

*The securities described in this Confidential Offering Memorandum (the “**Offering Memorandum**”) are being offered on a private placement basis in reliance on exemptions from the requirement to prepare and file a prospectus with securities regulatory authorities. This Offering Memorandum constitutes an offering of securities only in those jurisdictions and to those persons where and to whom they may lawfully be offered for sale. This Offering Memorandum is not, and under no circumstances is to be construed as, a prospectus or an advertisement for a public offering of these securities. **No securities regulatory authority in Canada has in any way passed upon the merits of the securities offered in this Offering Memorandum nor has it reviewed this Offering Memorandum and any representation to the contrary is an offence.***

LESTER CANADIAN EQUITY FUND

CONFIDENTIAL OFFERING MEMORANDUM

June 1, 2017

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SUMMARY OF THE OFFERING

The following is a summary of the terms and conditions of an investment in the Fund (as defined below). This summary is qualified in its entirety by the more detailed information contained in this Offering Memorandum and the information contained in the Fund's Trust Agreement (as defined below). Prospective investors are encouraged to consult their own professional advisors as to the tax and legal consequences of investing in the Fund. Unless otherwise indicated, all amounts are expressed in Canadian dollars.

The Fund	The Lester Canadian Equity Fund (the " Fund ") is an open-ended investment trust created pursuant to a master declaration of trust under the laws of the Province of Ontario dated January 3, 2012 as amended, restated or supplemented from time to time (the " Trust Agreement ").
The Trustee	Computershare Trust Company of Canada (the " Trustee ").
The Manager	Lester Asset Management Inc. (the " Manager ") is responsible for the investment management of the Fund.
Qualifying Investors	Units are offered exclusively by the Fund on a private placement basis in reliance upon exemptions from the prospectus requirements of applicable securities laws. Prospective investors must be Accredited Investors or invest a minimum of Cdn \$150,000 (in the case of investors other than individuals) unless another exemption from the prospectus requirements can be relied on.
Investment Objectives	The Lester Canadian Equity Fund seeks to maximize capital appreciation and achieve a superior long-term rate of return, primarily from investing in the common shares of publicly-traded Canadian-listed companies. The Fund's objective is to achieve higher than market returns with lower risk.
Investment Strategies, Policies and Restrictions	The Fund will invest in a diversified portfolio of Canadian small, mid and large capitalization equities, using a disciplined and long-term investment approach. Research is based on a thorough understanding of each company and the industry in which it operates, complemented by consideration of macro-economic factors. The Fund's philosophy is value-oriented seeking to purchase shares at a discount to a company's true worth, as well as event-driven with the goal of maximizing shareholder value either through dividend increases, share buybacks, spin-offs or an outright sale. The Fund may invest up to 100% of the assets in cash and short-term securities as market conditions may warrant. Investments shall be restricted to securities on recognized stock exchanges with a maximum exposure to any single issuer at market value not exceeding 10% of the Fund's Net Asset Value.
Units	Investments in the Fund are represented by trust units of the Fund (the " Units "). Units have been divided in Series A, F, I or O Units. Each Unit represents an undivided beneficial interest in the net assets of the Fund.
The Offering	The Units are offered on a continuous basis on each Valuation Date to investors resident in each of the provinces of Canada (the " Offering Jurisdictions ") pursuant to applicable exemptions from the prospectus requirements contained in the securities legislation of each Offering Jurisdiction. The Manager reserves the right to accept or reject orders, to change the minimum amount for investments in the Fund, to allow cash distributions to all investors and to discontinue the offering of Units of the Fund at any time and from time to time. Any monies received with a rejected order will be promptly refunded to the investor without any interest. See " <i>Investing in Units</i> ".
Price	Units are offered at the Net Asset Value per Unit (as defined below) calculated as of the applicable Valuation Date (as defined below). Fractional Units will be issued up to four decimal points.

Minimum Investment

The minimum initial investment in the Fund is \$150,000 or such lesser amount as is permitted by securities legislation and approved by the Manager. The minimum initial investment for Investors who qualify as "accredited investors" is \$25,000, or such lesser amount approved by the Manager. An Investor may make further investments at the discretion of the Manager, subject to a minimum subsequent investment amount established by the Manager from time to time. There is no minimum for reinvestment of distributions of income and capital gains.

Valuation Date

Valuation Date means (i) the last business day in each week and the last business day in each month, provided that, for any week in which the last business day of the month falls, that business day (and not the last business day of the week) shall be the Valuation Date for that week, (ii) any other day the Manager may designate as a Valuation Date and (iii) the last day in each fiscal year of the Fund.

Valuation

The Fund's net asset value (the "**Net Asset Value**") is calculated as the value of the Fund's assets, less its liabilities, computed on a particular date in accordance with the Trust Agreement. The Manager, or its agent, will calculate the Net Asset Value of the Fund as of each Valuation Date. The Net Asset Value per Unit is calculated separately for each Series.

Purchase of Units

Investors may be admitted to the Fund or may acquire additional Units on a weekly basis on the last Valuation Date of each week. Units can only be purchased in Canadian dollars. See "*Investing in Units - Purchase of Units*".

Redemption

Units of the Fund may be redeemed at the Net Asset Value per Unit of the Fund as of each Valuation Date. The redemption will be processed only upon providing the Manager with at least 5 days prior written notice (or such shorter period as is approved by the Manager). In certain circumstances the Manager may suspend redemptions. See "*Redemption of Units*".

Transfers of Units

No transfers of Units of the Fund may be made other than by operation of law.

Fees and Expenses

The Fund is responsible for brokerage commissions and custodial fees. The Manager is responsible for all other fees, costs and expenses that are necessary to continue and carry on the business of the Fund.

The management fees payable to the Manager shall be Series Expenses applicable to Series A, Series F and Series I Units, and will be charged to each Series of Units. The Manager is responsible for its own expenses.

Series I Units pay a monthly management fee equal to one-twelfth of 1.00% of the applicable Series net asset value.

Series F Units pay a monthly management fee equal to one-twelfth of 1.50% of the applicable Series net asset value.

Series A Units pay a monthly management fee equal to one-twelfth of 2.50% of the applicable Series net asset value

Investors of Series 0 Units pay a negotiated management fee directly to the Manager.

The Manager may pay a monthly fee (the "Trailer Fee") to dealers to compensate the dealer for ongoing services to their clients in respect of an investment in the Series A Units of the Fund. The Trailer Fee is calculated based upon a percentage of the average daily value of the Units of the Fund held by the clients of the dealer. The Trailer Fee will be paid at a rate of up to 1% per annum.

No sales charge is payable to the Manager in respect of orders to purchase Units of the

Fund; however, registered dealers selling Units of the Fund may charge an up-front fee to subscribers of up to 2% of the total subscription amount.

Distributions

The Fund intends to distribute sufficient net income and net realized capital gains, if any, to Unitholders in each calendar year to ensure that the Fund is not liable for income tax under Part I of the *Income Tax Act* (Canada) other than alternative minimum tax, after taking into account any loss carry forwards. All distributions (other than Fee Distributions described in “*Fees and Expenses*”) will be made on a pro rata basis to each registered Unitholder determined as of the close of business on the applicable Valuation Date. The Trustee will distribute net income and net realized capital gains of the Fund, if any, on an annual basis, on the last Valuation Date in each taxation year, and at such other dates deemed appropriate by the Trustee. Distributions will be reinvested in Units of the Fund. See “*Distributions*”.

Tax Consequences

Investors will generally be required to include their pro rata share of the Fund distributions in their income or capital gains for tax purposes. Prospective Unitholders should consider carefully all of the potential tax consequences of an investment in the Units and should consult with their tax advisor before subscribing for Units. For a discussion of certain income tax consequences of this investment, see “*Canadian Federal Income Tax Considerations*”.

