

Continuous Offering

PALOS

PALOS WP GROWTH FUND
Series A, Series B, Series F, Series O and Series W Units

CONFIDENTIAL OFFERING MEMORANDUM

January 27, 2017

PALOS WP GROWTH FUND

CONFIDENTIAL OFFERING MEMORANDUM

Continuous Offering

SUMMARY

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

DATE: January 27, 2017

THE ISSUER:

Name: PALOS WP GROWTH FUND (the “Fund”)

Manager: PALOS MANAGEMENT INC. (the “Manager”)

Head office: 1 Place Ville-Marie, Suite 1670 Phone Number: 1-855-725-6788 (toll-free) or 514-397-0188
Montreal, Québec, H3B 2B6 E-mail Address: info@palosmanagement.com
Fax Number: 514-397-0199

Currently listed or quoted: No. These securities do not trade on any exchange or market.

Reporting issuer: No.

SEDAR Filer: No.

THE OFFERING:

Securities offered: Series A units of the Fund (the “Series A Units”), Series B units of the Fund (the “Series B Units”), Series F units of the Fund (the “Series F Units”), Series O units of the Fund (the “Series O Units”) and Series W Units of the Fund (“Series W Units”, together with the Series A Units, the Series B Units, the Series F Units and the Series O Units, the “Units”) or Units of beneficial interest (“Series Units”) of a series of the Fund (the “Fund Series”), by way of private placement in each of the provinces and territories of Canada (the “Offering Jurisdictions”) or in any other jurisdiction in accordance with applicable laws, is being made solely by this Offering Memorandum (the “Offering”). Unless the context suggests otherwise, the term “Units” shall include Series Units.

Price per security: The Units will be offered at the Series Net Asset Value per Unit (as defined under the heading *Determination of Net Asset Value or Series Net Asset Value*) on Tuesday of each week, or if Tuesday is not a business day on the previous business day (the “Valuation Day”).

Minimum/Maximum offering: **There is no minimum or maximum offering. You may be the only purchaser. Funds available under the Offering may not be sufficient to accomplish our proposed objectives.**

Minimum subscription amount: The distribution of Units pursuant to this Memorandum is being made only on a private placement basis and is exempt from, where applicable, the requirement that the Fund prepare and file a prospectus with Canadian securities regulatory authorities. Units are being offered, subject to satisfaction of applicable regulatory requirements, at a minimum initial subscription of \$25,000 and at a minimum subsequent subscription of \$500 to “accredited investors”(as such term is defined in National Instrument 45-106 – *Prospectus Exemptions*, which in Québec is a Regulation (“NI 45-106”)) resident in any Offering Jurisdiction or in any other jurisdiction in accordance with applicable laws. Units will be offered on Tuesday of each week, at the applicable Unit Value or Series Unit Value (as defined under the heading *Determination of Net Asset Value or Series Net Asset Value*) calculated on Tuesday of each week.

Payment terms: The Units are being offered using the mutual fund order entry system FundSERV under the following order codes and payment for the Units must be made through this system.

Series A Units	“PAL200”
Series B Units	“PAL210”
Series F Units	“PAL211”
Series O Units	“PAL212”
Series W Units	“PAL213”

Proposed closing date(s): The Fund is offered on a continuous basis. Closings of the Fund will take place on the Tuesday of each week, or if Tuesday is not a business day on the previous business day.

Income tax consequences: There are important tax consequences to these securities. See heading entitled *Certain Canadian Federal Income Tax Considerations*.

Selling agent(s): No specific agent has been retained by the Fund with respect of the Offering. An investor subscribing for Units through a dealer may be charged a sales commission. See the heading entitled *Fees and Expenses*.

RESALE RESTRICTIONS:

The holders of Units (“Unitholders”) will be restricted from selling their Units for an indefinite period. See section entitled *Resale Restrictions*. However, except in limited circumstances, a Unitholder may generally elect to redeem any or all of his, her or its Units on the next Valuation Day (as defined under the heading *Determination of Net Asset Value or Series Net Asset Value*). See the heading entitled *Redemption of Units or Series Units*.

