

ALIGNED CAPITAL FUNDS

PROSPERITY FUND

Class A units

This offering memorandum has been prepared by Aligned Capital Partners Inc., as the manager of the Prosperity Fund, and is being furnished solely for use by prospective investors in such fund. Under applicable securities law, the Prosperity Fund may be considered a “connected issuer” of Aligned Capital Partners Inc.

This offering memorandum is not and under no circumstances is to be construed as a prospectus relating to a public offering of the securities described herein.

No securities commission or similar regulatory authority has in any way passed upon the merits of the securities offered herein nor has it reviewed this offering memorandum and any representation to the contrary is an offence. These securities are not registered with the U.S. Securities and Exchange Commission and may only be offered or sold in the United States under an exemption from registration.

April 1, 2019

SUMMARY

The following is a summary only and is qualified by the more detailed information contained in this offering memorandum. Investors should consult their own advisors before investing in the fund.

Specific Fund Information

- Fund** The Prosperity Fund (the **Fund**), is an open-ended unit trust governed under the laws of the Province of Ontario pursuant to an amended and restated master trust agreement dated as of the 31st day of January 2017 by Aligned Capital Partners Inc., as the manager of the Fund, (the **Manager**) and Natcan Trust Company, as the trustee of the Fund.
- Investment Objective** The investment objective of the Fund is to seek to achieve long-term capital growth through a prudent disciplined approach to wealth creation and preservation. Commonly described as “value investing”, this approach focuses on buying excellent businesses in strong, long-term growth industries with the intention of holding these investments with little regard for market timing.
- Investment Strategy** To achieve its investment objective, the Fund will have broad discretion and may invest directly in securities of small, medium and large public companies as well as exchange traded funds and mutual funds, subject to applicable laws and any exemptions obtained by the Fund.
- Mr. Brad Brain, who is registered as a Dealing Representative with the Manager, exercises discretion over the Fund and, shall seek to achieve the investment objective of the Fund by obtaining direct and indirect exposure to securities of global issuers.
- The Fund may also hold cash and fixed-income securities and may temporarily depart from its investment objective by investing some or all of its assets in cash or fixed income securities to try to protect the Fund during a market downturn or for other reasons that the Manager deems appropriate in the circumstances.
- Investment Restrictions** The Fund will not directly utilize leverage or conduct short sales or invest in leverage or inverse ETFs. However, the Fund may invest in other securities that may invest in such securities.
- The Fund will also only hold investments that may be held by a “mutual fund trust” under the *Income Tax Act* (Canada) (the **Tax Act**).
- Risk Factors** Investing in Class A units of the Fund is subject to various risk factors including fluctuations in the equity markets, foreign currencies and interest rates, and the use of options, short selling and derivatives. Investors should realize that there is no guarantee that an investment in the Fund will earn a positive return in the short or long-term.
- Administration Fee** For providing services to the Fund, the Manager receives an administration fee (the **Administration Fee**) from the Class A units of the Fund equal to a

maximum of 10 basis points (0.10%) of the net asset value (the **NAV**) of the Class A units of the Fund.

General Fund Information

Manager	<p>Aligned Capital Partners Inc., as the manager of the Fund, (the Manager) is responsible for the day-to-day business of the Fund, including investment management services.</p> <p>The Manager is incorporated under the laws of the Province of Ontario and is registered as an investment dealer in each province of Canada, except Prince Edward Island, and as an investment fund manager in Ontario, Québec, and Newfoundland and Labrador and as a derivatives dealer in Quebec. The Manager is also a member of the Investment Industry Regulatory Organization of Canada (“IIROC”).</p> <p>The Manager is supported by a team of professionals with experience in research, trading, operations, client service and business development.</p>
Trustee	<p>Natcan Trust Company, as the trustee of the Fund, (the Trustee) is responsible for certain day-to-day administrative activities for the Fund.</p>
Custodian	<p>National Bank Independent Network (“NBIN”), a division of NBF Inc., which is an indirect, wholly owned subsidiary of National Bank of Canada, is the custodian of the Fund.</p>
Fund Administrator	<p>The Manager has appointed NBIN as the administrator of the Fund (the Fund Administrator) to assist with the administration of the Fund.</p>
Classes / Units	<p>The Fund offers an unlimited number of Class A units to qualified investors. Each Class A unit of the Fund represents an undivided interest in the net assets of that class of units of the Fund. Additional classes of units of the Fund can be created at the discretion of the Manager with such terms and conditions as it determines appropriate. Each class of units of the Fund is entitled to participate in distributions made by the Fund and in its net assets if the Fund is terminated. Each unit of a class of the Fund is also entitled to one vote at any meetings of unitholders of the Fund. No unit certificates will be issued to investors.</p>
The Offering	<p>A qualified investor can, at the Manager’s discretion, buy Class A units of the Fund on the last business day of each week on or before 4:00 p.m. (Toronto time) on such day or on such other dates as the Manager may agree to from time to time, including December 31st of each year, (each a Valuation Date) in Canadian dollars at the NAV of that class of units of the Fund on the applicable Valuation Date in any province of Canada, except Prince Edward Island, pursuant to applicable prospectus exemptions.</p> <p>The Manager reserves the right to accept or reject an investor’s subscription for units of a class of the Fund, and may change minimum investment amounts, distribution policies and when units of the Fund can be purchased from time to time. Any monies received with a subscription order that the Manager rejects will be promptly returned to the investor without interest.</p>
Trustee Fee	<p>The Fund pays the Trustee a trustee fee and such other fees as are negotiated between the Trustee and the Manager from time to time.</p>

Fund Administrator Fee	The Fund pays the Fund Administrator a Fund administrator fee which is calculated as a percentage of the NAV of the Class A units of the Fund to the Fund Administrator on an annual basis for its services to the Fund.
Operating Expenses	The Fund is responsible for the payment of all of its operating expenses, including the costs of establishing the Fund, legal and audit fees, bookkeeping charges, accounting, transfer agency services, custodial charges, preparing this offering memorandum and any marketing and/or sales materials about the Fund, and all services required in connection with the provision of information to unitholders of the Fund. Such fees and expenses are allocated, to the extent applicable, amongst the Fund's classes of units in a manner that the Manager determines is fair and reasonable in the circumstances.
Distributions	Distributions may be made by the Fund of all or any part of its net income and net realized gains or as a return of capital usually on a quarterly basis. The Fund will ensure that all of its net income and net realized capital gains, as computed for tax purposes, is distributed to its unitholders on or before the end of each taxation year of the Fund, which is currently December 31 st . The Manager currently intends to automatically reinvest such distributions of the Fund in additional units of the same class of the Fund on behalf of each unitholder, although a unitholder may elect to receive their distributions in cash.
Minimum Investment	The minimum investment in the Fund is \$50,000. The Manager has the discretion to change this amount from time to time, as permitted by applicable law.
Sales Charge	An investor does not have to pay any sales commission if they buy their units of the Fund from the Manager.
Additional Investments	A unitholder of the Fund can buy additional units of a class of the Fund in amounts generally not less than \$1,000, subject to compliance with applicable securities laws. The Manager has the discretion to change this amount from time to time, as permitted by applicable law.
Net Asset Value	The NAV of the Fund on a Valuation Date is equal to the fair market value of the assets of the Fund on such date less its liabilities on such date. The NAV of a class of units of the Fund on a Valuation Date is equal to the proportionate fair value of the assets of the Fund assigned to that class of units of the Fund on such date, less the liabilities attributable to that class of units of the Fund on such date. The NAV per unit of a Class A unit of the Fund on a Valuation Date is equal to the NAV of the Class A units of the Fund on such date divided by the number of Class A units of the Fund outstanding on such date.

Redemption of Units

Class A units of the Fund may be redeemed at the NAV per unit of a Class A unit of the Fund on any Valuation Date, provided the Manager is advised of such request in writing at least two (2) business days in advance of such Valuation Date. A request to redeem Class A units of the Fund after such time will be processed at the NAV per unit of a Class A unit of the Fund on the next Valuation Date, on a best efforts basis, unless the Manager is prepared to waive such notice requirement. The Manager is also entitled to suspend or restrict redemption rights in certain situations.

Short-Term Trading Deduction

The Manager may charge a unitholder that redeems units of a class of the Fund, which they purchased within the previous 90 days, a short-term trading deduction equal to 2% of the value of the units of that class being redeemed. This deduction will be paid to the Fund.

Canadian Income Tax Considerations

The Fund is required to include in computing its income in respect of each taxation year the full amount of any gains realized on income account, dividends received by it, accrued interest and the taxable portion of net realized capital gains. The Fund may deduct in computing its income for tax purposes amounts of income (including any taxable capital gains) paid or payable to unitholders in the year. Net income and net realized taxable capital gains of the Fund paid or payable in a year to unitholders are required to be included in computing the income of the unitholder for that year. Prospective investors should consult with their own tax advisers with respect to the income tax consequences to them of a proposed investment in the Fund as it relates to their particular circumstances.