Eligibility for Investment

Units of the Fund are qualified investments for trusts governed by registered retirement savings plans, registered retirement income funds, deferred profit sharing plans, registered education savings plans, registered disability savings plans or tax free savings accounts.

Risk Factors

The Fund is subject to various risk factors relating to notably: equity securities, fixed income securities, interest rates, redemptions, reliance on Manager, dependence of the Manager on key personnel, trading errors, currency risk and others. See “*Risk Factors*”.

Fiscal Year

The Fund’s fiscal year ends on December 31 of each year.

Reports

Unitholders will be sent audited annual financial statements within 90 days of year end and unaudited semi-annual financial statements within 60 days of June 30, or as otherwise required by law, unless directed otherwise by the Unitholder. Additional interim reporting to Unitholders will be at the discretion of the Manager. The Fund may enter into other agreements with certain Unitholders, which may entitle such Unitholders to receive additional reporting. Unitholders will receive the applicable required tax form(s) within the time required by applicable law to assist Unitholders in making the necessary tax filings.

Custodian

NBCN Inc. (Subsidiary of National Bank Financial Inc.)

Legal Counsel

Borden Ladner Gervais LLP

Auditors

KBHNS, s.e.n.c.r.l./l.p.
Chartered Accountants

Administrator

The Investment Administration Solution Inc. (“IAS”) will provide administrative services to the Fund.

LESTER CANADIAN EQUITY FUND

The Lester Canadian Equity Fund (the “**Fund**”) is an open-ended investment trust created pursuant to a master declaration of trust under the laws of the Province of Ontario dated January 3, 2012 as amended, restated or supplemented from time to time (the “**Trust Agreement**”).

The head office of the Fund and the Manager is located at 1800 McGill College, Suite 2102, Montreal, Qc, H3A 3J6 (the “**Head Office**”).

The description of provisions of the Trust Agreement contained herein is subject to and qualified in its entirety by the Trust Agreement. A copy of which is available at the Head Office.

Investments in the Fund are represented by trust units (the “**Units**”). The Fund is permitted to have an unlimited number of series of Units having such terms and conditions as the Manager may determine. Holders of Units of the Fund are hereinafter referred to as “**Unitholders**”. Currently the Fund has Series A, F, I and O Units.

Series and Features of the Series:

- Series A – Available to all investors.
- Series F – Available to clients of the Manager and other investors who are enrolled in a dealer sponsored fee for service or wrap program and who are subject to an annual asset based fee rather than commissions on each transaction or, at the discretion of the Manager, any other investor for whom the Manager does not incur distribution costs.
- Series I – Available only to an investor who, pursuant to the terms of an agreement between such investor and the Manager, are eligible to invest in this series.
- Series O – Available only to an investor who, pursuant to the terms of an agreement between such investor and the Manager, pays management fees directly to the Manager. In the event of termination of such agreement or a failure by the investor to pay such fees, the Manager may, in its discretion, redeem the Series O Units held by the investor or redesignate them as Units of another Series.

INVESTMENT OBJECTIVES AND STRATEGIES

Investment Objective:

The investment objective of the Fund is to maximize capital appreciation and achieve a superior long-term rate of return, primarily from investing in the common shares of publicly-traded Canadian-listed companies. The Fund’s objective is to achieve higher than market returns with lower risk.

Investment Strategies, Policies and Restrictions:

The Fund will invest in a diversified portfolio of Canadian small, mid and large capitalization equities, using a disciplined and long-term investment approach. Research is based on a thorough understanding of each company and the industry in which it operates, complemented by consideration of macro-economic factors. The Fund’s philosophy is value-oriented seeking to purchase shares at a discount to a company’s true worth, as well as event-driven with the goal of maximizing shareholder value either through dividend increases, share buybacks, spin-offs or an outright sale. The Fund may invest up to 100% of the assets in cash and short-term securities as market conditions may warrant. Investments shall be restricted to securities on recognized stock exchanges with a maximum exposure to any single issuer at market value not exceeding 10% of the Fund’s Net Asset Value.

MANAGEMENT OF THE FUND

The Manager

The Manager was incorporated under the original name of Lester Family Holdings Inc. pursuant to the *Canada Business Corporations Act* on November 14, 2000. The Manager changed its name to Murray Lester Investment Counsel Inc. on May 1, 2001 and further changed its name to Lester Asset Management Inc. on December 1, 2006. The principals of the Manager conducted business through a different corporate entity during the period from 1988 to May 1, 2001. On June 1, 2017, Lester Asset Management, underwent a transfer in ownership to J. Anthony Boeckh, Chairman, Stephen Takacsy, President, Chief Executive Officer, Chief Investment Officer and Lead Portfolio Manager and Jordan Steiner, Chief Compliance Officer and Lead Portfolio Manager,

The Manager is registered with the *Autorité des marchés financiers* (Québec) and the Ontario Securities Commission as a portfolio manager, an investment fund manager and as an exempt market dealer, with the Alberta Securities Commission as a portfolio manager and with the British Columbia Securities Commission as an exempt market dealer.

Pursuant to the Trust Agreement, the Manager has authority to manage the business and affairs of the Fund and has authority to bind the Fund. The Manager will be responsible for managing the assets of the Fund, will have complete discretion to invest and reinvest the Fund's assets, and will be responsible for executing all portfolio transactions. The Manager may delegate its powers to third parties where, in the discretion of the Manager, it would be in the best interests of the Fund to do so. The Manager is required to exercise its powers and discharge the duties of its office honestly, in good faith, and in the best interests of the Fund and in connection therewith must exercise the degree of care, diligence and skill that a reasonable prudent person would exercise in comparable circumstances. Among its other powers, the Manager may establish the Fund's operating expense budgets and authorize the payment of operating expenses.

The Trust Agreement provides that the Manager has a right of indemnification from the Fund from and against all claims in respect of any act completed in relation to its duties as manager, provided that the Manager has not been negligent, guilty of misfeasance or willful misconduct and shall have acted in accordance with its standard of care as set out in the Trust Agreement.

Pursuant to the Trust Agreement, the Manager may resign upon 90 days' written notice to the Trustee and to the Unitholders of the Fund. The Manager may appoint a successor; however, if no successor Manager is appointed, the Fund will be terminated. The Fund may also be terminated if the Manager is in material default of its obligations and has not cured such default within 120 days of notice or has been declared bankrupt or insolvent or has made a general assignment for the benefit of creditors or otherwise acknowledging its insolvency.

Key Officers and Directors of the Manager

The following individuals are the directors and key officers of the Manager:

Name and Municipality of Residence	Director	Officer (with title)	Principal Occupation during the five preceding years
J. Anthony Boeckh	Yes	Chairman of the Board and Director	Mr. Boeckh is Chairman of the Board, Director and a partner in the firm.
Stephen Takacsy Montreal, QC	Yes	President, Chief Executive Officer and Director	Mr. Takacsy is the President, Chief Executive Officer, Chief Investment Officer of the Manager. Mr. Takacsy has held this position since 2011. Mr. Takacsy joined the Manager in 2006 as Vice-President.
Jordan Steiner	No	Head of Fixed Income and Chief Compliance Officer	Mr. Steiner is head of Fixed Income and Chief Compliance officer for the firm. Mr. Steiner joined the firm in 2011

Below are brief biographies of the directors and officers of the Manager:

J. Anthony Boeckh, Chairman, Director and Partner in the firm

Tony became Chairman of the firm in June 2017. In the early 1960's, he spent four years at The Bank of Canada working in monetary and economic analysis. From 1968 to 2002, Tony was Chairman, Chief Executive and Editor-in-chief of Montreal-based BCA Research (also known as The Bank Credit Analyst), which he built into a world renowned independent publisher of global macroeconomic research and investment advice. From 1968 to 1973, he also taught Economics and Finance at McGill University. From 1985 to 1999, Tony was Chairman of Greydanus, Boeckh and Associates, which managed \$2-billion in fixed income assets and was sold to Toronto-Dominion Bank. Tony authored *The Great Reflation*, which was published in 2010 and was ranked #1 on Amazon, as well as co-authored *The Stock Market and Inflation*, published by Dow Jones-Irwin in 1982. Together with his son Rob Boeckh, he was publisher and co-editor of the *Boeckh Investment Letter* from 2009-2013, a commentary focusing on current investment prospects. Tony is currently President of Boeckh Investments Inc., a family office, and Chair of the Graham Boeckh Foundation, a private family foundation established in honor of his son. Through the Foundation, the Boeckh family provides funding for initiatives in the area of mental health and other related disciplines. The Foundation's work has expanded to support policy research and other initiatives designed to transform the mental health care system in Canada and improve the lives of those suffering from mental health problems. Tony is also a Board member of the Brain & Behavior Research Foundation in New York, and a founding trustee of the Fraser Institute in Vancouver, British Columbia, an economic "think tank" dedicated to free market principles. He is a former Chair of Brain Canada (Neuroscience Canada) and a former Director of the Mental Health Commission of Canada. Tony holds a PhD in Finance and Economics from The Wharton School, University of Pennsylvania and a B. Com from the University of Toronto.