PURCHASERS’ RIGHTS:

The Unitholders may have two business days to cancel their agreement to purchase the Units. In addition, if there is a misrepresentation in this Offering Memorandum, Unitholders may have the right to sue either for damages or to cancel the agreement. See the heading entitled *Purchasers’ Rights*.

The Units described in this Offering Memorandum (the “Offering Memorandum”) are being offered on a private placement basis in reliance on exemptions from the requirement to prepare and file a prospectus with securities regulatory authorities. This Offering Memorandum constitutes an offering of Units only in those jurisdictions and to those persons where and to whom they may lawfully be offered for sale. This Offering Memorandum is not, and under no circumstances, is to be construed as, a prospectus or an advertisement for a public offering of these Units. No securities regulatory authority or regulator has assessed the merits of the Units offered in this Offering Memorandum or reviewed this Offering Memorandum. Any representation to the contrary is an offence. This is a risky investment. See section entitled *Risk Factors*.

TABLE OF CONTENTS

<p>FORWARD-LOOKING STATEMENTS 4</p> <p>USE OF AVAILABLE FUNDS 4</p> <p>THE FUND..... 4</p> <p style="padding-left: 20px;">Investment Objective..... 4</p> <p style="padding-left: 20px;">Investment Strategies..... 5</p> <p style="padding-left: 20px;">Investment Restrictions 5</p> <p>THE BUSINESS OF THE FUND 5</p> <p style="padding-left: 20px;">The Fund’s Material Agreements 5</p> <p style="padding-left: 20px;">The Manager 5</p> <p style="padding-left: 40px;">Interests of Directors, Management, Promoters and Principal</p> <p style="padding-left: 60px;">Holders 6</p> <p style="padding-left: 60px;">Other Investment Vehicles Managed by the Manager..... 8</p> <p style="padding-left: 60px;">The Master Trust Agreement 8</p> <p style="padding-left: 20px;">The Trustee..... 9</p> <p style="padding-left: 40px;">Other Service Providers 9</p> <p style="padding-left: 40px;">Auditors 9</p> <p style="padding-left: 40px;">Custodian 9</p> <p style="padding-left: 40px;">Administrator 9</p> <p style="padding-left: 40px;">Prime Broker..... 9</p> <p style="padding-left: 40px;">Securities Lending Agents 9</p> <p style="padding-left: 40px;">Legal Counsel 9</p> <p>FEES AND EXPENSES 10</p> <p style="padding-left: 20px;">Expenses..... 10</p> <p style="padding-left: 20px;">Management Fees..... 10</p> <p style="padding-left: 40px;">Expenses 11</p> <p style="padding-left: 20px;">Performance Fee 11</p> <p style="padding-left: 20px;">Administrative Fee 11</p> <p>COMPENSATION PAID TO DEALERS 12</p> <p style="padding-left: 20px;">Sales Commissions..... 12</p> <p style="padding-left: 20px;">Servicing Fees 12</p> <p>CAPITAL STRUCTURE 12</p> <p style="padding-left: 20px;">Description of the Units or Series Units 12</p> <p style="padding-left: 20px;">Details of the Offering..... 13</p> <p>RESALE RESTRICTIONS 13</p> <p>INVESTING IN THE FUND..... 13</p> <p style="padding-left: 20px;">Qualified Investors 15</p> <p style="padding-left: 20px;">Minimum Amount Exemption..... 15</p> <p style="padding-left: 20px;">Accredited Investor Exemption 15</p> <p style="padding-left: 20px;">Offering Memorandum Exemption..... 15</p> <p style="padding-left: 20px;">Minimum Initial and Subsequent Investments..... 15</p> <p>REDEMPTION OF UNITS 16</p> <p style="padding-left: 20px;">Application for Redemption 16</p> <p style="padding-left: 20px;">Redemption at the Demand of the Manager 16</p> <p style="padding-left: 20px;">Power of Trustee to Suspend Redemption 16</p> <p style="padding-left: 20px;">Partial Redemption Permitted..... 