trust Indenture made as of September 25,2013 and the first Supplemental Indenture made as of March 27,2014, the Second Supplemental Indenture made as of October 7, 2015 and the Third Supplemental Indenture made as of April 24, 2018 between Invico Diversified Income Administration Ltd. (the "**Administrator**") and Invico Diversified Income Fund Trustee Corporation, as such agreement may be amended from time to time (including any complete amendment and restatement thereof) (the "**Trust Indenture**"), and all the terms and conditions of the Trust Indenture are herein incorporated by reference. Capitalized terms used herein but not defined shall have the same meanings as given to such terms in the Trust Indenture.

The Units represented by this Unit Certificate may only be transferred or assigned by the holder in accordance with the terms of the Trust Indenture and only if such transfer or assignment is exempt under applicable securities legislation in Canada, and after providing a legal opinion or other evidence of the exemption that is satisfactory to the Administrator.

Dated: ●

INVICO DIVERSIFIED INCOME FUND

Per:
[Name]
[Title]

SUPPLEMENTAL INDENTURE NO. 4

between

INVICO DIVERSIFIED INCOME ADMINISTRATION LTD.

as Administrator

- and -

INVICO DIVERSIFIED INCOME FUND TRUSTEE CORPORATION

as Trustee

Made as of April 24, 2018

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THIS SUPPLEMENTAL INDENTURE is made as of April 24, 2018, between Invico Diversified Income Administration Ltd., a corporation incorporated under the laws of the Province of Alberta (the "**Administrator**") and Invico Diversified Income Fund Trustee Corporation (the "**Trustee**").

WHEREAS pursuant to Section 14.1 of the Trust Indenture, the Trustee may execute and deliver supplemental indentures to modify or amend any provision of the Trust Indenture in the circumstances set forth in Article 10 of the Trust Indenture where the Trustee may do so without the consent, approval or ratification of the unitholders of the Trust (the "**Unitholders**");

AND WHEREAS pursuant to Sections 10.2(b) of the Trust Indenture, provisions of the Trust Indenture may be amended by the Trustee with the approval of the Administrator without the consent, approval or ratification of the Unitholders for the purpose of providing, in the opinion on the Administrator, additional protection for the Unitholders;

AND WHEREAS it is the opinion of the Administrator that providing for an independent review committee (the "**Independent Review Committee**") and a procedure for resolving conflicts of interest will provide additional protection for the Unitholders;

AND WHEREAS it is the opinion of the Administrator that reducing the term of the Redemption Notes will provide additional protection for the Unitholders;

AND WHEREAS any reference herein to the Administrator includes reference to parties to which the Administrator has delegated its duties in accordance with the terms of the Trust Indenture;

AND WHEREAS the foregoing recitals and statements of fact are made by the Administrator and not by the Trustee;

NOW THEREFORE THIS SUPPLEMENTAL INDENTURE WITNESSES and it is hereby covenanted, agreed and declared as follows:

Article 1
Interpretation

1.1 Definitions

(1) All initial capitalized terms used in this Supplemental Indenture that are defined in the Trust Indenture shall have the meanings specified therefor in the Trust Indenture except to the extent that such terms are defined or modified in this Supplemental Indenture.

(2) Whenever used in this Supplemental Indenture, the following terms shall have the following meanings, respectively:

"**conflict of interest matter**" means a situation where a reasonable person would consider the person or entity in question, or an entity related to such person or entity, to have an interest which may conflict with their ability act in good faith and in the best interests of the Trust and the Partnership.

"**Partnership**" mean Invico Diversified Income Limited Partnership.

"**Portfolio Manager**" means Invico Capital Corporation.

"**Supplemental Indenture**" means this Supplemental Indenture, together with the schedules hereto, as amended, supplemented, modified, restated or replaced from time to time, together with all schedules

hereto and the expressions "hereof, "herein", "hereto", "hereunder", "hereby" and similar expressions refer to this Supplemental Indenture and not to any Article, Section, paragraph, subparagraph or clause hereof; and

"**Trust Indenture**" means the trust indenture made as of September 25, 2013 between the Administrator and the Trustee.

"**Units**" means units of the Trust.

1.2 Interpretation

This Supplemental Indenture is supplemental to the Trust Indenture and the Trust Indenture shall be read in conjunction with this Supplemental Indenture and all of the provisions of the Trust Indenture shall apply to and shall have effect in connection with this Supplemental Indenture in the same manner as if all of the provisions of the Trust Indenture and of this Supplemental Indenture were contained in one instrument. This Supplemental Indenture shall, unless the context otherwise requires, be subject to the interpretative provisions contained in Article 1 of the Trust Indenture. If any terms of the Trust Indenture are inconsistent with the express terms or provisions hereof, the terms and provisions of the Trust Indenture shall be amended and supplemented so as to be consistent herewith.

1.3 Application of this Supplemental Indenture

The terms of the Trust Indenture are amended, supplemented, modified, restated and replaced to the extent required to give effect to the provisions of this Supplemental Indenture.

Article 2
Independent Review Committee and Resolution of Conflicts

2.1 Independent Review Committee

The Portfolio Manager will maintain the Independent Review Committee, comprised of not less than two members. All members of the Independent Review Committee shall be "independent" as such term is defined in National Instrument 81-107 – *Independent Review Committee for Investment Funds*. The unanimous approval of the Independent Review Committee shall be required to consent to or approve the following matters:

(a) to approve any conflict of interest matter regarding the business of the Partnership, the Portfolio Manager or the Trust, including but not limited to, the approval of any new or changes to expenses, fees or other costs and any related-party transactions or contracts involving the Trust, the Partnership or the Portfolio Manager or related-party transactions or contracts involving their directors, officers, shareholders or affiliates; and

(b) to approve the reallocation of the use of proceeds from an offering of units of the Trust or the Partnership that is materially different than the articulated use of proceeds set out in the offering memorandum pursuant to which such units were offered.

The Independent Review Committee is also required to make an annual report reasonably available to the holders of units in the Partnership and the Trust. Every member of the Independent Review Committee, in exercising his or her powers and discharging his or her duties related to the Trust and the Partnership, and, for greater certainty, not to any other person, as a member of the Independent Review Committee must (a) act honestly and in good faith, with a view to the best interests of the Trust and the Partnership; and (b) exercise the degree of care, diligence and skill that a reasonably prudent person would exercise in comparable

circumstances. Every member of the Independent Review Committee must comply with applicable law and any written charter of the Independent Review Committee.

A member of the Independent Review Committee does not breach his or her standard of care, if the member exercised the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances, including reliance in good faith on (a) a report or certification represented as full and true to the Independent Review Committee by the Partnership, the Trust, the Administrator, the Portfolio Manager or their related entities; or (b) a report of a person whose profession lends credibility to a statement made by the person.

Article 3
Redemption Notes

3.1 Amendment to Term of Redemption Notes

Subparagraph (iii) of the definition of "Redemption Notes" of the Trust Indenture shall be deleted in its entirety and replaced by the following:

> "(iii) subject to earlier prepayment, being due and payable on the third anniversary of the date of issuance; and"

Article 4
General

4.1 Confirmation of Trust Indenture

The Trust Indenture, as supplemented by this Supplemental Indenture, shall and does continue in full force and effect, otherwise unamended, and the Trust Indenture, as so supplemented together with all the grants created thereby, is hereby ratified and confirmed.

4.2 Obligations of the Corporation

Nothing contained in this Supplemental Indenture shall in any way modify or relieve the Administrator or the Trustee from its obligations to carry out its covenants contained in the Trust Indenture.

4.3 Acceptance

The Trustee hereby accepts and acknowledges the trust created hereby and agrees to perform its obligations in respect thereof in accordance with the terms and conditions set forth in the Trust Indenture as amended by this Supplemental Indenture.

4.4 Execution in Counterparts

This Supplemental Indenture may be executed in several counterparts and electronic or photographic reproductions, each of which when so executed shall be deemed to be an original and all such counterparts when taken together shall constitute one and the same instrument.

4.5 Delivery of Executed Copies

Each party acknowledges delivery of an executed copy of this Supplemental Indenture.

[Remainder of page intentionally left blank.]

IN WITNESS WHEREOF the parties hereto have duly executed this Supplemental Indenture.

INVICO DIVERSIFIED INCOME ADMINISTRATION LTD.
as Administrator

By: (signed) "*Allison Taylor"*
Name: Allison Taylor
Title: Chief Executive Officer

INVICO DIVERSIFIED INCOME FUND TRUSTEE CORPORATION
as Trustee

By: (signed) "*Allison Taylor"*
Name: Allison Taylor
Title: Chief Executive Officer

SUPPLEMENTAL INDENTURE NO. 5

between

INVICO DIVERSIFIED INCOME ADMINISTRATION LTD.

as Administrator

- and -

INVICO DIVERSIFIED INCOME FUND TRUSTEE CORPORATION

as Trustee

Made as of April 22, 2019

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SUPPLEMENTAL INDENTURE NO.5

THIS SUPPLEMENTAL INDENTURE is made as of April 22, 2019, between Invico Diversified Income Administration Ltd., a corporation incorporated under the laws of the Province of Alberta (the "**Administrator**"**)** and Invico Diversified Income Fund Trustee Corporation (the "**Trustee**"**).**

WHEREAS pursuant to Article 10 of the Trust Indenture, the Trust Indenture may be amended to make any amendments for any purpose provided that, in the opinion of the Administrator, the rights of Unitholders of the Trust are not materially prejudiced thereby;

AND WHEREAS pursuant to Article 14 of the Trust Indenture, modifications or amendments to the Trust Indenture pursuant to Article 10 of the Trust Indenture may be set forth in a supplemental indenture;

AND WHEREAS the Administrator has resolved that the Trust Indenture be amended to provide for the treatment of Portfolio Management Fee Distributions (as defined herein) distributed to the Trust by the Partnership, as further described in this Supplemental Indenture, and that such amendments are in the best interest of and do not materially prejudice the Unitholders of the Trust;

AND WHEREAS any reference herein to the Administrator includes reference to parties to which the Administrator has delegated its duties in accordance with the terms of the Trust Indenture;

AND WHEREAS the foregoing recitals and statements of fact are made by the Administrator and not by the Trustee;

NOW THEREFORE THIS SUPPLEMENTAL INDENTURE WITNESSES and it is hereby covenanted, agreed and declared as follows:

Article 1
Interpretation

1.1 Definitions

(1) All initial capitalized terms used in this Supplemental Indenture that are defined in the Trust Indenture shall have the meanings specified therefor in the Trust Indenture except to the extent that such terms are defined or modified in this Supplemental Indenture.

(2) Whenever used in this Supplemental Indenture, the following terms shall have the following meanings, respectively:

"**Portfolio Management Fee Distribution**" means an amount distributed by the Partnership from time to time to limited partners of the Partnership, including the Trust in the event that Invico Capital Corporation, the portfolio manager of the Partnership, elects to waive all or part of the portfolio management fees to which Invico Capital Corporation would otherwise be entitled to be paid by the Partnership, which Portfolio Management Fee Distribution shall be equal to the amount by which the portfolio management fee is reduced as a result of the waiver.

"**Supplemental Indenture**" means this Supplemental Indenture, together with the schedules hereto, as amended, supplemented, modified, restated or replaced from time to time, together with all schedules hereto and the expressions "hereof, "herein", "hereto", "hereunder", "hereby" and similar expressions refer to this Supplemental Indenture and not to any Article, Section, paragraph, subparagraph or clause hereof;

"**Trust Indenture**" means the trust indenture made as of September 25, 2013 between the Administrator and the Trustee; and

"**Trust Portfolio Management Fee Distribution**" means the amount distributed by the Trust to Unitholders in connection with the Partnership Portfolio Management Fee Distribution.

1.2 Interpretation

This Supplemental Indenture is supplemental to the Trust Indenture and the Trust Indenture shall be read in conjunction with this Supplemental Indenture and all of the provisions of the Trust Indenture shall apply to and shall have effect in connection with this Supplemental Indenture in the same manner as if all of the provisions of the Trust Indenture and of this Supplemental Indenture were contained in one instrument. This Supplemental Indenture shall, unless the context otherwise requires, be subject to the interpretative provisions contained in Article 1 of the Trust Indenture. If any terms of the Trust Indenture are inconsistent with the express terms or provisions hereof, the terms and provisions of the Trust Indenture shall be, solely in respect of the Portfolio Management Fee Distribution, amended and supplemented so as to be consistent herewith.

1.3 Application of this Supplemental Indenture

With respect to the matters discussed herein only, the terms of the Trust Indenture are amended, supplemented, modified, restated and replaced to the extent required to give effect to the provisions of this Supplemental Indenture.

Article 2
Portfolio Management Fee Distribution

2.1 Distribution to Unitholders

(a) Where the Trust receives a Portfolio Management Fee Distribution with respect to a corresponding partnership unit of the Partnership purchased using the subscription proceeds received by the Trust from the sale of a Trust Unit, then the Trust will promptly declare and pay a distribution to the holder of record of the applicable Trust Unit in an amount equal to the Portfolio Management Fee Distribution received with respect to the corresponding unit of the Partnership. Any such distributions will be made to the person who, according to the register of Unitholders, was the holder of record of the applicable Trust Unit on the date of distribution is declared by the Trust.

(b) Distributions to Unitholders declared pursuant to section 2.1(a) may be paid in the form of either cash or additional Trust Units of the same class, but for greater certainty, shall be in the same form as the corresponding Portfolio Management Fee Distribution received from the Partnership.

Article 3
General

3.1 Confirmation of Trust Indenture

The Trust Indenture, as supplemented by this Supplemental Indenture, shall and does continue in full force and effect, otherwise unamended, and the Trust Indenture, as so supplemented together with all the grants created thereby, is hereby ratified and confirmed.

3.2 Obligations of the Corporation

Nothing contained in this Supplemental Indenture shall in any way modify or relieve the Administrator or the Trustee from its obligations to carry out its covenants contained in the Trust Indenture.

3.3 Acceptance

The Trustee hereby accepts and acknowledges the trust created hereby and agrees to perform its obligations in respect thereof in accordance with the terms and conditions set forth in the Trust Indenture as amended by this Supplemental Indenture.

3.4 Execution in Counterparts

This Supplemental Indenture may be executed in several counterparts and electronic or photographic reproductions, each of which when so executed shall be deemed to be an original and all such counterparts when taken together shall constitute one and the same instrument.

3.5 Delivery of Executed Copies

Each party acknowledges delivery of an executed copy of this Supplemental Indenture.

[Remainder of page intentionally left blank.]

IN WITNESS WHEREOF the parties hereto have duly executed this Supplemental Indenture.

INVICO DIVERSIFIED INCOME ADMINISTRATION LTD.
as Administrator

By: (signed) *"Allison Taylor"*
Name: Allison Taylor
Title: Chief Executive Officer

INVICO DIVERSIFIED INCOME FUND TRUSTEE CORPORATION
as Trustee

By: (signed) *"Allison Taylor"*
Name: Allison Taylor
Title: Chief Executive Officer

Schedule "B"

Partnership Agreement

EXECUTION COPY

FIFTH AMENDED AND RESTATED LIMITED PARTNERSHIP AGREEMENT

INVICO DIVERSIFIED INCOME LIMITED PARTNERSHIP

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FIFTH AMENDED AND RESTATED LIMITED PARTNERSHIP AGREEMENT

INVICO DIVERSIFIED INCOME LIMITED PARTNERSHIP

THIS AGREEMENT made as of the 22nd day of April, 2019,

BETWEEN:

> **INVICO DIVERSIFIED INCOME GP LTD.**, a corporation incorporated under the laws of the Province of Alberta (hereinafter called the "**General Partner**")
>
> - and -
>
> Each holder of Units in the Partnership and each party, who from time to time executes this Agreement in counterpart, by separate instrument, by attorney in fact or otherwise, as a subscriber for one (1) or more Units and who is accepted as a Limited Partner (hereinafter collectively called the "**Limited Partners**" and individually called a "**Limited Partner**")

WHEREAS the Partnership was formed on September 25, 2013, and the rights and responsibilities of the Partners in connection therewith, were set out in the partnership agreement dated the 25th day of September, 2013 (the "**Initial Agreement**");

AND WHEREAS the Initial Agreement was amended and restated on March 27, 2014 and November 3, 2015 (the "**Second Amended Agreement**");

AND WHEREAS the Second Amended Agreement was amended and restated on April 14, 2016 (the "**Third Amended Agreement**");

AND WHEREAS the Third Amended Agreement was amended and restated on April 24, 2018 (the "**Fourth Amended Agreement**")

AND WHEREAS in order to facilitate the admission of Limited Partners into and to set forth the ongoing arrangements regarding the partnership formed under this Agreement, and regarding the status and rights of each Partner (as hereinafter defined), it is considered necessary to amend the Fourth Amended Agreement;

AND WHEREAS, the General Partner, pursuant to sections 4.7(c)(ii) and 4.7(c)(iv) hereof, wishes to amend and restate the Fourth Amended Agreement as hereinafter set forth, to provide for a mechanism by which the Partnership may effect Portfolio Management Fee Distributions (as hereinafter defined) and to make other conforming changes;

NOW THEREFORE, in consideration of the premises and the mutual covenants herein contained, the parties hereto (sometimes collectively referred to as "**Partners**" or individually as a "**Partner**") agree as follows:

ARTICLE 1 - THE PARTNERSHIP

1.1 Restatement of Limited Partnership

The limited partnership (the "**Partnership**") formed under the laws of the Province of Alberta under the name "**Invico Diversified Income Limited Partnership**" and which came into effect upon the filing with the Alberta Registrar of Corporations of certificate No. LP 17746918 (the "**Certificate**") is hereby amended and restated such that the affairs of the Partnership shall be governed by, and shall, at all times since the formation of the Partnership, be deemed to have been governed by the provisions set forth herein. The rights, restrictions and liabilities of the Partners shall be as provided in the *Partnership Act* (Alberta) (the "**Act**") except as herein otherwise expressly provided. The Partnership shall continue until terminated in accordance with the provisions of this Agreement. The Partnership shall be effective as a limited partnership from the date on which a certificate (the "**Certificate**") is registered under the Act.

The General Partner has contributed $100 to the capital of the Partnership but was not be issued any Units therefor.

1.2 Name

The Partnership shall carry on business under the name "**Invico Diversified Income Limited Partnership**", and may carry on business in such other name or names as the General Partner may determine from time to time, provided that, in each case, the General Partner files an amendment to the Certificate in accordance with the Act recording the change of name of the Partnership.

1.3 Business of the Partnership

The Partnership shall carry on the business of creating and investing a pool of investment capital in accordance with the investment objectives outlined in this Agreement. The Partners acknowledge that an investment in the Partnership is risky. Limited Partners are investing in the Partnership on the basis that loss of 100% of their capital contribution is possible. The Partnership is restricted to the foregoing activities unless (i) determined otherwise by Special Resolution (as defined in Section 1.10 below) and by the consent in writing of the General Partner or (ii) determined otherwise by the General Partner and notice of the proposed change is provided to the Limited Partners not less than sixty (60) days prior to effecting the proposed change. The Units shall not be listed or traded on a stock exchange or public market.

1.4 Principal Place of Business

The principal place of business of the Partnership shall be located at Suite 600, 209 – 8th Avenue S.W., Calgary, Alberta, T2P 1B8, or at such other location as the General Partner may from time to time determine.

1.5 Fiscal Year End

The fiscal year end of the Partnership shall be the 31st day of December in each year or such other date as the General Partner shall determine.

1.6 Limited Liability of Limited Partners

Subject to the Act, and any specific assumption of liability, the liability of each Limited Partner for the debts of the Partnership is limited to the amount of its Capital Contribution made or agreed to be made to

the Partnership plus its *pro rata* share of the undistributed income of the Partnership, and a Limited Partner shall have no further personal liability for such debts and, after making the full amount of its capital contribution to the Partnership. Once a Limited Partner has made its capital contribution, such Limited Partner shall not be subject to, nor be liable for, any further calls or assessments or further contributions to the Partnership.

1.7 Representations, Warranties and Covenants of Limited Partners

Each Limited Partner represents, warrants to and covenants with each other Partner that it:

(a) is not a "non-resident" of Canada within the meaning of the *Income Tax Act* (Canada);

(b) is not a "non-Canadian" within the meaning of the *Investment Canada Act*;

(c) if an individual, has the capacity and competence to enter into and be bound by this Agreement and all other agreements contemplated hereby;

(d) if a corporation, partnership, unincorporated association or other entity, has full power and authority to execute this Agreement and all other agreements contemplated hereby required to be signed by it and to take all actions required pursuant hereto, and has obtained all necessary approvals of directors, shareholders, partners, members or others;

(e) has duly authorized, executed and delivered this Agreement and that this Agreement constitutes a legal, valid and binding obligation of it enforceable against it in accordance with its terms, subject to applicable bankruptcy, insolvency and other laws affecting the enforcement of creditor's rights generally and general principles of equity;

(f) shall act with the utmost fairness and good faith towards the other Partners in the business and affairs of the Partnership; and

(g) shall from time to time promptly provide to the General Partner such evidence of its status as the General Partner may reasonably request.

Each Limited Partner covenants and agrees that it will not transfer or purport to transfer its Units to any person who is or would be unable to make the representations and warranties in paragraphs (a), (b), (c), (d), (e), (f) and (g) above.

If at any time a Limited Partner is a non-resident of Canada for purposes of the *Income Tax Act* (Canada), the General Partner may require that Limited Partner to transfer its Unit or Units to a resident or residents of Canada. If a non-resident Limited Partner fails to transfer its Unit or Units to a resident of Canada who qualifies to hold Units under the terms of this Agreement within thirty (30) days of the giving of a notice to such non-resident Limited Partner to so transfer its Units, the General Partner shall be entitled to sell such Unit or Units on behalf of such non-resident Limited Partner on such terms and conditions as the General Partner considers reasonable and may itself become the purchaser of such Unit or Units. On any purchase of such Unit or Units by the General Partner, the price shall be the Redemption Price (as defined below) of such Units determined as of the business day immediately preceding the date of sale and any such sale, to the General Partner or otherwise shall be subject to a transfer fee in the aggregate amount of the lesser of (i) two (2%) percent of the sale price of the Units sold; and (ii) five hundred ($500) dollars. In addition, the selling Limited Partner shall pay any legal fees incurred by the General Partner in facilitating the sale.

1.8 Liens

A Limited Partner shall not register or permit any lien or charge in its name or on its behalf to be recorded or remain undischarged against the property of the Partnership.

1.9 Representations, Warranties and Covenants of General Partner

The General Partner represents and warrants to and covenants with each Limited Partner that:

(a) the General Partner is a corporation incorporated under the laws of the Province of Alberta and is and shall be a valid and subsisting corporation under the laws of, and qualified to carry on business in, the Province of Alberta;

(b) the General Partner has and shall continue to have the full power to execute this Agreement and all other agreements contemplated hereby required to be signed by it, to act as the General Partner and to perform its obligations under this Agreement and such execution and the performance of such obligations have been duly authorized and do not and shall not conflict with or constitute a default under its articles, by-laws or any agreement by which it is bound;

(c) this Agreement has been duly authorized, executed and delivered by the General Partner and constitutes a legal, valid and binding obligation of the General Partner enforceable against it in accordance with its terms, subject to applicable bankruptcy, insolvency and other laws affecting the enforcement of creditors' rights generally and general principles of equity;

(d) the General Partner shall act with the utmost fairness and good faith towards the other Partners in the business and affairs of the Partnership; and

(e) the General Partner shall take all actions required to qualify, continue and keep in good standing the Partnership as a limited partnership and to maintain the limited liability of each Limited Partner in each jurisdiction where the Partnership may carry on business or own or lease property.

1.10 "Special Resolution" and "Ordinary Resolution"

In this Agreement, the term "**Special Resolution**" means a resolution passed by either: (i) votes in favour cast by at least two-thirds of the holders of such class or classes or Units as are entitled to vote upon such resolution at a duly called meeting of the Limited Partners; or (ii) an instrument in writing signed by Limited Partners holding at least two-thirds of the then outstanding number of such class or classes of Units as are entitled to vote upon such resolution and "**Ordinary Resolution**" means a resolution passed by either: (i) votes in favour cast by a majority of the holders of such class or classes of Units as are entitled to vote upon such resolution at a duly called meeting of the Limited Partners; or (ii) an instrument in writing signed by Limited Partners holding a majority of the then outstanding number of such class or classes or Units as are entitled to vote upon such resolution.

1.11 "Definitions"

For the purposes of this Agreement, unless the context otherwise requires, the following terms shall have the following respective meanings:

(a) "**Act**" means the *Partnership Act* (Alberta) and the regulations there under as amended from time to time;

(b) "**Allocation Amount**" has, for the applicable class of Units, the meaning ascribed thereto in Section 3.5 hereof.

(c) "**Capital Account**" shall have the meaning attributed thereto in Section 3.3(a) hereof.

(d) "**Capital Contribution**" of a Limited Partner means the total amount of money or property paid or agreed to be paid to the Partnership by such Limited Partner, or a predecessor Limited Partner, in respect of Units subscribed for by such Limited Partner, or a predecessor Limited Partner, where subscriptions therefor have been accepted by the General Partner, and may include amounts that may be contributed by the General Partner pursuant to Section 3.3(b)(iii), as determined by the General Partner.

(e) "**Class A Unit**" means a Class A unit in the Partnership.

(f) "**Class C Unit**" means a Class C unit in the Partnership.

(g) "**Class D Unit**" means a Class D unit in the Partnership.

(h) "**Class F Unit**" means a Class F unit in the Partnership.

(i) "**Class G Unit**" means a Class G unit in the Partnership.

(j) "**Class H Unit**" means a Class H unit in the Partnership.