Stephen Takacsy, President & Chief Executive Officer, Chief Investment Officer and Lead Portfolio Manager

Stephen joined the firm in 2006 as Chief Investment Officer to help establish new investment strategies, and manage equity and fixed income portfolios. He became Chief Executive Officer in 2017. Stephen's diverse career in finance spans over 30 years, including Corporate Banking at Royal Bank of Canada, Investment Banking at Richardson Greenshields, and managing the proceeds resulting from the growth and sale of the control block of one of Canada's leading entertainment companies where he was Senior Vice President and Chief Financial Officer. His extensive experience at analyzing and assessing the value of companies in many different industries, and sizing up management and their business plans, has added significant value to our clients' portfolio returns. Stephen was Chairman of the Finance Committee of Loyola High School and a long-time member of the school's Board of Governors. He is currently a member of the Board of Governors of The Marianopolis Millennium Foundation and Chairman of its Investment Committee, Co-Founder and Chair of Conservation Manitou, a registered charity focused on the preservation of natural areas in the Laurentians, as well as a director of quick service restaurant franchisor BeaverTails Canada Inc. Stephen holds an MBA in International Finance, a B. Eng from McGill University, and the Partners, Directors and Officers certification

Jordan Steiner, Chief Compliance Officer and Lead Portfolio Manager

Jordan joined the firm in 2011 as a Research Analyst in order to assist in covering Canadian equities. He later became Assistant Portfolio Manager and eventually became Portfolio Manager, helping to manage both Canadian Equity and Fixed Income portfolios. Jordan is now Lead Portfolio Manager of both Canadian Fixed Income and US & Global Equity, as well as Chief Compliance Officer. Jordan holds a B. Com from McGill University, as well as the Chartered Financial Analyst (CFA) designation and the Partners, Directors and Officers certification.

The Trustee

Computershare Trust Company of Canada acts as the trustee of the Fund pursuant to the Trust Agreement. The Trustee has those powers and responsibilities in respect of the Fund as described in the Trust Agreement. The Trustee is required to exercise its powers and discharge the duties of its office honestly and in good faith and in connection therewith to exercise the degree of care, diligence and skill that a reasonably prudent Canadian trust company would exercise in comparable circumstances.

Pursuant to the Trust Agreement, the Manager may remove the Trustee and appoint a successor trustee from time to time on 60 days' written notice to the Trustee. The Trustee may resign upon 90 days' prior written notice to the Manager. If no successor Trustee is appointed, the Fund will be terminated.

The Trust Agreement provides that the Trustee has a right of indemnification from the Fund from and against all claims in respect of any act completed in relation to its duties as trustee, except if such claim has been caused by the gross negligence, willful default or dishonesty on the part of the Trustee or to the extent the Trustee did not respect the standard of care provided in the Trust Agreement.

Conflict of Interest

There are no conflicts known to the manager at the time of this document.

UNITS OF THE FUND

Investments in the Fund are represented by Units. The Fund is permitted to have an unlimited number of series of Units having such terms and conditions as the Manager may determine. Each Unit represents an undivided beneficial interest in the net assets of the Fund. The Manager, in its discretion, determines the number of Units and of series of Units, if any, and establishes the attributes of each Unit and series, if any, including investor eligibility, the designation and currency of each Unit, the initial closing date and initial offering price for the first issuance of Units, any minimum initial or subsequent investment thresholds, and fees and expenses payable by each Series.

Units are not transferable, except by operation of law (for example, a death or bankruptcy of a Unitholder). To dispose of Units, a Unitholder must have them redeemed.

Fractional Units carry the same rights and are subject to the same conditions as whole Units (other than with respect to voting rights) in the proportion that they bear to a whole Unit. Outstanding Units may be subdivided or consolidated in the Manager's discretion on not less than 21 days written notice to Unitholders.

DETERMINATION OF NET ASSET VALUE

The Fund's net asset value (the "**Net Asset Value**") is calculated as the value of the Fund's assets, less its liabilities, computed on a particular date in accordance with the Trust Agreement. The Manager, or its agent, will calculate the Net Asset Value of the Fund as of each Valuation Date at the close of regular trading on the Toronto Stock Exchange ("**TSX**"), normally 4:00 p.m. (Eastern time) (the "**Valuation Time**"). The Net Asset Value per Unit is calculated separately for each Series.

The number of Units, the fair market value of the assets and the amount of the liabilities of the Fund is calculated in such manner as the Manager in its sole discretion determines from time to time, subject to the following (all capitalized terms used in this section and not defined herein have the meaning assigned to them in the Trust Agreement):

- (a) the value of any cash on hand or on deposit, bills, demand notes, accounts receivable, prepaid expenses, cash dividends received (or to be received and declared to unitholders of record on a date before the date as of which the net asset value is being determined), and interest accrued and not yet received, is deemed to be the full amount thereof, unless the Manager has determined that any such deposit, bill, demand note, account receivable, prepaid expense, cash dividend or distribution received or interest is not worth such full amount, in which event, the Manager shall determine the reasonable value of such securities;
- (b) the value of any security or interest therein which is listed or dealt in upon a stock exchange is determined by taking the latest available sale price, or lacking any recent sales or any record thereof, the mid-point of the bid and offer prices, whichever in the opinion of the Manager better reflects the value of such securities, as at the day on which the Net Asset Value is being determined, all as reported by any means in common use;
- (c) the value of inter-listed securities shall be computed in accordance with directions laid down from time to time by the Manager; provided however that if, in the opinion of the Manager, stock exchange or over-the-counter quotations do not properly reflect the prices which would be received by the Fund upon the disposal of securities

necessary to effect any redemption of Units of the Fund, the Manager may place such value upon such securities as appears to the Manager to most closely reflect the fair value of such securities;

- (d) the value of any security or interest therein which is not listed or dealt in upon any exchange shall be determined as nearly as may be possible in the manner described in the preceding subparagraph, except that there may be used, for the purpose of determining the sale price or the ask and bid prices, any public quotations in common use which may be available;
- (e) the value of any security or other asset for which no market quotation is readily available or for which there is no last sale price or last reported bid price for the date in question or for which the last trade price does not, in the view of the Manager, represent the fair market value of such security, or for which no provision for other valuation has been made, shall be determined by the Manager in such manner as the Manager deems appropriate to reflect fair value;
- (f) the value of any security, the resale of which is restricted or limited by reason of any representation, undertaking or agreement by the Fund or by the Fund's predecessor in title, shall be determined by the Manager in such manner as the Manager deems appropriate to reflect fair value;
- (g) fixed income securities will be priced within the limits of the latest available current bid and ask prices deemed best to reflect fair value, as quoted by independent pricing services or dealers who make markets in such securities;
- (h) the value of any short-term security will be stated at cost which, when combined with accrued interest, approximates market value or, if a more representative value can be obtained, other methods may be used; and
- (i) securities of any underlying fund held by the Fund will be valued at their respective security values on the relevant Valuation Date, as determined by the manager of the underlying fund and as communicated by such manager to the Manager.