17</p> <p style="padding-left: 20px;">Notification Where Redemptions Suspended 17</p> <p>DISTRIBUTIONS 17</p> <p style="padding-left: 20px;">Other Distributions 18</p> <p style="padding-left: 20px;">Management Fee Distributions and Portfolio Expense Distributions..... 18</p> <p style="padding-left: 20px;">Withholding Taxes 18</p> <p style="padding-left: 20px;">Temporary Use of Principal..... 18</p> <p>DETERMINATION OF NET ASSET VALUE OR SERIES NET ASSET VALUE..... 19</p> <p style="padding-left: 20px;">Valuation Day 19</p>	<p style="padding-left: 20px;">Determination of Net Asset Value or Series Net Asset Value 19</p> <p>ACTS REQUIRING UNITHOLDER APPROVAL 21</p> <p>REPORTING TO UNITHOLDERS 22</p> <p>TERMINATION AND LIQUIDATION OF THE FUND 22</p> <p style="padding-left: 20px;">Notice of Early Termination 22</p> <p style="padding-left: 20px;">Liquidation Procedure 22</p> <p style="padding-left: 20px;">Redemption of Units or Series Units 22</p> <p>STATEMENT OF POLICIES 22</p> <p style="padding-left: 20px;">Conflicts of Interest 22</p> <p style="padding-left: 20px;">Fairness Policy 23</p> <p style="padding-left: 20px;">Soft Dollar Arrangements..... 23</p> <p>PROCEEDS OF CRIME (MONEY LAUNDERING) LEGISLATION..... 24</p> <p>CERTAIN CANADIAN FEDERAL INCOME TAX CONSIDERATIONS 24</p> <p style="padding-left: 20px;">Status of the Fund 25</p> <p style="padding-left: 20px;">Taxation of the Fund 25</p> <p style="padding-left: 20px;">Taxation of Unitholders..... 27</p> <p style="padding-left: 20px;">Loss Restriction Event..... 28</p> <p style="padding-left: 20px;">Tax Implications of the Fund’s Distribution Policy 28</p> <p style="padding-left: 20px;">Tax Information..... 29</p> <p style="padding-left: 20px;">Eligibility for Investment..... 29</p> <p>USE OF PROCEEDS 29</p> <p>INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS 29</p> <p>RISK FACTORS 29</p> <p style="padding-left: 20px;">No Assurance of Achieving Investment Objective 29</p> <p style="padding-left: 20px;">No Operating History for the Fund..... 30</p> <p style="padding-left: 20px;">Debt Securities 30</p> <p style="padding-left: 20px;">Equity Risk..... 30</p> <p style="padding-left: 20px;">Currency risk 30</p> <p style="padding-left: 20px;">Series Risk..... 30</p> <p style="padding-left: 20px;">Currency Hedging Strategies Risk..... 30</p> <p style="padding-left: 20px;">Interest Rate Changes 31</p> <p style="padding-left: 20px;">Illiquid Assets..... 31</p> <p style="padding-left: 20px;">Small to Medium Capitalization Companies 31</p> <p style="padding-left: 20px;">Mutual Fund Trust Status 31</p> <p style="padding-left: 20px;">Not a Public Mutual Fund 31</p> <p style="padding-left: 20px;">Redemptions of Units 32</p> <p style="padding-left: 20px;">Conflicts of Interest 32</p> <p style="padding-left: 20px;">Indemnification Obligations 32</p> <p style="padding-left: 20px;">Valuation of the Fund’s Investments 32</p> <p style="padding-left: 20px;">Changes in Legislation 33</p> <p style="padding-left: 20px;">Tax Risk 33</p> <p style="padding-left: 20px;">U.S. Tax Risk 33</p> <p style="padding-left: 20px;">Foreign Investment Risk..... 34</p> <p style="padding-left: 20px;">General Economic and Market Conditions 34</p> <p style="padding-left: 20px;">Registered Plan Eligibility..... 34</p> <p style="padding-left: 20px;">Lack of Independent Experts Representing Unitholders..... 34</p> <p style="padding-left: 20px;">No Involvement of Unaffiliated Selling Agent 35</p> <p style="padding-left: 20px;">Trading Errors 35</p> <p>PURCHASERS’ RIGHTS 35</p> <p>FINANCIAL STATEMENTS..... A</p> <p>CERTIFICATE..... B</p>
---	--