(k) "**Class J Unit**" means a Class J unit in the Partnership.

(l) "**Class CU Unit**" means a Class CU unit in the Partnership.

(m) "**Class FU Unit**" means a Class FU unit in the Partnership.

(n) "**Class A Pool**" means that the portion of the Distributable Proceeds that is attributable to the investment by the Partnership of Investable Proceeds provided by holders of Class A Units, and accordingly available for distribution to holders of Class A Units.

(o) "**Class C Pool**" means that portion of the Distributable Proceeds that is attributable to the investment by the Partnership of Investable Proceeds provided by holders of Class C Units, and accordingly available for distribution to holders of Class C Units.

(p) "**Class D Pool**" means that portion of the Distributable Proceeds that is attributable to the investment by the Partnership of Investable Proceeds provided by holders of Class D Units, and accordingly available for distribution to holders of Class D Units.

(q) "**Class F Pool**" means that portion of the Distributable Proceeds that is attributable to the investment by the Partnership of Investable Proceeds provided by holders of Class F Units, and accordingly available for distribution to holders of Class F Units.

(r) "**Class G Pool**" means that portion of the Distributable Proceeds that is attributable to the investment by the Partnership of Investable Proceeds provided by holders of Class G Units, and accordingly available for distribution to holders of Class G Units.

(s) "**Class H Pool**" means that portion of the Distributable Proceeds that is attributable to the investment by the Partnership of Investable Proceeds provided by holders of Class H Units, and accordingly available for distribution to holders of Class H Units.

(t) "**Class J Pool**" means that the portion of the Distributable Proceeds that is attributable to the investment by the Partnership of Investable Proceeds provided by holders of Class J Units, and accordingly available for distribution to holders of Class J Units.

(u) "**Class CU Pool**" means that portion of the Distributable Proceeds that is attributable to the investment by the Partnership of Investable Proceeds provided by holders of Class CU Units, and accordingly available for distribution to holders of Class CU Units.

(v) "**Class FU Pool**" means that portion of the Distributable Proceeds that is attributable to the investment by the Partnership of Investable Proceeds provided by holders of Class FU Units, and accordingly available for distribution to holders of Class FU Units.

(w) "**Class NAV**" shall mean the aggregate net asset value of a particular class of Units, and shall be calculated as: (i) the aggregate Investable Proceeds of such Class of Units divided by (ii) the aggregate Investable Proceeds of all Classes of Units multiplied by (iii) the Net Asset Value. The Class NAV may be adjusted by class, at the sole discretion of the Portfolio Manager, for factors including, but not limited to, assets, liabilities, revenues, Commissions, costs, expenses, or any transaction unique to each class of Units.

(x) "**Class Pools**" means the Distributable Proceeds as determined on a class by class basis by the General Partner, being comprised of the Class A Pool, the Class C Pool, the Class D Pool, the Class F Pool, the Class G Pool, the Class H Pool, the Class J Pool, the Class CU Pool, the Class FU Pool and any other Class Pool added from time to time. The Class Pool of a class of Units may be adjusted, at the sole discretion of the Portfolio Manager, for factors including, but not limited to, assets, liabilities, revenues, Commissions, costs, expenses, or any transaction unique to each class of Units.

(y) "**Commissions**" means, in respect of a Unit, or class of Units, any commissions paid or fees paid to brokers or intermediaries in connection with the issuance of such Units.

(z) "**Committed Capital**" means: (i) in respect of any Unit, the gross subscription price of such Unit less any returns of capital paid on such Unit; and (ii) in respect of the Partnership, the aggregate gross subscription proceeds from all issuances of Units less the amount of any returns of capital paid by the Partnership.

(aa) "**conflict of interest matter**" means a situation where a reasonable person would consider the person or entity in question, or an entity related to such person or entity, to have an interest which may conflict with their ability act in good faith and in the best interests of the Trust and the Partnership.

(bb) "**Distributable Proceeds**" shall have the meaning given to it in Section 3.4 hereof.

(cc) "**Effective Date**" shall have the meaning given to it in Section 3.10(a) hereof.

(dd) "**Expenses of the General Partner**" shall have the meaning given to it in Section 4.5 of this Agreement.

(ee) "**Hurdle Rate**" means:

(i) in respect of a Class A Unit a cumulative nine (9%) percent annual return on the amount equal to the number of the Units, held by the applicable Limited Partner at the end of an applicable Valuation Period multiplied by the issue price of a Class A Unit;

(ii) in respect of a Class C Unit a cumulative eight (8%) percent annual return on the amount equal to the number of Units held by the applicable Limited Partner at the end of an applicable Valuation Period multiplied by the issue price of a Class C Unit;

(iii) in respect of a Class D Unit a cumulative ten (10%) percent annual return on the amount equal to the number of Units held by the applicable Limited Partner at the end of an applicable Valuation Period multiplied by the issue price of a Class D Unit;

(iv) in respect of a Class F Unit a cumulative ten (10%) percent annual return on the amount equal to the number of Units held by the applicable Limited Partner at the end of an applicable Valuation Period multiplied by the issue price of a Class F Unit;

(v) in respect of a Class G Unit a cumulative eight (8%) percent annual return on the amount equal to the number of Units held by the applicable Limited Partner at the end of an applicable Valuation Period multiplied by the issue price of a Class G Unit;

(vi) in respect of a Class J Unit a cumulative nine (9%) percent annual return on the amount equal to the number of Units held by the applicable Limited Partner at the end of an applicable Valuation Period multiplied by the issue price of a Class J Unit;

(vii) in respect of a Class CU Unit a cumulative eight (8%) percent annual return on the amount equal to the number of Units held by the applicable Limited Partner at the end of an applicable Valuation Period multiplied by the issue price of a Class CU Unit;

(viii) in respect of a Class FU Unit a cumulative ten (10%) percent annual return on the amount equal to the number of Units held by the applicable Limited Partner at the end of an applicable Valuation Period multiplied by the issue price of a Class FU Unit;

(ix) in respect of any new class of Units created subsequent to the date hereof, such Hurdle Rate as shall be determined by the General Partner at the time of creation of such class of Units.

(ff) "**Initial Agreement**" means the partnership agreement dated September 25, 2013.

(gg) "**Investable Proceeds**" means: (i) in respect of a Unit, the net investable proceeds raised by the Partnership from the issuance of such Unit, being the aggregate of the subscription proceeds from the issuance of such Unit less the Commissions paid on such Unit plus any

amounts that are credited to the Capital Account in respect of such Unit pursuant to Section 3.5(a)(iii), 3.5(b)(iii), 3.5(c)(iii), 3.5(e)(iii)(A) or 3.5(h)(iii); (ii) in respect of a class of Units, the aggregate Investable Proceeds of all Units of such class; and (iii) in respect of the Partnership, the aggregate of the Investable Proceeds of all classes of Units. For the purpose of determining the subscription proceeds from the issuance of a Unit not denominated in Canadian currency, the subscription proceeds of such Unit shall be shall be translated into Canadian currency at the prevailing rate of exchange available to the General Partner on the date of subscription.

(hh) "**Investment Restrictions**" has the meaning given to it in Section 5.1 hereof.

(ii) "**Investments**" means any investments made by the Partnership pursuant to the terms of this Agreement.

(jj) "**Investment Gains**" for a Valuation Period shall mean the excess, if any, of the aggregate realized and unrealized increase during such Valuation Period in the value of Investments of the Partnership as determined pursuant to Section 3.9 hereof over the aggregate realized and unrealized decrease during such Valuation Period by the Partnership in the value of Investments of the Partnership as determined pursuant to Section 3.9 hereof. For greater certainty, expenses incurred in the purchase and sale of Investments are considered a deduction from the Investment Gains.

(kk) "**Investment Losses**" for a Valuation Period shall mean the excess, if any, of the aggregate realized and unrealized decrease during such Valuation Period in the value of Investments of the Partnership as determined pursuant to Section 3.9 hereof over the aggregate realized and unrealized increase during such Valuation Period by the Partnership in the value of Investments of the Partnership as determined pursuant to Section 3.9 hereof. For greater certainty, expenses incurred in the purchase and sale of Investments are considered an addition to the Investment Losses.

(ll) "**Net Asset Value**" shall mean the net asset value of the entire Partnership and, for a Valuation Period shall mean, the excess, if any, of the value of the assets of the Partnership as determined pursuant to Section 3.9 hereof on the last day of such Valuation Period less the amount of liabilities of the Partnership at such time.

(mm) "**Net Asset Value per Unit**" means in respect of a particular class of Units, the quotient obtained by dividing the Class NAV by the total number of Units outstanding in such Class.

(nn) "**Net Investment Income**" has the meaning described in Section 3.15.

(oo) "**Net Investment Losses**" Has the meaning described in Section 3.15.

(pp) "**Net Losses**" for a Valuation Period shall mean the excess, if any, of the sum of (i) Investment Losses, if any, and (ii) Net Operating Losses, if any, over the sum of (iii) Investment Gains, if any, and (iv) Net Operating Profits, if any, for such Valuation Period.

(qq) "**Net Operating Losses**" for a Valuation Period shall mean the excess, if any, of the Expenses of the General Partner incurred during such Valuation Period by the Partnership (other than expenses incurred in the sale or purchase of Investments) over the aggregate

income earned during such Valuation Period by the Partnership from all sources whatsoever (other than from the sale or purchase of Investments).

(rr) "**Net Operating Profits**" for a Valuation Period shall mean the excess, if any, of the aggregate income earned during such Valuation Period by the Partnership from all sources whatsoever (other than from the sale or purchase of Investments) over all Expenses of the General Partner incurred during such Valuation Period by the Partnership (other than expenses incurred in the sale or purchase of Investments).

(ss) "**Net Profits**" for a Valuation Period shall mean the excess, if any, of the sum of (i) Investment Gains, if any, and (ii) Net Operating Profits, if any, over the sum of (iii) Investment Losses, if any, and (iv) Net Operating Losses, if any, for such Valuation Period.

(tt) "**Net Realized Investment Gains**" has the meaning described in Section 3.16.

(uu) "**Net Realized Investment Losses**" has the meaning described in Section 3.16.

(vv) "**Notice**" shall have the meaning given to it in Section 3.10(a) hereof.

(ww) "**Offering Costs**" means any fees, costs and expenses incurred by or on behalf of the Partnership in connection with the offering and sale of Units from time to time, including marketing costs, the Commission and any other commission or fee payable to a registered dealer, financial advisor or eligible sales person in connection with the sale of Units.

(xx) "**Partnership**" means the Invico Diversified Income Limited Partnership.

(yy) "**Performance Fee**" shall have the meaning given to it in Section 3.5.

(zz) "**Portfolio Management Fee**" shall have the meaning attributed to it in Section 4.6(a) of this Agreement.

(aaa) "**Portfolio Management Fee Distribution**" shall have the meaning attributed to it in Section 4.6(b) of this Agreement.

(bbb) "**Portfolio Manager**" means Invico Capital Corporation, who is appointed as the portfolio manager pursuant to the Portfolio and Investment Fund Management Agreement, and such other person or persons as the General Partner may appoint as Portfolio Manager from time to time in place of Invico Capital Corporation in compliance with applicable securities legislation, including but not limited to the *Securities Act* (Alberta) and all regulations thereto.

(ccc) "**Preferred Allocation Amount**" means in respect of each class of Units, the amount equal to the Allocation Amount multiplied by the total number of Units of such class of Units held by Preferred Unitholders as at the date of such distribution divided by the total number of such class of Units issued and outstanding at such time.

(ddd) "**Preferred Unitholder**" means:

(i) with respect to Class D Units, a Limited Partner who, at the time of purchase of the Class D Units, purchased a quantity of 50,000 or more Class D Units at the

time of such determination, or, at the discretion of the General Partner, any other Limited Partner who holds greater than 50,000 Class D Units;

(ii) with respect to Class C Units, Class F Units, Class FU Units and Class J Units, a person, at the time of purchase of class C units, class F units, class FU units or class J units of Invico Diversified Income Fund, purchased a quantity of 50,000 or more class C units, class F units, class FU units or class J units of Invico Diversified Income Fund at the time of such determination, or any person who holds, in aggregate, greater than 50,000 units of Invico Diversified Income Fund, irrespective of class;

(eee) "**Redemption Fee**" means a fee of $200.

(fff) "**Redemption Notes**" means promissory notes issued in series, or otherwise, by the Partnership pursuant to a note indenture or otherwise and issued to redeeming Limited Partner in principal amounts equal to the Redemption Price multiplied by the number of Units to be redeemed and having the following terms and conditions;

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

(ii) subordinated and postponed to all senior indebtedness and which may be subject to specific subordination and postponement agreements to be entered into by the Partnership pursuant to the note indenture with holders of senior indebtedness;

(iii) subject to earlier prepayment, being due and payable on the third anniversary of the date of issuance; and

(iv) 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 General Partner.

(ggg) "**Redemption Price**" means:

(i) in respect of a Class A Unit, the lessor of: (x) the Net Asset Value per Unit at the applicable time; and (y) the issue price of such Class A Unit less any Commissions paid in connection with the purchase thereof plus the amount of any credit to the Capital Account of such Class A Unit as a result of non-cash distributions made pursuant to Section 3.5(a)(iii);

(ii) in respect of a Class C Unit, the lesser of: (x) the Net Asset Value per Unit at the applicable time; and (y) the issue price of such Class C Unit less any Commissions paid in connection with the purchase thereof plus the amount of any credit to the Capital Account of such Class C Unit as a result of non-cash distributions made pursuant to Section 3.5(b)(iii) hereof;

(iii) in respect of a Class D Unit, the lesser of: (x) the Net Asset Value per Unit at the applicable time; and (y) the issue price of such Class D Unit less any

Commissions paid in connection with the purchase thereof plus the amount of any credit to the Capital Account of such Class D Unit as a result of non-cash distributions made pursuant to Section 3.5(c)(iii) hereof;

(iv) in respect of a Class F Unit, the lesser of: (x) the Net Asset Value per Unit at the applicable time; and (y) the issue price of such Class F Unit;

(v) in respect of a Class G Unit, the lesser of: (x) the Net Asset Value per Unit at the applicable time; and (y) the issue price of such Class G Unit less any Commissions paid in connection with the purchase thereof plus the amount of any credit to the Capital Account of such Class G Unit as a result of non-cash distributions made pursuant to Section 3.5(e)(iii)(A) hereof;

(vi) in respect of a Class J Unit, the lessor of: (x) the Net Asset Value per Unit at the applicable time; and (y) the issue price of such Class J Unit;

(vii) in respect of a Class H Unit, the lesser of: (x) the Net Asset Value per Unit at the applicable time; and (y) the issue price of such Class H Unit;

(viii) in respect of a Class CU Unit, the lesser of: (x) the Net Asset Value per Unit at the applicable time; and (y) the issue price of such Class CU Unit; and

(ix) in respect of a Class FU Unit, the lesser of: (x) the Net Asset Value per Unit at the applicable time; and (y) the issue price of such Class FU Unit.

and in each case, less any Redemption Fee.

(hhh) "**Regular Allocation Amount**" means, for a particular class of Units, the amount equal to the Allocation Amount for such class of Units, less the Preferred Allocation Amount.

(iii) "**Regular Redemption Date**" shall have the meaning given to it in Section 3.10(a) hereof.

(jjj) "**Sharing Ratios**" with respect to any Limited Partner holding Units of a certain class, means the proportion that the number of the applicable class of Units held by such Limited Partner is of the aggregate number of Units of such class held by all Limited Partners.

(kkk) "**Special Resolution**" shall have the meaning given to it in Section 1.10 hereof.

(lll) "**Unit**" shall have the meaning given to it in Section 2.1 hereof.

(mmm) "**Unit Certificate**" has the meaning ascribed thereto in Section 2.8 hereof.

(nnn) "**Valuation Period**" shall mean each quarter of the Partnership or, if for any quarter of the Partnership any contribution to the capital of the Partnership shall have been made at any time other than the first day of such quarter or any withdrawal from the capital of the Partnership shall have been made at any time other than as of the last day of such quarter, then: (a) the period commencing on the first day of such quarter and ending on the date of such withdrawal or the day next preceding the date of any such contribution; and (b) each successive period in such quarter commencing on the date of any such contribution or

day following the date of such withdrawal and ending on the earlier to occur of (i) the last day of such quarter or (ii) the date of the next such withdrawal or the day next preceding the date of the next such contribution to the capital of the Partnership during such quarter.

ARTICLE 2 - UNITS

2.1 Capital

The Partnership is authorized to issue an unlimited number of limited partnership units (collectively the "**Units**" and individually a "**Unit**"), each having the rights, privileges, restrictions and conditions referred to herein. The Units may be issued in multiple classes, and upon issuance of each class of Units, the General Partner shall determine the Commissions, voting rights, entitlement to distributions, and other attributes of such class of Units, provided that: (i) the General Partner shall, at all times be required to keep track of, and account for the different Capital Accounts and amounts of Investable Proceeds and corresponding entitlement to distributions of each class of Units; and (ii) no class of Units shall be entitled to any distributions or other payments in respect of Investable Proceeds not attributable to the issuance of such class of Units.

2.2 Nature of a Unit

Except as otherwise expressly provided, each outstanding Unit of a particular class shall be equal to each other outstanding Unit of such class with respect to all matters including the right to receive distributions from the Partnership, and no Unit of a particular class shall have any preference or right in any circumstances over any other Unit of such class. Subject to Section 6.4, each Limited Partner shall be entitled to one (1) vote for each whole Unit held by him in respect of all matters to be decided by holders of the units of the particular class. Except as otherwise expressly provided, each Unit represents the right to receive a *pro rata* share of allocations and distributions from the Partnership allocated to such class of Units as provided for herein.

2.3 Subdivision of Units

The General Partner may, at any time or times and on not less than 14 days' notice in writing, give to each affected Limited Partner a notice that each Unit of a particular class shall be subdivided into additional Units of such class whereupon each such Unit shall stand subdivided accordingly. The General Partner shall thereupon send or cause to be sent to each Limited Partner a written confirmation indicating the number of additional Units to which the Limited Partner has become entitled by reason of the subdivision and shall attend to the cancellation and reissuance of Unit Certificates as required to give effect to such subdivision.

2.4 Consolidation of Units

The General Partner may, at any time or times and on not less than 14 days' notice in writing, give to each affected Limited Partner a notice that each Unit of a particular class shall be consolidated into a fraction of a Unit of such class whereupon each such Unit shall stand consolidated accordingly. The General Partner shall thereupon send or cause to be sent to each Limited Partner a written confirmation indicating the basis of consolidation and the number of Units which the Limited Partner then owns, and shall attend to the cancellation and reissuance of Unit Certificates to give effect to such consolidation.

2.5 Transfer of Units

No transfer of Units shall be effective unless:

(a) the General Partner has given its written consent approving the transfer by the holder of record to the transferee of the said Units, such consent not to be unreasonably withheld;

(b) the holder of record thereof or its agent duly authorized in writing shall deliver to the General Partner a duly executed instrument of transfer in the form annexed hereto as Appendix A, together with such evidence of the genuineness of each such endorsement, execution and authorization and of other matters as may reasonably be required by the General Partner;

(c) the transferee has executed a counterpart of this Agreement or otherwise agrees to be bound by its terms;

(d) the transferee delivers or causes to be delivered to the General Partner the Unit Certificate representing the Units being transferred;

(e) the relevant requirements of the Act and the *Securities Act* (Alberta) and any applicable legislation have been complied with;

(f) evidence reasonably satisfactory to the General Partner has been produced that the status of the transferee is as set forth in Section 1.7 hereof; and

(g) the transferee has become responsible for all obligations of the transferor to the Partnership.

Upon such conditions being met, the transfer shall be recorded in the books maintained by the General Partner and the General Partner shall file amendments to the Unit Certificate required by the Act no later than each fiscal year end of the Partnership.

Except where specific provision has been made therefor in this Agreement, the General Partner shall not be bound to see to the execution of any trust, express, implied or constructive, or any charge, pledge or equity to which any of the Units or any interest therein are subject, or to ascertain or inquire whether any sale or transfer of any such Units or interest therein by any Limited Partner or its personal representatives is authorized by such trust, charge, pledge or equity, or to recognize any person having any interest therein except for the person recorded as such Limited Partner. No transfer shall relieve the transferor from any obligations to the Partnership incurred prior to the transfer being recorded.

2.6 Successors in Interest of Limited Partners

The Partnership shall continue notwithstanding the addition, withdrawal, expulsion, death or insolvency of any Limited Partner and, subject to applicable legislation, no Limited Partner may require dissolution of the Partnership, the intent being that the Partnership shall be dissolved only in the manner provided for in this Agreement. Any person becoming entitled to any Units in consequence of the death or insolvency of any Limited Partner, or otherwise by operation of law, shall be recorded as the holder of such Units only upon production of the proper evidence of such entitlement, and upon execution of a counterpart of this Agreement (or otherwise agreeing to be bound by the terms of this Agreement), upon compliance with the other provisions of such Section 2.5(b) to (g) hereof and upon delivery of such other evidence as may be required by law.

2.7 Subscriptions for Units

The General Partner shall have the right to accept or reject subscriptions for Units in whole or in part. If a subscription is rejected, in whole or in part, monies received and not applied towards the purchase of Units shall be returned to the subscriber, without interest or deduction, within seven (7) days following such rejection.

2.8 Unit Certificate

Upon the acceptance by the General Partner of the subscription for a Unit in accordance with Section 2.7, the General Partner shall cause the subscriber to be entered on the register of Limited Partners as a Limited Partner and on the Unit Certificate as a Limited Partner and shall deliver to such subscriber a Unit Certificate in the form annexed hereto as Appendix B ("**Unit Certificate**") specifying the number and class of Units held by such subscriber. Every Unit Certificate shall be signed manually by at least one (1) officer or director of the General Partner. A Unit Certificate may be delivered to a Limited Partner entitled thereto by personal delivery or by being mailed by prepaid post addressed to the address of such Limited Partner at the address shown in the register of Limited Partners (or in the case of a Unit Certificate in the name of one or more persons, to the person whose name first appears on the register of Limited Partners), and neither the Partnership nor the General Partner shall be liable for any loss occasioned to any Limited Partner by reason that the Unit Certificate so posted is lost or stolen from the mails or is not delivered.

2.9 Registered Holders of Units

Where a Unit is assigned to two or more persons, or a Unit Certificate is in the name of two or more persons:

(a) the name of each person will be shown on the Unit Certificate in respect of the Unit;

(b) the Unit (or the Unit represented by the Unit Certificate) shall be presumed by the Partnership to be held jointly;

(c) the Unit Certificate shall be delivered to the person whose name appears first on the register of Limited Partners in respect of the Unit;

(d) amounts distributed by the Partnership in respect of such Unit (or the Unit represented by the Unit Certificate) may be sent to the person whose name appears first on the register of Limited Partners in respect of the Unit, or to such one of them as the joint holders direct in writing, and any one of such persons may give effectual receipts for any monies or

assets distributable in respect of the Unit with the other of such persons having no further recourse against the Partnership; and

(e) any one of such persons may vote at a meeting of Limited Partners in respect of the Unit as if the person were solely entitled thereto, but if more than one of such persons is present or is represented at such meeting, the person whose name appears first on the register of Limited Partners in respect of the Unit shall alone be entitled to vote in respect thereof and in the case of written resolutions only the person whose name appears first on the register of Limited Partners in respect of the Unit shall be entitled to consent in writing to the resolution.

2.10 Lost Unit Certificates

Where a Limited Partner claims that a Unit Certificate representing Units recorded in the name of such Limited Partner has been defaced, lost, apparently destroyed or wrongly taken, the General Partner shall cause a new Unit Certificate to be issued in substitution therefor if, in the case of a defaced Unit Certificate, such certificate is first surrendered to the General Partner and otherwise if such Limited Partner (a) files with the General Partner a form of proof of loss and an indemnity bond in a form and in an amount satisfactory to indemnify and hold harmless the General Partner from any costs, damages, liabilities or expenses suffered or incurred as a result of or arising out of issuing such new Unit Certificate and (b) satisfies such other requirements as may reasonably be imposed by the General Partner.

ARTICLE 3 - CONTRIBUTIONS, ALLOCATION AND DISTRIBUTIONS

3.1 Capital Contributions Generally

Each Limited Partner shall make a Capital Contribution to the Partnership, which shall be the subscription price for the Units purchased by the Limited Partner. A Limited Partner may participate in multiple subscriptions for Units and may hold multiple classes of Units, each closing at a different time, as may be agreed by the General Partner in accordance with the terms of this Agreement.

3.2 Payment of Capital Contributions

The Capital Contribution of each Limited Partner shall be paid by way of a certified cheque or bank draft in an amount equal to the aggregate subscription price of Units purchased or in such other manner as is acceptable to the General Partner.

3.3 Capital Accounts

(a) A capital account shall be established for each Partner, with respect to each class of Units, on the books of the Partnership (each a "**Capital Account**") and such account shall be adjusted as provided for herein. A Partner's Capital Account shall be credited with such Partner's Capital Contributions and any Net Profits allocated to such Partner pursuant to Section 3.7 hereof, and shall be debited with any Net Losses allocated to such Partner pursuant to Section 3.7 hereof, the amount of any capital withdrawals pursuant to Section 3.10 hereof, and the amount of any distributions pursuant to Section 3.10 hereof.