Provided that the Fund is a registered investment under the Tax Act or a mutual fund trust within the meaning of the Tax Act, units of the Fund will be qualified investments for trusts governed by registered retirement savings plans, registered retirement income Fund, deferred profit sharing plans, registered education savings plans, registered disability savings plans and tax-free savings accounts. The Fund is currently a registered investment, but not a mutual fund under the Tax Act.

Statutory and Contractual Rights

Investors may be entitled to the benefit of certain statutory or contractual rights of action.

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SPECIFIC FUND INFORMATION

PROSPERITY FUND

The Prosperity Fund (the **Fund**) is an open-ended unit trust governed under the laws of the Province of Ontario pursuant to an amended and restated master trust agreement dated as of the 31st day of January 2017 (the **Trust Agreement**) by Aligned Capital Partners Inc., as the manager of the Fund, (the **Manager**) and Natcan Trust Company, as the trustee of the Fund (the **Trustee**). The address of the Fund's and the Manager's office is 1001 Champlain Avenue, Suite 300, Burlington, Ontario, L7L 5Z4 . The Manager may be reached at telephone number: 1-905-639-5115; or toll-free number: 1-800-561-4368.

NBIN is the custodian of the Fund. NBIN is the administrator of the Fund.

Copies of the Trust Agreement and any other material contracts of the Fund may be viewed at the office of the Manager during business hours.

Qualified investors can buy Class A units of the Fund in Canadian dollars. Qualified investors will generally be Accredited Investors as defined under National Instrument 45-106 *Prospectus Exemptions* and any other purchaser that is able to purchase units on a basis that is exempt from the prospectus requirements of applicable securities law, as determined by the manager. There is no maximum amount that may be invested in the Fund, and the Manager may decide to offer additional classes of units of the Fund in the future.

INVESTMENT OBJECTIVE AND STRATEGIES

Investment Objectives

The investment objective of the Fund is to seek to achieve long-term capital growth through a prudent disciplined approach to wealth creation and preservation. Commonly described as “value investing”, this approach focuses on buying excellent businesses in strong, long-term growth industries with the intention of holding these investments with little regard for market timing.

Investment Strategy

To achieve its investment objective, the Fund will have a broad discretion and may invest directly in securities of small, medium and large public companies as well as exchange traded funds and public mutual funds, subject to applicable law and any exemptions obtained by the Fund.

Mr. Brad Brain who is registered as a Dealing Representative with the Manager, exercises discretion over the Fund and shall seek to achieve the investment objective of the Fund by obtaining direct and indirect exposure to securities of global issuers.

The Fund may also hold cash and fixed-income securities and may temporarily depart from its investment objective by investing some or all of its assets in cash or fixed income securities to try to protect the Fund during a market downturn or for other reasons that the Manager deems appropriate in the circumstances.

In determining in which investment funds or ETFs to invest in, Mr. Brain will review the risk determination assigned to each investment fund or ETF by its manager, although he or the Manager may assign a more conservative rating to such fund as they may determine is appropriate in the circumstances (e.g., an issuer with a market cap in excess of \$10 billion will usually be viewed as having a medium risk profile).

The Fund may also hold cash and fixed-income securities and may temporarily depart from its investment objective by investing some or all of its assets in cash and/or fixed income securities to try to protect the Fund during a market downturn or for other reasons that the Manager deems appropriate in the circumstances.

General

The Fund may also make such other investments and carry on such activities as the Manager considers consistent with the Fund's investment objectives, including entering into securities lending arrangements.

Investment Restrictions

The Fund will not directly utilize leverage or conduct short sales or invest in leverage or inverse ETFs. However, the Fund may invest in other securities (i.e., other investment funds, private equity funds, ETFs and/or hedge funds) that may invest in such securities.

The Fund will also only hold investments that may be held by a "mutual fund trust" under the *Income Tax Act* (Canada) (the **Tax Act**). As the Fund is a registered investment under the Tax Act for trusts governed by registered retirement savings plans, registered retirement income fund, deferred profit sharing plans, registered education savings plans, registered disability savings plans and tax-free savings accounts (each a **Registered Plan**), the Fund will refrain from any investment which would make it liable for a material amount of penalty tax under the Tax Act for investments that may not be held by a Registered Plan.

RISK FACTORS

An investment in the Fund can involve significant risks and is not intended as a complete investment program. There is a risk that an investment in the Fund may be lost entirely or in part. Investors should consider, among others, the following risk factors before investing, which is not intended to be a complete list of the risk factors that may arise as a result of investing in the Fund. Investors should also read this offering memorandum and consult with their advisors before deciding to invest in the Fund.

Risk of Obtaining Investment Objectives

While the Manager believes that the Fund's investment policies will be successful over the long-term, there can be no guarantee against losses resulting from an investment in units of a class of the Fund and there can be no assurance that the Fund's investment approach will be successful or that its investment objective will be attained. Any investment may decline in value and the Fund may realize substantial losses, rather than gains, from some or all of its investments.

Lack of Operating History

The Fund is relatively new and has a limited operating history.

General Economic 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 developments. These factors may affect the value and liquidity of the Fund's investments. Unexpected volatility or illiquidity may also impair the Fund's profitability or result in losses.

Interest Rate Fluctuations

The value of the Fund's investments in bonds, debentures, notes and other fixed-income debt instruments will vary with interest rates. When interest rates rise, the value of securities with a fixed rate of interest will decline. Conversely, when interest rates fall, the value of such securities will increase.

Company Risk and Stock Market Risk

If there is negative news about a company in which the Fund invests, its shares may lose value, causing the value of the investment to change. For example, the value of an investment in a particular company may change if that company's shares fall with the rest of the stock market. If the Fund has a long position in these securities, such loss in the securities will decrease the value of the Fund. Conversely, positive news about a company or a general rise in the value of the equity markets may cause the value of the company's stock to increase and may increase the value of the Fund.

Liquidity Constraints

The Fund's investments may be subject to liquidity constraints because of insufficient depth or volume on the trading markets the Fund's securities trade on. The trading of restricted or illiquid securities may also result in higher brokerage costs and may sell at a lower price than other similar securities.

Foreign Investment Risks

The Fund's investment in foreign securities may be affected by economic conditions in that foreign country. The stock markets in such countries may not be as stable and financial data and information may be less reliable than they would be in North America. Political instability and social unrest may also affect the Fund's investment in foreign securities. Investments in a foreign investment in a foreign currency may also affect the Fund's net asset value (NAV) depending on how the value of such foreign currency changes as compared to the Canadian dollar.

Net Asset Value

The value of the Fund's investments may fluctuate as a result of various factors, including general economic conditions and fluctuations in the securities markets. The Fund's investment strategies may not be successful and there can be no guarantee that an investment in the Fund may not decline in value.

Reliance on Key Personnel

The success of the Fund is dependent on the successful implementation of its investment objectives and strategies by the Manager. The death, disability or withdrawal of a senior employee of the Manager could adversely affect the Fund.

Restriction or Suspension of Redemption Rights

The Manager may from time to time restrict redemptions of units of the Fund if normal trading is suspended on any stock exchanges on which securities are listed and traded which represent 50% or more of the value of the assets of the Fund, or in certain other instances.

Unitholder Liability

Although the intention is that only the assets of the Fund are available to pay its liabilities, because of uncertainties in the law there is a risk that a unitholder of the Fund could be held personally liable for the obligations of the Fund. However, the Fund will be operated in a manner to minimize this risk, and the Manager does not believe that this is a factor that unitholders need to be concerned about.

Conflicts of Interest

The Fund may be subject to various conflicts from time to time, partially because the Manager and Mr. Brain have other clients and may have different obligations to such clients, including as a result of the Manager's different registrations and the roles each party has, including any fees it may receive. The Manager and Mr. Brain will each endeavour to treat all of their clients fairly in accordance with all applicable legal requirements, and to allocate investment opportunities amongst their clients in an equitable and appropriate manner. When retaining service providers on behalf of the Fund, including dealers, the Manager will ensure that all transactions undertaken on behalf of the Fund are done on a best execution basis.

Effect of Redemptions and Termination

A significant redemption of Class A units of the Fund may have a significant adverse effect on the Fund's performance. In addition, the Fund could be terminated at any time. Either event may create adverse tax and/or economic consequences for the unitholders of the Fund, depending on the timing of such redemption or termination.

Restrictions on Transfers or Resale

The Fund may only be purchased by clients of the Manager. The Fund is not transferrable. Should a purchaser's agreement with the Manager be terminated, Units will be redeemed by the Manager unless they are capable of being transferred to another financial institution, which is not likely to occur. In the event of redemption, investors may incur losses or have to pay tax on capital gains that would otherwise not be incurred.

ADMINISTRATION FEE

For providing services to the Fund, the Manager receives an Administration Fee (the **Administration Fee**) from the Class A units of the Fund equal to a maximum of 10 basis points (0.10%) of the NAV of the Fund.