FORWARD-LOOKING STATEMENTS

This Offering Memorandum includes forward-looking information or statements with respect to the Fund. In particular, the information contained under the heading “*Investment Strategies*” may constitute “forward-looking information” for the purposes of securities legislation, as it contains statements of the intended course of conduct and future operations of the Fund. These statements are based on assumptions made by the Manager about the success of the Fund’s investment strategies in certain market conditions, relying on the experience of the Manager’s officers and employees and their knowledge of historical, economic and market trends. Investors are cautioned that the assumptions made and the success of the Fund’s investment strategies are subject to a number of mitigating factors. Economic and market conditions may change, which may materially impact the success of the Fund’s intended strategies as well as the Fund’s actual course of conduct. There are inherent risks with these investments, investors are urged to read the section entitled “*Risk Factors*” for a discussion of other factors that will impact the Fund.

USE OF AVAILABLE FUNDS

It is not possible to determine accurately the amount of available funds as a result of this Offering as it is a continuing offering and the subscription price will vary depending on what the Fund’s Series Net Asset Value (as defined under the section “*Determination of Net Asset Value or Series Net Asset Value*”) is at the time each Unit is purchased. The Fund sells Units on a continuous basis, with closings to occur on Tuesday of each week. There is no maximum and no minimum number of Units that will be sold as part of the Offering.

The Fund uses the available funds from the sale of Units to purchase a portfolio of securities and financial instruments in accordance with the Fund’s stated investment objective and strategies, as more fully described below. The costs associated with the sale of Units of the Fund will be paid by the Fund. See the heading “*Fees and Expenses*”. The Fund intends to spend the available funds as stated. The Fund does not intend to reallocate funds.

THE FUND

Palos WP Growth Fund is an open-ended trust established under the laws of the Province of Québec pursuant to a Master Trust Agreement dated October 18, 2016, and amended on January 27, 2017 (the “**Master Trust Agreement**”), and as may otherwise be amended or supplemented, from time to time. Palos Management Inc. acts as the investment fund manager and the portfolio manager of the Fund pursuant to the Master Trust Agreement. Computershare Trust Company of Canada acts as trustee of the Fund. The principal office of the Fund and the Manager is located at 1 Place Ville Marie, Suite 1670, Montreal, Québec, H3B 2B6; toll-free telephone number: 1-855-725-6788; telephone number (not toll-free): 514-397-0188; fax number: 514-397-0199; and e-mail: info@palosmanagement.com.

The beneficial interest in the net assets and net Income of the Fund or Fund Series is represented by Units or Series Units which are offered under this Offering Memorandum.

Investment Objective

The Fund aims to provide investors with investment returns over the long term and to produce growth by investing primarily in listed equity securities and convertible debentures of Canadian and US companies.

Investment Strategies

The Manager is responsible for the investment of the Fund's assets in accordance with the Fund's investment objective. In order to achieve the Fund's investment objective, the Manager intends to employ qualitative, quantitative and comparative research to manage a portfolio of selected high growth securities. The Fund shall take both long and short positions and shall employ market and statistical arbitrage techniques to maximize returns. In addition, the Fund will aim to produce returns above the S&P/TSX Toronto Stock Market Index by investing into companies with an attractive growth profile.

The Fund may choose to deviate from its investment objective by temporarily investing most or all of its assets in cash or fixed income securities during periods of market downturn or for other reasons.

Investment Restrictions

The Fund shall:

- (a) not engage in any undertaking other than the investment of the Fund's assets in accordance with the Fund's investment objective and investment strategies;
- (b) not purchase non-listed securities and securities of private issuers;
- (c) ensure that a majority of the Fund's investments are made in the Canadian markets. However, the Fund will have the ability to also invest in securities of US companies and to hedge the currency if the Manager deems it appropriate;
- (d) not purchase any physical commodity other than gold, silver, platinum and palladium in the form of bullion, coins, receipts, certificates or permitted gold certificates, but may purchase and sell commodity futures or options on futures, options, forward contracts or swaps. The Fund will not purchase such physical commodities if, immediately after the purchase, the total amount invested by the Fund in such commodities would exceed 10% of the Net Asset Value of the Fund; and
- (e) not purchase a security of an issuer if, immediately after the purchase, the total amount invested by the Fund in such issuer exceeds 15% of the Net Asset Value of the Fund. If at any time more than 15% of the Net Asset Value consists of securities of any one issuer, the Manager will, as quickly as is commercially reasonable, take all necessary steps to reduce the percentage of Net Asset Value represented by such securities to 15% or less.