The Manager may delegate the responsibility of determining the Net Asset Value of the Fund, from time to time, to any administrator of the Fund or other agent of the Manager. As further discussed below in the section entitled "Risk Factors", trading errors are distinguishable from errors in judgment, due diligence or other factors leading to a specific trading instruction being generated, as well as from unauthorized trading or other improper conduct by Manager personnel. Consequently, the Manager will (unless the Manager otherwise determines) treat all trading errors (including those which result in losses and those which result in gains) as for the account of the Fund, unless they are the result of conduct by the Manager which is inconsistent with the Manager's standard of care.

INVESTING IN UNITS

Purchase of Units

Investors may be admitted to the Fund or may acquire additional Units on a weekly basis on each Valuation Date. The funds in respect of any subscription will be payable by investors at the time of the subscription.

Investors who wish to make an initial subscription for Units of the Fund may do so by delivering a subscription application (substantially in the form of the subscription application accompanying the Offering Memorandum or such other form of subscription application as the Manager may approve from time to time) to the Manager, accompanied by wire transferred funds or cheques in an amount equal to the purchase price.

In order to acquire Units at the Net Asset Value per Unit determined on the next Valuation Date, a purchase order (including a subscription agreement duly completed) must be received by the Manager two Business Days prior to the Valuation Date or such shorter period as may be specified by the Manager from time to time. If a purchase order is received after this time, unless the Manager receives instructions from the investor to the contrary, it will hold the purchase order until the next Valuation Date and any subscription amount received will be held in trust. No interest will be paid on such amounts held in trust.

Settlement of purchases will generally be made within the timelines that are standard in the industry but the Manager reserves the right to settle purchases up to three Business Days following Valuation Date. If the subscription proceeds and

on initial purchase, the duly completed subscription agreement and any other documents the Manager requires have not been received by the Manager by this time, the Manager will reverse the purchase order.

The Manager reserves the right to accept or reject orders, and any monies received with a rejected order will be refunded forthwith, without interest, other compensation or deduction after the Manager has made such determination. All subscriptions will be irrevocable. Fractional Units will be issued up to four decimal points.

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

Units can only be purchased in Canadian dollars. The Fund may issue an unlimited number of Units.

Minimum Initial and Subsequent Investments

The minimum initial investment in the Fund is \$150,000 or such lesser amount as is permitted by securities legislation and approved by the Manager. The minimum initial investment for Investors who qualify as "accredited investors" is \$25,000, or such lesser amount approved by the Manager. An Investor may make further investments at the discretion of the Manager, subject to a minimum subsequent investment amount established by the Manager from time to time. There is no minimum for reinvestment of distributions of income and capital gains.

Unitholders are required to notify the Manager if such investor's status as "accredited investors" changes.

Distribution of Units

Units of the Fund are offered to investors resident in each of the provinces of Canada (the "Offering Jurisdictions") pursuant to applicable exemptions from the prospectus requirements of the securities legislation in the Offering Jurisdictions. In no circumstances will the Manager accept a subscription for Units, whether initial or subsequent, if its distribution cannot be made in reliance on any such exemptions.

REDEMPTION OF UNITS

How to Redeem Units

In order to redeem Units, a Unitholder shall complete and file a request for redemption which must reach the Manager at its office no later than five days prior to a Valuation Date (the "**Redemption Notice Deadline**") as of which the Units are requested to be redeemed. Properly completed requests for redemption received after the Redemption Notice Deadline requesting redemption as of the Valuation Date immediately following the Redemption Notice Deadline shall be deemed for all purposes hereunder as requests for redemption as of the Valuation Date next following the Valuation Date specified in the request for redemption. However, the Manager may, in its sole discretion, elect to honour requests for redemption received after a Redemption Notice Deadline and before the close of business on the Valuation Date as of which redemption is requested. A request for redemption shall specify the number of Units to be redeemed or the dollar amount which the investor requires to be paid.

Requests for redemption will be accepted in the order in which they are received. The Manager will, promptly following the determination of the Net Asset Value per Unit for the applicable date of redemption but in any case within three business days of the applicable Valuation Date, distribute an amount equal to the Net Asset Value per Unit determined as of the relevant date of redemption. Such payment to the Unitholder may be made by wire transfer, check or otherwise as directed by the Unitholder. Any payment referred to above will discharge the Fund, the Trustee and the Manager from all liability to the redeeming Unitholder in respect of the payment and the Units redeemed and the Unitholder will cease to have any further rights with respect to such Units as of the date of redemption.

Redemption Procedures

Units of the Fund may be redeemed on any Valuation Date. Redemption requests may be delivered directly to Lester Asset Management Inc. (Attention: President) by any of the following methods:

- (A) by mail to Lester Asset Management Inc. (Attention: President) at 1800 McGill College Ave., Suite 2102, Montreal, Quebec H3A 3J6;
- (B) by fax to (514) 849-4016;
- (C) by hand delivery to Lester Asset Management Inc. (Attention: President) at 1800 McGill College Ave., Suite 2102, Montreal, Quebec H3A 3J6; or
- (D) by phone at (514) 849-5566.

The Manager may, in its sole discretion, redeem Units of the Fund if a Unitholder's investment in the Fund has a value of less than \$25,000 at any time. Prior to redeeming such investment, the Manager shall provide the Unitholder with thirty (30) days' notice that such redemption will occur.

Postponed Redemptions

The Manager may postpone the right of Unitholders to require the Fund to redeem Units and the concurrent payment for Units of the Fund tendered for redemption during any period in which the Manager determines that conditions exist as a result of which disposal of the securities or assets or properties of the Fund is not reasonably practical or it would result in a significant loss to the Fund or reduction in the Series Net Asset Value per Unit of the Fund.

Any suspension may apply to all requests for redemption received prior to the suspension but as to which payment has not been made, as well as to all requests received while the suspension is in effect. All Unitholders making redemption requests will be advised by the Manager of the suspension and that redemption requests previously received will be effected as of the first Valuation Date following the termination of the suspension. All such Unitholders will be advised that they have the right to withdraw any requests for redemption previously submitted. The suspension will terminate on the first day on which the condition giving rise to the suspension has ceased to exist, provided that no other condition under which a suspension is authorized to be imposed then exists.

Redemption at the Demand of the Manager

The Manager may, in its discretion, cause the Fund to redeem all or a portion of a Unitholder's Units by giving a total of 60 days' prior written notice to the Unitholder, specifying the number or value of Units to be redeemed. For example, the Manager may cause the Units of any Unitholder to be redeemed if at any time as a result of redemptions the value of the Unitholder's investment in the Fund is less than the minimum initial subscription amount. If, at any time, the Unitholder is in breach of the representations, warranties and covenants made in the subscription application, the Manager may cause the Fund to redeem the Units owned by such Unitholder immediately and without notice. In addition, the Manager may cause the Fund to redeem, without notice, Units owned by a person or partnership that is a "designated beneficiary", as defined in Part XII.2 of the Tax Act, if the continued ownership of Units by such person or partnership could have adverse tax consequences to the Fund.

TRANSFER OF UNITS

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

FEES AND EXPENSES

The Fund is responsible for brokerage commissions and custodial fees. The Manager is responsible for all other fees, costs and expenses that are necessary to continue and carry on the business of the Fund.

The management fees payable to the Manager shall be Series Expenses applicable to Series A, Series F and Series I Units, and will be charged to each Series of Units. The Manager is responsible for its own expenses.