MANAGEMENT FEE

For providing its discretionary management services to the Fund, the Manager does not charge a fee. Clients of the Manager who purchase units of the Fund have entered into separate fee agreements with the Manager, and any purchasers of the Fund should refer to their specific agreement with the Manager in that regard.

FEES IN UNDERLYING INVESTMENTS

The Fund may invest in ETFs and other investment funds. These underlying investments may have their own management, administration or operating fees and charges.

GENERAL FUND INFORMATION

MANAGEMENT OF THE FUND

The Manager

The Manager is responsible for the day-to-day administration of the Fund, including investment management services. The Manager provides or will cause to be provided, among other things, administrative, accounting, valuation, unitholder records and other administrative services for the Fund.

The Manager is incorporated under the laws of the Province of Ontario and is as an investment dealer in each province of Canada, except Prince Edward Island, and as an investment fund manager in Ontario, Québec, and Newfoundland and Labrador. The Manager is also a member of the Investment Industry Regulatory Organization of Canada. The head office of the Manager is 1001 Champlain Avenue, Suite 300, Burlington, Ontario, L7L 5Z4.

The Manager is supported by a team of professionals with experience in research, trading, operations, client service and business development.

The services of the Manager are not exclusive to the Fund, and nothing prevents the Manager from providing similar services to other investment funds and other clients (whether their investment objectives and policies are similar to those of the Fund) or from engaging in other activities. In the course of providing services to the Fund, the Manager will attempt to avoid potential conflicts of interest that may arise, including with respect to its registration as an investment fund manager and investment dealer.

In acting on behalf of the Fund, the Manager shall always exercise the care, diligence and competence that a reasonably prudent person would exercise in comparable circumstances.

In accordance, with the Trust Agreement, the Manager is entitled to be indemnified by the Fund, unless the indemnification is arising as a result of the Manager's gross negligence, wilful misconduct or fraud, or breaching its standard of care to the Fund.

Personnel of the Manager

As at the date hereof, the name and municipality of residence of each officer of the Manager is as follows:

Name and Municipality of Residence	Title
Chris Enright Oakville, Ontario	Chief Executive Officer
Brad Brain Fort St. John, BC	Portfolio Manager
Craig Schleyer Erin, Ontario	Chief Administrative Officer
Brian Driscoll Oakville, Ontario	Chief Compliance Officer

Christopher J. Enright, CIM, FCSI

Mr. Enright is the Chief Executive Officer and Ultimate Designated Person of the Manager – Aligned Capital Partners Inc. (“ACPI”) As well as being an Investment Fund Manager, ACPI is an IIROC-regulated Investment Dealer. Mr. Enright has more than 25 years of investment industry experience. He has been an active member within the securities industry in various capacities since 1994, currently serving on the Board of Directors of the Investment Funds Industry of Canada (IFIC) and serving on IIROC’s Ontario District Council. As well, he dedicates time to various IFIC, IIROC and IIAC (Investment Industry Association of Canada) committees.

Mr. Enright has also held executive roles in Wealth Management Distribution at Industrial Alliance Insurance & Financial Services Inc. where he was responsible for overseeing one of the largest distribution networks in Canada (>\$25 Billion in AUA), a nationally registered securities dealer and IIROC Member and Mutual Fund Broker/Dealer network. Prior to Mr. Enright’s integral role at Industrial Alliance, he was the Executive Vice-President of FundEx from 2006 to 2009, and Managing Director & Co-Founder of FundTrade Financial Corp.

Brad Brain, CFP, R.F.P., CIM, FCSI, TEP

Brad Brain is a Dealing Representative with the Manager and exercises discretion over the Fund. He also has the same role where he is responsible for selecting and implementing appropriate investments and asset allocations to fulfill discretionary client mandates for individual clients. Brad has more than 23 years of investment industry experience.

Craig Schleyer, CIM, FCSI

Craig Schleyer is the Chief Administrative Officer of the Manager and SVP of Finance and Compliance. Craig has over 25 years of broad industry experience including the senior roles of Chief Compliance Officer, Chief Financial Officer and Chief Operating Officer. In addition to leveraging his experience to carry out his current role, Craig continues to be an active participant in a variety of regulatory forums including the Financial Administrators Section of IIROC and past Chairperson positions of various industry working groups.

Brian D Driscoll, CFP, CIM, DMS, FCSI

Brian Driscoll is the Chief Compliance Officer of the Manager and the IIROC dealer. Brian has over 29 years of investment industry experience. Mr. Driscoll also previously served on IIROC’s Ontario District Council and currently devotes his time to various IFIC, IIROC and IIAC committees. His diverse investment management experience includes senior roles at bank-owned IIROC dealers, national mid-tier dealers and boutique firms. He has acted as Head Trader for two firms and has been a retail investment advisor and financial planner.

The Trustee

Natcan Trust Company is the trustee of the Fund and is responsible for certain day-to-day activities for the Fund. The principal office of the Trustee is located at 600 de la Gauchetière St. West, 28th Floor, Montreal, QC H3B 4L2.

In performing its duties on behalf of the Fund, the Trustee shall exercise the care, diligence and competence that a reasonably prudent person would exercise in dealing with the property of another person.

Pursuant to the Trust Agreement, the Trustee may resign on 60 days' prior written notice or may be dismissed by the Manager on 60 days' prior written notice, or such shorter period of time as the parties may agree to.

The Trust Agreements also provides that the Trustee has a right of indemnification in carrying out its duties for the Fund, unless the indemnification is arising as a result of the Trustee breaching its standard of care to the Fund.

Copies of the Trust Agreement and any other material contracts of the Fund may be viewed at the office of the Manager during business hours

The Fund Administrator

NBIN is the administrator of the Fund (the **Fund Administrator**) pursuant to an agreement made as of the 31st day of January 2017 between the Manager and the Fund Administrator (the **Fund Administration Services Agreement**). Pursuant to the Fund Administration Services Agreement, the Manager has appointed the Fund Administrator to provide certain administrative services to the Fund, including fund valuation, unitholder recordkeeping and tax preparation.

POTENTIAL CONFLICTS OF INTEREST

The Manager may provide investment management services to other accounts and funds that may or may not have investment programs similar to the Fund. The services of the Manager to the Fund are not exclusive, and nothing prevents the Manager from providing similar services to other investment funds and other clients (whether their investment objectives and policies are similar to those of the Fund) or from engaging in other activities.

Participation in specific investment opportunities may be appropriate, at times, for the Fund and one or more other clients of the Manager. In such cases, participation in such opportunities will be allocated on an equitable basis. Although other clients, including the Fund, may pursue similar investment objectives, the portfolio of the Fund and such other clients may differ as a result of subscriptions and redemptions being made at different times and in different amounts. The Manager may also give advice and recommend securities to other clients which may differ from advice given to, or securities recommended, or bought, for the Fund.

The Manager may also engage in investment activities for its own account and for family members and friends. Such activities may involve the purchase and sale of securities that are the same as, but in different concentrations or at different times than, those purchased or sold by the Fund.

In the course of providing services to the Fund, the Manager will attempt to avoid potential conflicts of interest, by discharging its duties as manager and portfolio advisor of the Fund, in accordance with its aforementioned standard of care. In addition, the Manager shall not undertake any trading activities on behalf of the Fund, unless such trades are transacted at prices which generally reflect current market rates.

Brad Brain is a shareholder of Value Partners Investments Inc. ("VPI"), an investment fund management firm. As such, there is a conflict of interest in his recommendation to purchase funds managed by VPI. His shares total approximately 0.1% of VPI's share capital.

OTHER FEES AND EXPENSES

Trustee Fee

The Fund pays the Trustee a trustee fee and such other fees as are negotiated between the Trustee and the Manager from time to time.

Fund Administrator Fee

The Fund pays the Fund Administrator a Fund administrator fee which is calculated as a percentage of the NAV of the Class A units of the Fund to the Fund Administrator on an annual basis for its services to the Fund.

Operating Expenses

The Fund is responsible for the payment of all of its operating expenses, including the costs of establishing the Fund, legal and audit fees, bookkeeping charges, accounting, transfer agency services, custodial charges, preparing this offering memorandum and any marketing and/or sales materials about the Fund, and all services required in connection with the provision of information to unitholders of the Fund. Such fees and expenses are allocated, to the extent applicable, amongst the Fund's classes of units in a manner that the Manager determines is fair and reasonable in the circumstances.

In addition, the Fund is generally required to pay taxes eligible under Part IX of the *Excise Tax Act* (Canada) and the regulations made thereunder (**GST/HST**) on any Administration Fees and most of the other fees and expenses that it has to pay.

Each class of units of the Fund will bear, as a separate class of units of the Fund, any expenses that can be specifically attributed to that class of units of the Fund. Common expenses, such as audit and custody fees, and expenses and fees that are charged to the Fund as a group will be allocated among all classes of units of the Fund in a manner that the Manager determines is fair and reasonable in the circumstances.