In addition, the Fund may use leverage and have a net exposure up to 125% and a gross exposure up to 150%.

THE BUSINESS OF THE FUND

The Fund's Material Agreements

The only material agreement of the Fund is the Master Trust Agreement which is described in greater detail below. The descriptions below of the Master Trust Agreement are summaries only and are qualified in their entirety by reference to the text of the Master Trust Agreement.

The Manager

PALOS MANAGEMENT INC. acts as investment fund manager and portfolio manager of the Fund. The Manager was incorporated on June 20, 2001 pursuant to the *Business Corporations Act* (Québec). The

Manager is a wholly-owned subsidiary of Palos Capital Corporation and is registered in all Canadian provinces and in Yukon in the categories of exempt market dealer, portfolio manager and investment fund manager. The Manager is also registered in Québec as derivatives portfolio manager.

The Manager is a boutique investment firm based in Montreal. Its mission is to continuously earn its client's trust in growing, sustaining and protecting their wealth over many generations.

Pursuant to the Master Trust Agreement, the Manager has authority to manage the business and affairs of the Fund and has authority to bind the Fund. The Manager is responsible for managing the assets of the Fund, has completed discretion to invest and reinvest the Fund's assets, and is responsible for executing portfolio transactions. The Manager may delegate its powers to third parties. The Manager is required to exercise its powers and discharge its duties honestly, in good faith, and in the best interests of the Fund and to exercise the care, diligence and skill of a reasonably prudent professional portfolio manager would exercise in comparable circumstances. Among its other powers, the Manager may establish the Fund's operating expense budgets and authorize the payment of operating expenses.

Interests of Directors, Management, Promoters and Principal Holders

(a) Compensation and Securities Held

The following table provides information about the directors and officers of the Manager and each person who, directly or indirectly, beneficially owns or controls 10% or more of any Class of voting securities of the Fund (a "principal holder").

Name and municipality of principal residence	Positions held (e.g., director, officer, promoter and/or principal holder) and the date of obtaining that position	Compensation paid by the Fund in the most recently completed financial year and the compensation anticipated to be paid in the current financial year	Number, type and percentage of Units of the Fund held by the Manager as at the date hereof / by the principal holders as at August 31, 2016
Robert Boisjoli Montreal, Québec	Director	N/A*	N/A**
Alain Lizotte Laval, Québec	Chief Financial Officer and Chief Compliance Officer	N/A*	N/A**
Peter J. Malouf Montreal, Québec	Director	N/A*	N/A**
Charles Marleau Lachine, Québec	President, Senior Portfolio Manager, Director and Ultimate Designated Person	N/A*	N/A**

*The Fund does not pay any compensation to any of these officers, nor any other officers or directors of the Manager. The Funds pay management fees and performance fees to the Manager. See "Fees and Expenses".

** None of these officers or directors hold any Units of the Fund, nor is there any person who, directly or indirectly beneficially owns or controls 10% or more of the outstanding Units of the Fund.

(b) Management Experience

The name, municipality of residence, position with the Manager and principal occupation of each of the officers and directors of the Manager are set out below:

Name and Municipality of Residence	Position with the Manager	Principal Occupation
Robert Boisjoli Montreal, Québec	Director	Managing Director, Atwater Financial Group (financial advisory firm)
Alain Lizotte Laval, Québec	Chief Financial Officer and Chief Compliance Officer	Chief Financial Officer and Chief Compliance Officer, Palos Management Inc.
Peter J. Malouf Montreal, Québec	Director	President, P.J. Malouf & Co. Inc. (family holding company)
Charles Marleau Lachine, Québec	President, Senior Portfolio Manager, Director and Ultimate Designated Person	President, Senior Portfolio Manager, Director and Ultimate Designated Person, Palos Management Inc.