(b) In the event that the General Partner shall determine that it is prudent to modify the manner in which the Capital Accounts, or any debits or credits thereto, are computed in order to comply with applicable laws, the General Partner may make such modification, provided that it is not likely to have a material adverse affect on the amount distributable

to any Partner pursuant to Article 8 hereof upon the dissolution of the Partnership. The General Partner shall also:

(i) make any adjustments that are necessary or appropriate to maintain equality between the Capital Accounts of the Partners and the amount of Partnership capital reflected on the Partnership's balance sheet, as computed for book purposes;

(ii) make any appropriate modifications in the event unanticipated events might otherwise cause this Agreement not to comply with applicable laws; and

(iii) otherwise as the General Partner, in its discretion, may deem appropriate.

3.4 Calculation of Distributable Proceeds and Class Pools

After payment and reservation of all amounts necessary for the payment of all expenses of the Partnership, including but not limited to Expenses of the General Partner, any contribution that may be made by the General Partner to the Capital Accounts and payment of the Portfolio Management Fee, and reservation of such amounts as in the opinion of the General Partner are necessary having regard to the then current and anticipated resources of the Partnership and its commitments and anticipated commitments, distributions of cash assets or property of the Partnership or from the proceeds of the sale of all or any assets of the Partnership or consideration of non-cash items (the "**Distributable Proceeds**") will be made in accordance with the following process. First, the General Partner shall determine the Distributable Proceeds on a class by class basis to arrive at the "**Class Pool**" of each class of Units. Second, the Class Pools will be distributed in accordance with Section 3.5 below.

3.5 Distributions

Each of the Class Pools shall be distributed as follows:

(a) The Class A Pool shall be distributed as follows:

(i) as first priority, calculated quarterly and paid within sixty (60) days of the end of each fiscal quarter, in the sole discretion of the General Partner, an annual fee of up to 0.80% per annum of the Class NAV of the Class A Units that remains invested in the Partnership (pro-rated for holders of Class A Units who have held the Class A Units for less than a quarter), payable to the registered dealers, financial advisors, sales persons or other eligible persons who introduced holders of such class of Units to the Partnership;

(ii) as second priority, and on a monthly basis, the Class A Pool attributable to such Valuation Period (whether initially distributed as a return of capital or otherwise), as determined by the General Partner, acting in its sole discretion, in respect of any Valuation Period will be distributed monthly in arrears to the holders of Class A Units (including, if applicable, the General Partner in its capacity as a holder of Class A Units) in accordance with their respective Sharing Ratios until the cumulative amount distributed under this subparagraph (ii) for a given month equals an amount equal to one twelfth (1/12) of the Hurdle Rate for the Class A Units;

(iii) as third priority, and annually within one hundred twenty (120) days of the end of each fiscal year, after the maximum amount distributable under subparagraphs (i) and (ii) of this Section 3.5(a) has been distributed, an amount up to one percent (1.0%) of the issue price of each applicable Class A Unit multiplied by the number of Class A Units held by a particular holder of Class A Units, will be distributed as a non-cash distribution credited to the Capital Account of each holder of such Class A Units who has held the Units for a minimum of one year (pro-rated for holders of Class A Units who have held the Class A Units for less than a year), until the aggregate distributions pursuant to this paragraph 3.5(a)(iii) equal the aggregate Commissions paid in connection with the issuance of such Class A Units;

(iv) as fourth priority, and annually within one hundred twenty (120) days of the end of each fiscal year, after the maximum amount distributable under subparagraphs (i), (ii) and (iii) of this Section 3.5(a) has been distributed, any excess amounts in the Class A Pool for that fiscal year shall be distributed as to 100% to the General Partner.

(b) The Class C Pool shall be distributed as follows:

(i) as first priority, and on a monthly basis, the Class C Pool attributable to such Valuation Period (whether initially distributed as a return of capital or otherwise), as determined by the General Partner, acting in its sole discretion, in respect of any Valuation Period will be distributed monthly in arrears to the holders of Class C Units (including, if applicable, the General Partner in its capacity as a holder of Class C Units) in accordance with their respective Sharing Ratios until the cumulative amount distributed under this subparagraph (i) for a given month equals an amount equal to one twelfth (1/12) of the Hurdle Rate for the Class C Units;

(ii) as second priority, and annually within one hundred twenty (120) days of the end of each fiscal year, after the maximum amount distributable under subparagraph (i) of this Section 3.5(b) has been distributed to holders of Class C Units, in the sole discretion of the General Partner, an annual fee of up to 1.25% per annum of the Class NAV of the Class C Units that remains invested in the Partnership (pro-rated for holders of Class C Units who have held the Class C Units for less than a year), payable to the registered dealers, financial advisors, sales persons or other eligible persons who introduced holders of such class of Units to the Partnership;

(iii) as third priority, and annually within one hundred twenty (120) days of the end of each fiscal year, after the maximum amount distributable under subparagraphs (i) and (ii) of this Section 3.5(b) has been distributed an amount up to one percent (1.0%) of the issue price of each applicable Class C Unit multiplied by the number of Class C Units held by a particular holder of Class C Units, will be distributed as a non-cash distribution credited to the Capital Account of each holder of such Class C Units who has held the Units for a minimum of one year (pro-rated for holders of Class C Units who have held the Class C Units for less than a year), until the aggregate distributions pursuant to this paragraph 3.5(b)(iii) equal the aggregate Commissions paid in connection with the issuance of such Class C Units;

(iv) as fourth priority, and annually within one hundred twenty (120) days of the end of each fiscal year, after the maximum amount distributable under subparagraphs (i), (ii) and (iii) of this Section 3.5(b) has been distributed, any excess amounts in the Class C Pool (the "**Allocation Amount**") shall be divided into the Preferred Allocation Amount and Regular Allocation Amount and distributed with equal priority as follows:

(A) the Preferred Allocation Amount shall be distributed 75% to Preferred Unitholders according to the number of Class C Units held by each Preferred Unitholder as a proportion of the total number of the class of Units outstanding at such time and held by all Preferred Unitholders, and 25% to the General Partner; and

(B) the Regular Allocation Amount shall be distributed 65% to holders of the Class C Units that are not Preferred Unitholders pro rata according to the total number of Units held by each holder of such class of Units as a proportion of the total number of Units of the Class C Units outstanding at such time and held by Limited Partners that are not Preferred Unitholders, and 35% to the General Partner;

(c) The Class D Pool shall be distributed as follows:

(i) as first priority, and on a monthly basis, the Class D Pool attributable to such Valuation Period (whether initially distributed as a return of capital or otherwise), as determined by the General Partner, acting in its sole discretion, in respect of any Valuation Period will be distributed monthly in arrears to the holders of Class D Units (including, if applicable, the General Partner in its capacity as a holder of Class D Units) in accordance with their respective Sharing Ratios until the cumulative amount distributed under this subparagraph (i) for a given month equals an amount equal to one twelfth (1/12) of the Hurdle Rate for the Class D Units;

(ii) as second priority, and annually within one hundred twenty (120) days of the end of each fiscal year, after the maximum amount distributable under subparagraph (i) of this Section 3.5(c) has been distributed to holders of Class D Units, in the sole discretion of the General Partner, an annual fee of up to 1.25% per annum of the Class NAV of the Class D Units that remains invested in the Partnership (pro-rated for holders of Class D Units who have held the Class D Units for less than a year), payable to the registered dealers, financial advisors, sales persons or other eligible persons who introduced holders of such class of Units to the Partnership;

(iii) as third priority, and annually within one hundred twenty (120) days of the end of each fiscal year, after the maximum amount distributable under subparagraphs (i) and (ii) of this Section 3.5(c) has been distributed an amount up to one percent (1.0%) of the issue price of each applicable Class D Unit multiplied by the number of Class D Units held by a particular holder of Class D Units, will be distributed as a non-cash distribution credited to the Capital Account of each holder of such Class D Units who has held the Units for a minimum of one year (pro-rated for holders of Class D Units who have held the Class D Units for less than a year), until the aggregate distributions pursuant to this paragraph 3.5(c)(iii)

equal the aggregate Commissions paid in connection with the issuance of such Class D Units;

(iv) as fourth priority, and annually within one hundred twenty (120) days of the end of each fiscal year, after the maximum amount distributable under subparagraphs (i), (ii) and (iii) of this Section 3.5(c) has been distributed, any excess amounts in the Class D Pool (the "**Allocation Amount**") shall be divided into the Preferred Allocation Amount and Regular Allocation Amount and distributed with equal priority as follows:

(A) the Preferred Allocation Amount shall be distributed 75% to Preferred Unitholders according to the number of Class D Units held by each Preferred Unitholder as a proportion of the total number of the class of Units outstanding at such time and held by all Preferred Unitholders, and 25% to the General Partner; and

(B) the Regular Allocation Amount shall be distributed 65% to holders of the Class D Units that are not Preferred Unitholders pro rata according to the total number of Units held by each holder of such class of Units as a proportion of the total number of Units of the Class D Units outstanding at such time and held by Limited Partners that are not Preferred Unitholders, and 35% to the General Partner;

(d) The Class F Pool, shall be distributed as follows:

(i) as first priority, and on a monthly basis, the Class F Pool attributable to such Valuation Period (whether initially distributed as a return of capital or otherwise), as determined by the General Partner, acting in its sole discretion, in respect of any Valuation Period will be distributed monthly in arrears to the holders of the Class F Units (including, if applicable, the General Partner in its capacity as a holder of Class F Units) in accordance with their respective Sharing Ratios until the cumulative amount distributed under this subparagraph (i) for a given month equals an amount equal to one twelfth (1/12) of the Hurdle Rate for the Class F Units;

(ii) as second priority, and annually within one hundred twenty (120) days of the end of each fiscal year, after the maximum amount distributable under subparagraph (i) of this Section 3.5(d) has been distributed to the holders of the Class F Units, any excess amounts in the Class F Pool (the "**Allocation Amount**") shall be divided into the Preferred Allocation Amount and Regular Allocation Amount and distributed with equal priority as follows:

(A) the Preferred Allocation Amount shall be distributed 75% to Preferred Unitholders according to the number of Class F Units held by each Preferred Unitholder as a proportion of the total number of the class of Units outstanding at such time and held by all Preferred Unitholders, and 25% to the General Partner; and

(B) the Regular Allocation Amount shall be distributed 65% to holders of the Class F Units that are not Preferred Unitholders pro rata according to the total number of Units held by each holder of such class of Units as a

proportion of the total number of Units of the Class F Units outstanding at such time and held by Limited Partners that are not Preferred Unitholders, and 35% to the General Partner;

(e) The Class G Pool shall be distributed as follows:

(i) as first priority, and on a monthly basis, the Class G Pool attributable to such Valuation Period (whether initially distributed as a return of capital or otherwise), as determined by the General Partner, acting in its sole discretion, in respect of any Valuation Period will be distributed monthly in arrears to the holders of Class G Units (including, if applicable, the General Partner in its capacity as a holder of Class G Units) in accordance with their respective Sharing Ratios until the cumulative amount distributed under this subparagraph (i) for a given month equals an amount equal to one twelfth (1/12) of the Hurdle Rate for the Class G Units;

(ii) as second priority, and annually within one hundred twenty (120) days of the end of each fiscal year, after the maximum amount distributable under subparagraph (i) of this Section 3.5(e) has been distributed to holders of Class G Units, in the sole discretion of the General Partner, an annual fee of up to 1.25% per annum of the Class NAV of the Class G Units that remains invested in the Partnership (pro-rated for holders of Class G Units who have held the Class G Units for less than a year), payable to the registered dealers, financial advisors, sales persons or other eligible persons who introduced holders of such class of Units to the Partnership;

(iii) as third priority, and annually within one hundred twenty (120) days of the end of each fiscal year, after the maximum amount distributable under subparagraphs (i) and (ii) of this Section 3.5(e) has been distributed, any excess amounts in the Class G Pool for that fiscal year shall be distributed at the end of such period, as to 40% to the General Partner and 60% to holders of the Class G Units in accordance with their Sharing Ratio, provided that any amounts to be distributed to holders of Class G Units under this subsection 3.5(e)(iii) shall be distributed:

(A) as first priority, an amount up to one percent (1.0%) of the issue price of each applicable Class G Unit multiplied by the number of Class G Units held by a particular holder of Class G Units as a non-cash distribution credited to the Capital Account of each holder of such Class G Units who has held the Class G Units for a minimum of one year (pro-rated for holders of Class G Units who have held the Class G Units for less than a year), until the aggregate distributions pursuant to this paragraph 3.5(e)(iii)(A) equal the aggregate Commissions paid in connection with the issuance of such Class G Units;

(B) as second priority, a distribution to each holder of such Class G Units.

(f) The Class H Pool shall be distributed as follows:

(i) on a monthly basis, the Class H Pool attributable to such Valuation Period (whether initially distributed as a return of capital or otherwise), as determined by the General Partner, acting in its sole discretion, in respect of any Valuation Period will be distributed monthly in arrears to the holders of Class H Units

(including, if applicable, the General Partner in its capacity as a holder of Class H Units) in accordance with their respective Sharing Ratios.

(g) The Class J Pool shall be distributed as follows:

(i) as first priority, calculated quarterly and paid within sixty (60) days of the end of each fiscal quarter, in the sole discretion of the General Partner, an annual fee of up to 1.0% per annum of the Class NAV of the Class J Units that remains invested in the Partnership (pro-rated for holders of Class J Units who have held the Class J Units for less than a quarter), payable to the registered dealers, financial advisors, sales persons or other eligible persons who introduced holders of such class of Units to the Partnership;

(ii) as second priority, and on a monthly basis, the Class J Pool attributable to the applicable period (whether initially distributed as a return of capital or otherwise), as determined by the General Partner, acting in its sole discretion, in respect of the applicable period will be distributed monthly in arrears to the holders of the Class J Units (including, if applicable, the General Partner in its capacity as a holder of Class J Units) in accordance with their respective Sharing Ratios until the cumulative amount distributed under this subparagraph (i) for a given month equals an amount equal to one twelfth (1/12) of the Hurdle Rate for the Class J Units;

(iii) as third priority, and annually within one hundred twenty (120) days of the end of each fiscal year, after the maximum amount distributable under subparagraph (i) and (ii) above has been distributed to the holders of the Class J Units, any excess amounts in the Class J Pool (the "Allocation Amount") shall be divided into the Preferred Allocation Amount and Regular Allocation Amount and distributed with equal priority as follows:

(A) the Preferred Allocation Amount shall be distributed 75% to Preferred Unitholders according to the number of Class J Units held by each Preferred Unitholder as a proportion of the total number of the class of Units outstanding at such time and held by all Preferred Unitholders, and 25% to the General Partner; and

(B) the Regular Allocation Amount shall be distributed 65% to holders of the Class J Units that are not Preferred Unitholders pro rata according to the total number of Units held by each holder of such class of Units as a proportion of the total number of Units of the Class J Units outstanding at such time and held by Limited Partners that are not Preferred Unitholders, and 35% to the General Partner.

(h) The Class CU Pool shall be distributed as follows:

(i) as first priority, and on a monthly basis, the Class CU Pool attributable to such Valuation Period (whether initially distributed as a return of capital or otherwise), as determined by the General Partner, acting in its sole discretion, in respect of any Valuation Period will be distributed monthly in arrears to the holders of Class CU Units (including, if applicable, the General Partner in its capacity as a holder of Class CU Units) in accordance with their respective Sharing Ratios until

the cumulative amount distributed under this subparagraph (i) for a given month equals an amount equal to one twelfth (1/12) of the Hurdle Rate for the Class CU Units;

(ii) as second priority, and annually within one hundred twenty (120) days of the end of each fiscal year, after the maximum amount distributable under subparagraph (i) of this Section 3.5(h) has been distributed to holders of Class CU Units, in the sole discretion of the General Partner, an annual fee of up to 1.25% per annum of the Class NAV of the Class CU Units that remains invested in the Partnership (pro-rated for holders of Class CU Units who have held the Class CU Units for less than a year), payable to the registered dealers, financial advisors, sales persons or other eligible persons who introduced holders of such class of Units to the Partnership;

(iii) as third priority, and annually within one hundred twenty (120) days of the end of each fiscal year, after the maximum amount distributable under subparagraphs (i) and (ii) of this Section 3.5(h) has been distributed an amount up to one percent (1.0%) of the issue price of each applicable Class CU Unit multiplied by the number of Class CU Units held by a particular holder of Class CU Units, will be distributed as a non-cash distribution credited to the Capital Account of each holder of such Class CU Units who has held the Units for a minimum of one year (pro-rated for holders of Class CU Units who have held the Class CU Units for less than a year), until the aggregate distributions pursuant to this paragraph 3.5(h)(iii) equal the aggregate Commissions paid in connection with the issuance of such Class CU Units;

(iv) as fourth priority, and annually within one hundred twenty (120) days of the end of each fiscal year, after the maximum amount distributable under subparagraphs (i), (ii) and (iii) of this Section 3.5(h) has been distributed, any excess amounts in the Class CU Pool for that fiscal year shall be distributed as to 65% to holders of the Class CU Units pro rata according to the total number of Units held by each holder Class CU Units as a proportion of the total number of Class CU Units outstanding at such time and held by Limited Partners, and 35% to the General Partner;

(i) The Class FU Pool shall be distributed as follows:

(i) as first priority, and on a monthly basis, the Class FU Pool attributable to such Valuation Period (whether initially distributed as a return of capital or otherwise), as determined by the General Partner, acting in its sole discretion, in respect of any Valuation Period will be distributed monthly in arrears to the holders of the Class FU Units (including, if applicable, the General Partner in its capacity as a holder of Class FU Units) in accordance with their respective Sharing Ratios until the cumulative amount distributed under this subparagraph (i) for a given month equals an amount equal to one twelfth (1/12) of the Hurdle Rate for the Class FU Units;

(ii) as second priority, and annually within one hundred twenty (120) days of the end of each fiscal year, after the maximum amount distributable under subparagraph (i) of this Section 3.5(i) has been distributed to the holders of the Class FU Units, any excess amounts in the Class FU Pool (the "**Allocation Amount**") shall be

divided into the Preferred Allocation Amount and Regular Allocation Amount and distributed with equal priority as follows:

(A) the Preferred Allocation Amount shall be distributed 75% to Preferred Unitholders according to the number of Class FU Units held by each Preferred Unitholder as a proportion of the total number of the class of Units outstanding at such time and held by all Preferred Unitholders, and 25% to the General Partner; and

(B) the Regular Allocation Amount shall be distributed 65% to holders of the Class FU Units that are not Preferred Unitholders pro rata according to the total number of Units held by each holder of such class of Units as a proportion of the total number of Units of the Class FU Units outstanding at such time and held by Limited Partners that are not Preferred Unitholders, and 35% to the General Partner;

The distributions to the General Partner pursuant to Sections 3.5(a)(iv), 3.5(b)(iv), 3.5(c)(iv), 3.5(d)(ii), 3.5(e)(iii), 3.5(g)(iii), 3.5(h)(iv) and 3.5(i)(ii) are collectively referred to as the "**Performance Fee**".

3.6 Reinvestment and No Distributions

For greater clarity:

(a) to the extent that there is a surplus in any Class Pool after making the monthly distributions set forth in Sections 3.5(a)(i) and (ii), 3.5(b)(i), 3.5(c)(i), 3.5(d)(i), 3.5(e)(i), 3.5(g)(i) and (ii), 3.5(h)(i) and 3.5(i)(i) then the General Partner may, in its sole discretion, retain any such surplus as a reserve for future expenditures, commitments or distributions of the Partnership or reinvest such surplus in any Investment; and

(b) to the extent that there are no Distributable Proceeds after payment and reservation of all amounts necessary for the payment of all expenses of the Partnership, including but not limited to Expenses of the General Partner and the Portfolio Management Fee, the Partnership shall not be obligated to make any distributions of cash to the Partners.

3.7 Allocation of Net Profits and Net Losses

For each fiscal year, Net Profits or Net Losses (and Investment Gains, Investment Losses, Net Operating Profits or Net Operating Losses included therein) for both accounting and for tax purposes shall be allocated first among the different classes of Units, in proportion to the percentage that the Investable Proceeds of each class of Units has contributed to the aggregate Investable Proceeds of the Partnership, and second between holders of each class of Units and the General Partner in a manner consistent with the distributions set forth in Section 3.5, and for accounting purposes, shall be allocated for each Valuation Period of each fiscal year, and for income tax purposes, shall be allocated as at the end of the Fiscal Year. Notwithstanding the foregoing, in the event no distributions are made by the Partnership in a given Fiscal Year, the Net Profits or Net Losses, as applicable, for tax purposes shall be allocated first among the different classes of Units, in proportion to the percentage that the Investable Proceeds of each class of Units has contributed to the aggregate Investable Proceeds, and second among the holders of each class of Units *pro rata* in accordance with their Sharing Ratios.

3.8 Adjustment of Allocations

(a) Anything herein to the contrary notwithstanding, if any judgment, settlement, distribution or other disposition of any litigation, proceeding or other claim or controversy involving the Partnership results in the recognition of any item of income, gain, loss or deduction for a Valuation Period which is substantially attributable to a matter or transaction occurring during a prior Valuation Period, which item exceeds the greater of $50,000 or one (1%) percent of the Net Asset Value for the current Valuation Period, such item may, in the discretion of the General Partner, be allocated among the Partners in proportion to their *pro rata* share of the Net Asset Value for such prior Valuation Period, or in such other manner as the General Partner deems practicable under the circumstances;

(b) The General Partner shall have the right, without the consent of or notice to the Limited Partners, to amend from time to time, Section 3.5 so that the Performance Fee conforms to any applicable requirements of any securities regulation of any provincial securities commission or other regulatory or legal authority; and

(c) The General Partner shall have the right, without the consent of or notice to the Limited Partners, to waive, reduce or eliminate the Performance Fee and/or Portfolio Management Fee otherwise chargeable: (i) to any Limited Partner affiliated with the General Partner (or any principal thereof); or (ii) for such consideration it deems appropriate, to any other Limited Partner; provided, however, that in any case no such waiver, reduction or elimination shall increase the amount thereof to be borne by any Limited Partner.

3.9 Valuations

For purposes of determining Net Asset Value, Investment Gains and Losses, Net Operating Profits and Losses or for all other purposes hereunder, the assets of the Partnership shall, on a class by class basis, be valued at the fair market value of the Partnership as of such Valuation Date, determined in accordance with generally accepted accounting principles or international financial reporting standards and shall be valued as follows:

(a) the value of any cash on hand or on deposit, bills and demand notes and accounts receivable, prepaid expenses, cash received (or declared to holders of record on or before the date of valuation and to be received) and interest accrued and not yet received, shall be deemed to be the full amount thereof, provided that: (i) the value of any security which is a debt obligation which, at the time of acquisition, had a remaining term to maturity of one (1) year or less shall be the amount paid to acquire the obligation plus the amount of any interest accrued on such obligation since the time of acquisition (for this purpose, interest accrued will include amortization over the remaining term to maturity of any discount or premium from the face value of an obligation at the time of its acquisition); (ii) any interest or other amount due in respect of an obligation in respect of which the issuer has ceased paying interest or has otherwise defaulted shall be excluded from such calculation; and (iii) if the General Partner has determined that any such deposit, bill, demand note or account receivable is not otherwise worth the full amount thereof, the value thereof shall be deemed to be such value as the General Partner determines to be the fair value thereof;

(b) any market price reported in currency other than Canadian dollars shall be translated into Canadian currency at the prevailing rate of exchange, as determined by the General Partner, on the date of valuation;

(c) the value of any security or property to which, in the opinion of the General Partner, the above principles cannot be applied (whether because no price or yield equivalent quotations are available as above provided, or for any other reason) shall be the fair value thereof determined in good faith in such manner as the General Partner from time to time adopts; and

(d) all liabilities of the Partnership, including appropriate accruals for the Portfolio Management Fees, incurred on Capital Contributions and other expenses, shall be subtracted from total assets to determine net assets.

Any determination of the Net Asset Value by the General Partner shall be final and binding on all Limited Partners.

3.10 Redemption of Units

(a) **Redemption by the Limited Partner**. There is no general right of redemption by a Limited Partner and all redemptions are subject to the approval of the General Partner, in its sole discretion. Upon approval by the General Partner, a Limited Partner may surrender Units for redemption on the last business day of a fiscal quarter (each a "**Regular Redemption Date**"), for a the Redemption Price per Unit calculated as at the applicable Regular Redemption Date. The General Partner may, in its discretion, charge any Limited Partner other than the Trust a Redemption Fee of $200. The amount of such Redemption Fee charged will be deducted from the Redemption Price otherwise payable or paid by the General Partner. The General Partner may waive all or any part of the Redemption Fee in respect of any Limited Partner. The General Partner, in its sole discretion, may consent to redemptions as of other dates. Any Limited Partner seeking a redemption pursuant to this Section 3.10 must give written notice to the General Partner stating its intention to redeem and the number of Units to be redeemed (the "**Notice**"). The Notice must be given at least sixty (60) days in advance of the end of a Valuation Period, and if sixty (60) days notice is not given, such Notice shall be effective on the last business day of the next following Valuation Period (the "**Effective Date**"). Any such Notice may be waived by the General Partner in its sole discretion.

(b) **No Redemption**. No redemption shall be made unless approved by the General Partner and unless all liabilities of the Partnership have been paid or unless the Partnership has sufficient assets to pay such liabilities (including contingent or unliquidated liabilities); provided, however, that, to the extent that such happens within 90 days from receipt by the General Partner of a Notice, the General Partner may, in its sole discretion, limit such redemption or permit a redemption after deducting from the amount to be redeemed any reserve or reserves which, in its sole discretion, would represent such redeeming Limited Partner's share of such contingent or unliquidated liabilities and provided, further, that upon the definitive resolution of any such contingent or unliquidated liability so reserved against, the General Partner shall have the right, in its discretion, to distribute to the redeemed Limited Partner any excess of such reserve over such ultimate liability or, if such reserve is less than such ultimate liability, to require such Limited Partner to return to the Partnership that portion of the redeemed amount equal to the excess of such Partner's share of such liability over the amount of such reserve. Any Limited Partner

electing a complete redemption pursuant to this Section 3.10 shall cease to be a Partner as of the Effective Date of the redemption. No provision of this Section 3.10 shall affect the rights and limitations in connection with (i) an assignment or transfer by a Limited Partner of its interest pursuant to Section 2.3 of this Agreement, or (ii) the termination or dissolution of the Partnership pursuant to Article 8 hereof.