INVESTING IN THE FUND

Class A units of the Fund are offered on a continuous basis in each province of Canada, except Prince Edward Island (each an **Offering Jurisdiction**).

A qualified investor in an Offering Jurisdiction can, at the Manager's discretion, buy Class A units on the last business day of each week on or before 4:00 p.m. (Toronto time) on such day or on such other dates as the Manager may agree to, including December 31st of each year, (each a **Valuation Date**) in Canadian dollars at the NAV per unit of a Class A unit of the Fund on the applicable Valuation Date pursuant to applicable prospectus exemptions.

The Manager may discontinue the offering of units of any class of the Fund at any time. Class A units of the Fund may be redeemed at a unitholder's request based on the NAV per unit of a Class A unit of the Fund less any applicable charges, subject to certain rights of the Manager to suspend or restrict redemption rights.

Purchase of Units

Investors can purchase Class A units of the Fund through the Manager in any Offering Jurisdiction.

Investors who wish to subscribe for Class A units of the Fund must complete, execute and deliver a subscription agreement to the Manager, together with payment in an amount equal to the purchase price of such units.

Investors who wish to subscribe for Class A units of the Fund must represent to the Fund that they are not, and will not become, a “designated beneficiary” as such term is defined in the Tax Act. In general, a designated beneficiary is a unitholder of the Fund that is (i) a non-resident of Canada, (ii) a non-resident-owned investment corporation, (iii) a unitholder exempt from tax under Part I of the Tax Act where the unitholder’s Class A units of the Fund were acquired other than from the Fund, or (iv) a trust or partnership with an investor who is a “designated beneficiary”, subject to certain exceptions. An investor is advised to consult with his or her legal and tax advisors to determine if he or she is a designated beneficiary.

The purchase price of a Class A unit of the Fund is an amount equal to the NAV per unit of the Class A units of the Fund on the Valuation Date on which such units are purchased. Subscriptions received and accepted on or prior to 4:00 p.m. (Toronto time) for Class A units of the Fund on a Valuation Date will be issued at the NAV per unit of a Class A units of the Fund on that Valuation Date. Subscriptions received and accepted after 4:00 p.m. (Toronto time) for Class A units of the Fund on a Valuation Date or on a day that is not a Valuation Date, will be issued at the NAV per unit for a Class A unit of the Fund on the next Valuation Date.

The Manager may permit an investor to subscribe for Class A units of the Fund on a day which is not otherwise a Valuation Date in certain situations.

Upon completing a subscription agreement for Class A units of the Fund, an investor will have waived any right to withdraw their subscription, subject to compliance with applicable securities laws. The Manager reserves the right to accept or reject orders for Class A units of the Fund within two (2) business days of the next Valuation Date after receiving the subscription agreement, provided that any decision to reject an order will be made promptly and any monies received with a rejected order will be refunded immediately, without interest, deduction or penalty, after such determination has been made by the Manager.

Minimum Investment

The minimum investment in the Fund is \$50,000. The Manager has the discretion to change this amount from time to time, as permitted by applicable law.

Sales Charge

An investor does not have to pay any sales commission if they buy their Class A units of the Fund from the Manager.

Class A units of the Fund purchased on a reinvestment of distributions are also not subject to a sales charge.

Additional Investments

Investors who are accredited investors may, in the sole discretion of the Manager, make additional investments in Class A units of the Fund at any time where each additional investment in Class A units of the Fund is at least \$1,000. The Manager has the discretion to change this amount from time to time, as permitted by applicable law.

The Manager reserves the right to change the minimum amount for additional investments in Class A units of the Fund at any time and from time to time.

RECLASSIFICATION OF UNITS OF THE FUND

In certain circumstances, an investor may be entitled to reclassify units of a class of the Fund into units of another class of the Fund. This type of reclassification will not trigger a gain or a loss because, based on the Canada Revenue Agency's (CRA) administrative practice, such a reclassification is not considered a disposition for tax purposes.

DISTRIBUTIONS

Distributions may be made of all or any part of the net income and net realized capital gains of the Fund or as a return of capital, on a quarterly basis on the last Valuation Date of each calendar quarter, or at such other times as determined by the Manager. Any net income and net realized capital gains of the Fund, as computed for tax purposes, for a taxation year not previously distributed will be distributed on or before the last day in each taxation year to the unitholders of record of the Fund on such date so that the Fund will not be liable for any Canadian federal income tax under Part I of the Tax Act (after taking into account any capital gains refund to which the Fund may be entitled to in the circumstance where the Fund qualifies as a mutual fund trust throughout a particular taxation year). Distributions may also include non-taxable distributions out of capital.

All distributions by the Fund to unitholders of a class of the Fund will be reinvested automatically in additional units of the same class of the Fund at the NAV per unit of the applicable class of the Fund on the day the distribution is payable, unless the unitholder asks for a cash distribution.

Distributions made on units of a class of the Fund will reflect the expenses attributable to that class of the Fund. As a result, the amount of distributions per unit of one class of the Fund may be different from the amount of distributions per unit of another class of the Fund. In addition, where the expenses attributable to a particular class of units of the Fund exceed that class' proportionate share of the Fund's net income, including taxable capital gains, the amount of such excess (**excess class expenses**) will be applied to the other classes of the Fund by the Manager in such reasonable manner as the Manager may determine in its sole discretion. The Manager may use the excess class expenses of the Fund for a particular class of units of the Fund to reduce the distributions of net income (including taxable capital gains) made by the Fund to unitholders of other classes of the Fund. However, excess class expenses for a particular class of units of the Fund will not reduce the NAV of any other class of units of the Fund.

The Fund will provide to its unitholders, no later than March 31st in each year with respect to the calendar year last ended, all tax reporting forms in respect of distributions for that calendar year.

PORTFOLIO VALUATION AND NET ASSET VALUE

The NAV of the Fund is determined by the Fund Administrator as of the close of regular trading on the Toronto Stock Exchange (the **TSX**), normally 4:00 p.m. (Toronto time) on each Valuation Date in accordance with the valuation principles set out in the Trust Agreement.

The NAV of the Fund will be reported in Canadian dollars. The NAV of the Fund may not be calculated (i) during any period when normal trading is suspended on any stock exchange on which securities or permitted derivatives are listed which, in the aggregate, represent more than 50% by value or underlying market exposure of the total assets of a class of units of the Fund; or (ii) during any period when the Manager determines that such a suspension would be in the best interests of the unitholders of a class of units of the Fund.

The NAV of the Fund on a Valuation Date is equal to the fair market value of the assets of the Fund on such date less its liabilities on such date. The NAV of a class of units of the Fund on a Valuation Date is

equal to the proportionate fair value of the assets of the Fund assigned to that class of units of the Fund on such date, less the liabilities attributable to that class of units of the Fund on such date. The NAV per unit of a class of units of the Fund on a Valuation Date is equal to the NAV of that class of units of the Fund on such date divided by the number of units of that class of the Fund outstanding on such date.

Each allocation of liabilities, expenses, costs, charges and reserves by the Manager, or a party designated or appointed by the Manager, shall be conclusive and binding upon all unitholders of the class for all purposes.

UNITS OF THE FUND

An investment in the Fund is represented by units of a class of the Fund, each of which represents an undivided interest in the net assets of the Fund attributable to that class of units of the Fund. The Fund has a multi-class structure and currently offers Class A units.

An unlimited number of classes of units of the Fund may be created at the discretion of the Manager having such terms and conditions as the Manager may determine. The units of any other class of the Fund that the Manager may decide to offer may be sold through separate distribution channels and may have different features than the Class A units of the Fund offered hereunder.

The proportionate interest of each unitholder in a class of units of the Fund is expressed by the number of units of that class of the Fund or fractions thereof held by such unitholder. An unlimited number of units of all classes of the Fund may currently be issued. No certificates will be issued for any units of a class of the Fund that are issued. Outstanding units of a class of the Fund may be subdivided or consolidated. Fractions of units of a class of the Fund may be issued. The rights of unitholders of a class of units of the Fund are contained in the Trust Agreement. Each class of units of the Fund is entitled to participate equally in distributions made by the Fund to its unitholders of that class and, on termination of the Fund, to participate equally in the net assets of the Fund attributable to that class remaining after all liabilities attributable to that class of units of the Fund have been paid. Class A units of the Fund are only issued as fully paid and non-assessable.

The holder of a whole unit of a class of the Fund has the right to one vote at any meeting of unitholders of that class of the Fund. Fractional units of a class of the Fund carry the same rights and are subject to the same conditions as whole units of that class of the Fund (other than with respect to voting rights) in the proportion that they bear to a whole unit of that class of the Fund.

REDEMPTION OF UNITS

Redemptions

A unitholder of a Class A unit of the Fund is entitled to redeem any such units held by the unitholder on any Valuation Date at the NAV per unit of a Class A unit of the Fund. Redemption orders specifying the name of the Fund, the Class A units of the Fund, and the number or dollar amount of the Class A units of the Fund to be redeemed must be in writing and the unitholder's signature must be guaranteed to the satisfaction of the Manager. Redemption orders may be made in writing directly to the Manager.