Robert Boisjoli acts as managing director of Atwater Financial Group, a company specializing in financial advisory work including mergers and acquisitions, and a partner at Robert Boisjoli & Associates S.E.C., a consulting firm specializing mainly in business valuations. Robert has been the co-founder of three operating companies where he has acted as both Chief Financial Officer and Chief Executive Officer, one of which has been sold to a London based publicly listed company. Robert is a Fellow Chartered Accountant (FCPA, FCA) and a Chartered Business Valuator (CBV). Robert sits on the board of directors of various private and public companies where he is also the audit committee chairman. He was previously an investment banker with various Canadian securities firms. Robert also is a Board Member of various not-for-profit organizations in the community and within the accounting profession.

Alain Lizotte acts as Chief Financial Officer and Chief Compliance Officer of the Manager. He is responsible for managing and overseeing all matters relating to financial reporting, financial controls, compliance and general administration of the firm and the investment funds it manages. Prior to Palos, Alain has held senior financial positions in large and medium-size Canadian companies. Alain is a member of the Comptables professionnels agréés du Québec.

Peter J. Malouf acts as President at P. J. Malouf & Co., a private investment company. He is also a director of several public and private companies both in Canada and the United States, including Chairman of Sonomax Technologies Inc. Peter is past Chairman of the Board of Directors of Marianopolis College and The Study School and currently is an active board member of various not-for profit organizations, including the Montreal Fluency Center. Peter chairs the Malouf Family Fund an active philanthropic fund through the Foundation of Greater Montreal.

Charles Marleau acts as President, Senior Portfolio Manager and Ultimate Designated Person of the Manager. He is responsible for managing and trading on behalf of the investment funds and supervises administration, investor relations and compliance. Charles is a member of the Independent Review Committee of an investment fund of Goldman & Company, Investment Counsel Inc. He also serves on the Board of Directors of numerous private companies. Moreover, Charles is a member of the Entrepreneurs Organization. He graduated from McGill University with a Bachelor's degree in Economics and obtained the Chartered Investment Manager designation.

(c) Penalties, Sanctions and Bankruptcies

On November 23, 2011, the Manager reached a settlement with the Autorité des marchés financiers whereby the Manager agreed to pay a monetary administrative penalty of \$26,500 for a failure by the Manager to include certain components of certain financial statements that were filed for the periods ending June 30, 2009, December 31, 2009 and June 30, 2010. The settlement relates to investment funds managed by the Manager and offered under statutory prospectus exemptions and another investment vehicle.

Except as set out above, no director, executive officer or control person of the Manager is, as at the date hereof, or has been within the ten years before the date hereof, a director, executive officer or control person of any company (including the Manager) that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became or declared bankrupt, made a voluntary assignment or proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or

- is, as at the date hereof, or has been within the ten years before the date hereof, a director, executive officer or control person of any company (including the Manager) that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became or declared bankrupt, made a voluntary assignment or proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or
- has, within the ten years before the date hereof, become or declared bankrupt, made a voluntary assignment or proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the proposed director.

No director, executive officer or control person of the Manager has been subject to:

- any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or
- any other penalties or sanctions.

(d) Loans

The Funds have no outstanding amount due under any loan or debenture to or from any of the directors or officers of the Manager, any Unitholder or the Manager.

Other Investment Vehicles Managed by the Manager

The Manager also acts as the investment fund manager and portfolio manager of several other investment vehicles, including the following: Palos Equity Income Fund, a public investment fund, Palos Income Fund L.P., a private investment fund, Palos IOU High Yield Fund, a public investment fund and Palos Merchant Fund L.P., a private equity fund.

The Master Trust Agreement

Pursuant to the Master Trust Agreement, the Manager's role is to provide management and administrative services to the Fund and as such, the Manager is empowered to act on behalf of the Fund and to direct the

operational activities of the Fund. The Manager alone shall have the sole and exclusive authority to manage the operations and affairs of the Fund, to make all decisions regarding the Fund, and to bind the Fund.

The Trustee

COMPUTERSHARE TRUST COMPANY OF CANADA acts as trustee of the Fund pursuant to the terms of the Master Trust Agreement. The Trustee has those powers and responsibilities in respect of the Fund as described in the Master Trust Agreement. The Trustee is required to exercise its powers and discharge its duties honestly and in good faith and in connection therewith shall exercise the degree of care, diligence and skill that a reasonable prudent Canadian trust company would exercise in comparable circumstances.