(c) **Withdrawals by the General Partner**. As of any Regular Redemption Date, the General Partner may withdraw any or all of the amount in its Capital Account without notice to any other Partner. No such withdrawal shall be made unless all liabilities of the Partnership have been paid or unless the Partnership has sufficient assets to pay such liabilities (including contingent or unliquidated liabilities).

(d) **Redemption on Certain Conditions**. In the event of the death, adjudication of incompetence or adjudication of bankruptcy, liquidation or dissolution of a Partner, or of a Partner's trustee, fiduciary or legal representative, its representative shall have been deemed to have elected a complete redemption of all Units held in the Partnership as of the next Regular Redemption Date following such event.

(e) **Payment to Redeeming Partner**. Subject to Section 3.10(b) and 3.10(f), payment shall be made to a Partner not later than the 30th day following the Effective Date of the redemption (or withdrawal pursuant to Section 3.10(c)). The General Partner shall have the right to holdback up to twenty (20%) percent of the amount of the payment to be made to the Partner pursuant to Section 3.10 to provide for an orderly disposition of assets. The terms of such holdback shall not exceed a reasonable time period, having regard to the applicable circumstances.

(f) **Redemption Notes**. If on any Effective Date, the General Partner has determined in its sole determinations that the Partnership does not have sufficient cash reserves to pay the Redemption Price, the General Partner shall advise the Limited Partners in writing that the Redemption Price per Unit payable in respect of the Units tendered for Redemption in the applicable Fiscal Quarter shall be paid within 60 days of the Regular Redemption Date by the Partnership issuing Redemption Notes to the Limited Partners who exercise the right of redemption, such Redemption Notes having an aggregate principal amount equal to the Redemption Price per Unit multiplied by the number of Units to be redeemed. At any time in the seven (7) days following the date of the General Partner's notice set out herein, the Limited Partners may rescind their applicable Notice. If a Limited Partner fails to rescind the Notice in writing pursuant to the terms of this Section 3.10(f), the General Partner shall issue Redemption Notes to the Limited Partners who exercised the right of redemption having an aggregate principal amount equal to the Redemption Price per Unit multiplied by the number of Units to be redeemed pursuant to the terms of this Section 3.10(f).

(g) **Mandatory Redemption of Partners.** The General Partner shall, in its sole discretion, have the right to require the redemption of all of the Units held by a Limited Partner at any time by written notice to such Limited Partner. The Effective Date of such redemption shall be determined by the General Partner in its sole discretion. In the event of such redemption, payment shall be made to such Limited Partner as though the redemption was initiated by the Limited Partner in accordance with this Section 3.10.

(h) **Redemptions of Units held by a Mutual Fund Trust.** Notwithstanding the other provisions of this Article 3, in the event that a Limited Partner that is a mutual fund trust

for the purposes of the *Income Tax Act* (Canada) makes a demand for redemption of any Units held by it, then the General Partner shall approve such redemption of Units, and shall redeem such Units in accordance with the other provisions set forth herein.

3.11 Determination by General Partner of Certain Matters

All matters concerning the valuation of Investments, the determination of assets and liabilities, the allocation of Net Profits and Net Losses among the Partners, the allocation of related Partnership tax items among the Partners and all accounting procedures not specifically and expressly provided for by the terms of this Agreement, shall be determined by the General Partner, whose determination, so long as made in good faith, shall be final and conclusive as to all of the Partners. To the extent applicable to any of the foregoing, the General Partner shall follow generally accepted accounting principles or international financial reporting standards, except when it in its discretion, and with the approval of the Portfolio Manager, deems the same to be inequitable or inappropriate.

3.12 Interest on Capital Contributions

Interest shall not be payable on any Capital Accounts.

3.13 Repayments

If, as determined by the auditors of the Partnership, any Limited Partner has received from the Partnership an amount which is in excess of its entitlement, such Limited Partner shall forthwith reimburse the Partnership to the extent of such excess within five (5) days of receipt of written notice from the General Partner.

3.14 Allocation of Federal Income Tax Items

As of the end of each fiscal year, the Partnership's taxable income or loss as determined for federal income tax purposes and all items thereof shall be allocated among the Partners pursuant to the following provisions of this Article 3.

3.15 Allocation of Net Investment Income or Loss

The Partnership's net investment, income or loss (i.e. the Partnership's taxable income or loss determined without regard to gains and losses (whether capital or ordinary in nature) from the disposition of Investments) for each fiscal year (and all items of income, gain, loss and deduction contained therein) shall be allocated as nearly as practicable among the Partners (including those who have withdrawn during the year) in such manner as to reflect equitably amounts of Net Operating Profits or Losses allocated to each Partner for the fiscal year pursuant to Section 3.7 hereof.

3.16 Allocations of Net Realized Investment Gains or Losses

(a) The Partnership's realized gains and losses (whether capital or ordinary in nature) from the disposition of Investments for each fiscal year shall be allocated among the Partners (including those who have withdrawn during the year) in such manner as to reflect equitably the amounts of Investment Gains or Losses allocated to each Partner pursuant to Section 3.7 for the current and prior fiscal years attributable to the Investments the disposition of which gives rise to such realized gains and losses; and

(b) Notwithstanding subsection 3.16(a) above, in the event a Partner withdraws all or a portion of its Capital Account from the Partnership during or as of the end of a fiscal year (and such withdrawal is paid to the Partner in cash), the General Partner in its sole discretion may make a special allocation to the said Partner of the Partnership's realized gains (whether capital or ordinary in nature) from the disposition of Investments for the fiscal year in such a manner as will reduce the amount, if any, by which the amount withdrawn by said Partner exceeds the Partner's federal income tax basis in its interest in the Partnership before such allocation.

3.17 Other Allocation Rules

(a) Except as otherwise provided in this Agreement, all items of Partnership income, gain, loss, deduction, and any other allocations not otherwise provided for shall be divided among the Partners in the same proportions as they share Net Investment Income or Losses and Net Realized Investment Gains or Losses, as the case may be, for the year.

(b) The Partners are aware of the income tax consequences of the allocations made by this Article 3 and hereby agree to be bound by the provisions of this Article 3 in reporting their Partnership income and loss for income tax purposes.

(c) For purposes of determining Net Investment Income or Losses and Net Realized Investment Gains or Losses, or any such items allocable to any period, Net Investment Income or Losses and Net Realized Investment Gains or Losses, and any such other items shall be determined on a quarterly basis or such other basis as determined by the General Partner.

3.18 Use of Funds

Money or other property received by the Partnership or the General Partner on behalf of the Partnership, including the net proceeds of any offering, may be used at any time and from time to time for any purpose not inconsistent with this Partnership Agreement and the business of the Partnership set out in Section 1.3 (including making distributions and redemptions under Article 3).

ARTICLE 4 - THE GENERAL PARTNER

4.1 General Powers and Duties of the General Partner

Subject to any delegation of its powers properly authorized hereunder, the General Partner will control and have responsibility for the business of the Partnership, to bind the Partnership and to admit Limited Partners and do or cause to be done in a prudent and reasonable manner any and all acts necessary, appropriate or incidental to the business of the Partnership.

4.2 Authority of the General Partner

The General Partner has exclusive authority to manage and control the activities of the Partnership and is liable by law, as a general partner, for the debts of the Partnership. No person dealing with the Partnership is required to inquire into the authority of the General Partner to take any action or make any on behalf of and in the name of the, Partnership and the Partnership will be bound by all agreements made by the General Partner on its behalf.

The General Partner shall be entitled to delegate any of its powers subject always to its overriding control and direction.

4.3 Limitations on Authority of the Limited Partners

While Limited Partners have voting rights with respect to certain matters, including the termination of the Partnership, no Limited Partner, in its capacity as such, may take part in the operation or management of the activities of the Partnership nor may any Limited Partner, in its capacity as such, have the power to sign for or to bind the Partnership. No Limited Partner shall be entitled to bring any action for partition or sale or otherwise in connection with any interest in any property of the Partnership, whether real or personal, or register, or permit to be filed or registered or remain undischarged, against any property of the Partnership any lien or charge in respect of the interest of such Limited Partner in the Partnership or to compel a partition, judicial or otherwise, of any of the property of the Partnership distributed to the Limited Partners in kind. Limited Partners shall comply with the provisions of the Act in force or in effect from time to time and shall not take any action which will jeopardize or eliminate the status of the Partnership as a limited partnership.

4.4 Specific Powers

Without limiting the foregoing, the General Partner is authorized, at the appropriate time, on behalf of and, without further authority from the Limited Partners:

(a) to act as transfer agent or to appoint a transfer agent in respect of the Units;

(b) to engage such counsel and such professional or other consultants as the General Partner considers advisable in order to perform its duties hereunder;

(c) to engage the Portfolio Manager to provide portfolio management, investment advisory and management services, administrative and other services to the Partnership on behalf of the General Partner, including identifying, analyzing and selecting investment opportunities, structuring and negotiating prospective investments, making investments for the Partnership in securities, monitoring the performance of investments, and determining the timing, terms, and method of disposition of investments;

(d) to open and operate in the name of the Partnership one or more bank and brokerage accounts and to name signing officers for these accounts and to borrow funds in the name of the Partnership and to grant security over the Partnership's assets therefor and to spend the capital of the Partnership in the exercise of any right or power possessed by the General Partner;

(e) to execute, deliver and carry out all contracts or agreements which require execution by or on behalf of the Partnership and all other agreements which may from time to time require execution by or on behalf of the Partnership;

(f) authorize the payment of operating expenses incurred on behalf of the Partnership;

(g) calculate the amount of distributions by the Partnership;

(h) prepare financial statements, income tax returns, information returns and financial and accounting information as required by the Partnership or by applicable law;

(i) ensure that Limited Partners are provided with financial statements and other reports as are required from time to time by applicable law;

(j) ensure that the Partnership complies with all applicable regulatory requirements;

(k) prepare the Partnership's report to Limited Partners;

(l) arrange for office facilities and personnel to carry out these services, together with clerical services;

(m) subject to the terms of this Agreement, incur liabilities in the name of the Partnership from time to time as the General Partner may determine without limitation with regard to amount, cost or conditions of reimbursement of such liabilities;

(n) to borrow money (including purchase of securities on margin) and in either case to mortgage, charge, assign, hypothecate, pledge or otherwise create a security interest in all or any property of the Partnership now owned or hereafter acquired, to secure any present and future liabilities and related expenses of the Partnership and to sell all or any of such property pursuant to a foreclosure or other realization upon the foregoing encumbrances;

(o) establish cash reserves that are determined to be necessary or appropriate for the proper management and operation of the Partnership;

(p) see to the sound management of the Partnership, and to manage, control and develop all the activities of the Partnership and take all measures necessary or appropriate for the business of the Partnership or ancillary thereto;

(q) conduct the business of the Partnership as provided in Section 1.3;

(r) incur all costs and expenses in connection with the Partnership;

(s) subject to the terms of this Agreement, employ, retain, engage or dismiss from employment, personnel, agents, representatives or professionals or other investment participants with the powers and duties upon the terms and for the compensation as in the discretion of the General Partner may be necessary or advisable in the carrying on of the business of the Partnership;

(t) subject to the terms of this Agreement, engage agents, including any of its Affiliates or Associates, to assist the General Partner in carrying out its management obligations to the Partnership or subcontract administrative functions;

(u) subject to the terms of this Agreement, invest cash assets of the Partnership that are not immediately required for the business of the Partnership in investments which the General Partner considers appropriate;

(v) act as attorney in fact or agent of the Partnership in disbursing and collecting monies for the Partnership and fulfilling the obligations of the Partnership and handling and settling any claims of the Partnership;

(w) to act on behalf of the Partnership with respect to any and all actions and other proceedings, brought by or against the Partnership;

(x) to determine the amount and type of insurance coverage to be maintained in order to protect the General Partner, the Partnership and the directors of the General Partner;

(y) to manage, administer, invest, conserve, develop and dispose of any and all properties or assets of the Partnership and in general to engage in any, and all phases of business of the Partnership, including through engaging appropriate persons to fulfill such functions;

(z) to appoint an administrator or brokers to provide services to the Partnership upon such terms as may be determined from time to time by the General Partner;

(aa) to execute any and all other deeds, documents and instruments and do all acts as may be necessary or desirable to carry out the intent and purpose of this Agreement;

(bb) to waive the Portfolio Management Fee and any accrual thereof;

(cc) to pay or cause to be paid all reasonable fees and expense of the Limited Partner in connection with the administration and management of the Limited Partner; and

(dd) to own Units of any class.

The General Partner will use its best efforts, in the conduct of the affairs of the Partnership, to put all suppliers and other persons with whom the Partnership does business on notice that the Limited Partners are not liable for the obligations of the Partnership, and to include in all contracts entered into by the Partnership a notice or other provision to the effect that the Partnership is a limited partnership (which may be satisfied by contracting in the name of the Partnership as a limited partnership).

4.5 Expenses of General Partner

The Partnership will reimburse the General Partner for all costs and expenses incurred by the General Partner in the performance of its duties hereunder, which costs and expenses (the "**Expenses of the General Partner**") will be the Partnership's sole responsibility. For greater certainty, such costs and expenses for which the General Partner is to be reimbursed include the General Partner's and the Partnership's direct general and administrative expenses, including legal, audit, insurance and regulatory fees as well as the general and administrative expenses, including legal, audit, insurance and regulatory fees of the Limited Partners. The Expenses of the General Partner shall also include the Offering Costs, as same may be incurred by the General Partner.

4.6 Portfolio Management Fee

(a) The Partnership will pay the Portfolio Manager monthly fees (the "**Portfolio Management Fee**") equal to an annual rate of 1.75% of the Committed Capital of the Partnership as at the last date of the preceding month, calculated and payable, in advance, at the beginning of each month based on Committed Capital of the Partnership on the last date of the preceding month. Any Portfolio Management Fee attributable to any period of less than one full month (whether as to the Partnership generally or to any Limited Partner) shall be pro-rated appropriately and be payable on the first day of such period. At the sole discretion of the Portfolio Manager, payment of the Portfolio Management Fee or any accrual thereof, in whole or in part, may be waived, including with respect to the Committed Capital of particular Units.

(b) If the Portfolio Manager agrees to waive, in whole or in part, the Portfolio Management Fees that it otherwise would be entitled to receive from the Partnership pursuant to the Portfolio and Investment Fund Management Agreement with respect to a Limited Partner's investment in the Partnership on condition that an amount equal to the amount of such reduction is distributed by the Partnership to such Limited Partner (a "**Portfolio Management Fee Distribution**"), then the Portfolio Management Fee Distribution will be accrued in the same manner as the fees with respect to such Limited Partner's investment are accrued and shall be paid on a regular basis as determined by the General Partner.

(c) The General Partner shall, in any fiscal year, be entitled to be paid and to receive the Performance Fee.

4.7 Amendment of Agreement

(a) Unless otherwise provided for herein, this Agreement may only be amended on the initiative of the General Partner with the consent of the Limited Partners given by Special Resolution. However: (i) no amendment can be made to this Agreement which would have the effect of changing the liability of any Limited Partner, allowing any Limited Partner to participate in the control of the business of the Partnership, or of the Limited Partnership as a group to vote at any meeting or changing the Partnership from a limited partnership to a general partnership; and (ii) no amendment can be made to this Agreement which would have the effect of reducing the interest in the Partnership of holders of any particular class of Units, changing the rights of holders of any particular class of Units in a manner confined to such class of Units, without the holders of the applicable class of Units approving such amendment by voting as a single class.

(b) No amendment which would adversely affect the interests of the General Partner may be made without the General Partner's consent.

(c) The General Partner may, without prior notice to or consent from any Limited Partner, amend any provision of this Agreement from time to time:

(i) for the purpose of adding to this Agreement any further covenants, restrictions, deletions or provisions which, in the opinion of the General Partner, acting reasonably in consultation with its financial and legal advisors, are necessary for the protection of the Limited Partners;

(ii) to cure any ambiguity or to correct or supplement any provisions contained herein which in the opinion of the General Partner, acting reasonably in consultation with its financial and legal advisors, may be defective or inconsistent with any other provisions contained herein provided that such cure, correction or supplemental provision does not and will not, in the opinion of such counsel, adversely affect the interests of the Limited Partners or of the holder of any particular class of Units; or

(iii) to make such other provisions in this regard to matters or questions arising under this Agreement which, in the opinion of the General Partner, acting reasonably in consultation with its financial and legal advisors, do not and will not adversely affect the interests of holders of any particular class of Units, or of the Limited Partners; or

(iv) to create one or more new classes of Units, provided that the creation of such new class of Units does not adversely affect holders of any other class of Units, in terms of the calculation of the Class Pool and voting rights.

(d) Following the making of any amendment to this Agreement, the General Partner shall provide written notification of the substance of such amendment to each Limited Partner and such notification shall be delivered concurrent with the next succeeding mailing of annual financial statements of the Partnership pursuant to Section 7.2.

4.8 Power of Attorney

Each Limited Partner, by the execution hereof or of a counterpart hereof by such Limited Partner or other attorney on behalf of such Limited Partner, or by such Limited Partner's conduct in subscribing for Units or otherwise, or by other means, hereby irrevocably nominates, constitutes and appoints the General Partner, with full power of substitution, as his or her true and lawful attorney and agent, with full power and authority in his or her name, place and stead to execute, under seal or otherwise, swear to, acknowledge, deliver, make, record and file when, as and where required or appropriate, any and all of the following:

(a) this Agreement and counterparts hereof, and all documents and instruments necessary or appropriate to form, qualify or continue the qualification of the Partnership as a valid and subsisting limited partnership in any jurisdiction where the Partnership may carry on business or own or lease property in order to establish or maintain the limited liability of the Limited Partners and to comply with the applicable laws of any such jurisdiction;

(b) all documents, instruments and certificates necessary to reflect any amendments to this Agreement which are approved pursuant to Section 4.7 hereof;

(c) all conveyances, agreements, documents and other instruments necessary to facilitate and implement the dissolution and termination of the Partnership, if such dissolution and termination of the Partnership is authorized pursuant hereto, including the cancellation of any Certificate and the distribution of the assets of the Partnership;

(d) all instruments, deeds, agreements or documents executed by the General Partner in carrying on the business of the Partnership as authorized in this Agreement, including those necessary to purchase, sell, or hold the Partnership's assets;

(e) all applications, elections, determinations or designations 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 Partnership or of a Partner's interest in the Partnership including all applications, elections, determinations or designations under the Tax Act or other legislation or similar laws of Canada or of any other jurisdiction with respect to any other governmental credit, grant or benefit, the sale or transfer of any of the assets of the Partnership, the distribution of the assets of the Partnership, or the dissolution and termination of the Partnership;

(f) any instrument or document which may be required to effect the continuation of the Partnership, or the admission of an additional or substitute Partner; and

(g) any instrument or document required or appropriate to be filed with any governmental body or respecting the business, property and assets of the Partnership or this Agreement

but the foregoing grant of authority shall not include the authority to transfer the interest of the Limited Partner in his or her Units or to execute any proxy on behalf of any Limited Partner or to vote in respect of any Ordinary Resolution or any Special Resolution; and

by purchasing Units, each Limited Partner expressly acknowledges and agrees that he or she has given such power of attorney and will ratify any and all actions taken by the General Partner pursuant to such power of attorney.

4.9 Duty of General Partner

The General Partner shall exercise the powers and discharge the duties of its office hereunder honestly, in good faith and in the best interests of the Limited Partners, and shall exercise the degree of care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances. The General Partner shall be entitled to retain advisors, experts or consultants to assist it in the exercise of its powers and the performance of its duties hereunder.

4.10 Assignment by General Partner

The General Partner shall not sell, assign or otherwise dispose of its interest as the general partner of the Partnership.

4.11 Replacement of General Partner

(a) Except as provided for in Sections 4.11(b) and 4.11(c) the General Partner may not be removed as general partner of the Partnership.

(b) Upon (i) the passing of any resolution of the directors or shareholders of the General Partner requiring or relating to the bankruptcy, dissolution, liquidation or winding-up of the General Partner, (ii) the making of any assignment by the General Partner for the benefit of creditors of the General Partner, (iii) the appointment of a receiver of the assets and undertaking of the General Partner or (iv) the General Partner failing to maintain its status under Section 1.9(a) hereof, the General Partner shall cease to be qualified to act as general partner hereunder and shall be deemed to have been removed thereupon as the general partner of the Partnership effective upon the appointment of a new general partner. A new general partner shall, in such instances, be appointed by the Limited Partners voting as a single class by an Ordinary Resolution after receipt of written notice of such event (which written notice shall be provided by the General Partner forthwith upon the occurrence of such event).

(c) The General Partner may also be removed if the General Partner has committed a material breach of this Agreement, which subsists for a period of 90 days after notice, and such removal is approved by Special Resolution of the Limited Partners voting as a single class. Any such action by the Limited Partners for removal of the General Partner under this Section 4.11(c) must also provide for the election and succession of a new general partner. Such removal shall be effective immediately following the admission of the successor general partner to the Partnership.

4.12 Voluntary Withdrawal of the General Partner

The General Partner may voluntarily withdraw as general partner by giving 120 days' notice. Such withdrawal shall be effective immediately following the admission of the successor general partner to the Partnership.

4.13 Indemnity and Release

(a) The General Partner assumes no responsibility to the Partnership and shall bear no liability to the Partnership or any Limited Partner for any loss suffered by the Partnership which arises out of any action or inaction of the General Partner if such course of conduct did not constitute gross negligence or willful misconduct of the General Partner and if the General Partner, in good faith, determined that such course of conduct was in the best interests of the Partnership. The General Partner shall be entitled to indemnification out of the assets of the Partnership against expenses, including legal fees, judgments and amounts paid in settlement, actually and reasonably incurred by the General Partner in connection with the Partnership provided that the matters causing such expenses were not the result of gross negligence or willful misconduct on the part of the General Partner.

(b) Upon the removal of the General Partner, the Partnership and the Limited Partners shall release and hold harmless the General Partner from all actions, claims costs, demands, losses, damages and expenses with respect to events which occur in relation to the Partnership after the effective time of such removal.

(c) The General Partner agrees to indemnify and hold harmless each of the Limited Partners of the Partnership (including former Limited Partners) from and against all costs, damages, liabilities or losses incurred resulting from not having limited, liability, other than the loss of limited liability caused by any act or omission of the Limited Partner. The General Partner further agrees to indemnify the Partnership for, any costs, damages, liabilities or losses incurred by the Partnership as a result of an act of gross negligence or misconduct by the General Partner pursuant to this Agreement. The foregoing indemnity will not extend to liabilities arising from any Limited Partner being called upon to return any distributions paid to him, her or it (with interest), whether properly paid or paid in error.

4.14 Other Matters Concerning the General Partner

(a) The General Partner may rely and shall be protected in acting or refraining from acting upon any resolution, certificate, statement, instrument, opinion, report, notice, request, consent, order, bond, debenture or other paper or document reasonably believed by it to be genuine and to have been signed or presented by the proper party or parties.

(b) The General Partner may consult with legal counsel, accountants, appraisers, management consultants, investment bankers and other consultants and advisors selected by it, and any act taken or omitted in reliance upon the opinion (including, without limitation, an opinion of counsel) of such persons as to matters that the General Partner reasonably believes to be within such person's professional or expert competence shall be conclusively presumed to have been done or omitted in good faith and in accordance with such opinion.

(c) The General Partner shall have the right, in respect of any of its power, authority or obligations hereunder, to act through any of its duly authorized officers.

4.15 Unlimited Liability of General Partner

The General Partner shall have unlimited liability for the debts, liabilities and obligations of the Partnership.

4.16 Compliance with Laws

On request by the General Partner, each Limited Partner shall immediately execute such certificates and other instruments necessary to comply with any law or regulation of any jurisdiction for the continuation and good standing of the Partnership.

4.17 General Partner May Hold Units

The General Partner may subscribe for and acquire Units of any Class or otherwise purchase Units and in such event shall be entered on the register of Limited Partners as a Limited Partner and be shown on the Certificate as a Limited Partner in respect of the number of Units held by the General Partner from time to time.

4.18 General Partner as a Limited Partner

If the General Partner holds any Units, it shall be deemed in its capacity as the holder of such Units to be a Limited Partner, but except as provided in this Agreement, with the same rights and powers and subject to the same restrictions as each other Limited Partner in respect only of its holdings of such Units.

4.19 Commingling of Partnerships

The funds and assets of the Partnership shall not be commingled with the funds or assets of any other person (including those of the General Partner).

4.20 Limitation of Liability of General Partner

The General Partner is not liable for the return of any capital contributions made by a Limited Partner to the Partnership.

ARTICLE 5 - INVESTMENT RESTRICTIONS

5.1 General

The General Partner shall make, and shall at all times be deemed to have made, all Investments of the Partnership by investing the Investable Proceeds of each class of Units into each Investment in the exact proportions that each class of Units contributes to the aggregate Investable Proceeds of the Partnership, and all sale proceeds or other distributions received by the Partnership in respect of any Investment shall be deemed to have been received in the same proportions and shall be allocated between the classes of Units accordingly.

The activities of the Partnership will be subject to certain investment restrictions ("**Investment Restrictions**"), which may be changed if changes are required to comply with law (in which case the General Partner shall promptly notify the Limited Partners of such amendment if it is material) or by Special Resolution of the Limited Partners.