Management Fees:

- Series A – Management fees – For series A Units, the Manager shall receive from the Fund a monthly management fee equal to one twelfth of 2.5% of the applicable Series Net Asset Value, as calculated by the Manager pursuant to its usual practices on the last Valuation Date of each month. The Manager may pay a trailing commission equal to one twelfth of 1% of the applicable Series Net Asset Value to the investor’s advisor or dealer, which amount shall be paid from the 2.5% management fee.
- Series F – Management fees – For series F Units, the Manager shall receive from the Fund a monthly management fee equal to one-twelfth of 1.5% of the applicable Series Net Asset Value, as calculated by the Manager pursuant to its usual practices on the last Valuation Date of each month.
- Series I – Management fees – For series I Units, the Manager shall receive from the Fund a monthly management fee equal to one-twelfth of 1.0% of the applicable Series Net Asset Value, as calculated by the Manager pursuant to its usual practices on the last Valuation Date of each month.
- Series O – No management fees are paid to the Fund. Investors will negotiate and pay management fees directly to the Manager pursuant to the terms of an agreement between such investor and the Manager.

The Manager may pay a monthly fee (the “**Trailer Fee**”) to dealers to compensate the dealer for ongoing services to their clients in respect of an investment in the Series A Units of the Fund. The Trailer Fee is calculated based upon a percentage of the average daily value of the Units of the Fund held by the clients of the dealer. The Trailer Fee will be paid at a rate of up to 1% per annum.

No sales charge is payable to the Manager in respect of orders to purchase Units of the Fund; however, registered dealers selling Units of the Fund may charge an up-front fee to subscribers of up to 2% of the total subscription amount.

DISTRIBUTIONS

The Fund intends to distribute sufficient net income (including net realized capital gains, if any) to Unitholders in each calendar year to ensure that the Fund is not liable for income tax under Part I of the Tax Act, after taking into account any loss carry forwards and any entitlement to a capital gains refund. All distributions will be made on a pro rata basis to each registered Unitholder determined as of the Valuation Time (prior to any subscriptions or redemptions) on the applicable Valuation Date. The Trustee will distribute net income and net realized capital gains of the Fund, if any, on an annual basis, on the last Valuation Date in each taxation year. Distributions of net income or net realized capital gains may also be made on such other dates that the Trustee deems appropriate.

Subject to applicable securities legislation, all distributions made by the Fund (net of any deductions or withholdings required by law) will be automatically reinvested in additional Units of the Fund or fractions of Units of the Fund at the Net Asset Value per Unit. Potential investors should keep this policy in mind when determining whether or not an investment in the Fund is suitable for their particular circumstances. Units acquired on a reinvestment of distributions are not subject to any sales charges.

The number of outstanding Units of the Fund will be automatically consolidated such that each Unitholder of the Fund will hold after the consolidation the same number of Units of the Fund as it held before the distribution of additional Units (subject to any required deductions or withholdings).

The Manager, in consultation with the Trustee, may make such designations, determinations and allocations for tax purposes of amounts or portions of amounts which the Fund has received, paid, declared payable or allocated to Unitholder as distributions or redemption proceeds.

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

CANADIAN FEDERAL INCOME TAX CONSIDERATIONS

The following is, as of the date hereof, a summary of the principal Canadian federal income tax considerations generally applicable to the acquisition, holding and disposition of Units by a Unitholder who acquires Units pursuant to this Offering Memorandum. This summary is applicable to a Unitholder who is an individual (other than a trust) and who, for the purposes of the Tax Act is resident in Canada, deals at arm's length with the Fund, and holds Units as capital property. The Fund has qualified as a mutual fund trust under the Tax Act at all times since its creation, and this summary assume that the Fund will continue to so qualify at all times in the future.

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

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

Taxation of the Fund

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

Taxation of Unitholders

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

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

The Net Asset Value per Unit will reflect any income and capital gains of the Fund that have accrued, or had been realized but not made payable, at the time Units are acquired. Accordingly, a Unitholder who acquires Units may become taxable on the Unitholder's share of income and capital gains of the Fund that accrued, or had been realized but not made payable, before the Units were acquired.

On the disposition or deemed disposition, including the redemption, of a Unit, the Unitholder will realize a capital gain (or capital loss) to the extent that the Unitholder's proceeds of disposition (other than any amount payable by the Fund which represents an amount that is otherwise required to be included in the Unitholder's income as described above) exceed (or are exceeded by) the aggregate of the adjusted cost base of the Unit and any reasonable costs of disposition. For the purpose of determining the adjusted cost base of Units of a particular Series, the cost of the newly acquired Units will be averaged with the adjusted cost base of all Units of the Series owned by the Unitholder as capital property before the acquisition. The cost of Units on a reinvestment of distributions from the Fund will be equal to the amount of the distribution.

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

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

ELIGIBILITY FOR INVESTMENT

Units of the Fund are qualified investments for trusts governed by registered retirement savings plans, registered retirement income funds, deferred profit sharing plans, registered education savings plans, registered disability savings plans and tax free savings accounts. Investors should consult with their own tax advisors as to whether Units of the Fund would be a prohibited investment under the Tax Act if held in their registered retirement savings plans, registered retirement income funds or tax free savings accounts in their particular circumstances.

RISK FACTORS

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

Equity Securities

Investments of the Fund in equity securities will be influenced by stock market conditions in those jurisdictions where the securities held by the Fund are listed for trading and by changes in the circumstances of the issuers whose securities are held by the Fund. The price of a share is influenced by the outlook for the company that issued it and by general economic, industry and market trends. When the economy is strong, the outlook for many companies will be good, and share prices will generally rise. So will the value of funds that own these shares. On the other hand, share prices usually decline with a general economic or industry downturn. Additionally, to the extent that the Fund holds any foreign investments, it will be influenced by world political and economic factors and by the value of the Canadian dollar as measured against foreign currencies which will be used in valuing the foreign investment positions held by the Fund.

Fixed Income Securities

The Fund may invest in bonds or other fixed income securities of Canadian and other issuers, including, without limitation, bonds, notes and debentures issued by corporations; debt securities issued or guaranteed by the federal or provincial government in Canada or a governmental agency; and commercial paper. Fixed income securities pay fixed, variable or floating rates of interest. The value of fixed income securities in which the Fund invests will change in response to fluctuations in interest rates. In addition, the value of certain fixed-income securities can fluctuate in response to perceptions of credit worthiness, political stability or soundness of economic policies. Fixed income securities are subject to the risk of the issuer's inability to meet principal and interest payments on its obligations (i.e., credit risk) and are subject to

price volatility due to such factors as interest rate sensitivity, market perception of the creditworthiness of the issuer and general market liquidity (i.e., market risk). If fixed income investments are not held to maturity, the Fund may suffer a loss at the time of sale of such securities.

Interest Rate

The interest rate on a bond is set when it is issued. When interest rates fall, the price of existing bonds will rise because existing bonds pay higher rates than new bonds, and are therefore worth more. On the other hand, when interest rates rise, the price of existing bonds will fall, and so will the value of funds holding these bonds. The value of debt securities that pay a floating or variable rate of interest are generally less price sensitive to interest rate changes.

Funds that invest in convertible securities also carry interest rate risk. These securities provide a fixed income stream, so their value varies inversely with interest rates, just like bond prices. However, because they can be converted into common shares, convertible securities are less affected by interest rate fluctuations than are bonds.

Redemptions

Redemptions are permitted only once per week. There are circumstances in which the Fund may suspend redemptions. See “*Redemption of Units*”. Accordingly, Units may not be an appropriate investment for investors seeking liquidity. Substantial redemptions of Units could require the Fund to liquidate positions more rapidly than otherwise desirable to raise the necessary cash to fund redemptions and achieve a market position appropriately reflecting a smaller asset base. Such factors could adversely affect the value of the Units redeemed and of the Units remaining outstanding.

Reliance on Manager

The Fund will be relying on the ability of the Manager to actively manage the Fund. There can be no assurance that satisfactory replacements for the Manager will be available, if the Manager ceases to act as such. Termination of the Manager will terminate the Fund if no successor is appointed. In addition, it will expose investors to the risks involved in whatever new investment management arrangements can be made.