The amount payable to a unitholder by the Fund for each Class A unit of the Fund redeemed (the **Redemption Amount**) will be equal to the NAV per unit of a Class A unit of the Fund on the date the redemption is processed less any applicable fees and taxes. If a redemption order for the Fund is received by the Manager on or prior to 4:00 p.m. (Toronto Time) on the Valuation Date, then the order will be processed, and the Class A units of the Fund will be redeemed based on the NAV per unit of a Class A unit of the Fund on that date. Orders received after that time will be processed on the next Valuation Date.

The Redemption Amount will usually be sent to the unitholder within three (3) business days following the Valuation Date on which the redemption order was received in good order. If Class A units of the Fund were purchased by cheque and then redeemed within seven (7) business days of the purchase, the Fund may hold the redemption proceeds until the purchase cheque has cleared, which may take up to 10 business days for cheques drawn on a Canadian chartered bank and up to 45 business days for all other cheques.

Any Redemption Amount (net of amounts required to be withheld) to be paid to a unitholder of the Fund will be paid by cheque or electronic payment to the order of the unitholder requesting the redemption and mailed by standard mail to such unitholder at his recorded address or by automatic Fund transfer to an account maintained by the unitholder with a Canadian bank or trust company. No interest will be paid to the unitholder on account of any delay in forwarding the Redemption Amount to the unitholder.

Where the unitholder is a client of the Manager, and the purchase of units of the Fund has been made by the Manager within a discretionary account held by the unitholder with the Manager, the Redemption Amount will be deposited in that unitholder's discretionary account.

Any redemption order of a unitholder that has been deferred because of a suspension of redemptions of the Fund will be completed by the Manager on the first Valuation Date following the termination of the suspension unless earlier withdrawn by the unitholder.

Payment in Specie

The Manager may at its discretion make payment for Class A units of the Fund that are redeemed by delivery of liquid investments to the redeeming unitholder. The liquid investments so delivered shall be valued based on the value assigned to them for the purposes of determining the NAV of the Class A units of the Fund being redeemed at such time.

Short-Term Trading Deduction

The Manager may charge a unitholder that redeems Class A units of the Fund, which they purchased within the previous 90 days, a short-term trading deduction equal to 2% of the value of the Class A units being redeemed. This deduction will be paid to the Fund.

Suspension and Restriction of Redemptions

The Manager may from time to time restrict redemptions of Class A units of the Fund if normal trading is suspended on any stock exchanges on which securities are listed and traded which represent 50% or more of the value of the assets of the Fund, or in certain other instances.

CANADIAN FEDERAL INCOME TAX CONSIDERATIONS

The following is, as of the date hereof, a summary of the principal Canadian federal income tax consequences of an investment in Class A units of the Fund. Unless otherwise indicated, the summary only applies to an investment made by an individual (other than a trust) who is resident in Canada and who holds Class A units of the Fund as capital property. The tax consequences to a unitholder of the Fund of acquiring, owning and disposing of Class A units of the Fund will depend on many factors, including the unitholder's jurisdiction of residence and the manner and frequency in which Class A units of the Fund are acquired and disposed of by the unitholder.

This description is based upon the current provisions of the Tax Act and the Regulations thereunder, the specific proposals to amend the Tax Act and the Regulations (the **Tax Proposals**) announced by or on

behalf of the Minister of Finance (Canada) prior to the date hereof and the Manager's understanding of the current administrative and assessing policies of the CRA published in writing. If any of the Tax Proposals are not adopted as contemplated, the tax consequences to the Fund and the unitholders of the Fund may not be as described below in all cases. This description is not exhaustive of all possible Canadian federal income tax consequences and, except for the Tax Proposals, does not 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 tax considerations which may differ significantly from those discussed herein. There is no assurance that the Tax Proposals will be enacted in the form proposed, if at all.

This description is of a general nature only and is not intended to be, nor should it be construed to be, legal or tax advice to any prospective purchaser and no representation with respect to the income tax consequences to any purchaser is made. Prospective purchasers should consult their own tax advisers for advice with respect to the income tax consequences to them of a proposed investment in the Fund as it relates to their particular circumstances.

It is assumed that the Fund will not have any material investment in interests in non-resident trusts deemed to be resident in Canada or in other non-Canadian entities that would result in any material amount of deemed income inclusions under the Tax Act.

Taxation of the Fund

Currently, the Fund does not qualify as a mutual fund trust under the Tax Act. Qualification as a mutual fund trust under the Tax Act is dependent, in part, on whether the Fund meets certain requirements as to the distribution of its Class A units and the number of its unitholders. However, the Fund is a "registered investment" under the Tax Act for Registered Plans. It is assumed that at no time will "financial institutions" (as defined in section 142.2 of the Tax Act) hold more than 50% of the fair market value of all of the Class A units of the Fund. If financial institutions held more than 50% of the fair market value of all of the Class A units of the Fund, under the Tax Act, and the Fund is not a mutual fund trust at that time, the Fund will be subject to the "mark-to-market" rules on its "mark-to-market property".

The Fund will generally not be liable for tax under Part I of the Tax Act in respect of its net income or net realized capital gains in each taxation year, determined in Canadian dollars in accordance with the Tax Act, to the extent such net income and net realized capital gains are paid or payable in the year to unitholders of the Fund. For taxation years throughout which the Fund is not a mutual fund trust under the Tax Act, the Fund may in certain circumstances be subject to alternative minimum tax even though its net income and net realized capital gains are paid or payable to its unitholders. In accordance with the administrative practice of the CRA, the Fund will treat gains and losses on short sales as being on income account, unless the short sale is a hedge against identical securities of the Fund that are capital property. Gains and losses on certain derivatives may also be treated by the Fund as being on income account.

For taxation years throughout which the Fund is not a mutual fund trust under the Tax Act, the amount of distributions of net realized capital gains to unitholders made by the Fund in the taxation year and, therefore, the amount required to be included in the income of unitholders of the Fund, may exceed the amount of distributions of net realized capital gains that otherwise would be required to be made by the Fund if it qualified as a mutual fund trust under the Tax Act.

For taxation years throughout which the Fund is not a mutual fund trust under the Tax Act, the Fund will be liable to a special tax under Part XII.2 of the Tax Act if its unitholders include "designated beneficiaries" and it has "designated income". If the Fund has a "designated beneficiary" (which includes a non-resident of Canada, certain trusts and certain tax-exempt persons) and has "designated income" (which includes capital gains from the dispositions of "taxable Canadian property" and income from a business carried on in Canada), the Fund will be liable to pay Part XII.2 tax on such designated income. Such tax will be

effectively borne by the “designated beneficiaries” and all tax-exempt unitholders while taxable unitholders of the Fund who are resident in Canada should generally achieve the same after-tax return as if the Fund were not subject to Part XII.2 tax.

If the Fund is a registered investment but not a mutual fund trust, which is currently the case, it will be liable to pay a penalty tax under the Tax Act if, at the end of any month, the Fund holds any investments that are not qualified investments for a Registered Plan. The tax for a month is equal to 1% of the fair market value of the non-qualified investments at the time it was acquired by the Fund. It is not expected that the Fund may invest in futures and forwards contracts which are not prescribed investments. In such a situation, a tax will be payable by the Fund based on the fair market value of the future or forward contract at the time it was entered into by the Fund, which should equal the brokerage fees and any other costs incidental to making such an investment.

Losses incurred by the Fund cannot be allocated to unitholders of the Fund but may be deducted by the Fund in future years in accordance with the Tax Act.

A distribution by the Fund of its property upon a redemption of Class A units of the Fund *in specie* will be treated as a disposition by the Fund of the property so distributed for proceeds of disposition equal to its fair market value. Assuming that such property is held as capital property, the Fund will realize a capital gain (or a capital loss) to the extent that the proceeds from the disposition exceed (or are less than) the adjusted cost base of the relevant property and any reasonable costs of disposition.

The Fund’s portfolio may include securities which are not denominated in Canadian dollars. The cost and proceeds of disposition of securities and all other amounts will be determined for the purposes of the Tax Act in Canadian dollars at the exchange rate prevailing at the time of the transaction. Accordingly, the Fund may realize gains or losses by virtue of the fluctuation in the value of foreign currencies relative to Canadian dollars. Where currency hedging transactions are sufficiently linked, gains and losses on such transactions will be treated as capital gains and capital losses.

The “suspended loss” rules in the Tax Act may prevent the Fund from recognizing capital losses on the disposition of securities in certain circumstances, which may increase the amount of capital gains distributed to unitholders of the Fund.