For the purpose of the restrictions listed below, all percentage limitations apply only immediately after a transaction, and any subsequent change in any applicable percentage resulting from changing values will not require disposition of any securities. These Investment Restrictions will govern the activities of the Partnership including the investment of its assets and the incurrence of debt, and provide, among other things, as follows:

(a) *Sole Undertaking* - The Partnership will not engage in any undertaking other than the investment of the Partnership's assets in accordance with the Partnership's investment objectives and subject to the Investment Restrictions and such activities as are necessary or ancillary with respect thereto;

(b) *Investment Committee* – The General Partner shall appoint an investment committee consisting of directors, officers and consultants of the General Partner that will be convened for the purpose of approving all investments of the Partnership. Such approvals shall be made, in all cases, on the basis of a majority vote. Notwithstanding the foregoing, each investment of the Partnership must also be approved by the Portfolio Manager.

(c) *Limitations* – Except as qualified below, the following limitations shall apply to any Investment:

(i) if the Net Asset Value of the Partnership at the date of the investment is less than $5,000,000, the Partnership may invest an amount of up to one hundred percent (100%) of the Net Asset Value of the Partnership in securities issued by, or linked to the performance of, a single entity;

(ii) if the Net Asset Value of the Partnership at the date of the investment is greater than or equal to $5,000,000 but less than $20,000,000, the Partnership may not invest in any security or group of related securities that would result in the Partnership investing an amount that is more than fifty percent (50%) of the Net Asset Value of the Partnership in securities issued by, or linked to the performance of, a single entity; and

(iii) if the Net Asset Value of the Partnership at the date of the investment is greater than or equal to $20,000,000, the Partnership may not invest in any security or group of related securities that would result in the Partnership investing an amount that is more than thirty three percent (33%) of the Net Asset Value of the Partnership in securities issued by, or linked to the performance of, a single entity;

provided that, for greater certainty, in each case set forth above, a fluctuation in the Net Asset Value of the Partnership, or an increase in Net Asset Value causing a move from one of the thresholds set forth above, in Sections (i), (ii), (iii) or (iv) and the resulting recalculation of the investment concentration in relation to the above restrictions: (i) shall not, in itself result in a violation of the investment restrictions; (ii) shall not require the General Partner to prematurely liquidate or sell any Investments for the purpose only of complying with the foregoing; and (iii) the General Partner shall be restricted from increasing the concentration in any given Investment that would increase the degree to which any of the foregoing restrictions have been exceeded, but shall for greater certainty, be permitted to continue to invest any newly available Investable Proceeds or

other funds into any single Investment in an amount up to the maximum concentration level of such Investment for the new threshold.

5.2 Summary of Investment Activities

The assets of the Partnership will be allocated at the discretion of the General Partner to those investment strategies that balance risk, return and liquidity.

The risk profile of the Partnership should be considered moderately risky. The General Partner intends to focus on investments that provide a high level of current income while offering the potential for moderate capital appreciation, by investing primarily in high-yielding investments in a well-diversified manner. Target investments are securities and limited partnerships that are primarily comprised of asset backed lending, first and second mortgages (including residential and commercial mortgage backed securities), collateralized debt obligations, payday loans, development drilling of established oil and gas reserves in Canada, consumer financing for durable goods (including automobiles) and secured primary and subordinated debt lending opportunities and such other investments that meet the Partnership's desire for security and returns.

The following strategies will be employed:

(a) consider a variety of sectors including, the financial services industry, the oil and gas industry, the manufacturing industry, the service industry and the real estate industry;

(b) consider investments that have acceptable leverage, well defined capital and working capital expenditure requirements, dependable cash flow, growth prospects and quality management, and the ability to obtain acceptable collateral or security;

(c) consider investments that have a potential total return target in excess of a 13% annualized return; and

(d) require timely compliance reporting and financial reporting from investee companies, as well as such other reporting of information that is deemed prudent and necessary to monitor an investee company's performance.

5.3 Risk Factors

The Partners acknowledge that investments in the Partnership should only be made after consulting with independent and qualified sources of investment and tax advice. The Partners acknowledge that, among the risks of investing in the Partnership are the following:

(a) *Foreclosure* – In the event of default on loans placed by the General Partner, the Partnership will be required to effect foreclosure proceedings which may take one (1) year or longer to resolve. There is no guaranteed return to Limited Partners;

(b) *Profitability* – The value of the Partnership's investment in a limited partnerships or other issuers will be influenced by profitability of those limited partnerships or issuers. The factors influencing profitability include (i) economic conditions, (ii) the market for developed properties, (iii) the structure of the investments, and (iv) any limits to legal and financial recourse upon a default under the terms of the investments. As an investor in limited partnership units or other issuers and/or their secured or unsecured notes, the Partnership will bear significant risk of loss;

(c) *Concentration* – The General Partner estimates that generally, certain individual investments could represent as much as twenty (20%) percent of the Partnership's total invested capital, and if (i) the Net Asset Value of the Partnership is less than $5,000,000, certain individual investments could represent as much as one hundred percent (100%) of the Partnership's total invested capital; (ii) if the Net Asset Value of the Partnership is greater than $5,000,000 and less than $20,000,000, certain individual investments could represent as much as fifty percent (50%) of the Partnership's total invested capital; or (ii) the Net Asset Value of the Partnership is greater than $20,000,000, certain individual investments could represent as much as thirty-three percent (33%) of the Partnership's total invested capital; and

(d) *Valuation* – The General Partner is not required to have its investments valued by a qualified valuator. Any valuations will be undertaken by the General Partner acting reasonably in accordance with Section 3.9.

ARTICLE 6 - MEETINGS

6.1 Calling of Meetings

Meetings of the Limited Partners may be called at any time by the General Partner and shall (i) in respect of matters affecting a specific class or specific classes of Units be called upon written request of Limited Partners holding in the aggregate not less than $33^1/_3$% of the outstanding Units of such class or classes, as applicable, or (ii) in respect of matters affecting holders of all classes of Units, be called upon written request of Limited Partners holding in the aggregate not less than $33^1/_3$% of the outstanding Units. Any such request to hold a meeting shall specify the purpose or purposes for which such meeting is to be called and shall include sufficient information to enable other Limited Partners to make a reasoned judgment on each matter to be considered at the meeting. Any such meeting shall be held at such place in the City of Calgary, Alberta as the General Partner shall reasonably designate. If the General Partner fails to call a meeting upon such request of Limited Partners within a period of ten (10) business days, after the giving of such request, the requesting Limited Partner(s) may call such meeting and the notice shall be signed by such requesting Limited Partners or by any person as such requesting Limited Partners may specify in writing. Any meeting called by such requesting Limited Partners shall be conducted in accordance with the provisions of this Agreement. At the time of the calling of any meeting, the General Partner shall determine and set the record date for such meeting (which record date must be within 7 days of the giving of the notice of the meeting) and only Limited Partners of record as of such record date shall be entitled to receive notice of, attend at, and vote at such meeting.

6.2 Quorum

The presence in person or by proxy and entitled to vote of one (1) or more Limited Partners holding at least 10% of the Units or the Units of the affected class outstanding as applicable, (except for purposes of (i) passing a Special Resolution in which case such persons must hold at least 20% of the Units outstanding and entitled to vote thereon; and (ii) passing a Special Resolution to remove the General Partner, in which case such persons must hold at least 50% of the Units or the Unit of the affected class outstanding and entitled to vote thereon), shall be necessary to constitute a quorum for the transaction of business at any meetings of Limited Partners. If such quorum is not present on the date for which the meeting is called within thirty (30) minutes after the time fixed for the holding of such meeting, the holders of a majority of the Units or the Units of the affected class which are present in person or represented by proxy shall adjourn the meeting to another day and time and at such adjourned meeting a quorum will consist of Limited Partners then and there present in person or represented by proxy and voting. Notice shall forthwith be given to all Limited Partners of the time and place of the adjourned

meeting. Any business may be transacted at the adjourned meeting which might properly have been transacted at the original meeting.

6.3 Notice of Meeting

Notice of all meetings of the Limited Partners, stating the time, place and purpose of the meeting, shall be given to the General Partner, each Limited Partner, and the auditors of the Partnership. Such notice shall be mailed at least ten (10) days and not more than twenty-one (21) days before the meeting. All notices of meetings shall provide sufficient information to enable the Limited Partners to make a reasoned judgment on each matter to be considered at the meeting. No business other than the specific business stated in the notice of meeting shall be considered at such meeting.

6.4 Voting

(a) Limited Partners shall vote their Units on all matters as one single class, unless the subject matter of the applicable vote is such that one or more classes of Units are to be treated differently as a result of, or in connection with such vote, in which case, each class of Units affected by the applicable vote, shall vote as a separate class. In respect of all votes in which a Limited Partner may participate such Limited Partner will be entitled to one vote for each Unit held by it. In addition, the General Partner shall be entitled to one (1) vote in respect of each vote held, regardless as to which class or classes of Units are affected, in its capacity as General Partner. In the case of an equality of votes on an Ordinary Resolution, the chairman of the meeting shall have a casting vote. The chairman of a meeting of Partners shall be entitled to vote in respect of Units held by him or represented by him by proxy but, in the case of an equality of votes on a Special Resolution, the chairman of the meeting shall not have a casting vote. At any meeting on a matter voted upon for which no poll is required or requested a declaration made by the chairman of the meeting as to the voting results of a particular resolution shall be conclusive evidence thereof.

(b) Every question submitted to a meeting, except for those matters which require a vote by Special Resolution, shall be decided by Ordinary Resolution on a show of hands unless a poll is demanded in which case a poll shall be taken. A poll shall be taken on every Special Resolution at a meeting and, when requested by any Limited Partner, on any Ordinary Resolution.

(c) In respect of any matter that requires a vote or series of votes be held by holders of each class or of separate classes of Units, in order for the subject matter of such vote to be approved, it must be approved by the applicable threshold of holders each class of Units entitled to cast a vote thereon.

(d) For any poll taken at a meeting, each Limited Partner shall have the applicable number of votes as determined by section 6.4(c) and (d) vote for each Unit in respect of which he is the registered owner.

(e) Votes may be given in person or by proxy and a person appointed by proxy need not be a Limited Partner. No person other than the holder of a Unit or a person appointed by proxy in respect thereof is entitled to vote at a meeting of Limited Partners.

(f) Insiders and affiliates, as such terms are defined in the *Securities Act* (Alberta), of the General Partner and any directors, officers or employees of such persons, if any, who

hold Units will not be entitled to vote on any resolution for the removal and replacement of the General Partner.

6.5 Voting by Proxy

At any meeting of Limited Partners, any Limited Partner may attend such meeting either personally or be represented thereat by proxy and votes at such meeting may be cast personally or by proxy, provided that no proxy shall be voted, at any meeting unless it shall have been placed on file with the General Partner for verification prior to the time at which such vote shall be taken. The instrument appointing a proxy shall be in writing under the hand of the appointer or its agent duly authorized in writing or, if the appointer is a corporation or body corporate, under its seal or by an officer or agent thereof duly authorized and such instrument shall cease to be valid one (1) year after the date thereof. Any individual may be appointed by proxy, whether or not such individual is a Limited Partner. When any Unit is held jointly by several persons, any one of them may vote at any meeting in person or by proxy in respect of such Unit, but such Unit will only be entitled to cast one vote, and if more than one of them shall be present at such meeting in person or by proxy and such joint owners or their proxies so present disagree as to any vote to be cast, the vote in respect of such Unit shall not be received. A proxy purporting to be executed by or on behalf of a Limited Partner shall be deemed valid unless challenged at or prior to its exercise, and the burden of proving invalidity shall rest on the challenger who must satisfy the chairman of the meeting that such proxy is invalid and any decision of the chairman of the meeting in respect of the validity of such proxy shall be final.

6.6 Form of Proxy

A separate proxy form shall be filled out in respect of each class of Units held by a Limited Partner, and every proxy shall as nearly as circumstances permit be in the form or to the effect as follows:

> "I, _____ of _____ in the Province of _____ being a Limited Partner of Invico Diversified Income Limited Partnership and being the holder of _____ Class _____ Units (the "**Units**") hereby appoint _____ of _____ in the Province of _____ or failing him _____ of _____ in the Province of _____ as my proxy with full power of substitution to attend and vote the Units for me and on my behalf at the meeting of Limited Partners to be held on the _____day of _____, _____ and every adjournment thereof and every poll that may take place in consequent thereof. As witness my hand this _____ day of _____, _____.

6.7 Notice of Revocation of Proxy

A vote cast in accordance with the terms of a proxy shall be valid notwithstanding the previous death, incapacity, insolvency or bankruptcy of the Limited Partner or revocation of the proxy or transfer of the Unit in respect of which the proxy was given provided that no notice in writing of such death, incapacity, insolvency or bankruptcy, revocation or transfer shall have been received by the General Partner prior to the time fixed for the holding of the meeting.

6.8 Chairman

The chairman at any meeting of Limited Partners shall be the person nominated as such by the General Partner and need not be a Partner, failing which the chairman shall be selected by the meeting.

6.9 Conduct of Meetings

To the extent that the rules and procedures for the conduct of a meeting of the Limited Partners are not prescribed in this Agreement, such rules and procedures shall be determined the chairman of the meeting.

6.10 Persons Entitled to Attend

The General Partner may attend and take part in the discussions and proceedings at any meeting of Limited Partners. The General Partner shall have the right to authorize the presence of any person at any meeting of Limited Partners regardless of whether such person is a Limited Partner. With the approval of the General Partner, such persons shall be entitled to address the meeting. Any legal advisor of a Limited Partner, any other person authorized in writing by a Limited Partner, and the auditors of the Partnership in circumstances where such person is entitled to notice of the meeting, may attend any meeting of Limited Partners and shall be entitled to address the meeting and to move resolutions thereat.

6.11 Effect of Resolutions

An Ordinary Resolution or Special Resolution passed at a meeting of the Limited Partners shall be binding on the General Partner and each Limited Partner and their respective heirs, executors, administrators, successors and assigns, whether or not such Partner was present or represented by proxy at the meeting of which such resolution was passed and whether or not such Partner voted against such resolution. A written Ordinary Resolution or Special Resolution within the meaning of Section 1.10 is as valid as if it had been passed at a duly convened meeting of Partners and shall be deemed to satisfy all of the requirements of this Agreement relating to such meeting.

6.12 Minute Book

All proceedings at all meetings of Limited Partners shall be recorded in a minute book by the General Partner, which minute book shall be available for the inspection of the Limited Partners at all meetings of Limited Partners and at all other reasonable times during normal business hours at the offices of the Partnership.

6.13 Powers Exercisable by Special Resolution

In addition to all other powers conferred upon them by this Agreement, the Limited Partners may by Special Resolution:

(a) with the consent of the General Partner, amend the business and the investment objectives of the Partnership;

(b) pursuant to Section 4.7(a), with the consent of the General Partner, amend this Agreement;

(c) replace or remove the General Partner in accordance with Section 4.11;

(d) pursuant to Section 5.1, with the consent of the General Partner, amend the Investment Restrictions imposed on the Partnership;

(e) dissolve the Partnership pursuant to Section 8.1(b);

(f) extend the date for dissolution of the Partnership pursuant to Section 8.1(c);

(g) pursuant to Section 8.3, appoint a Receiver in the event that the General Partner is unable or unwilling to act as the Receiver of the Partnership; and

(h) amend, modify, alter or repeal any Special Resolution.

ARTICLE 7 - ACCOUNTING AND REPORTING

7.1 Books and Records

The General Partner will keep or cause to be kept on behalf of the Partnership books and records reflecting the assets, liabilities, income and expenditures of the Partnership and a register listing all Limited Partners and the Units held by them. The Partnership books shall be kept at the principal office from time to time of the General Partner. During the term of this Agreement and for a period of three (3) years thereafter (but subject to any longer period required by law):

(a) the General Partner shall keep its books of accounts and records, and those it maintains for the Partnership, at its principal office in Calgary and shall make such books and records available for inspection by each Limited Partner subject to the Limited Partner agreeing, in writing, that the information contained in the register of Limited Partners will not be used by him except in connection with an effort to influence the voting of Limited Partners, an offer to acquire Units or any other matter relating to the affairs of the Partnership and subject to the Limited Partner paying, if requested, a fee in an amount not exceeding the reasonable costs to the General Partner of providing the information; and

(b) at the request of any Limited Partner, the General Partner shall provide reasonable supporting information in respect of amounts relating to Net Asset Value and such other financial matters relating to the Partnership as any Limited Partner may request provided that any third party expenses incurred by the General Partner to accommodate such request shall be the sole responsibility of the Limited Partner making the request.

7.2 Annual Financial and Tax Information

Annual audited financial statements of the Partnership consisting of a balance sheet and statements of income and source and use of funds and such other information which the General Partner may provide shall be audited by an auditor who shall be selected by the General Partner. A copy of such annual financial statements and necessary tax information shall be sent to the Limited Partners within 120 days and 90 days respectively of the end of fiscal year. The General Partner shall file, on behalf of itself and the Limited Partners, annual Partnership information returns and any other information returns required to be filed under the *Income Tax Act* (Canada) and any other applicable tax legislation in respect of the Partnership.

7.3 Quarterly Report

Within ninety (90) days of the end of each Valuation Period, the General Partner will provide the Limited Partners with a schedule of Net Asset Value per Unit and a short written commentary outlining highlights of the Partnership's activities.

7.4 Other Information

The General Partner shall provide or cause to be provided to the Limited Partners such additional financial and other information as may be required from time to time under applicable legislation.

7.5 Accounting Policies

The General Partner, provided that it acts reasonably in doing so, is authorized to establish, from time to time, accounting policies with respect to the financial statements of the Partnership and to change, from time to time, any policy that has been so established so long as such policies are consistent with the provisions of this Agreement and with generally accepted accounting principles or international financial reporting standards.

ARTICLE 8 - DISSOLUTION OF THE PARTNERSHIP AND TERMINATION

8.1 Dissolution and Termination

The Partnership shall be dissolved upon the earliest of:

(a) sixty (60) days following delivery by the General Partner to all Limited Partners of a notice of termination and the authorization of such termination by Special Resolution of the Limited Partners voting as a single class;

(b) one hundred and eighty (180) days after the bankruptcy, insolvency or dissolution of the General Partner, unless within such 180-day period a substitute general partner is appointed; or

(c) December 31, 2038 unless extended by Special Resolution of the Limited Partners voting as a single class.

Notwithstanding any rule of law or equity to the contrary, the Partnership shall not be terminated except in the manner provided for herein.

8.2 No Dissolution

The Partnership shall not come to an end by reason of the bankruptcy, assignment of property for the benefit of creditors or insolvency of any Limited Partner or upon transfer of any Units or upon the issue or conversion of Units.

8.3 Receiver

On dissolution of the Partnership as contemplated by Section 8.1(a) or (c) hereof, the General Partner shall act as the receiver (the "**Receiver**") of the Partnership. If the General Partner shall be unable or unwilling to act as the Receiver, the Partners by Special Resolution may appoint some appropriate person to act as the Receiver. On the dissolution of the Partnership as contemplated by Section 8.1(b) hereof, the Limited Partners may, by Special Resolution, appoint some other person to serve as the Receiver.

8.4 Liquidation of Assets

The Receiver shall prepare or cause to be prepared a statement of financial position of the Partnership which shall be reported upon by the auditor of the Partnership and a copy of which shall be forwarded to each person who was shown on the register of limited partners as a Limited Partner at the date of dissolution. The Receiver shall wind up the affairs of the Partnership and, subject to Section 8.5; all property of the Partnership shall be liquidated in an orderly manner. The Receiver shall manage and operate the Partnership and shall have all the powers and authority of the General Partner under this Agreement. The Receiver shall be paid its reasonable fees and disbursements incurred in carrying out its duties as such.

8.5 Distribution of Proceeds of Liquidation or Investments

The Receiver shall distribute the net proceeds from liquidation of the Partnership or the assets of the Partnership as follows:

(a) firstly, to pay the expenses of liquidation and the debts and liabilities of the Partnership to its creditors or to make due provision for payment thereof;

(b) secondly, to provide reserves which the Receiver considers reasonable and necessary for any contingent or unforeseen liability or obligation of the Partnership which shall be paid to an escrow agent to be held for payment of liabilities or obligations of the Partnership; and

(c) thirdly, to the Limited Partners indicated on the Certificate on the date of dissolution in accordance with the provisions hereof.

8.6 Negative Balance in Capital Account of Limited Partner

Neither the Partnership nor any Limited Partner shall have a claim against the General Partner with respect to any negative (i.e. debit) balance in its capital account except to the extent the assets of the

Partnership are insufficient to pay debts, liabilities and obligations of the Partnership pursuant to the provisions of Section 8.5.

8.7 Return of Capital

Except as provided in this Agreement, no Limited Partner shall have the right to demand or receive a return of capital in form other than cash, but nothing herein shall prohibit a return of capital in a form other than cash which shall be valued at fair market value.

8.8 Termination of Partnership

The Partnership shall terminate when all of its assets have been sold and the net proceeds therefrom, after payment of or due provision for the payment of all debts, liabilities and obligations of the Partnership to creditors, have been distributed and upon the completion of all other matters as provided in this Article 8.

8.9 Filings

The Receiver shall file the declaration of dissolution prescribed by the Act and satisfy all applicable formalities in such circumstances as may be prescribed by the laws of other jurisdictions where the Partnership is registered. In addition, the Receiver shall give prior notice of the dissolution of the Partnership by mailing to each Limited Partner such notice at least twenty-one (21) days prior to the filing of the declaration of dissolution prescribed by the Act. The Receiver shall also file any elections, determinations or designations under the *Income Tax Act* (Canada) or under any similar legislation which may be necessary or desirable.

8.10 No Right to Dissolve

Except as provided in Section 8.1, no Limited Partner shall have the right to ask for the dissolution of the Partnership, the winding-up of its affairs or distribution of its assets.

8.11 Agreement Continues

Notwithstanding the dissolution of the Partnership, this Agreement shall not terminate until the provisions of this Article 8 shall have been satisfied.

ARTICLE 9 - MISCELLANEOUS

9.1 Competing Interests

Each Partner is entitled, without the consent of the other Partners, to carry on any business of the same nature as, or competing with those activities of, the Partnership, and is not liable to account to the other Partners or the Partnership therefor. For greater clarity, the General Partner may act as the general partner of partnerships other than the Partnership.

9.2 Independent Review Committee

The Portfolio Manager will maintain an independent review committee (the "**Independent Review Committee**") comprised of not less than two members. All members of the Independent Review Committee shall be "independent" as such term is defined in National Instrument 81-107 – *Independent Review Committee for Investment Funds*. The unanimous approval of the Independent Review Committee shall be required to consent to or approve the following matters:

(a) to approve any conflict of interest matter regarding the business of the Partnership, the Portfolio Manager or Invico Diversified Income Trust (the "**Trust**"), including but not limited to, the approval of any new or changes to expenses, fees or other costs and any related-party transactions or contracts involving the Trust, the Partnership or the Portfolio Manager or related-party transactions or contracts involving their directors, officers, shareholders or affiliates; and

(b) to approve the reallocation of the use of proceeds from an offering of units of the Trust or the Partnership that is materially different than the articulated use of proceeds set out in the offering memorandum pursuant to which such units were offered.

The Independent Review Committee is also required to make an annual report reasonably available to the holders of units in the Partnership and the Trust. Every member of the Independent Review Committee, in exercising his or her powers and discharging his or her duties related to the Trust and the Partnership, and, for greater certainty, not to any other person, as a member of the Independent Review Committee must (a) act honestly and in good faith, with a view to the best interests of the Trust and the Partnership; and (b) exercise the degree of care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances. Every member of the Independent Review Committee must comply with applicable law and any written charter of the Independent Review Committee.

A member of the Independent Review Committee does not breach his or her standard of care, if the member exercised the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances, including reliance in good faith on (a) a report or certification represented as full and true to the Independent Review Committee by the Partnership, the Trust, the administrator of the Trust, the Portfolio Manager or their related entities; or (b) a report of a person whose profession lends credibility to a statement made by the person.

9.3 Notice

Any notice, communication, payment or demand required or permitted to be given or made hereunder shall be sufficiently given or made for all purposes if delivered by registered mail, courier or personally or transmitted by telecopy, fax or email to the party or to an officer of the party to whom the same is directed and addressed as follows:

if to the General Partner, addressed to it at:

Invico Diversified Income GP Ltd.
Suite 600, 209 – 8th Avenue S.W.,
Calgary, Alberta, T2P 1B8

Attention: Allison Taylor

Fax No. (403) 538-4770
Email: amtaylor@invicocapital.com

and if to a Limited Partner, to the address, fax number (if any) or email of such Limited Partner as it appears on the register of limited partners. Any such notice that is: (i) given by registered mail or courier shall be deemed to have been received two days (excluding statutory holidays or weekends) after the day it was sent; (ii) personal delivery shall be deemed to have been received on the day of actual delivery thereof; and (iii) by telecopy, fax or email shall be deemed to have been received on the first day (excluding statutory holidays or weekends) after the transmittal thereof. Any Limited Partner may change

its address, fax number or email by giving written notice of such change to the General Partner or the General partner may change its address or fax number by giving such notice thereof to a Limited Partner. Accidental omission to give any notice or communication or to make any payment or demand required or permitted to be given or made hereunder to any Limited Partner of a Unit shall not affect the validity of such notice, demand or communication.

9.4 Counterparts

This Agreement may be executed in several counterparts, each of which when so executed shall be deemed to be an original and such counterparts together shall constitute one and the same instrument, which shall be sufficiently evidenced by any such original counterpart.