Dependence of Manager on Key Personnel

The Manager will depend, to a great extent, on the services of a limited number of individuals in the administration of the Fund’s activities and on three individuals for the investment decisions for the Fund. The loss of such individuals for any reason could impair the ability of the Manager to perform its management activities on behalf of the Fund.

Trading Errors

In the course of carrying out trading and investing responsibilities on behalf of the Fund, the Manager’s personnel may make “trading errors” — i.e., errors in executing specific trading instructions. Examples of trading errors include: (i) buying or selling an investment asset at a price or quantity that is inconsistent with the specific trading instructions generated by a particular strategy; or (ii) buying rather than selling a particular investment asset (and *vice versa*). Trading errors are an intrinsic factor in any complex investment process, and will occur notwithstanding the exercise of due care and special procedures designed to prevent trading errors. Trading errors are, therefore, distinguishable from errors in judgment, due diligence or other factors leading to a specific trading instruction being generated, as well as from unauthorized trading or other improper conduct by Manager personnel. Consequently, the Manager will (unless the Manager otherwise determines) treat all trading errors (including those which result in losses and those which result in gains) as for the account of the Fund, unless they are the result of conduct by the Manager which is inconsistent with the Manager’s standard of care.

Currency Risk

Investment in securities denominated in a currency other than Canadian dollars will be affected by the changes in the value of the Canadian dollar in relation to the value of the currency in which the security is denominated. Thus the value of securities held by the Fund may be worth more or less depending on its susceptibility to foreign exchange rates.

Not Public Mutual Funds

The Fund is not subject to the restrictions placed on public mutual funds offered by prospectus to ensure diversification and liquidity of the Fund's portfolio and consequently the Fund is not restricted by National Instrument 81-102 *Mutual Funds* or similar rules or regulations.

Unitholders not entitled to Participate in Management

Unitholders are not entitled to participate in the management or control of the Fund or its operations. Unitholders do not have any input into the Fund's trading. The success or failure of the Fund will ultimately depend on the investment of the assets of the Fund by the Manager, with which Unitholders will not have any direct dealings.

Tax Liability

Subject to applicable securities legislation, all distributions made by the Fund (net of any deductions or withholdings required by law) will be automatically reinvested in additional Units of the Fund or fractions of Units of the Fund at the Net Asset Value per Unit. Unitholders, therefore, will be required to include such distributions in computing their income for tax purposes, irrespective of the fact that cash may not have been distributed to such Unitholders.

Potential Indemnification Obligations

Under certain circumstances, the Fund might be subject to significant indemnification obligations in favour of the Trustee, the Manager, other service providers to the Fund or certain parties related to it. The Fund will not carry any insurance to cover such potential obligations and, to the Manager's knowledge, none of the foregoing parties will be insured for losses for which the Fund has agreed to indemnify them. Any indemnification paid by the Fund would reduce the Net Asset Value of such Fund and, by extension, the Net Asset Value per Unit.

Liability of Unitholders

The Fund is a unit trust and, as such, the Unitholders do not receive the protection of statutorily mandated limited liability as in the case of shareholders of most Canadian corporations. There is no guarantee, therefore, that Unitholders could not be made party to legal actions in connection with the Fund. However, the Trust Agreement provides that no Unitholder will be held to have any personal liability as such and no resort will be had to the Unitholder's property for satisfaction of any obligation or claim arising out of, or in connection with, any contract or obligation of any of the Fund, the Manager or the Trustee, but rather, only the Fund's property is intended to be liable and subject to levy or execution for such satisfaction. In addition, pursuant to the Trust Agreement, if any Unitholder is held personally liable as such in respect of any liability or obligation incurred by the Fund, such Unitholder will be entitled to indemnity and reimbursement out of such Fund's assets to the full extent of such liability and to the costs of any litigation or other proceedings in which such liability will have been determined, including without limitation the fees and disbursements of counsel.

Termination

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

General Economic and Market Conditions

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

Counterparty Risk

To the extent that any counterparty with or through which the Fund engages in trading and maintain accounts does not segregate the Fund's assets, the Fund will be subject to a risk of loss in the event of the insolvency of such person. Even where the Fund's assets are segregated, there is no guarantee that in the event of such an insolvency, the Fund will be able to recover all of its assets.

Micro to Small Capitalization Companies

The Fund may invest a portion of its assets in the stocks of companies with micro to small market capitalizations. While the Manager believes these investments often provide significant potential for appreciation, those stocks, particularly micro-capitalization stocks, involve higher risks in some respects than do investments in stocks of larger companies. For example, prices of such stocks are often more volatile than prices of large-capitalization stocks. In addition, due to thin trading in some such stocks, an investment in these stocks may be more illiquid than that of larger capitalization stocks.

Turnover

The Manager may invest on the basis of short-term market considerations from time to time. The turnover rate associated with such investments may be significant, potentially involving substantial brokerage commissions and fees. As a result of this turnover, the redemption of the Fund from certain investments could involve expenses to the Fund under the terms of the Fund's investments.

In light of the foregoing, there can be no assurance that the Fund's investment objectives will be achieved or that the Net Asset Value per Unit at redemption will be equal to or more than a purchaser's original cost.

REPORTING TO UNITHOLDERS AND MEETINGS OF UNITHOLDERS

Reporting to Unitholders

The fiscal year end of the Fund is December 31. Unitholders will be sent audited annual financial statements within 90 days of year end and unaudited semi-annual financial statements within 60 days of June 30, or as otherwise required by law, unless directed otherwise by the Unitholder. Additional interim reporting to Unitholders will be at the discretion of the Manager. The Fund may enter into other agreements with certain Unitholders that may entitle such Unitholders to receive additional reporting. Unitholders will receive the applicable required tax form(s) within the time required by applicable law to assist Unitholders in making the necessary tax filings.

Meetings of Unitholders

Unitholder approval is only required if applicable laws so provide. The Manager is not aware of any requirement under applicable law which currently requires Unitholder approval for any changes to the Fund. As such, the Manager does not anticipate holding any meetings of Unitholders. However, the Manager may convene a meeting of Unitholders, as it considers appropriate or advisable from time to time. The Manager must also call a meeting of Unitholders on the written request of Unitholders holding not less than 50% of the outstanding Units of the Fund in accordance with the Trust Agreement.

Not less than 21 days' notice will be given of any meeting of Unitholders. The quorum at any meeting is two or more unitholders present, in person or by proxy, holding not less than 2% of the Units of the Fund.

AMENDMENT OF THE TRUST AGREEMENT

Subject to the following paragraph and any approvals required under Securities Legislation, the Manager shall be entitled, in its discretion from time to time, by supplemental trust deed or by amending and restating the Trust Agreement to amend, delete, expand or vary any provision of the Trust Agreement and, in any other appropriate fashion, consent or agree to any change in any management agreement, advisory agreement or other agreement to which the Fund is a party, to any change of the manager, investment manager or investment adviser of the Fund or to any change in any other agreement or matter

relating to the Fund. In particular, and without limiting the generality of the foregoing, the Manager may amend the Schedules attached to the Trust Agreement for the purposes of reducing the fees and expenses that may be charged to the Fund or any Series of the Fund, from time to time, in the entire discretion of the Manager.

Any proposed change to the Trust Agreement that would adversely affect the interest of the Unitholders of the Fund and/or of a series of the Fund, as a whole, may only take effect upon either:

- (i) the approval of not less than a majority of the votes cast at a meeting of Unitholders of that Fund or that series, as the case may be, duly called for the purpose of considering the proposed change (or by written resolution in accordance with the Trust Agreement); or
- (ii) after 60 days' written notice of the proposed change has been given to the Unitholders in accordance with the Trust Agreement.

All persons remaining or becoming Unitholders after the effective date of such change shall be bound by such change. No amendment to this Trust Agreement may be made without the consent of the Manager.