The Tax Act contains “loss restriction event” (**LRE**) rules that could apply to the Fund. In general, a LRE will occur to the Fund if a person (or group of persons) acquires units of the Fund worth more than 50% of the fair market value of all units of the Fund. If a LRE occurs (i) the Fund will be deemed to have a year-end for tax purposes, (ii) any net income and net realized capital gains of the Fund at such year-end may be distributed to unitholders of the Fund, and (iii) the Fund will be restricted in its ability to use tax losses (including any unrealized capital losses) that exist at the time of the LRE. However, the Fund will be exempt from the application of the LRE rules in most circumstances provided that the Fund is an “investment fund” which requires the Fund to satisfy certain investment diversification rules.

Taxation of Unitholders

A unitholder of the Fund will be required to include in income for a taxation year in Canadian dollars the net income and the portion of the net realized capital gains of the Fund paid or payable to the unitholder of the Fund in such taxation year, whether received in cash or reinvested in additional Class A units of the Fund.

The net asset value per Class A unit of the Fund will reflect any income and gains of the Fund that have accrued or been realized but not made payable at the time the Class A units of the Fund were acquired.

Consequently, purchasers of Class A units of the Fund may become taxable on their share of income and gains of the Fund that accrued or were realized before the Class A units of the Fund were acquired.

Foreign income, taxable dividends from taxable Canadian corporations and taxable capital gains of the Fund (in each case, designated as such by the Fund) will retain their identity in the hands of unitholders of the Fund for income tax purposes. Where foreign income of the Fund has been so designated, generally unitholders of the Fund will be deemed to have paid, for foreign tax credit purposes, their proportionate share of the foreign taxes paid by the Fund on such income. To the extent that amounts received from the Fund by a unitholder is designated as taxable dividends from taxable Canadian corporations, the gross-up and dividend tax credit rules will apply (including the enhanced dividend tax credit in respect of “eligible dividends”).

All distributions by the Fund to a unitholder (other than as proceeds of disposition of all or part of the unitholder’s Class A units of the Fund) will reduce the adjusted cost base of the unitholder’s Class A units of the Fund except to the extent that the distribution is included in the unitholder’s income or is the non-taxable portion of a capital gain of the Fund (designated as such by the Fund). A unitholder of the Fund will realize a capital gain to the extent that reductions in the adjusted cost base of the unitholder’s Class A units of the Fund result in a negative amount.

Pursuant to the Trust Agreement of the Fund, in determining the amounts payable to its unitholders, the Manager may make allocations to a unitholder who has redeemed a Class A unit of the Fund during the taxation year of the Fund.

Pursuant to the Trust Agreement of the Fund, the Manager may, at its discretion, make payment for Class A units of the Fund that are redeemed by delivery of liquid investments to the redeeming unitholder. If Class A units of the Fund are redeemed in such manner, the proceeds of disposition to the unitholder of the Class A units will be equal to the fair market value of the securities so distributed less any income or capital gain realized by the Fund in connection with the redemption of those Class A units which has been designated by the Fund to the unitholder. Where income or capital gain realized by the Fund in connection with the distribution of securities on the redemption of Class A units of the Fund has been designated by the Fund to a redeeming unitholder, the unitholder will be required to include in income the income or taxable portion of the capital gain so designated. The cost of any property distributed by the Fund to a unitholder upon a redemption of Class A units of the Fund will be equal to the fair market value of those securities at the time of the distribution.

Upon the disposition of a Class A unit of the Fund, including on a redemption, a capital gain (or capital loss) will be realized by the unitholder of the Fund to the extent that the proceeds of disposition of the Class A unit of the Fund exceed (or are exceeded by) the aggregate of the adjusted cost base of the Class A unit and any costs of disposition. Proceeds of disposition will not include an amount payable by the Fund that is otherwise required to be included in the unitholder’s income.

One-half of a capital gain (a **taxable capital gain**) will be included in computing a unitholder’s income and one-half of a capital loss (an **allowable capital loss**) may be deducted from taxable capital gains to the extent permitted by the Tax Act.

For the purpose of determining the adjusted cost base of a unitholder’s Class A units of the Fund, when a Class A unit is acquired, whether on the reinvestment of distributions or otherwise, the cost of the newly-acquired Class A unit of the Fund will be averaged with the adjusted cost base of all Class A units of the Fund owned by the unitholder before that time. The cost to a unitholder of Class A units received on the reinvestment of a distribution will be equal to the amount reinvested.

In general terms, the net income of the Fund paid or payable to a unitholder that is designated as taxable dividends from taxable Canadian corporations or as net taxable capital gains, and capital gains realized by a unitholder on the disposition of Class A units of the Fund, may increase such unitholder's liability for alternative minimum tax under the Tax Act.

Deferred Income Plans

Provided that the Fund maintains its status as a registered investment under the Tax Act or becomes a mutual fund trust within the meaning the Tax Act, Class A units of the Fund will be qualified investments for Registered Plans. As of the date hereof, although the Fund is currently not a mutual fund trust under the Tax Act, the Fund is a registered investment under the Tax Act.

Exchange of Tax Information

Part XVIII of the Tax Act imposes due diligence and reporting obligations on "reporting Canadian financial institutions" in respect of their "U.S. reportable accounts." The Fund is a "reporting Canadian financial institution." The Fund and the Manager through which unitholders hold their Class A units of the Fund are subject to due diligence and reporting obligations with respect to financial accounts they maintain for their clients. Accordingly, unitholders may be requested to provide information to identify U.S. persons holding Class A units of the Fund. If a unitholder is a U.S. person (including a U.S. citizen) or if a unitholder does not provide the requested information, Part XVIII of the Tax Act will generally require information about the unitholder's investments to be reported to the CRA, unless the investments are held within a Registered Plan. The CRA is expected to provide such information to the U.S. Internal Revenue Service.

Part XIX of the Tax Act imposes due diligence and reporting obligations on "reporting Canadian financial institutions" in respect of their "reportable accounts." The Fund is a "reporting Canadian financial institution." The Fund and the Manager through which unitholders hold their Class A units of the Fund are subject to due diligence and reporting obligations with respect to financial accounts they maintain for their clients. Accordingly, unitholders may be requested to provide information to identify "reportable persons" holding Class A units of the Fund. If a unitholder is a "reportable person" or if a unitholder does not provide the requested information, Part XIX of the Tax Act will generally require information about the unitholder's investments to be reported to the CRA, unless the investments are held within a Registered Plan. The CRA is expected to provide such information to the tax jurisdiction of the "reportable person."

AMENDMENT OF TRUST AGREEMENTS

Any provision of the Trust Agreement, may be amended, deleted, expanded or varied at any time if the amendment is not materially adverse to unitholders of the Fund in the opinion of counsel to the Manager and is necessary or desirable to comply with applicable laws and notice of the amendment is given to unitholders of the Fund forthwith. Any other provision of the Trust Agreement may be amended, deleted, expanded or varied at any time, provided unitholders of the Fund are given at least 30 days prior written notice of the change.

TERMINATION OF THE FUND

The Fund may be terminated in certain situations as stipulated in the Trust Agreement. If the Fund is terminated, the Manager will make arrangements in consultation with the Trustee to distribute the assets of the Fund in cash in accordance with the Trust Agreement.

RECORDKEEPER

The Fund Administrator is the recordkeeper of the Fund. The unit registers for the Fund are kept by the Fund Administrator at its principal office in Toronto.

CUSTODIAN

National Bank Independent Network (“NBIN”), a division of NBF Inc., which is an indirect, wholly owned subsidiary of National Bank of Canada, is the custodian of the Fund (the “**Custodian**”) pursuant to a custodial services agreement made as of the 31st day of March 2019 between the Manager, the Custodian and certain related parties of the Custodian (the **Custodial Services Agreement**).

AUDITOR

The auditor of the Fund is Yale & Partners, LLP. Yale & Partners’ head office is located at 20 Holly St, Suite 400, Toronto, Ontario M4S 3E8.

LEGAL COUNSEL

Legal counsel to the Fund is Canadian Compliance & Regulatory Law, located at 66 Edenwood Place, Winnipeg, MB R3X 0E5.

MATERIAL CONTRACTS

The material contracts pertaining to the Fund are the Trust Agreement, the Custodial Services Agreement and the Fund Administration Services Agreement.

A copy of each of these documents may be inspected at the office of the Manager during normal business hours. To the extent there is any inconsistency or conflict between the Trust Agreements and this offering memorandum, the provisions of the Trust Agreements shall prevail.

RIGHTS OF ACTION FOR DAMAGES OR RESCISSION

Securities legislation in certain provinces and territories of Canada provides purchasers of Class A units of the Fund with, in addition to any other right they may have at law, rights of rescission or damages, or both, where this offering memorandum, any amendment thereto and, in some cases, advertising, and sales literature used in connection with the offering of Class A units of the Fund, contains a misrepresentation. For the purposes of this section, **misrepresentation** means:

- (a) an untrue statement of a fact that significantly affects, or would reasonably be expected to have a significant effect, on the market price or the value of Class A units of the Fund (a **material fact**);
or
- (b) an omission to state a material fact that is required to be stated or that is necessary to make a statement not misleading in the light of the circumstances in which it was made.