9.5 Severability

Every provision of this Agreement is intended to be severable. If any term or provision hereof is illegal or invalid for any reason whatsoever, such illegality or invalidity shall not affect the validity of the remainder of this Agreement.

9.6 Further Acts

The parties hereto agree to execute and deliver such further and other documents, and perform and, cause to be, performed such further and other acts and things as may be necessary or desirable in order to give full effect to this Agreement and every part thereof.

9.7 Assignment

This agreement shall enure to the benefit of and be binding upon the parties hereto and their respective heirs, executors, administrators, successors and assigns.

9.8 Entire Agreement

This agreement constitutes the entire agreement among the parties with respect to all of the matters herein, and this Agreement shall not be amended, except in accordance with the provisions of Section 4.7 hereof.

9.9 Limited Partner Not a General Partner

If any provision of this Agreement has the effect of imposing upon any Limited Partner (other than the General Partner) any of the liabilities or obligations of a general partner under the Act, such provision shall be of no force and effect.

9.10 GST

All amounts payable hereunder by the Partnership or any of the Partners to the General Partner or otherwise are exclusive of any applicable Goods and Services Tax payable thereon or in respect thereof. To the extent Goods and Services Tax is so payable, it shall be paid in addition to the amounts so payable hereunder.

9.11 Governing Law

This Agreement shall be governed by and construed in accordance with the laws of the Province of Alberta and the federal laws of Canada applicable therein and each Partner hereby irrevocably attorns to the jurisdiction of the courts of the Province of Alberta.

9.12 Interpretation

For all purposes of this Agreement, except as otherwise expressly provided herein or unless the context otherwise requires:

(a) "this Agreement" means this amended and restated agreement of limited partnership as it may from time to time be supplemented or amended by one or more agreements entered into pursuant to the applicable provisions hereof;

(b) any reference in this Agreement to a designated "Article", "Section" or other subdivision is to the designated Article, Section or other subdivision of this Agreement;

(c) the words "herein", "hereof" and "hereunder" and other words of similar import refer to this Agreement as a whole and not to any particular Article, Section or other subdivision of this Agreement;

(d) the headings are for convenience of reference only and do not form part of this Agreement and are not intended to interpret, define or limit the scope, extent or intent of this Agreement or any provision hereof;

(e) all accounting terms not otherwise defined herein have the meanings assigned to them by, and all calculations to be made hereunder are to be made in accordance with, Canadian generally accepted accounting principles or international financial reporting standards applicable to the undertaking of the Partnership applied on a basis consistent with prior periods;

(f) any reference to currency is to Canadian currency;

(g) the words "distribution" and "distributed" and other words of similar meaning, when used with reference to a Limited Partner, refer to any amount paid or other property distributed by the Partnership to such Limited Partner in respect of any interest of such Limited Partner in the Partnership, but do not refer to any amount paid to such Limited Partner in respect of any property acquired by the Partnership from, or any services provided to the Partnership by, such Limited Partner;

(h) any reference to a statute includes and is a reference to such statute and to the regulations made pursuant thereto, with all amendments made thereto and in force from time to time, and to any statute or regulations that may be passed which have the effect of supplementing or superseding such statute or regulations;

(i) any reference to an entity includes and is also a reference to any entity that is a successor to such entity, provided that all restrictions on assignability and transfer set forth herein are complied with;

(j) the number of Units held by a Limited Partner at any time is the number of Units shown on the register of Limited Partners as being held by such Limited Partner at such time;

(k) where a calculation of an amount equal to a specified percentage per annum of a specified amount is to be made for, or in respect of, any period, such percentage is not to be compounded unless otherwise specifically provided;

(l) where a calculation of an amount equal to a specified percentage per annum of a specified amount is to be made for, or in respect of, any period, the amount to be calculated shall be calculated on a daily basis on the amount of such specified amount as at the end of such day and is to accrue from day to day, and, if for any reason it is necessary to calculate such amount in respect of a period of less than one (1) year, an appropriate pro rata adjustment is to be made on a daily basis in order to calculate such amount in respect of such period based on a 365-day year;

(m) any reference to "approval", "authorization" or "consent" of the General Partner means the written approval, written authorization or written consent of the General Partner; and

(n) words importing the masculine gender include the feminine or neuter gender and words in the singular include the plural, and vice versa.

[Signature Page Follows]

IN WITNESS WHEREOF the General Partner by its execution hereof approves this Amended and Restated Limited Partnership Agreement.

GENERAL PARTNER:

INVICO DIVERSIFIED INCOME GP LTD.

Per: (signed) "*Allison Taylor*"

Signature Page to Limited Partnership Agreement

Signature Page to Limited Partnership Agreement

APPENDIX A

TRANSFER FORM

The undersigned, a holder of Units Invico Diversified Income Limited Partnership (hereinafter called the "**Partnership**") hereby transfers, assigns, and sells to

_____

(the "Transferee") (Name of Transferee)

_____

(Residence Address)

all rights, title and beneficial interest of the undersigned in ____ class _____Unit(s) (the "**Units**") of the Partnership. The undersigned hereby agrees to execute or furnish such documents and to perform any other acts as the General Partner may reasonably require to properly and legally effect a valid transfer of the Units.

DATED _____ this day of _____, _____.

_____ _____

(Witness) (Signature of Transferor)

_____

(Residence Address)

The Transferee acknowledges that upon transfer of the Units to the Transferee, the Transferee will become a holder of Units of the Partnership and a limited partner of the Partnership, pursuant to the terms of the Partnership Agreement, as amended from time to time pursuant to the terms thereof, which Partnership Agreement sets forth the rights, obligations and liabilities of a Limited Partner of the Partnership. The Transferee further acknowledges that a copy of the Limited Partnership is available upon request made to Invico Diversified Income GP Ltd., (the "**General Partner**"), Attn: President at Suite 600, 209 – 8th Avenue S.W., Calgary, Alberta, T2P 1B8.

The Transferee hereby grants to the General Partner, its successors and assigns, a power of attorney constituting the General Partner, with full power of substitution, as the Transferee's true and lawful attorney and agent , with full power and authority, in the Transferee's name, place and stead, to execute, under seal or otherwise, swear to, acknowledge, deliver, make, and record or file, as the case may be (and to take all requisite actions in connection with such matters), when, as and where required:

(a) the Partnership Agreement and any amendments thereto, the certificate of limited partnership (the "**Certificate**") which is to be registered under the *Partnership Act* (Alberta), any amendment to the Certificate and any other instrument required to qualify, continue and keep in good standing the Partnership as a limited partnership, or otherwise to comply with the laws of any jurisdiction in which the Partnership may carry on business or own or lease property in order to maintain the limited liability of the Limited Partners and to comply with the applicable laws of such jurisdiction (including such amendments to the Certificate as may be necessary to reflect the admission to the Partnership of any new Limited Partners);

(b) any amendment to the Certificate necessary to reflect any amendment to the Partnership Agreement;

(c) any instrument required to record, with any governmental or regulatory authority, the dissolution and termination of the Partnership;

(d) any instrument required in connection with any election that may be made under fiscal legislation in any jurisdiction in which the Partnership is carrying on business or where a Limited Partner resides; and

(e) all other instruments and documents on the Limited Partner's behalf and in the Limited Partner's name or in the name of the Partnership as may be deemed necessary by the General Partner to carry out fully the Partnership Agreement in accordance with its terms;

and to complete, amend or modify any of the foregoing to complete any missing information or correct any clerical or other errors in the completion of any of the foregoing.

The power of attorney granted herein is irrevocable, is a power coupled with an interest and survives the assignment by a Limited Partner of the whole or any part of the interest of such Limited Partner in the Partnership and extends to the successors and assigns of such Limited Partner and may be exercised by the General Partner on behalf of each Limited Partner in executing such instrument with a single signature as attorney and agent for all of them. Each Limited Partner agrees to be bound by a representation or action made or taken by the General Partner pursuant to such power of attorney and hereby waives any and all defenses which may be available to contest, negate or disaffirm the action of the General Partner taken in good faith under such power of attorney, provided that the General Partner does not incur any liability on behalf of, or take any action which may result in any liability to, any Limited Partner. In accordance with the *Powers of Attorney Act* (Alberta), the Subscriber declares that this power of attorney may be exercised during any legal incapacity or mental infirmity on the Subscriber's part. The General Partner may require, in connection with the subscription for, or any transfer of, Units, that the Subscription Form or other instrument, if any, be accompanied by a certificate of legal advice signed by a lawyer who is not the attorney or the attorney's spouse.

This power of attorney shall continue in respect of the General Partner so long as it is the General Partner of the Partnership, and shall terminate thereafter, but shall continue in respect of a new General Partner as if the new General Partner were the original attorney.

This document shall be governed by and construed in accordance with the laws of the Province of Alberta.

Terms not defined herein shall have the same meanings in this form as in the Partnership Agreement.

DATED _____this day of _____, _____.

_____ _____

(Witness) (Signature of Transferee)

APPENDIX B

UNLESS PERMITTED UNDER SECURITIES LEGISLATION, THE HOLDER OF THIS SECURITY MUST NOT TRADE THE SECURITY BEFORE THE DATE THAT IS 4 MONTHS AND A DAY AFTER THE LATER OF: (I) ●, AND (II) THE DATE THE ISSUER BECAME A REPORTING ISSUER IN ANY PROVINCE OR TERRITORY.

UNIT CERTIFICATE

Class A Limited Partnership Units

INVICO DIVERSIFIED INCOME LIMITED PARTNERSHIP

(A limited partnership constituted under the laws of Alberta)

CERTIFICATE No. A00●

This certifies that **[Insert name]**, located at **[insert address]**, is the registered holder of **[Insert number]** Class A Limited Partnership Units (the, "**Units**") of **INVICO DIVERSIFIED INCOME LIMITED PARTNERSHIP**. The rights and obligations of the holder of the Units evidenced by this certificate are set forth in the Fifth Amended and Restated Limited Partnership Agreement made as of April 22, 2019, among Invico Diversified Income GP Ltd., the general partner of Invico Diversified Income Limited Partnership, and each limited partner, as such agreement may be amended from time to time (including any complete amendment and restatement thereof) (the "**Partnership Agreement**"), and all the terms and conditions of the Partnership Agreement are herein incorporated by reference. Capitalized terms used herein but not defined shall have the same meanings as given to such terms in the Partnership Agreement.

The Units represented by this Unit Certificate may only be transferred or assigned by the holder in accordance with the terms of the Partnership Agreement and only if such transfer or assignment is exempt under applicable securities legislation in Canada, and after providing a legal opinion or other evidence of the exemption that is satisfactory to the General Partner.

The original date of issuance of the Units represented by this Certificate is _____.

Dated: ●

INVICO DIVERSIFIED INCOME LIMITED PARTNERSHIP, by its General Partner, INVICO DIVERSIFIED INCOME GP LTD.

Per : _____
[Name]
[Title]

UNLESS PERMITTED UNDER SECURITIES LEGISLATION, THE HOLDER OF THIS SECURITY MUST NOT TRADE THE SECURITY BEFORE THE DATE THAT IS 4 MONTHS AND A DAY AFTER THE LATER OF: (I) ●, AND (II) THE DATE THE ISSUER BECAME A REPORTING ISSUER IN ANY PROVINCE OR TERRITORY.

UNIT CERTIFICATE

Class C Limited Partnership Units

INVICO DIVERSIFIED INCOME LIMITED PARTNERSHIP

(A limited partnership constituted under the laws of Alberta)

CERTIFICATE No. C00●

This certifies that **[Insert name]**, located at **[insert address]**, is the registered holder of **[Insert number]** Class C Limited Partnership Units (the, "**Units**") of **INVICO DIVERSIFIED INCOME LIMITED PARTNERSHIP**. The rights and obligations of the holder of the Units evidenced by this certificate are set forth in the Fifth Amended and Restated Limited Partnership Agreement made as of April 22, 2019, among Invico Diversified Income GP Ltd., the general partner of Invico Diversified Income Limited Partnership, and each limited partner, as such agreement may be amended from time to time (including any complete amendment and restatement thereof) (the "**Partnership Agreement**"), and all the terms and conditions of the Partnership Agreement are herein incorporated by reference. Capitalized terms used herein but not defined shall have the same meanings as given to such terms in the Partnership Agreement.

The Units represented by this Unit Certificate may only be transferred or assigned by the holder in accordance with the terms of the Partnership Agreement and only if such transfer or assignment is exempt under applicable securities legislation in Canada, and after providing a legal opinion or other evidence of the exemption that is satisfactory to the General Partner.

The original date of issuance of the Units represented by this Certificate is _____.

Dated: ●

INVICO DIVERSIFIED INCOME LIMITED PARTNERSHIP, by its General Partner, INVICO DIVERSIFIED INCOME GP LTD.

Per : _____
[Name]
[Title]

UNLESS PERMITTED UNDER SECURITIES LEGISLATION, THE HOLDER OF THIS SECURITY MUST NOT TRADE THE SECURITY BEFORE THE DATE THAT IS 4 MONTHS AND A DAY AFTER THE LATER OF: (I) ●, AND (II) THE DATE THE ISSUER BECAME A REPORTING ISSUER IN ANY PROVINCE OR TERRITORY.

UNIT CERTIFICATE

Class D Limited Partnership Units

INVICO DIVERSIFIED INCOME LIMITED PARTNERSHIP

(A limited partnership constituted under the laws of Alberta)

CERTIFICATE No. D00●

This certifies that **[Insert name]**, located at **[insert address]**, is the registered holder of **[Insert number]** Class D Limited Partnership Units (the, "**Units**") of **INVICO DIVERSIFIED INCOME LIMITED PARTNERSHIP**. The rights and obligations of the holder of the Units evidenced by this certificate are set forth in the Fifth Amended and Restated Limited Partnership Agreement made as of April 22, 2019, among Invico Diversified Income GP Ltd., the general partner of Invico Diversified Income Limited Partnership, and each limited partner, as such agreement may be amended from time to time (including any complete amendment and restatement thereof) (the "**Partnership Agreement**"), and all the terms and conditions of the Partnership Agreement are herein incorporated by reference. Capitalized terms used herein but not defined shall have the same meanings as given to such terms in the Partnership Agreement.

The Units represented by this Unit Certificate may only be transferred or assigned by the holder in accordance with the terms of the Partnership Agreement and only if such transfer or assignment is exempt under applicable securities legislation in Canada, and after providing a legal opinion or other evidence of the exemption that is satisfactory to the General Partner.

The original date of issuance of the Units represented by this Certificate is _____.

Dated: ●

INVICO DIVERSIFIED INCOME LIMITED PARTNERSHIP, by its General Partner, INVICO DIVERSIFIED INCOME GP LTD.

Per : _____
[Name]
[Title]

UNLESS PERMITTED UNDER SECURITIES LEGISLATION, THE HOLDER OF THIS SECURITY MUST NOT TRADE THE SECURITY BEFORE THE DATE THAT IS 4 MONTHS AND A DAY AFTER THE LATER OF: (I) ●, AND (II) THE DATE THE ISSUER BECAME A REPORTING ISSUER IN ANY PROVINCE OR TERRITORY.

UNIT CERTIFICATE

Class F Limited Partnership Units

INVICO DIVERSIFIED INCOME LIMITED PARTNERSHIP

(A limited partnership constituted under the laws of Alberta)

CERTIFICATE No. F00●

This certifies that **[Insert name]**, located at **[insert address]**, is the registered holder of **[Insert number]** Class F Limited Partnership Units (the, "**Units**") of **INVICO DIVERSIFIED INCOME LIMITED PARTNERSHIP**. The rights and obligations of the holder of the Units evidenced by this certificate are set forth in the Fifth Amended and Restated Limited Partnership Agreement made as of April 22, 2019, among Invico Diversified Income GP Ltd., the general partner of Invico Diversified Income Limited Partnership, and each limited partner, as such agreement may be amended from time to time (including any complete amendment and restatement thereof) (the "**Partnership Agreement**"), and all the terms and conditions of the Partnership Agreement are herein incorporated by reference. Capitalized terms used herein but not defined shall have the same meanings as given to such terms in the Partnership Agreement.

The Units represented by this Unit Certificate may only be transferred or assigned by the holder in accordance with the terms of the Partnership Agreement and only if such transfer or assignment is exempt under applicable securities legislation in Canada, and after providing a legal opinion or other evidence of the exemption that is satisfactory to the General Partner.

The original date of issuance of the Units represented by this Certificate is _____.

Dated: ●

INVICO DIVERSIFIED INCOME LIMITED PARTNERSHIP, by its General Partner, INVICO DIVERSIFIED INCOME GP LTD.

Per : _____
[Name]
[Title]

UNLESS PERMITTED UNDER SECURITIES LEGISLATION, THE HOLDER OF THIS SECURITY MUST NOT TRADE THE SECURITY BEFORE THE DATE THAT IS 4 MONTHS AND A DAY AFTER THE LATER OF: (I) ●, AND (II) THE DATE THE ISSUER BECAME A REPORTING ISSUER IN ANY PROVINCE OR TERRITORY.

UNIT CERTIFICATE

Class G Limited Partnership Units

INVICO DIVERSIFIED INCOME LIMITED PARTNERSHIP

(A limited partnership constituted under the laws of Alberta)

CERTIFICATE No. G00●

This certifies that **[Insert name]**, located at **[insert address]**, is the registered holder of **[Insert number]** Class G Limited Partnership Units (the, "**Units**") of **INVICO DIVERSIFIED INCOME LIMITED PARTNERSHIP**. The rights and obligations of the holder of the Units evidenced by this certificate are set forth in the Fifth Amended and Restated Limited Partnership Agreement made as of April 22, 2019, among Invico Diversified Income GP Ltd., the general partner of Invico Diversified Income Limited Partnership, and each limited partner, as such agreement may be amended from time to time (including any complete amendment and restatement thereof) (the "**Partnership Agreement**"), and all the terms and conditions of the Partnership Agreement are herein incorporated by reference. Capitalized terms used herein but not defined shall have the same meanings as given to such terms in the Partnership Agreement.

The Units represented by this Unit Certificate may only be transferred or assigned by the holder in accordance with the terms of the Partnership Agreement and only if such transfer or assignment is exempt under applicable securities legislation in Canada, and after providing a legal opinion or other evidence of the exemption that is satisfactory to the General Partner.

The original date of issuance of the Units represented by this Certificate is _____.

Dated: ●

INVICO DIVERSIFIED INCOME LIMITED PARTNERSHIP, by its General Partner, INVICO DIVERSIFIED INCOME GP LTD.

Per : _____
[Name]
[Title]

UNLESS PERMITTED UNDER SECURITIES LEGISLATION, THE HOLDER OF THIS SECURITY MUST NOT TRADE THE SECURITY BEFORE THE DATE THAT IS 4 MONTHS AND A DAY AFTER THE LATER OF: (I) ●, AND (II) THE DATE THE ISSUER BECAME A REPORTING ISSUER IN ANY PROVINCE OR TERRITORY.

UNIT CERTIFICATE

Class H Limited Partnership Units

INVICO DIVERSIFIED INCOME LIMITED PARTNERSHIP

(A limited partnership constituted under the laws of Alberta)

CERTIFICATE No. H00●

This certifies that **[Insert name]**, located at **[insert address]**, is the registered holder of **[Insert number]** Class H Limited Partnership Units (the, "**Units**") of **INVICO DIVERSIFIED INCOME LIMITED PARTNERSHIP**. The rights and obligations of the holder of the Units evidenced by this certificate are set forth in the Fifth Amended and Restated Limited Partnership Agreement made as of April 22, 2019, among Invico Diversified Income GP Ltd., the general partner of Invico Diversified Income Limited Partnership, and each limited partner, as such agreement may be amended from time to time (including any complete amendment and restatement thereof) (the "**Partnership Agreement**"), and all the terms and conditions of the Partnership Agreement are herein incorporated by reference. Capitalized terms used herein but not defined shall have the same meanings as given to such terms in the Partnership Agreement.

The Units represented by this Unit Certificate may only be transferred or assigned by the holder in accordance with the terms of the Partnership Agreement and only if such transfer or assignment is exempt under applicable securities legislation in Canada, and after providing a legal opinion or other evidence of the exemption that is satisfactory to the General Partner.

The original date of issuance of the Units represented by this Certificate is _____.

Dated: ●

INVICO DIVERSIFIED INCOME LIMITED PARTNERSHIP, by its General Partner, INVICO DIVERSIFIED INCOME GP LTD.

Per : _____
[Name]
[Title]

UNLESS PERMITTED UNDER SECURITIES LEGISLATION, THE HOLDER OF THIS SECURITY MUST NOT TRADE THE SECURITY BEFORE THE DATE THAT IS 4 MONTHS AND A DAY AFTER THE LATER OF: (I) ●, AND (II) THE DATE THE ISSUER BECAME A REPORTING ISSUER IN ANY PROVINCE OR TERRITORY.

UNIT CERTIFICATE

Class J Limited Partnership Units

INVICO DIVERSIFIED INCOME LIMITED PARTNERSHIP

(A limited partnership constituted under the laws of Alberta)

CERTIFICATE No. J00●

This certifies that **[Insert name]**, located at **[insert address]**, is the registered holder of **[Insert number]** Class J Limited Partnership Units (the, "**Units**") of **INVICO DIVERSIFIED INCOME LIMITED PARTNERSHIP**. The rights and obligations of the holder of the Units evidenced by this certificate are set forth in the Fifth Amended and Restated Limited Partnership Agreement made as of April 22, 2019, among Invico Diversified Income GP Ltd., the general partner of Invico Diversified Income Limited Partnership, and each limited partner, as such agreement may be amended from time to time (including any complete amendment and restatement thereof) (the "**Partnership Agreement**"), and all the terms and conditions of the Partnership Agreement are herein incorporated by reference. Capitalized terms used herein but not defined shall have the same meanings as given to such terms in the Partnership Agreement.

The Units represented by this Unit Certificate may only be transferred or assigned by the holder in accordance with the terms of the Partnership Agreement and only if such transfer or assignment is exempt under applicable securities legislation in Canada, and after providing a legal opinion or other evidence of the exemption that is satisfactory to the General Partner.

The original date of issuance of the Units represented by this Certificate is _____.

Dated: ●

INVICO DIVERSIFIED INCOME LIMITED PARTNERSHIP, by its General Partner, INVICO DIVERSIFIED INCOME GP LTD.

Per : _____
[Name]
[Title]

UNLESS PERMITTED UNDER SECURITIES LEGISLATION, THE HOLDER OF THIS SECURITY MUST NOT TRADE THE SECURITY BEFORE THE DATE THAT IS 4 MONTHS AND A DAY AFTER THE LATER OF: (I) ●, AND (II) THE DATE THE ISSUER BECAME A REPORTING ISSUER IN ANY PROVINCE OR TERRITORY.

UNIT CERTIFICATE

Class CU Limited Partnership Units

INVICO DIVERSIFIED INCOME LIMITED PARTNERSHIP

(A limited partnership constituted under the laws of Alberta)

CERTIFICATE No. CU00●

This certifies that **[Insert name]**, located at **[insert address]**, is the registered holder of **[Insert number]** Class CU Limited Partnership Units (the, "**Units**") of **INVICO DIVERSIFIED INCOME LIMITED PARTNERSHIP**. The rights and obligations of the holder of the Units evidenced by this certificate are set forth in the Fifth Amended and Restated Limited Partnership Agreement made as of April 22, 2019, among Invico Diversified Income GP Ltd., the general partner of Invico Diversified Income Limited Partnership, and each limited partner, as such agreement may be amended from time to time (including any complete amendment and restatement thereof) (the "**Partnership Agreement**"), and all the terms and conditions of the Partnership Agreement are herein incorporated by reference. Capitalized terms used herein but not defined shall have the same meanings as given to such terms in the Partnership Agreement.

The Units represented by this Unit Certificate may only be transferred or assigned by the holder in accordance with the terms of the Partnership Agreement and only if such transfer or assignment is exempt under applicable securities legislation in Canada, and after providing a legal opinion or other evidence of the exemption that is satisfactory to the General Partner.

The original date of issuance of the Units represented by this Certificate is _____.

Dated: ●

INVICO DIVERSIFIED INCOME LIMITED PARTNERSHIP, by its General Partner, INVICO DIVERSIFIED INCOME GP LTD.

Per : _____
[Name]
[Title]

UNLESS PERMITTED UNDER SECURITIES LEGISLATION, THE HOLDER OF THIS SECURITY MUST NOT TRADE THE SECURITY BEFORE THE DATE THAT IS 4 MONTHS AND A DAY AFTER THE LATER OF: (I) ●, AND (II) THE DATE THE ISSUER BECAME A REPORTING ISSUER IN ANY PROVINCE OR TERRITORY.

UNIT CERTIFICATE

Class FU Limited Partnership Units

INVICO DIVERSIFIED INCOME LIMITED PARTNERSHIP

(A limited partnership constituted under the laws of Alberta)

CERTIFICATE No. FU00●

This certifies that **[Insert name]**, located at **[insert address]**, is the registered holder of **[Insert number]** Class FU Limited Partnership Units (the, "**Units**") of **INVICO DIVERSIFIED INCOME LIMITED PARTNERSHIP**. The rights and obligations of the holder of the Units evidenced by this certificate are set forth in the Fifth Amended and Restated Limited Partnership Agreement made as of April 22, 2019, among Invico Diversified Income GP Ltd., the general partner of Invico Diversified Income Limited Partnership, and each limited partner, as such agreement may be amended from time to time (including any complete amendment and restatement thereof) (the "**Partnership Agreement**"), and all the terms and conditions of the Partnership Agreement are herein incorporated by reference. Capitalized terms used herein but not defined shall have the same meanings as given to such terms in the Partnership Agreement.