Pursuant to the Master Trust Agreement, the Manager may remove the Trustee by giving at least sixty days prior written notice to the Trustee or in certain other circumstances. The Trustee or any successor appointed pursuant to the terms of the Master Trust Agreement may resign upon sixty days' written notice to the Manager, who shall use its best efforts to appoint a successor trustee. Should a replacement trustee be appointed by the Manager, the Manager shall send a notice to the Unitholders informing them of the Trustee's replacement, the whole in accordance with the terms of the Master Trust Agreement. If no successor Trustee is appointed the Fund shall be terminated.

The Master Trust Agreement provides that the Trustee, its affiliates and agents have a right of indemnification from the Fund, for any claims arising out of the execution of its duties as trustee, except in the event of the negligence, willful misconduct or default, bad faith or failure to meet the standard of care set out in the Master Trust Agreement.

Other Service Providers

Auditors

The auditors for the Fund is PRICEWATERHOUSECOOPERS LLP, or such other party as the Manager may retain.

Custodian

NBCN INC., or such other party as the Manager may retain, acts as the custodian of the Fund.

Administrator

SGGG FUND SERVICES INC., or such other party as the Manager may retain, acts as the administrator of the Fund.

Prime Broker

NBCN INC. is currently the prime broker for each of the Fund. The Manager may, in its discretion, retain any other qualified dealer to act in this capacity.

Securities Lending Agents

The Fund has not entered into any securities lending arrangements but may do so in the future.

Legal Counsel

FASKEN MARTINEAU DUMOULIN LLP, or such other party as the Manager may retain, acts as the legal counsel of the Manager and the Fund.

FEES AND EXPENSES

Expenses

The Fund will pay for all routine and customary expenses relating to the Fund's operations, including registrar and transfer agency fees and expenses, trustee fees, custodian fees, auditing, legal and accounting fees, communication expenses, printing and mailing expenses, all costs and expenses associated with the sale of Units including securities filing fees (if any), expenses relating to providing financial and other reports to Unitholders and convening and conducting meetings of Unitholders, expenses relating to the Fund's portfolio system, quote system and research system (including Bloomberg), all taxes, assessments or other governmental charges levied against the Fund, interest expenses and all brokerage and other fees relating to the purchase and sale of the assets of the Fund. In addition, the Fund will pay for expenses associated with ongoing investor relations and education relating to the Fund and the costs of products and services relating to research, market data, execution and related items; clearing and settlement charges, hedging expenses, bank service fees as well as expenses relating to proposed investments that are not consummated and all such other fees and disbursements directly relating to the implementation of the investment strategy of the Fund and transactions for the portfolio of the Fund). See the heading *Soft Dollar Arrangements* for more information about research and brokerage fees.

Each Series of Units is responsible for the expenses specifically related to that Series and a proportionate share of expenses that are common to all Series. The Manager shall allocate expenses to each Series of Units in its sole discretion as it deems fair and reasonable in the circumstances.

The Manager may from time to time waive any portion of the fees and reimbursement of expenses otherwise payable to it, but no such waiver affects its right to receive fees and reimbursement of expenses subsequently accruing to it.

Management Fees

For providing its services to the Fund, the Manager receives a management fee (the "**Management Fee**") from the Fund attributable to each Series of Units of the Fund. Each Series is responsible for the Management Fee attributable to that Series.

The Series A Units of the Fund are charged a monthly Management Fee equal to 1/12 of 2% of the Series Net Asset Value of the Series A, plus applicable taxes, calculated and payable on the last Valuation Day of each month. The Manager will pay trailer fees to dealers out of the Management Fee collected from the Fund with respect to Series A Units. The terms of the trailer fee may be amended, from time to time, by the Manager. Units of Series A are available to all investors.

The Series B Units of the Fund are charged a monthly Management Fee equal to 1/12 of 1.25% of the Series Net Asset Value of Series B, plus applicable taxes, calculated and payable on the last Valuation Day of each month. No trailer fees are payable on Series B Units. The Units of Series B can only be purchased by clients of the Manager. The Manager may decide to make exceptions to this requirement.