These rights must be exercised by purchasers of Class A units of the Fund within the prescribed time limits under applicable securities legislation. The rights of action for rescission or damages provided in such securities legislation are in addition to and do not derogate from any other right that purchasers of Class A units of the Fund may have at law. Prospective purchasers of Class A units of the Fund should consult their own legal advisers with respect to their rights and the remedies available to them.

Alberta

If this offering memorandum contains a misrepresentation, securities legislation in Alberta provides that every purchaser resident in Alberta who buys Class A units of the Fund 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 Fund and every person or company who signed this offering memorandum, but may elect (while still the owner of any of Class A units of the Fund that they purchased) to exercise a right of rescission against the Fund, in which case the purchaser shall have no right of action for damages, provided that:

- (a) neither the Fund nor anyone signing this offering memorandum will be liable if the Fund or such person or company proves that the purchaser purchased the Class A units of the Fund with knowledge of the misrepresentation;
- (b) in an action for damages, neither the Fund nor anyone signing this offering memorandum will be liable for all or any portion of such damages if the Fund or such person or company proves that they do not represent the depreciation in value of the Class A units of the Fund as a result of the misrepresentation relied on; and
- (c) in no case will the amount recoverable under this right of action exceed the price at which the Class A units of the Fund were sold to the purchaser.

No person or company, other than the Fund, is liable:

- (a) if the person or company proves that this offering memorandum was sent to the purchaser without the person's or company's knowledge or consent, and that, on becoming aware of its being sent, the person or company promptly gave reasonable notice to the Fund that it was sent without the knowledge and consent of the person or company;
- (b) if the person or company proves that the person or company, on becoming aware of the misrepresentation, 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; or
- (c) with respect to any part of this offering memorandum not purporting to be made on the authority of an expert and not purporting to be a copy of, or an extract from, a report, opinion or statement of an expert, unless the person or company (i) 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.

In Alberta, no action may be commenced to enforce such right of action described above unless the right is exercised:

- (a) in the case of action for rescission, no later than 180 days from the date the purchaser purchased Class A units of the Fund; or
- (b) in the case of any action, other than an action for rescission, not later than the earlier of: (i) 180 days from the day that the purchaser first had knowledge of the facts giving rise to the cause of action, or (ii) three (3) years from the day the purchaser purchased Class A units of the Fund.

Manitoba

If this offering memorandum contains a misrepresentation, a purchaser who purchases Class A units of the Fund offered by this offering memorandum is deemed to have relied on the representation if it was a misrepresentation at the time of purchase and has (a) a right of action for damages against (i) the Fund and (ii) every person or company who signed this offering memorandum; and (b) a right of rescission against the Fund. If the purchaser chooses to exercise a right of rescission against the Fund, the purchaser has no right of action for damages.

No person or company is liable if the person or company proves that the purchaser had knowledge of the misrepresentation.

No person or company, other than the Fund, is liable:

- (a) if the person or company proves 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;
- (b) 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 issuer of the withdrawal and the reason for it;
- (c) if, with respect to any part of this offering memorandum purporting to be made on the authority of an expert or to be a copy of, or an extract from, an expert's report, opinion or statement, the person or company proves that the person or company did not have any reasonable grounds to believe and did not believe that (i) there had been a misrepresentation, or (ii) the relevant part of this offering memorandum (A) did not fairly represent the expert's report, opinion or statement, or (B) was not a fair copy of, or an extract from, the expert's report, opinion or statement; or
- (d) 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.

The amount recoverable under the right of action for damages may not exceed the price at which Class A units of the Fund were offered under this offering memorandum.

In an action for damages, the defendant is not liable for all or any part of the damages that the defendant proves do not represent the depreciation in value of the Class A units of the Fund as a result of the misrepresentation.

No action may be commenced to enforce the foregoing rights more than:

- (a) 180 days after the day on which the purchaser acquired the Class A units of the Fund, in the case of an action for rescission; or
- (b) the earlier of (i) 180 days after the day that the purchaser first had knowledge of the facts giving rise to the cause of action, or (ii) two years after the day of the purchase of the Class A units of the Fund, in any other case.

New Brunswick

If this offering memorandum or any information relating to the offering provided to the purchaser of the securities thereto or any advertising or sales literature used in connection therewith contains a misrepresentation, every purchaser of Class A units of the Fund that is resident in New Brunswick that buys Class A units of the Fund pursuant to this offering memorandum shall be deemed to have relied on the representation, if it was a misrepresentation at the time of purchase, and will have a right of action, in addition to any other rights they may have at law, for damages against the Fund. Alternatively, the purchaser may elect to exercise a right of rescission against the Fund, in which case the purchaser shall have no right of action for damages against the Fund.

In addition, if advertising or sales literature is relied upon by a purchaser in connection with a purchase of Class A units of the Fund, the purchaser shall also have a right of action for damages or rescission against every promoter or director of the Fund.

In addition, where an individual makes a verbal statement to a prospective purchaser that contains a misrepresentation relating to the Class A units of the Fund and the verbal statement is made either before or contemporaneously with the purchase of the Class A units of the Fund, the purchaser has a right of action for damages against the individual who made the verbal statement. No such individual will be liable if:

- (a) that individual can establish that he or she cannot reasonably be expected to have known that his or her statement contained a misrepresentation; or
- (b) no individual is liable if, prior to the purchase of the securities by the purchaser, that individual notified the purchaser that the individual's statement contained a misrepresentation.

The Fund and any promoter, person or company referred to above will not be liable, whether for misrepresentations in the offering memorandum, any advertising or sales literature or in a verbal statement:

- (a) if the Fund or such promoter, person or company proves that the purchaser purchased Class A units of the Fund with knowledge of the misrepresentation;
- (b) in an action for damages, for all or any portion of the damages that the Fund or such promoter, person or company proves do not represent the depreciation in value of Class A units of the Fund as a result of the misrepresentation relied on.

No person, other than the Fund, is liable for misrepresentations in any advertising or sales literature if the person proves:

- (a) that the advertising or sales literature was disseminated without the person's knowledge or consent and that, on becoming aware of its dissemination, the person gave reasonable general notice that it was so disseminated,
- (b) that, after the dissemination of the advertising or sales literature and before the purchase of the securities by the purchaser, on becoming aware of any misrepresentation in the advertising or sales literature the person withdrew the person's consent to it and gave reasonable general notice of the withdrawal and the reason for the withdrawal, or
- (c) that, with respect to a false statement purporting to be a statement made by an official person or contained in what purports to be a copy of, or an extract from, a public official document, it was a correct and fair representation of the statement or copy of, or extract from, the document, and the person had reasonable grounds to believe and did believe that the statement was true.

No person, other than the Fund, is liable with respect to any part of the advertising or sales literature not purporting to be made on the authority of an expert and not purporting to be a copy of or, an extract from, a report, opinion or statement of an expert unless the person:

- (a) failed to conduct such reasonable investigation as to provide reasonable grounds for a belief that there had been no misrepresentation, or
- (b) believed there had been a misrepresentation.

Any person who at the time the advertising or sales literature was disseminated, sells Class A units of the Fund with respect to which the advertising or sales literature was disseminated, is not liable if that person can establish that the person cannot reasonably be expected to have had knowledge that the advertising or sales literature that was disseminated contained a misrepresentation.

In no case will the amount recoverable by a purchaser exceed the price at which Class A units of the Fund were sold to the purchaser.

In New Brunswick, no action may be commenced to enforce such right of action unless the right is exercised:

- (a) in the case of an action for rescission, 180 days after the date the purchaser purchased Class A units of the Fund; and
- (b) in the case of any action, other than an action for rescission, the earlier of (i) one (1) year after the purchaser first had knowledge of the facts giving rise to the cause of action or (ii) six (6) years after the date the purchaser purchased Class A units of the Fund.

Newfoundland and Labrador

In the event that this offering memorandum and any amendment thereto contains a misrepresentation, an investor to whom this offering memorandum was delivered and who purchases Class A units of the Fund offered under it will be considered to have relied on the misrepresentation, if it was a misrepresentation on the date of investment, and will have, subject as hereinafter provided, a right of action for rescission or damages against the Fund and every each person or company who signed the offering memorandum, provided that:

- (a) neither the Fund nor anyone signing this offering memorandum will be liable if the Fund or such person or company proves that the purchaser purchased Class A units of the Fund with knowledge of the misrepresentation;
- (b) in an action for damages, neither the Fund nor anyone signing this offering memorandum will be liable for all or any portion of the damages that it proves do not represent the depreciation in value of Class A units of the Fund as a result of the misrepresentation relied upon;
- (c) in no case shall the amount recoverable under the right of action described herein exceed the price at which Class A units of the Fund were offered; and
- (d) the rights of action for rescission or damages are in addition to any other right or remedy available at law to the purchaser.