The Units represented by this Unit Certificate may only be transferred or assigned by the holder in accordance with the terms of the Partnership Agreement and only if such transfer or assignment is exempt under applicable securities legislation in Canada, and after providing a legal opinion or other evidence of the exemption that is satisfactory to the General Partner.

The original date of issuance of the Units represented by this Certificate is _____.

Dated: ●

INVICO DIVERSIFIED INCOME LIMITED PARTNERSHIP, by its General Partner, INVICO DIVERSIFIED INCOME GP LTD.

Per : _____
[Name]
[Title]

Schedule "C"

Administration Agreement

ADMINISTRATION AGREEMENT

This Agreement is made as of the 25th day of September, 2013

AMONG:

INVICO DIVERSIFIED INCOME ADMINISTRATION LTD., a corporation incorporated under the laws of Alberta (the "**Administrator**")

- and -

INVICO DIVERSIFIED INCOME FUND, an unincorporated trust established pursuant to the laws of the Province of Alberta (the "**Trust**")

- and -

INVICO DIVERSIFIED INCOME LIMITED PARTNERSHIP, a limited partnership formed under the laws of the Province of Alberta (the "**Partnership**")

WHEREAS the Trust wishes to retain the Administrator to provide certain administrative and support services to the Trust;

AND WHEREAS the Administrator is willing to render such administrative and support services on the terms and conditions hereinafter set forth;

AND WHEREAS the Partnership wishes to pay certain commissions and fees incurred by the Trust in connection with distributions of trust units of the Trust to invest the net proceeds of such distribution in the Partnership;

NOW THEREFORE in consideration of the premises and the mutual covenants and agreements herein contained, the sufficiency of which is hereby acknowledged by each of the Parties to this agreement, the parties agree as follows:

ARTICLE 1
INTERPRETATION

1.1 Definitions

Capitalized terms used herein but not defined shall have the meaning ascribed to such terms in the Trust Indenture, and the following terms shall have the meanings set forth below:

(a) "**Administrator**" means Invico Diversified Income Administration Ltd.;

(b) "**affiliate**" has the same meaning as in the *Securities Act* (Alberta), as amended from time to time;;

(c) "**Agreement**" means this administration agreement, as amended, restated or modified from time to time;

(d) "**Applicable Law**" means, unless the context otherwise dictates, any applicable statute of Canada or of a province or territory of Canada or any applicable regulations, orders, instruments, policies or other laws made under statutory authority by any governmental or regulatory body or agency having jurisdiction over the Parties;

(e) "**associate**" has the meaning attributed thereto in the *Securities Act* (Alberta), as amended from time to time;

(f) "**Business Day**" means a day which is not a Saturday, Sunday, bank holiday or holiday in the City of Calgary, Alberta;

(g) "**Class Pool**" has the meaning ascribed to such term in the Partnership Agreement;

(h) "**Commissions**" has the meaning ascribed to such term in the Partnership Agreement;

(i) "**Trust Indenture**" means the trust indenture of Invico Diversified Income Fund made as of the date hereof, as amended, restated or modified from time to time;

(j) "**Expenses**" means all reasonable costs and expenses incurred by the Administrator in connection with carrying out its duties and obligations hereunder and under the Trust Indenture, including, without limitation, salary, wages, and other forms of compensation paid to employees engaged in rendering the services to be provided hereunder and/or management fees paid to management entities which might be engaged to provide such services and all third party costs;

(k) "**Governmental Authority**" means court or governmental ministry, department, commission, board, bureau, agency or instrumentality of Canada, or of any province, state, territory, country, municipality, region or other political jurisdiction whether domestic or foreign and whether now or in the future constituted or existing having or purporting to have jurisdiction over the business conducted by any Party;

(l) "**Insolvent**" means in relation to any Person, being insolvent, bankrupt, making a proposal under the *Bankruptcy and Insolvency Act* (Canada) or having a trustee or receiver or manager appointed in respect of its assets;

(m) "**Investable Proceeds**" has the meaning ascribed to such term in the Partnership Agreement;

(n) "**Parties**" means the parties to this agreement and their respective permitted successors and assigns and "**Party**" means any one of them;

(o) "**Partnership**" means Invico Diversified Income Limited Partnership;

(p) "**Partnership Agreement**" refers to the limited partnership agreement dated effective September 25, 2013, governing the affairs of the Partnership, as amended;

(q) "**Person**" means any natural person, corporation, division of a corporation, partnership, trust, joint venture (which includes a co-ownership), association, company, estate, unincorporated organization or government or Governmental Authority;

(r) "**Supplemental Indenture**" means a supplemental indenture of the Trust;

(s) "**Trust**" means Invico Diversified Income Fund;

(t) "**Trustee**" means Invico Diversified Income Fund Trustee Corporation, as trustee of the Trust;

(u) "**Trust Units**" means trust units issued by the Trust; and

(v) "**Unitholders**" means holders of Trust Units.

1.2 Headings

The section headings in this Agreement have been inserted for convenience of reference only and shall not be construed to affect the meaning, construction or effect of this Agreement.

1.3 Interpretation

Words importing the singular number only shall include the plural and *vice versa*. Words importing gender shall include all genders. Where the word "including" or "includes" is used in this Agreement it means "including without limitation" or "includes without limitation", respectively. Any reference to any document shall include a reference to any schedule, amendment or supplement thereto or any agreement in replacement thereof, all as permitted under such document.

1.4 Accounting Principles

Wherever in this Agreement reference is made to generally accepted accounting principles, such reference shall be deemed to be a reference to consistently applied accounting principles generally accepted in Canada, including those set forth in the CICA Handbook as published from time to time by the Canadian Institute of Chartered Accountants, or any successor institute, applicable as at the date on which such accounting principles are to be applied.

1.5 Currency

All dollar amounts referred to in this Agreement are in lawful money of Canada.

1.6 General Limitation of Liability and Indemnification

The Parties acknowledge that the Trustee is entering into this Agreement solely in its capacity as Trustee, on behalf of the Trust, and the obligations of the Trust hereunder shall not be personally binding upon the Trustee or any Unitholder or any annuitant, subscriber or beneficiary under a plan of which a Unitholder is a trustee or carrier (an "annuitant") and that any recourse against the Trust, the Trustee or any Unitholder or annuitant in any manner in respect of any indebtedness, obligation or liability arising hereunder or arising in connection herewith or from the matters to which this agreement relates, if any, including without limitation claims based on negligence or otherwise tortious behaviour, shall be limited to, and satisfied only out of, the Trust Property (as defined in the Trust Indenture) as from time to time amended, restated or modified.

ARTICLE 2
SERVICES

2.1 Administrative and Support Services for the Trust

Subject to and in accordance with the terms, conditions and limitations of the Trust Indenture, the Trust hereby delegates to the Administrator, and the Administrator hereby agrees to be responsible for, the management and general administration of the affairs of the Trust, including, without limitation, the following:

(a) to undertake any matters required by the terms of the Trust Indenture to be performed by the Trustee (including, without limitation, all matters set out in Sections 8.2(a) - (c) and 8.3 (a) - (aa) (except Sections 8.3(k), (u) and (y) in the Trust Indenture), which are not otherwise delegated therein or herein and to generally provide all other services as may be necessary or as requested by the Trustee for the administration of the Trust;

(b) to prepare all returns, filings and documents and make all determinations necessary for the discharge of the Trustee's obligations under the Trust Indenture;

(c) to retain and monitor the transfer agent and other organizations serving the Trust;

(d) to authorize and pay, on behalf of the Trust, operational expenses incurred on behalf of the Trust and to negotiate contracts with third party providers of services (including, but not limited to, transfer agents, legal counsel, auditors and printers);

(e) to provide office space, telephone, office equipment, facilities, supplies and executive, secretarial and clerical services;

(f) to deal with banks and other institutional lenders, including in respect of the maintenance of bank records and to negotiate and secure financing or refinancing of one or more amounts, credit or debt facilities or other ancillary facilities in respect of the Trust or any entity in which the Trust holds any direct or indirect interest;

(g) to prepare, approve and provide to the Unitholders annual audited financial statements of the Trust, as well as relevant tax information;

(h) to prepare and submit all income tax returns and filings within the time required by applicable tax law;

(i) to compute, determine and make on the Trust's behalf distributions to Unitholders of distributions properly payable by the Trust;

(j) to call and hold any special meetings of Unitholders pursuant to Article 11 of the Trust Indenture and prepare, approve and arrange for the distribution of all materials (including notices of meetings and information circulars) in respect thereof

(k) to prepare, approve and provide or cause to be provided to Unitholders on a timely basis all information to which Unitholders are entitled under the Trust Indenture;

(l) to attend to all administrative and other matters arising in connection with any redemptions of Trust Units;

(m) to obtain and maintain appropriate insurance;

(n) to ensure that the Trust elects in the prescribed manner and within the prescribed time under subsection 132(6.1) of the *Income Tax Act* (Canada) to be a "mutual fund trust" within the meaning of that act since inception, and assuming the requirements for such election are met, monitor the Trust's status as such a mutual fund trust and to provide the Trustee with written notice when the Trust ceases or is at risk of ceasing to be such a mutual fund trust;

(o) to arrange for distributions to Unitholders pursuant to Article 5 of the Trust Indenture;

(p) to determine the timing and terms of future offerings of Trust Units, if any;

(q) to prepare and approve any offering memorandum or comparable documents of the Trust to qualify the sale of securities from time to time; and

(r) to promptly notify the Trust of any event that might reasonably be expected to have a material adverse effect on the affairs of the Trust.

2.2 Flow of Funds, Payment of Trust Expenses and Allocation of Expenses to Trust Units

The Trust, the Partnership and the Administrator hereby acknowledge and agree that:

(a) the Administrator shall collect all proceeds from Trust Units subscribed for by purchasers of Trust Units and shall, on behalf of the Trust, purchase the corresponding class of units in the Limited Partnership (pursuant to the terms and conditions of the applicable Supplemental Indenture) without deducting therefrom any costs, expenses or Commissions;

(b) the Partnership shall, on behalf of the Trust and the Administrator, pay any Commissions, (other than Commissions payable as part of the distribution regime in sections 3.5 of the Partnership Agreement) attributable to the applicable class of Trust Units and class of units in the Partnership directly to the third parties to whom they are due, and shall account for any such payments of Commissions as a deduction in order to calculate the Investable Proceeds for the applicable class of units in the Partnership;

(c) in respect of any other costs, or expenses attributable to a class of Trust Units or the corresponding class of units in the Partnership, the Partnership shall make payment of any and all such costs and expenses directly to such third parties to whom any such amounts are owed; and

(d) while making any distributions to holders of units in the Partnership in accordance with Article 3 of the Partnership Agreement, the Partnership shall have the right to offset from the applicable Class Pool the amount of any loan made to the Trust in respect of such Class Pool in accordance with the provisions of Section 2.2(c) hereof.

2.3 Covenants of the Administrator

The Administrator covenants and agrees that in the performance of its services under this Agreement it shall:

(a) perform all such services at all times in compliance with Applicable Law; and

(b) observe and perform or cause to be observed and performed on behalf of the Trust, in every material respect the provisions of the agreements from time to time entered into in connection with the activities of the Trust.

2.4 Non-Resident Unitholders

The Administrator shall use reasonable efforts to monitor the residence status of Unitholders. If, at any time, the Administrator is of the opinion that the Trustee should require declarations as to the residence status of Unitholders under Section 3.11 of the Trust Indenture, it shall so advise the Trustee and Trustee. If, in the reasonable opinion of the Administrator, the beneficial owners of 49% or more of the Trust Units of a class then outstanding (as that term is used in the Trust Indenture) are or may be non-residents of Canada within the meaning of the *Income Tax Act* (Canada) or such a situation is imminent, it shall so advise the Trustee. If the Administrator reasonably believes that 49% or more of the Trust Units of a class are held by non-residents of Canada, it shall prepare and furnish to the Trustee notices to the non-resident Unitholders of such class, requiring them to sell their Trust Units or a specified portion thereof within a specified period of time of not less than 30 days, in accordance with the Trust Indenture.

2.5 Authority of Administrator

Subject to the terms of the Trust Indenture, the Administrator shall have full right, power and authority to execute and deliver all contracts, leases, licenses, and other documents and agreements to make applications and filings with Governmental Authorities and to take such other actions as the Administrator considers appropriate in connection with the business of the Trust in the name of and on behalf of the Trust and no Person shall be required to determine the authority of the Administrator to give any undertaking or enter into any commitment on behalf of the Trust, provided that the Administrator shall not have the authority to commit to any transaction which would require the approval of the Unitholders in accordance with the Trust Indenture.

ARTICLE 3
FINANCIAL STATEMENTS AND RECORDS

3.1 Books and Records

The Administrator shall keep proper books, records and accounts in which full, true and correct entries in conformity with generally accepted accounting principles and all requirements of Applicable Law will be made of all dealings and transactions in relation to the activities of the Trust, and the performance by the Administrator of the services under this Agreement at the Administrator's head office in the Province of Alberta.

ARTICLE 4
OBLIGATIONS AND COVENANTS OF THE TRUST

4.1 Obligations and Covenants of the Trust

The Trust shall:

(a) grant access or cause access to be granted to the Administrator to the information necessary in order for the Administrator to perform its obligations, covenants and responsibilities pursuant to the terms hereof; and

(b) provide, or cause to be provided, all information as may be reasonably requested by the Administrator, and promptly notify the Administrator of any material facts or information of which it is aware, in relation to and which may affect the performance of the obligations, covenants or responsibilities of the Administrator pursuant to this Agreement, including any known material facts or material changes in the business, operations or capital of the Trust, or any known pending or threatened suits, actions, claims, proceedings or orders by or against the Trust, or any of its affiliates before any court or administrative tribunal.

ARTICLE 5
ACTIVITIES OF ADMINISTRATOR

5.1 Standard of Care and Delegation

(a) In carrying out its functions hereunder and under the Trust Indenture, the Administrator and the Board of Directors shall act honestly and in good faith with a view to the best interest of the Trust and the Unitholders, exercise the degree of care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances, and act in good faith in accordance with the intent of the provisions of the Trust Indenture respecting the relative rights of the Unitholders of various classes.

(b) The Administrator may delegate specific aspects of its obligations hereunder to any other Person, provided that such delegation shall not relieve the Administrator of any of its obligations under this Agreement.

5.2 Reliance

In carrying out its duties hereunder, the Administrator and its delegates shall be entitled to rely on:

(a) statements of fact of other Persons (any of which may be Persons with whom the Administrator is affiliated or associated) who are considered by the Administrator, acting reasonably, to be knowledgeable of such facts; and

(b) statements, the opinion or advice of or information from any solicitor, auditor, valuer, engineer, surveyor, appraiser or other expert selected by the Administrator, provided that the Administrator

exercised reasonable care and diligence in selecting such Person to provide such statements, opinion, advice or information; and may employ such experts as may be necessary to the proper discharge of its duties.

The Administrator may rely, and shall be protected in acting, upon, any instrument or other documents believed by it to be genuine and in force.

5.3 No Liability for Advice

The Administrator shall not be liable, answerable or accountable to the Trust, the Trustee or any unit of Trust Units for any loss or damage resulting from, incidental to or relating to the provision of services hereunder by the Administrator, including any exercise or refusal to exercise a discretion or its refusal to exercise a discretion, any mistake or error of judgement or any act or omission believed by the Administrator to be within the scope of authority conferred on it by this Agreement, unless such loss or damage resulted from the fraud, wilful misconduct or gross negligence of the Administrator in performing its obligations hereunder or from the failure of the Administrator to satisfy the standard of care set forth in Section 5.1.

5.4 Conflicts of Interest

Without affecting or limiting the duties and responsibilities or the limitations and indemnities provided in this Agreement or in the Trust Indenture, the Trustee and the Administrator are hereby expressly permitted to:

(a) be, or be an associate or an affiliate of, a person from or to whom assets of the Trust have been or are to be purchased or sold;

(b) be, or be an associate or an affiliate of, a person with whom the Trust or the Administrator contracts or deals or which supplies services or extends credit to the Trust or the Administrator or to which the Trust extends credit;

(c) acquire, hold and dispose of, either for its own account or the accounts of its customers, any assets not constituting part of the Trust Assets, even if such assets are of a character which could be held by the Trust, and exercise all rights of an owner of such assets as if it were not a trustee or the Administrator; and

(d) derive direct or indirect benefit, profit or advantage from time to time as a result of dealing with the Trust or the relationships, matters, contracts, transactions, affiliations or other interests stated in this Section without being liable to the Trust or any Unitholder for any such direct or indirect benefit, profit or advantage.

The Administrator shall not be liable to account to the Trust, the Trustee or any Unitholder for such profit.

Subject to Applicable Law, none of the relationships, matters, contracts, transactions, affiliations or other interests permitted above shall be, or shall be deemed to be or to create, a material conflict of interest with the Administrator's or the Trustee's duties hereunder.

ARTICLE 6
INDEMNIFICATION

6.1 Indemnification of the Administrator

(a) The Administrator and any Person who is serving or shall have served as a director, officer or employee of the Administrator shall be indemnified and saved harmless by the Trust, from and against all losses, claims, damages, liabilities, obligations, costs and expenses (including judgements, fines, penalties, amounts paid in settlement and counsel and accountants' fees) of whatsoever kind or nature incurred by, borne by or asserted against any of such indemnified

parties in any way arising from or related in any manner to this Agreement or the provision of services hereunder, or under the Trust Indenture unless such indemnified party is found liable for or guilty of fraud, wilful misconduct or gross negligence. The foregoing right of indemnification shall not be exclusive of any other rights to which the Administrator or any Person referred to in this Section 6.1 may be entitled as a matter of law or equity or which maybe lawfully granted to such Person.

(b) In the event a claim or claims are made against the Trustee and the Administrator for which the Trust would be liable to indemnify both the Trustee and the Administrator, no payment shall be made to indemnify the Trustee unless payment sufficient to indemnify the Administrator has been made or provided for.

ARTICLE 7
TERM

7.1 Term

Unless the Administrator resigns or is removed pursuant to the terms of the Trust Indenture, this Agreement shall become effective as of the date hereof and shall continue in full force and effect until the termination of the Trust (the "**Term**").

7.2 Survival

Any obligation of the parties pursuant to the terms hereof which accrued prior to the termination of the Agreement and was intended to continue after the termination of the Agreement shall survive the termination of the Agreement.

ARTICLE 8
MISCELLANEOUS

8.1 No Partnership, Joint Venture, Agency or Trust

The Parties are not and shall not be deemed to be partners or joint venturers with one another and nothing herein shall be construed so as to impose any liability as such on any of them. The Parties agree that the Administrator shall perform its obligations under this Agreement as an independent contractor and shall not be, and shall not be deemed to be, a trustee for any Person, whether or not a Party, in connection with the discharge by the Administrator of such obligations.

8.2 Amendments

Except as otherwise provided herein, this Agreement shall not be amended or varied in its terms by oral agreement or by representations or otherwise except by instrument in writing executed by the duly authorized representatives of the Parties hereto or their respective successors or assigns.

8.3 Assignment

This Agreement may be assigned by any Party hereto only with the prior written consent of the other Parties.

8.4 Severability

The provisions of this Agreement are severable. In the event of the unenforceability or invalidity of any one or more of the terms, covenants, conditions or provisions of this Agreement under Applicable, such unenforceability or invalidity shall not render any of the other terms, covenants, conditions or provisions hereof

unenforceable or invalid; and the Parties agree that this Agreement shall be construed as if such an unenforceable or invalid term, covenant or condition was never contained herein.

8.5 Notices

All notices required or permitted herein under this Agreement shall be in writing and may be given by delivering or faxing the same during normal business hours to the address set forth below. Any such notice or other communication shall, if delivered, be deemed to have been given or made and received on the date delivered, and if faxed (with confirmation received), shall be deemed to have been given or made and received on the day on which it was so faxed if faxed before 5:00 p.m. on such day and otherwise on the next following day. The Parties hereto may give from time to time written notice of change of address in the manner aforesaid.

To the Administrator:

300, 116 – 8th Ave. SW
Calgary, Alberta T2P 1B3

Fax: (403) 538-4770

To the Trust:

300, 116 – 8th Ave. SW
Calgary, Alberta T2P 1B3

Fax: (403) 538-4770

To the Partnership
c/o Invico Diversified Income GP Inc.
300, 116 – 8th Ave. SW
Calgary, Alberta T2P 1B3

Fax No. (403) 538-4770

8.6 Governing Law

The provisions of this Agreement shall be governed by and interpreted in accordance with the laws of the Province of Alberta and the federal laws of Canada applicable therein.

8.7 Further Assurances

Each Party hereto agrees to execute any and all documents and to perform such other acts as may be necessary or expedient to further the purposes of this Agreement and the transactions contemplated hereby.

8.8 Time of Essence

Time shall be of the essence in respect of this Agreement.

8.9 Entire Agreement

This Agreement constitutes the entire agreement between the Parties hereto, and supersedes all prior agreements, in respect of the subject matter hereof.

IN WITNESS WHEREOF the parties have executed this Agreement effective the 25th day of September, 2013.

INVICO DIVERSIFIED INCOME ADMINISTRATION LTD.

Per: (signed) *"Allison Taylor"*

INVICO DIVERSIFIED INCOME FUND, by its trustee, **INVICO DIVERSIFIED INCOME FUND TRUSTEE CORPORATION**

Per: (signed) *"Allison Taylor"*

INVICO DIVERSIFIED INCOME LIMITED PARTNERSHIP, by its general partner, **INVICO DIVERSIFIED INCOME GP LTD.**

Per: (signed) *"Allison Taylor"*

Schedule "D"

Portfolio and Investment Fund Management Agreement

PORTFOLIO AND INVESTMENT FUND MANAGEMENT AGREEMENT

THIS AGREEMENT made September 25, 2013.

BETWEEN:

INVICO CAPITAL CORPORATION, a corporation subsisting under the laws of the Province of Alberta with its head office located in Calgary, Alberta (the "**Portfolio Manager**")

-and-

INVICO DIVERSIFIED INCOME LIMITED PARTNERSHIP, a limited partnership constituted under the laws of the Province of Alberta (the "**Partnership**")

-and-

INVICO DIVERSIFIED INCOME FUND, an unincorporated trust established pursuant to the laws of the Province of Alberta (the "**Trust**")

WHEREAS the Trust and the Partnership was formed primarily to invest, from time to time, in securities or other investments that provide a high level of current income while offering the potential for moderate capital appreciation by investing primarily in high-yielding investments in a well diversified manner;

AND WHEREAS the Trust and the Partnership has retained the Portfolio Manager to provide administrative and support services and to manage certain aspects of the activities of the Partnership;

AND WHEREAS the Portfolio Manager has agreed to provide administrative and support services as well as discretionary investment management services in respect of the Investment Assets and to manage various aspects of the day-to-day operations and other activities of the Partnership on the terms and conditions of this Agreement;

AND WHEREAS the Portfolio Manager has received a copy of the Partnership Agreement, as such agreement exists on the date hereof;

NOW THEREFORE in consideration of the respective covenants and agreements of the parties herein contained and for other and valuable consideration (the receipt and sufficiency of which are acknowledged), the parties agree as follows:

ARTICLE 1
DEFINITIONS AND INTERPRETATION

1.1 Definitions

For the purposes of this Agreement (including the recitals hereto), the following terms shall have the respective meanings set out below and grammatical variations of such terms shall have corresponding meanings:

"**Administration Agreement**" means the Administration Agreement dated September 25, 2013 among the Partnership, the Trust and the Administrator;

"**Administrator**" means Invico Diversified Income Administration Ltd.;

"**General Partner**" means the general partner of the Partnership, being Invico Diversified Income GP Ltd. or any other party who may become the General Partner in place of Invico Diversified Income GP Ltd. from time to time, in each case until such General Partner ceases to be the General Partner of the Partnership under the terms of the Partnership Agreement;

"**Investee Companies**" means an entity in which the Partnership makes an investment;

"**Investment Assets**" means all assets, including but not limited to debentures, notes and other evidences of indebtedness, stocks, flow-through securities, securities (including rights to purchase and securities convertible into or exchangeable for other securities), interests in corporations, joint ventures and general and limited partnerships, mortgage loans and other investment or portfolio assets owned of record or beneficially by the Partnership;

"**Limited Partners**" means the limited partners of the Partnership from time to time;

"**Management Fee**" has the meaning given to it in Section 4.1 hereof;

"**Partnership Agreement**" means the limited partnership agreement made as of September 25, 2013 among Invico Diversified Income GP Ltd., as the general partner, Allison Taylor, as the initial limited partner and each of those persons who from time to time is accepted as and becomes a limited partner of the Partnership formed pursuant to such agreement in accordance with the terms and conditions of such agreement, as may be amended or restated from time to time;

"**Partnership**" means Invico Diversified Income Limited Partnership, a limited partnership constituted under the laws of the Province of Alberta;

"**Partnership Units**" means a limited partnership unit of the Partnership; and

"**Portfolio Manager**" means Invico Capital Corporation or any other party who may become the Portfolio Manager of the Partnership in place of or in substitution for Invico Capital Corporation from time to time in accordance herewith, in each case until such Portfolio Manager ceases to be the Portfolio Manager of the Partnership under the terms hereof;

1.2 Other Defined Terms

All capitalized terms used but not otherwise defined in this Agreement shall have the meanings ascribed thereto in the Partnership Agreement.

1.3 Sections and Headings

The division of this Agreement into Articles and Sections and the insertion of headings and an index are for convenience of reference only and shall not affect the construction or interpretation of this Agreement. The terms "**this Agreement**", "**hereof**", "**herein**", "**hereunder**" and similar expressions refer to this Agreement and not to any particular Article, Section or other portion hereof and include any agreement or instrument supplementary or ancillary hereto. Unless otherwise specified, any reference to an Article or Section refers to the specific Article or Section of this Agreement.