A restated trust agreement, setting forth the terms hereof, as amended to the time of execution, may be executed at any time and from time to time by the parties hereto. No such execution of a restated trust agreement shall be deemed to constitute a termination and/or resettlement of the Fund created hereby.

AUDITORS

The auditors of the Fund are KBHNS, s.e.n.c.r.l./l.l.p., Chartered Accountants, or such other party as the Manager may retain.

CUSTODIAN AND ADMINISTRATOR

NBCN Inc. (Subsidiary of National Bank Financial Inc.) acts as the custodian and The Investment Administration Solution Inc. provides administrative services to the Fund.

LEGAL COUNSEL

Borden Ladner Gervais LLP acts as the legal counsel of the Manager and the Fund.

MATERIAL AGREEMENTS

Copies of the Trust Agreement and any other material agreement of the Fund will be made available to Unitholders upon request and may be inspected at the head office of the Fund during normal business hours.

STATUTORY AND CONTRACTUAL RIGHTS OF ACTION

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

As used herein, “**Misrepresentation**” means an untrue statement of a material fact or an omission to state a material fact that is required to be stated or that is necessary to make any statement in this Offering Memorandum or any amendment hereto not misleading in light of the circumstances in which it was made. A “**material fact**” means a fact that significantly affects or would reasonably be expected to have a significant effect on the market price or value of the Units.

The rights discussed below are in addition to and without derogation from any other rights or remedies available at law to a purchaser of Units.

Rights for Purchasers in Ontario

If this Offering Memorandum, together with any amendment or supplement hereto, delivered to a purchaser of Units resident in Ontario contains a Misrepresentation and it was a Misrepresentation at the time of purchase of Units by such purchaser, the purchaser will have, without regard to whether the purchaser relied on such Misrepresentation, a right of action against the Fund in which they are invested for damages or, while still the owner of the Units purchased by that purchaser, for rescission, in which case, if the purchaser elects to exercise the right of rescission, the purchaser will have no right of action for damages against the Fund, provided that:

- (a) the Fund shall not be held liable pursuant to either right of action if the Fund proves the purchaser purchased the Units with knowledge of the Misrepresentation;
- (b) in an action for damages, the Fund is not liable for all or any portion of such damages that it proves do not represent the depreciation in value of the Units acquired by the purchaser as a result of the Misrepresentation relied upon;
- (c) the Fund will not be liable for a Misrepresentation in forward-looking information if the Fund proves that:
 - (i) this Offering Memorandum contains reasonable cautionary language identifying the forward-looking information as such, and identifying material factors that could cause actual results to differ materially from a conclusion, forecast or projection in the forward-looking information, and a statement of material factors or assumptions that were applied in drawing a conclusion or making a forecast or projection set out in the forward-looking information; and
 - (ii) the Fund has a reasonable basis for drawing the conclusion or making the forecasts and projections set out in the forward-looking information;
- (d) in no case shall the amount recoverable pursuant to such right of action exceed the purchase price of the Units acquired; and
- (e) no action may be commenced to enforce such right of action more than:
 - (i) in the case of an action for rescission 180 days after the date of the acceptance of the purchaser's Subscription Agreement by the Manager; or
 - (ii) in the case of an action for damages, the earlier of:
 - (A) 180 days after the purchaser first had knowledge of the facts giving rise to the cause of action, or
 - (B) three years after the date of the acceptance of the purchaser's Subscription Agreement by the Manager.

The foregoing rights do not apply if the purchaser purchased Units of the Fund using the "accredited investor" exemption and is:

- (a) an association governed by the *Cooperative Credit Associations Act* (Canada) or a central cooperative credit society for which an order has been made under section 473(1) of that Act;
- (b) a bank, loan corporation, trust company, trust corporation, insurance company, treasury branch, credit union, caisse populaire, financial services cooperative, or league that, in each case, is authorized by an

enactment of Canada or a jurisdiction of Canada to carry on business in Canada or a jurisdiction of Canada;

- (c) a Schedule III bank;
- (d) the Business Development Bank of Canada incorporated under the *Business Development Bank of Canada Act* (Canada); or
- (e) a subsidiary of any person referred to in paragraphs (a) and (b), if the person owns all of the voting securities of the subsidiary, except the voting securities required by law to be owned by directors of that subsidiary.

Rights for Purchasers in Manitoba

If this Offering Memorandum delivered to a purchaser of Units resident in Manitoba contains a Misrepresentation and it was a Misrepresentation at the time of purchase of Units by such purchaser, the purchaser will be deemed to have relied on such Misrepresentation and will have a right of action against the Fund in which they are invested and every person performing a function or occupying a position with respect to the Fund which is similar to that of a director of a company, for damages or against the Fund for rescission, in which case, if the purchaser elects to exercise the right of rescission, the purchaser will have no right of action for damages against the Fund, provided that among other limitations:

- (a) the Fund will not be liable if it proves that the purchaser purchased the Units with knowledge of the Misrepresentation;
- (b) in the case of an action for damages, the Fund will not be liable for all or any portion of the damages that it proves does not represent the depreciation in value of the Units as a result of the Misrepresentation;
- (c) other than with respect to the Fund, no person or company is liable if the person or company proves:
 - (i) that this Offering Memorandum was sent to the purchaser without the person's or company's knowledge or consent; and
 - (ii) that, after becoming aware that it was sent, the person or company promptly gave reasonable notice to the Fund that it was sent without the person's or company's knowledge and consent;
- (d) other than with respect to the Fund, no person or company is liable if the person or company proves that, after becoming aware of the Misrepresentation, the person or company withdrew the person's or company's consent to this Offering Memorandum and gave reasonable notice to the Fund of the withdrawal and the reason for it;
- (e) other than with respect to the Fund, no person or company is liable with respect to any part of this Offering Memorandum not purporting to be made on an expert's authority and not purporting to be a copy of, or an extract from, an expert's report, opinion or statement, unless the person or company:
 - (i) did not conduct an investigation sufficient to provide reasonable grounds for a belief that there had been no Misrepresentation; or
 - (ii) believed there had been a Misrepresentation;
- (f) in no case will the amount recoverable in any action exceed the price at which the Units were sold to the purchaser; and
- (g) the right of action for rescission or damages will be exercisable only if the purchaser commences an action to enforce such right, not later than:
 - (i) in the case of an action for rescission, 180 days after the date of purchase of the Units; or

- (ii) in the case of an action for damages, the earlier of (A) 180 days following the date the purchaser first had knowledge of the Misrepresentation, and (B) two years after the date of purchase of the Units.

A person or company is not liable in an action for a Misrepresentation in forward-looking information if the person or company proves that:

- (a) this Offering Memorandum contains, proximate to that information,
 - (i) reasonable cautionary language identifying the forward-looking information as such, and identifying material factors that could cause actual results to differ materially from a conclusion, forecast or projection in the forward-looking information, and
 - (ii) a statement of the material factors or assumptions that were applied in drawing a conclusion or making a forecast or projection set out in the forward-looking information; and
- (b) the person or company had a reasonable basis for drawing the conclusions or making the forecasts and projections set out in the forward-looking information.

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

Rights for Purchasers in Saskatchewan

If this Offering Memorandum together with any amendment hereto or advertising or sales literature used in connection therewith delivered to a purchaser of Units resident in Saskatchewan contains a Misrepresentation, the purchaser has, without regard to whether the purchaser relied on the Misrepresentation, a right of action for damages against the Fund in which they are invested, every person acting in a capacity with respect to the Fund which is similar to that of a director or promoter of the Fund, and every person who or company that sells the Units on behalf of the Fund under this Offering Memorandum or amendment thereto, or, alternatively, a purchaser may elect to exercise a right of rescission against the Fund, provided that among other limitations:

- (a) no person or company is liable, nor does a right of rescission exist, where the person or company proves that the purchaser purchased the Units with knowledge of the Misrepresentation;
- (b) in an action for damages, no person or company will be liable for all or any portion of the damages that it proves do not represent the depreciation in value of the Units as a result of the Misrepresentation relied on;
- (c) in no case shall the amount recoverable exceed the price at which the Units were sold to the purchaser; and
- (d) no action shall be commenced to enforce these rights more than:
 - (i) in the case of an action for rescission, 180 days after the date of the acceptance of the purchaser's Subscription Agreement by the Manager; or
 - (ii) in the case of any action, other than an action for rescission, the earlier of one year after the purchaser first had knowledge of the facts giving rise to the cause of action or six years after the date of the acceptance of the purchaser's Subscription Agreement by the Manager.