No person or company, except the Fund, shall be liable:

- (a) if the person or company proves that this offering memorandum was sent to the purchaser without the person's or company's knowledge or consent, and that, on becoming aware of its being sent, the person or company promptly gave reasonable notice to the Fund that it was sent without the person's or company's knowledge and consent;
- (b) if the person or company proves that, on 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; or
- (c) with respect to any part of this offering memorandum not purporting to be made on the authority of an expert and not purporting to be a copy of, or an extract from, a report, opinion or statement of an expert, unless such 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.

No action shall be commenced to enforce a contractual right of action unless the purchaser gives notice to the Fund of the purchaser's intention to exercise such right not more than 90 days subsequent to the date on which the purchaser paid for Class A units of the Fund, and an action is commenced to enforce such right:

- (a) in the case of an action for rescission, not later than 180 days from the date the purchaser purchased Class A units of the Fund; or
- (b) in the case of an action for damages, the earlier of 180 days after the person had knowledge of the facts giving rise to the cause of action or three (3) years from the date the purchaser purchased Class A units of the Fund.

Nova Scotia

If this offering memorandum or any amendment thereto or any advertising or sales literature (as defined in the *Securities Act* (Nova Scotia)) used in connection therewith contains a misrepresentation, every purchaser resident in Nova Scotia of Class A units of the Fund in reliance on an exemption under the *Securities Act* (Nova Scotia), the regulations thereunder or a decision of the Nova Scotia Securities Commission pursuant to this offering memorandum shall be deemed to have relied on the representation, if it was a misrepresentation at the time of purchase, and has a right of action, in addition to any other rights they may have at law, for damages against the Fund and every person who signed this offering memorandum, but may elect (while still the owner of any of the Class A units of the Fund that they purchased) to exercise a right of rescission against the Fund, in which case he or she shall have no right of action for damages, provided that:

- (a) neither the Fund nor anyone signing this offering memorandum will be liable if the Fund or such person or company proves that the purchaser purchased Class A units of the Fund with knowledge of the misrepresentation;
- (b) in an action for damages, neither the Fund nor anyone signing this offering memorandum will be liable for all or any portion of the damages that it proves do not represent the depreciation in value of Class A units of the Fund as a result of the misrepresentation relied upon;
- (c) in no case shall the amount recoverable under the right of action described herein exceed the price at which Class A units of the Fund were sold to the purchaser.

No person or company, other than the Fund, is liable:

- (a) if the person or company proves that this offering memorandum was sent or 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 promptly gave reasonable general notice that it was delivered without the person's or company's knowledge and consent;
- (b) if the person or company proves that after delivery of this offering memorandum, and before the purchase of the Class A units of the Fund by the purchaser, on becoming aware of any misrepresentation, the person or company withdrew the person's or company's consent to this offering memorandum and gave reasonable general notice of the withdrawal and the reason for it; or
- (c) with respect to any part of this offering memorandum not purporting to be made on the authority of an expert and not purporting to be a copy of, or an extract from, a report, opinion or statement of an expert, unless the person or company (i) failed to conduct a reasonable investigation to provide reasonable grounds for a belief that there had been no misrepresentation, or (ii) believed there had been a misrepresentation.

No action shall be commenced to enforce these rights more than 120 days after the date on which payment was made for Class A units of the Fund.

Ontario

Section 130.1 of the *Securities Act* (Ontario) provides that every purchaser of Class A units of the Fund pursuant to this offering memorandum shall have a statutory right of action for damages or rescission against the Fund and any selling security holder of the Fund in the event that this offering memorandum contains a misrepresentation. A purchaser who purchases Class A units of the Fund offered by this offering memorandum during the period of distribution has, without regard to whether the purchaser relied upon the misrepresentation, a right of action for damages or, alternatively, while still the owner of Class A units of the Fund, for rescission against the Fund provided that:

- (a) if the purchaser exercises its right of rescission, it shall cease to have a right of action for damages as against the Fund;
- (b) the Fund will not be liable if it proves that the purchaser purchased Class A units of the Fund with knowledge of the misrepresentation;
- (c) the Fund will not be liable for all or any portion of damages that it proves do not represent the depreciation in value of Class A units of the Fund as a result of the misrepresentation relied upon; and
- (d) in no case shall the amount recoverable exceed the price at which Class A units of the Fund were offered.

Section 138 of the *Securities Act* (Ontario) provides that no action shall be commenced to enforce these rights more than:

- (a) in the case of an action for rescission, 180 days after the date of the transaction that gave rise to the cause of action; or
- (b) in the case of an action for damages, the earlier of:

- (i) 180 days after the date that the purchaser first had knowledge of the facts giving rise to the cause of action; or
- (ii) three years after the date of the transaction that gave rise to the cause of action.

This offering memorandum is being delivered in reliance on the exemption from the prospectus requirements contained under Section 2.3 of National Instrument 45-106 *Prospectus Exemptions* (the “accredited investor exemption”). The rights referred to in section 130.1 of the *Securities Act* (Ontario) do not apply if this offering memorandum is delivered to a prospective purchaser in Ontario in connection with a distribution made in Ontario in reliance on the accredited investor exemption if the prospective purchaser is:

- (a) a Canadian financial institution or a Schedule III bank (each as defined in OSC Rule 45 501 *Ontario Prospectus and Registration Exemptions*);
- (b) the Business Development Bank of Canada incorporated under the Business Development Bank of Canada Act (Canada); or
- (c) 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.

Saskatchewan

If this offering memorandum or any amendment thereto or any advertising or sales literature used in connection therewith contains a misrepresentation, every purchaser of Class A units of the Fund that is resident in Saskatchewan shall be deemed to have relied on the representation, if it was a misrepresentation at the time of purchase, and will have a right of action, in addition to any other rights they may have at law, for damages against:

- (a) the Fund;
- (b) the promoters of the Fund;
- (c) every person or company that signed this offering memorandum or any amendments thereto; and
- (d) every person or company that sells Class A units of the Fund on behalf of the Fund under this offering memorandum or amendment thereto.

Alternatively, where the purchaser purchased Class A units of the Fund from the Fund, the purchaser may elect to exercise a right of rescission against the Fund, and, when the purchaser so elects, the purchaser shall have no right of action for damages against the Fund.

In addition, where an individual makes a verbal statement to a prospective purchaser that contains a misrepresentation relating to Class A units of the Fund and the verbal statement is made either before or contemporaneously with the purchase of Class A units of the Fund, the purchaser has a right of action for damages against the individual who made the verbal statement. No such individual will be liable if:

- (a) that individual can establish that he or she cannot reasonably be expected to have known that his or her statement contained a misrepresentation; or

- (b) no individual is liable if, prior to the purchase of the securities by the purchaser, that individual notified the purchaser that the individual's statement contained a misrepresentation.

Neither the Fund nor any promoter, person or company referred to above will be liable, whether for misrepresentations in the offering memorandum or in a verbal statement:

- (a) if the Fund or such promoter, person or company proves that the purchaser purchased Class A units of the Fund with knowledge of the misrepresentation;
- (b) in an action for damages, for all or any portion of the damages that the Fund or such promoter, person or company proves do not represent the depreciation in value of the Class A units of the Fund as a result of the misrepresentation relied on.

In no case will the amount recoverable by a purchaser exceed the price at which Class A units of the Fund were sold to the purchaser.

No person or company, other than the Fund, is liable:

- (a) if the person or company proves that this offering memorandum, or any advertising, or sales literature was sent or delivered, or disseminated, as the case may be, to the purchaser without the person's or company's knowledge or consent, and that, on becoming aware that it was sent and delivered or disseminated, the person or company promptly gave reasonable general notice that it was so sent and delivered or disseminated;
- (b) if the person or company proves that after the filing of this offering memorandum, or after the dissemination of the advertising or sales literature, and before the purchase of Class A units of the Fund by the purchaser, on becoming aware of any misrepresentation, the person or company withdrew the person's or company's consent to this offering memorandum, or to the advertising or sales literature and gave reasonable general notice of the withdrawal and the reason for it; or
- (c) with respect to any part of this offering memorandum, or any advertising or sales literature not purporting to be made on the authority of an expert and not purporting to be a copy of, or an extract from, a report, opinion or statement of an expert, unless the person or company (i) failed to conduct a reasonable investigation sufficient to provide reasonable grounds for a belief that there had been no misrepresentation, or (ii) believed there had been a misrepresentation.

In Saskatchewan, no action may be commenced to enforce such right of action unless the right is exercised:

- (a) in the case of an action for rescission, 180 days after the date the purchaser purchased the Class A units of the Fund; and
- (b) in the case of any action, other than an action for rescission, the earlier of (i) one (1) year after the purchaser first had knowledge of the facts giving rise to the cause of action or (ii) six (6) years after the date the purchaser purchased Class A units of the Fund.

ALIGNED CAPITAL FUNDS

PROSPERITY FUND

**Aligned Capital Partners Inc.
1001 Champlain Avenue, Suite 300,
Burlington, Ontario, L7L 5Z4
Telephone: (905) 639-5115
Toll Free: 1 (800) 561-4368
E-Mail: info@alignedcapitalpartners.com**

www.alignedcapitalpartners.com