1.4 Rules of Construction In this Agreement:

(a) words importing the singular number only shall include the plural and *vice versa* and words importing the masculine gender shall include the feminine and neuter genders and *vice versa;*

(b) the words "**include**", "**includes**" and "**including**" mean "include", "includes" or "including", in each case, "without limitation";

(c) reference to any agreement or other instrument in writing means such agreement or other instrument in writing as amended, modified, replaced or supplemented from time to time;

(d) unless otherwise indicated, time periods within which a payment is to be made or any other action is to be taken hereunder shall be calculated excluding the day on which the period commences and including the day on which the period ends; and

(e) whenever any payment to be made or action to be taken hereunder is required to be made or taken on a day other than a Business Day, such payment shall be made or action taken on the next following Business Day.

1.5 Applicable Law

This Agreement shall be construed, interpreted and enforced in accordance with, and the respective rights and obligations of the parties shall be governed by, the laws of the Province of Alberta and the federal laws of Canada applicable in such province, and each party hereby irrevocably and unconditionally submits to the exclusive jurisdiction of the courts of such province and all courts competent to hear appeals therefrom.

1.6 Severability

In the event that one-or more of the provisions contained in this Agreement shall be invalid, illegal or unenforceable in any respect under any applicable law, the validity, legality or enforceability of the remaining provisions hereof shall not be affected or impaired thereby. Each of the provisions of this Agreement is hereby declared to be separate and distinct.

1.7 No Waiver

The failure of any party to insist upon strict adherence to any provision of this Agreement on any occasion shall not be considered a waiver or deprive that party of the right thereafter to insist upon strict adherence to such provision or any other, provision of this Agreement. No purported waiver shall be effective as against any party unless consented to in writing by such party. The waiver by any party of a breach of any provision of this Agreement shall not operate or be construed as a waiver of any subsequent or other breach.

1.8 Amendment

No amendment of any provision of this Agreement shall be binding on any party unless consented to in writing by such party. No amendment of any provision of the Partnership Agreement which adversely affects the remuneration payable to the Portfolio Manager or materially expands the scope of the duties of the Portfolio Manager outlined in Section 3.1 of this Agreement shall be agreed to by the Trust, the Partnership or General Partner without the written consent of the Portfolio Manager.

1.9 Accounting Terms

In this Agreement, accounting terms that are not defined herein shall be construed in accordance with GAAP or the International Financial Reporting Standards ("**IFRS**"), as applicable. For the purposes of this Agreement, "**GAAP**" refers either to generally accepted accounting principles as recommended from time to time by the Canadian Institute of Chartered Accountants or any successor institute or to IFRS, as may be adopted by the General Partner from time to time. All calculations and determinations of income, gains and losses hereunder shall be made by the General Partner in accordance with GAAP, consistently applied, all of which shall be binding upon the Limited Partners.

1.10 Conflict with Partnership Agreement

This Agreement is subject to the terms of the Partnership Agreement. In the event of any conflict or inconsistency between the terms of this Agreement and the Partnership Agreement, the terms of the Partnership Agreement shall prevail to the extent of such conflict or inconsistency.

ARTICLE 2
APPOINTMENT OF PORTFOLIO MANAGER

2.1 Appointment

The Trust and the Partnership hereby appoints the Portfolio Manager to provide administrative and support services herein in connection with the ongoing operation of the activities of the Partnership, and to provide discretionary investment management services in respect of the Investment Assets, and the Portfolio Manager hereby agrees to perform such services on the terms and conditions set out in this Agreement.

ARTICLE 3
DUTIES OF THE PORTFOLIO MANAGER

3.1 Duties of the Portfolio Manager

The Portfolio Manager shall manage the Investment Assets and day-to-day operations and affairs of the Partnership in accordance with the terms and conditions of this Agreement and on a basis that is consistent in all respects with the provisions of the Partnership Agreement. Without limiting the generality of the foregoing, the Portfolio Manager shall:

(a) undertake any matters required by the terms of the Partnership Agreement to be performed by the General Partner (including, without limitation, all matters set out in Section 4.4 in the Partnership Agreement), and generally provide all other services as may be necessary or as requested by the General Partner for the administration of the Partnership;

(b) administer the day-to-day operations of the Partnership, including the maintenance of proper and complete books and records in connection with the management and administration of the affairs of the Partnership;

(c) prepare all returns, filings and documents and make all determinations necessary for the discharge of the General Partner's obligations under the Partnership Agreement;

(d) if required, retain and monitor the transfer agent and other organizations serving the Partnership;

(e) if required, authorize and pay, on behalf of the Partnership, operational expenses incurred on behalf of the Partnership and negotiate contracts with third party providers of services (including, but not limited to, transfer agents, legal counsel, auditors and printers);

(f) provide office space, telephone, office equipment, facilities, supplies and executive, secretarial and clerical services;

(g) deal with banks and other institutional lenders, including in respect of the maintenance of bank records and negotiate and secure financing or refinancing of one or more amounts, credit or debt facilities or other ancillary facilities in respect of the Partnership or any entity in which the Partnership holds any direct or indirect interest;

(h) prepare, approve and provide to the Limited Partners annual audited financial statements of the Partnership, as well as relevant tax information and prepare a quarterly written commentary outlining the highlight of the Partnership's activities and furnish same to the General Partner;

(i) prepare and submit all income tax returns and filings within the time required by applicable tax law;

(j) call and hold any special meetings of Limited Partners pursuant to Article 6 of the Partnership Agreement and prepare, approve and arrange for the distribution of all materials (including notices of meetings and information circulars) in respect thereof;

(k) prepare, approve and provide or cause to be provided to Limited Partners on a timely basis all other information to which Limited Partners are entitled under the Partnership Agreement;

(l) attend to all administrative and other matters arising in connection with any redemptions of Units;

(m) obtain and maintain appropriate insurance;

(n) arrange for distributions to Limited Partners pursuant to Article 3 of the Partnership Agreement;

(o) determine the timing and terms of future offerings of Units, if any;

(p) prepare and approve any offering memorandum or comparable documents of the Partnership to qualify the sale of securities from time to time;

(q) promptly notify the Partnership of any event that might reasonably be expected to have a material adverse effect on the affairs of the Partnership;

(r) invest the capital of the Partnership in accordance with the investment objectives determined in accordance with the Partnership Agreement;

(s) sell by private contract or at public auction and exchange, convey, transfer, or otherwise dispose of any Investment Assets and other property held by the Partnership in accordance with the investment guidelines set out in or otherwise determined from time to time in accordance with the Partnership Agreement;

(t) formulate a recommendation to the General Partner whether and in what manner to vote, and execute or cause to be executed proxies respecting the voting of, securities held by the Partnership at all meetings of holders of such securities;

(u) consider, for the benefit of the Partnership, all potential investments that come to the attention of the Portfolio Manager that meet the investment guidelines set out in the Partnership Agreement;

(v) conduct due diligence and financial analysis in relation to the Investee Companies or Investment Assets or other proposed investments of the Partnership;

(w) conduct and coordinate relations on behalf of the Partnership with other persons as required in order to perform its duties hereunder, including lawyers, auditors, technical consultants and other experts, and select the markets, dealers or brokers and negotiate, where applicable, commissions or service charges in connection with portfolio transactions on behalf of the Partnership;

(x) instruct and liaise with the brokers, dealers and banks selected by the General Partner to establish and manage the accounts set up for the Partnership in connection with all matters and transactions contemplated by this Agreement;

(y) calculate the Net Asset Value of the Partnership (including on a per Unit basis for each class of Units) in accordance with the Partnership Agreement and furnish each such calculation to the General Partner;

(z) subject to Sections 4.2 and 4.3, make or incur and pay expenses on behalf of the Partnership as it reasonably considers necessary in the discharge of its responsibilities hereunder;

(aa) act as agent of the Partnership in obtaining for the Partnership such services as may be required in connection with the identification, acquisition and disposition of investments in the Investee Companies or Investment Assets, paying the debts and fulfilling the obligations of the Partnership and, in conjunction with the General Partner, assist in handling, prosecuting and settling any claims of the Partnership;

(bb) manage and employ the capital of the Partnership in the exercise of the duties of the Portfolio Manager set out herein, including the payment of operating expenses and the investment of capital on the instructions of the General Partner, in accordance with this Agreement and the Partnership Agreement;

(cc) manage, conduct and coordinate compliance obligations on behalf of the Partnership with the Alberta Securities Commission or other applicable authorities;

(dd) fulfill the Partnership's obligations under the Administration Agreement;

(ee) manage, administer, and hold for safekeeping the assets of the Partnership in conjunction with the General Partner in accordance with this Agreement and the Partnership Agreement; and

(ff) in conjunction with the General Partner, execute any and all other deeds, documents and instruments and do all acts as may be necessary or desirable to carry out the intent and purpose of this Agreement upon the reasonable request of the General Partner.

3.2 Exercise of Powers

The Portfolio Manager shall, in carrying out its duties and exercising its powers and authority under this Agreement:

(a) act honestly and in good faith with a view to the best interests of the Partnership and in accordance with the terms and conditions of the Partnership Agreement;

(b) exercise the care, diligence and skill that a diligent Portfolio Manager would exercise in similar circumstances; and

(c) manage the Partnership with a view to ensuring that any activities of the Partnership conform with the requirements of this Agreement, the Partnership Agreement and all applicable laws in all material respects.

The Portfolio Manager may delegate specific aspects of its obligations hereunder to any other person, provided that such delegation shall not relieve the Portfolio Manager of any of its obligations under this Agreement.

3.3 Portfolio Manager's Authority and Credit of Partnership

Subject to the terms of the Partnership Agreement, the Portfolio Manager shall have full right, power and authority to execute and deliver all contracts, leases, licenses, and other documents and agreements to make applications and filings with governmental authorities and to take such other actions as the Portfolio Manager considers appropriate in connection with the business of the Partnership in the name of and on behalf of the Partnership and no person shall be required to determine the authority of the Portfolio Manager to give any undertaking or enter into any commitment on behalf of the Partnership, provided that the Portfolio Manager shall not have the authority to commit to any transaction which would require the approval of the Limited Partners in accordance with the Partnership Agreement.

ARTICLE 4
MANAGEMENT FEE

4.1 Management Fee

In consideration for the services set out herein, the Partnership shall pay the Portfolio Manager an annual fee equal to 1.75% of the Committed Capital ("**Management Fee**"), commencing the date of the initial closing of Partnership Units, calculated and payable at the beginning of each month based on the Partnership's Committed Capital as at the end of the immediately preceding month in any year (pro rated to the extent there is not a full month).

4.2 Expenses

During the term of this Agreement, the Portfolio Manager shall pay and be responsible for all of its day-to-day operating and administrative expenses, including expenses incurred for rent, furnishings, utilities, supplies, general marketing of the Portfolio Manager and other similar overhead expenses and compensation of its employees.

4.3 Reimbursable Expenses

The Partnership shall be responsible and shall reimburse the Portfolio Manager for the costs and expenses of the Portfolio Manager directly related to the operation of the Partnership to the extent that the Partnership is responsible for such costs and expenses as set forth in the Partnership Agreement and to the extent not reimbursed to the Portfolio Manager by an Investee Company.

ARTICLE 5
REPRESENTATIONS AND WARRANTIES

5.1 Representations and Warranties of the Partnership

The Partnership represents and warrants in favour of the Portfolio Manager that:

(a) the General Partner is a corporation duly formed and validly existing under the laws of the Province of Alberta.

(b) the Partnership is a limited partnership duly formed and validly existing under the laws of the Province of Alberta;

(c) the Partnership has the power and authority to enter into and to perform its obligations under this Agreement and to consummate the transactions contemplated hereby and has taken all necessary action to authorize the entering into and performance by it of this Agreement;

(d) this Agreement has been duly executed and delivered by the Partnership and constitutes a legal, valid and binding obligation of the Partnership enforceable against it in accordance with its terms; and

(e) the execution, delivery and performance by the Partnership of this Agreement does not (or would not with the passage of time or the giving of notice, or both) constitute or result in a violation or a breach of or a default under:

(i) the Partnership Agreement or constating documents of the General Partner;

(ii) the provisions of any applicable law, statute, rule or regulation of the Province of Alberta or of Canada applicable therein;

(iii) any judgment, order or decree of any court, agency, tribunal, arbitrator or other authority to which the Partnership is subject, or

(iv) the terms of any agreement or instrument under which the Partnership is bound.

5.2 Obligations and Covenants of the Partnership

The Partnership shall:

(a) grant access or cause access to be granted to the Portfolio Manager to the information necessary in order for the Portfolio Manager to perform its obligations, covenants and responsibilities pursuant to the terms hereof; and

(b) provide, or cause to be provided, all information as may be reasonably requested by the Portfolio Manager, and promptly notify the Portfolio Manager of any material facts or information of which it is aware, in relation to and which may affect the performance of the obligations, covenants or responsibilities of the Portfolio Manager pursuant to this Agreement, including any know material facts or material changes in the business, operations or capital of the Partnership, or any known pending or threatened suits, actions, claims, proceedings or orders by or against the Partnership, or any of its affiliates before any court or administrative tribunal.

5.3 Representations and Warranties of the Portfolio Manager

The Portfolio Manager represents and warrants to the General Partner and the Partnership that:

(a) the Portfolio Manager is a corporation duly organized, validly existing and in good standing under the laws of the Province of Alberta;

(b) the Portfolio Manager has the power and authority to enter into and to perform its obligations under this Agreement and to consummate the transactions contemplated hereby and has taken all necessary action to authorize the entering into and performance by it of this Agreement;

(c) this Agreement has been duly executed and delivered by the Portfolio Manager and constitutes a legal, valid and binding obligation of the Portfolio Manager enforceable against it in accordance with its terms; and

(d) the execution, delivery and performance by the Portfolio Manager of this Agreement does not (or would not with the passage of time or the giving of notice, or both) constitute or result in a violation or a breach of or a default under:

(i) its constating or organizational documents;

(ii) the provisions of any applicable law, statute, rule or regulation of the Province of Alberta or of Canada applicable therein;

(iii) any judgment, order or decree of any court, agency, tribunal, arbitrator or other authority to which the Portfolio Manager is subject; or

(iv) the terms of any agreement or instrument under which the Portfolio Manager is bound,

(e) the Portfolio Manager is registered, and undertakes to maintain such registrations so long as this Agreement is in force, as:

(i) an advisor in the category of Portfolio Manager with the Alberta Securities Commission in the Provinces of Alberta, British Columbia, Saskatchewan and Ontario; and

(ii) as an Investment Fund Manager with the Alberta Securities Commission; and

(f) each of the agents of the Portfolio Manager who have responsibilities for providing investment advice and other services that constitute registrable activities under applicable laws, regulatory requirement or policy to the Partnership have obtained, completed, executed, filed, received, passed or otherwise been exempted from (on a temporary or permanent basis), all registrations, filings, approvals, authorizations, consents and/or examinations required under any applicable law, regulation or policy or by any regulatory authority, as required, in order to provide the services hereunder and will comply at all times with all such regulatory requirements.

5.4 Conflicts of Interest

Without affecting or limiting the duties and responsibilities or the limitations and indemnities provided in this Agreement or in the Partnership Agreement, the General Partner and the Portfolio Manager are hereby expressly permitted to:

(a) be, or be an associate or an affiliate of, a person from or to whom assets of the Partnership have been or are to be purchased or sold;

(b) be, or be an associate or an affiliate of, a person with whom the Partnership or the Portfolio Manager contracts or deals or which supplies services or extends credit to the Partnership or the Manager or to which the Partnership extends credit;

(c) acquire, hold and dispose of, either for its own account or the accounts of its customers, any assets not constituting part of the Partnership assets, even if such assets are of a character which could be held by the Partnership, and exercise all rights of an owner of such assets as if it were not the Portfolio Manager; and

(d) derive direct or indirect benefit, profit or advantage from time to time as a result of dealing with the Partnership or the relationships, matters, contracts, transactions, affiliations or other interests stated in this Section without being liable to the Partnership or any Limited Partner for any such direct or indirect benefit, profit or advantage.

Subject to applicable laws, none of the relationships, matters, contracts, transactions, affiliations or other interests permitted above shall be, or shall be deemed to be or to create, a material conflict of interest with the Portfolio Manager's or the General Partner's duties hereunder.

ARTICLE 6
TERMINATION

6.1 Termination

This Agreement shall commence on the date hereof and shall terminate on the termination of the Partnership in accordance with the terms of the Partnership Agreement, unless terminated earlier in accordance with the terms of Section 6.2 or 6.3.

6.2 General Partner Termination Events

The General Partner may terminate this Agreement at any time and change the Portfolio Manager in accordance with Article 7 upon the occurrence and during the continuation of any of the following events:

(a) a material breach by the Portfolio Manager of its duties and responsibilities under this Agreement, which breach is not cured within 60 days of the receipt from the General Partner of written notice of such breach by the Portfolio Manager;

(b) the removal of the General Partner as General Partner of the Partnership, in each case, pursuant to the terms of the Partnership Agreement;

(c) the commission by the Portfolio Manager of any act constituting fraud, wilful misconduct, negligence or a wilful and material violation of applicable laws;

(d) the dissolution, liquidation, bankruptcy, insolvency or winding-up of the Portfolio Manager; or

(e) the suspension or adverse modification of the Portfolio Manager's registration as an advisor in the category of Portfolio Manager with the Alberta Securities Commission in the Province of Alberta, in a manner unsatisfactory to the General Partner (acting reasonably), or the revocation or

termination of one or both of such registrations, which suspension, adverse modification or revocation or termination is not remedied to the satisfaction of the General Partner (acting reasonably) within 90 days of the occurrence of such suspension, adverse modification or revocation or termination, provided the Portfolio Manager has used commercially reasonable efforts to attempt to remedy such suspension, adverse modification, revocation or termination within 10 days of receipt of notice and continues to use commercially reasonable efforts until cured.

6.3 Portfolio Manager Termination Events

The Portfolio Manager may terminate this Agreement at any time upon the occurrence and during the continuation of any of the following events:

(a) the commission by the General Partner of any act constituting fraud, wilful misconduct, negligence or a wilful and material violation of applicable laws;

(b) upon a material breach by the Partnership or the General Partner of either of their duties and responsibilities under this Agreement, which breach is not cured within 60 days of the receipt from the Portfolio Manager of written notice of such breach by the Partnership or the General Partner, as applicable.

(c) the dissolution, liquidation, bankruptcy, insolvency or winding-up of the General Partner or the dissolution, winding-up or termination of the Partnership.

6.4 Return of Materials

Upon the termination of this Agreement, the Portfolio Manager shall do all things and take all steps necessary or advisable to transfer management of the activities of the Partnership and the books, records and accounts of the Partnership to the General Partner, or such other person as the General Partner may designate, and shall execute and deliver all documents and instruments necessary or advisable to effect such transfers.

ARTICLE 7
CHANGE OF PORTFOLIO MANAGER

7.1 Replacement of Portfolio Manager

In the event that the Portfolio Manager's appointment hereunder is terminated as contemplated in Article 6, a new Portfolio Manager shall be appointed by the General Partner as soon as is reasonably practicable thereafter on the basis contemplated in Section 7.2. In the event of any such termination, the Portfolio Manager shall cease to be entitled to any compensation of any kind hereunder, other than amounts which have been earned but not yet received by the Portfolio Manager to the date of such termination, and shall return to the General Partner the amount of any Management Fee paid to it in respect of a period after such termination, net of the reimbursable expenses contemplated by Section 4.3. The Portfolio Manager shall also be entitled to reimbursement for all amounts to which it is entitled to reimbursement hereunder.

7.2 Transition to New Portfolio Manager

In the circumstances contemplated by Section 7.1, the new Portfolio Manager shall execute a counterpart of this Agreement and shall forthwith assume the obligations of the Portfolio

Manager as of and from the date of its appointment and shall thereafter have the sole right to exercise all rights of the Portfolio Manager as Portfolio Manager of the Partnership and to receive the amounts payable to the Portfolio Manager under Article 4. The retiring Portfolio Manager shall do all things and take all steps necessary to facilitate the effective transition of its rights and obligations hereunder to the new Portfolio Manager and shall execute and deliver all deeds, certificates, declarations and other documents necessary or desirable to effect such transfer.

ARTICLE 8
INDEMNIFICATION

8.1 Indemnification of the Portfolio Manager

The Partnership shall indemnify and hold harmless the Portfolio Manager and its directors, officers, employees, agents, affiliates and associates against any and all actions, causes of action, losses, claims and expenses and the like related to the activities of the Portfolio Manager in relation to the Partnership, except in cases where such activity is a material breach of this Agreement or in cases of gross negligence or wilful misconduct by the Portfolio Manager.

8.2 Continuing Indemnity

In the event of a change in the Portfolio Manager for the Partnership, the Partnership shall release and hold harmless the former Portfolio Manager from all actions, claims, costs, demands, losses, damages and expenses with respect to events which occur in relation to the Partnership after the effective date of removal or resignation of the former Portfolio Manager.

8.3 Indemnification of Partnership and General Partner

The Portfolio Manager shall indemnify and hold harmless the General Partner and the Partnership and their respective directors, officers, employees, agents, affiliates and associates against any and all actions, causes of action, losses, claims and expenses and the like related to the activities of the Portfolio Manager in connection with this Agreement that are attributable to the breach by the Portfolio Manager of its obligations hereunder or to the gross negligence or misconduct of the Portfolio Manager except to the extent that such losses are attributable to the breach of this Agreement, gross negligence or wilful misconduct of the General Partner.

8.4 Limitation of Liability

The Partnership agrees that the aggregate of all liability on the part of Portfolio Manager for a breach of any warranty, representation, condition (including a breach of a fundamental term or condition) or other provision contained in this Agreement, or implied on any basis, or any other breach giving rise to liability or in any other way arising out of or related to this Agreement, for any and all causes of action whatsoever and, regardless of the form of action (including breach of contract, strict liability or tort, including negligence, breach of any duty, or any other legal or equitable theory), shall be limited to the Partnership's actual direct provable damages in an amount not to exceed the aggregate of the Management Fee paid to the Portfolio Manager pursuant to this Agreement.

ARTICLE 9
GENERAL

9.1 Notices

(a) All notices, requests, demands and other communications hereunder shall be in writing and shall be deemed to have been duly given if delivered, faxed or mailed (by certified or registered mail, return receipt requested and first-class postage paid, or by e-mail, receipt confirmed), if to:

(i) the Portfolio Manager

300, 116 – 8th Avenue SW
Calgary, Alberta, T2P 1B3

Attention: Allison Taylor
Facsimile: (403)538-4770
E-mail: amtaylor@invicocapital.com

(ii) the General Partner or the Partnership

300, 116 – 8th Avenue SW
Calgary, Alberta, T2P 1B3

Attention: Allison Taylor
Facsimile: (403) 538-4770
E-mail: amtaylor@invicocapital.com

(b) Any such notice, request, demand or communication shall be deemed to have been duly given if personally delivered, sent by fax or sent by mail and shall be deemed received, unless earlier received:

(i) if sent by certified or registered mail, return receipt requested, when actually received;

(ii) if sent by e-mail, overnight mail or courier, when actually received;

(iii) if sent by fax, upon receipt of a transmission confirmation form; and

(iv) if delivered by hand, on the date of receipt.

(c) Any party hereto may designate a different address to which notices and demands shall thereafter be directed by written notice given in the same manner and directed to parties-as set out above.

(d) Without in any way limiting the foregoing, each party shall, to the extent possible, send a copy by e-mail of each notice, request, demand or communication given in accordance with the foregoing to each recipient thereof, provided that the sending of (or failure to send) a copy of such notice, request, demand or communication by e-mail shall in no way affect the validity of such notice, request, demand or communication or the interpretation as to when such notice, request, demand or communication is deemed to be received pursuant to this Section 9.1.

9.2 Assignment and Enurement

This Agreement shall not be assignable by any party without the prior written consent of the other parties hereto, which consent shall not be unreasonably withheld. This Agreement shall be binding upon and enure to the benefit of the parties and their respective successors.

9.3 Entire Agreement

This Agreement and the agreements and documents referred to herein constitute the entire obligation of the parties with respect to the subject matter hereof and shall supersede any prior expression of intent or understandings with respect to the subject matter hereof.

9.4 No Partnership

This Agreement does not create and shall not in any circumstances create or be deemed to create a partnership between the parties. For all purposes of this Agreement, the Portfolio Manager shall be an independent contractor. Except to the extent provided in this Agreement, the Portfolio Manager shall have no authority to bind, obligate or represent the Partnership.

9.5 Right of Set Off

Without limiting any other rights conferred on the parties by law or under this Agreement, each party has the right to set off any amounts owed to it by the other party against any amounts owed by such party to the other party from time to time.

9.6 Time of the Essence

Time shall be of the essence of this Agreement.

9.7 Counterparts

This Agreement may be executed in counterparts; each of which shall constitute an original and, all of which taken together shall- constitute one and the same instrument.

[Execution page follows]

IN WITNESS WHEREOF the parties have executed this Agreement effective the 25th day of September, 2013.

INVICO CAPITAL CORPORATION

Per:
(signed) *"Allison Taylor"*

INVICO DIVERSIFIED INCOME FUND, by its trustee,
INVICO DIVERSIFIED INCOME FUND TRUSTEE CORPORATION

Per:
(signed) *"Allison Taylor"*

INVICO DIVERSIFIED INCOME LIMITED PARTNERSHIP, by its general partner,
INVICO DIVERSIFIED INCOME GP LTD.

Per:
(signed) *"Allison Taylor"*