A person or company is not liable in an action for a misrepresentation in forward-looking information if the person or company proves that:

- (a) this Offering Memorandum contains, proximate to that information:

- (i) reasonable cautionary language identifying the forward-looking information as such, and identifying material factors that could cause actual results to differ materially from a conclusion, forecast or projection in the forward-looking information; and
 - (ii) a statement of the material factors or assumptions that were applied in drawing a conclusion or making a forecast or projection set out in the forward-looking information; and
- (b) the person had a reasonable basis for drawing the conclusions or making the forecasts and projections set out in the forward-looking information.

These rights are subject to more defences as more particularly described in *The Securities Act, 1988* (Saskatchewan).

Rights for Purchasers in New Brunswick

If this Offering Memorandum, or any amendment hereto, delivered to a purchaser of Units resident in New Brunswick contains a Misrepresentation, the purchaser to whom this Offering Memorandum has been delivered and who purchases Units offered hereunder will be deemed to have relied upon such Misrepresentation if it was a Misrepresentation at the time of purchase and shall have a right of action for damages against the Fund in which they are invested or, at the election of the purchaser, a right of rescission (in which case the purchaser shall cease to have a right of action for damages against the Fund).

In addition, subject to certain limitations, where any advertising or sales literature disseminated in connection with this offering contains a Misrepresentation, a purchaser who purchases Units referred to in that advertising or sales literature is deemed to have relied upon that Misrepresentation if it was a Misrepresentation at the time of purchase. Such purchaser has a right of action for damages against the Fund in which they are invested and every promoter and director of that Fund at the time the advertising or sales literature was disseminated.

In addition, subject to certain limitations, where a person makes a verbal statement to a prospective purchaser that contains a Misrepresentation relating to the Units and the verbal statement is made either before or contemporaneously with the purchase of Units, the purchaser shall be deemed to have relied on the misrepresentation if it was a misrepresentation at the time of purchase and has a right of action for damages against the person who made the verbal statement.

There are various defences available. In particular, no person or company will be liable if it proves that the purchaser purchased the Units with knowledge of the Misrepresentation. In an action for damages, the defendant will not be liable for all or any part of the damages that it proves do not represent the depreciation in the value of the Units as a result of the Misrepresentation relied upon. The amount recoverable under the foregoing rights of action will not exceed the price at which the Units were purchased.

No person will be liable for a Misrepresentation in forward-looking information if the person proves that:

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

No action shall be commenced to enforce the foregoing rights:

- (a) in the case of an action for rescission, more than 180 days after the date of the transaction that gave rise to the cause of action; or
- (b) in the case of any action, other than an action for rescission, more than the earlier of
 - (i) 1 year after the purchaser first had knowledge of the facts giving rise to the cause of action, and
 - (ii) 6 years after the date of the transaction that gave rise to the cause of action.

Rights for Purchasers in Nova Scotia

Securities legislation in Nova Scotia requires that subscribers be provided with, in addition to any other right they may have at law, contractual rights of rescission or damages, or both, where this Offering Memorandum and any amendment thereto contains a Misrepresentation. However, such rights must be exercised by the subscriber within specified time limits.

If this Offering Memorandum, together with any amendment or supplement thereto, or any “advertising or sales literature” (as defined in the *Securities Act* (Nova Scotia)) delivered to a purchaser of Units resident in Nova Scotia contains a Misrepresentation and it was a Misrepresentation at the time of purchase, the purchaser will be deemed to have relied upon the Misrepresentation and will have, subject as hereinafter provided, a right of action, exercisable on written notice given to the Manager not more than 120 days subsequent to the date on which payment was made for the Units, either for damages or alternatively for rescission against the Fund in which they are invested while still the owner of any of the Units offered hereunder, provided that:

- (a) the Fund shall not be held liable pursuant to such right of action if the Fund proves the investor purchased the Units with knowledge of the Misrepresentation;
- (b) in an action for damages, the Fund is not liable for all or any portion of such damages that it proves do not represent the depreciation in value of the Units acquired by the investor as a result of the Misrepresentation relied upon; and
- (c) in no case shall the amount recoverable pursuant to such right of action exceed the price at which the Units were offered to the investor.

A person is not liable in an action for a Misrepresentation in forward-looking information if the person proves all of the following things:

- (a) this Offering Memorandum contains, proximate to that information,
 - (i) reasonable cautionary language identifying the forward-looking information as such, and identifying material factors that could cause actual results to differ materially from a conclusion, forecast or projection in the forward-looking information, and
 - (ii) a statement of the material factors or assumptions that were applied in drawing a conclusion or making a forecast or projection set out in the forward-looking information; and
- (b) the person had a reasonable basis for drawing the conclusions or making the forecasts and projections set out in the forward-looking information.

Rights for Purchasers in Prince Edward Island

If this Offering Memorandum, together with any amendment to this Offering Memorandum, delivered to a purchaser resident in Prince Edward Island contains a Misrepresentation and it was a Misrepresentation at the time of purchase, the purchaser will be deemed to have relied upon the Misrepresentation and will have a right of action against the Fund in which they are invested, every person performing a function or occupying a position with respect to the Fund which is similar to that of a director of a corporation at the date of this Offering Memorandum and every person who signed this Offering Memorandum, for damages or, alternatively, while still the owner of the Units, for rescission against the Fund, provided that:

- (a) no action shall be commenced to enforce the foregoing rights:
 - (i) in the case of an action for rescission, more than 180 days after the date of the transaction that gave rise to the cause of action; or
 - (ii) in the case of any action, other than an action for rescission, the earlier of (i) 180 days after the purchaser first had knowledge of the facts giving rise to the cause of the action; or (ii) three years after the date of the transaction that gave rise to the cause of the action;

- (b) no person or company will be liable if the person or company proves that the purchaser purchased the Units with knowledge of the Misrepresentation;
- (c) no person or company (other than the Fund) will be liable if it proves that:
 - (i) the Offering Memorandum was delivered to the purchaser without the person's or company's knowledge or consent and that, on becoming aware of its delivery, the person or company gave reasonable general notice that it was delivered without the person's or company's knowledge or consent; or
 - (ii) after the delivery of the Offering Memorandum and before the purchase of the Units by the purchaser, on becoming aware of any Misrepresentation in the Offering Memorandum, the person or company withdrew the person's or company's consent to the Offering Memorandum and gave reasonable general notice of the withdrawal and the reason for it;
- (d) no person or company (other than the Fund) will be liable with respect to any part of the Offering Memorandum not purporting to be made on the authority of an expert or to be a copy of, or an extract from, a report, an opinion or a statement of an expert unless the person or company:
 - (i) failed to conduct a reasonable investigation to provide reasonable grounds for a belief that there had been no Misrepresentation; or
 - (ii) believed that there had been a Misrepresentation;
- (e) in an action for damages, the defendant will not be liable for all or any portion of the damages that it proves do not represent the depreciation in value of the Units as a result of the Misrepresentation relied upon; and
- (f) in no case shall the amount recoverable exceed the price at which the Units were sold to the purchaser.

No person will be liable for a Misrepresentation in forward-looking information if the person proves that:

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

The rights summarized above are in addition to and without derogation from any other rights or remedy which Unitholders may have at law.

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