The Series F Units of the Fund are charged a monthly Management Fee equal to 1/12 of 1% of the Series Net Asset Value of the Series F, plus applicable taxes, calculated and payable on the last Valuation Day of each month. No trailer fees are payable on Series F Units. The Units of Series F are available to all investors who participate in fee-based programs through their dealers.

No Management Fee is charged to the Fund with respect to Series O Units and Series W Units. The Series O Units can only be purchased by clients of the Manager or of any of the Manager's affiliates. The Series

W Units can only be purchased by investors with fee based accounts with the Manager or of any of the Manager's affiliates. Manager may decide to make exceptions to these requirements.

The Management Fee is calculated and accrued on each Valuation Day before payment of such management fees, distributions or redemptions, plus any applicable taxes payable in respect thereof. Management fees are subject to applicable goods and services taxes. The Management Fee is payable within 30 days of the month-end.

Expenses

The Fund shall reimburse the Manager for all reasonable operating expenses it incurs in rendering administrative, management and other services required to be rendered to the Fund, including expenses relating to professional fees.

Performance Fee

The Manager may receive from the Fund, with respect to the Series A, Series B, Series F and Series O Units, an annual performance fee corresponding to 20% of the positive amount obtained, if any, when the High Water Mark (as defined below) of each applicable Unit is subtracted from the applicable Series Net Asset Value per Unit, adjusted to include any distributions and cash flows paid to the holders of the applicable Series of Units, on the date of payment (the "**Performance Fee**"). The Performance Fee will be calculated as of the last Business Day of each Fiscal Quarter (the "**Performance Fee Valuation Date**"), provided however that no Performance Fee will be payable if the applicable Series Net Asset Value does not exceed the greatest Series Net Asset Value applicable to the same Series calculated on any previous Performance Fee Valuation Date (the "**High-Water Mark**").

No Performance Fee is charged to the Fund with respect to the Series W Units.

The "High Water Mark" means, initially, the subscription price of a Unit and thereafter will be adjusted from time to time to equal the Series Net Asset Value per Unit immediately following the payment of a Performance Fee on a Performance Fee Valuation Date in respect of such Unit. The High Water Mark does not reset. This ensures that any decline in the applicable Series Net Asset Value per Unit has to be recouped before Performance Fee will be charged in respect of such Unit in any subsequent period.

In addition, the Performance Fee will not be payable to the Manager should the increase in the applicable Series Net Asset Value be equal to, or lower than, 10% per annum (the "**10% Hurdle Rate Return**"). The Performance Fee shall be calculated and accrued on the last Valuation Day of each Fiscal Quarter. If applicable, the Performance Fee is payable within 30 days of the end of the Fiscal Quarter.

The Performance Fee is subject to any applicable taxes.

The Performance Fee theoretically may create an incentive for the Manager to make investments that are riskier or more speculative than would be the case if such fees did not exist. In addition, because the Performance Fee is calculated on a basis that includes unrealized appreciation of the Fund's assets, it may be greater than if such compensation were based solely on realized gains.

Administrative Fee

As counterparty for the fact that the Manager will assume certain costs and administrative expenses relating to the Fund's operations, the Fund will pay to the Manager a monthly administrative fee (the "**Administrative Fee**") corresponding to \$2,100. This administrative fee may be abolished at any time by the Manager.

COMPENSATION PAID TO DEALERS

Units will be distributed through registered dealers (“**Dealers**”), including the Manager, and such other persons as may be permitted by applicable law. In the event of such distribution, Dealers (other than the Manager) will be entitled to the compensation described below.

Sales Commissions

In the event of a Dealer sale, a sales commission may be deducted from the purchase order and paid by the investor to the Dealer. The remaining amount will be invested in the Fund. Sales commissions may be negotiated between the Dealer and the investor. Units issued on a reinvestment of distributions as described under the heading entitled Distributions will not be subject to a sales commission.

No deferred sales charge option is available.

Servicing Fees

The Manager will pay servicing commissions to Dealers whose clients have purchased Class A Units of a Fund and remain invested in that Fund during the relevant quarter. The servicing commission, expressed as an annual percentage of the Series Net Asset Value per Unit, is one percent (1%) for Series A Units of the Fund. The servicing commissions will be paid on a quarterly basis in arrears. The Manager does not pay servicing commissions in respect of the other Series of Units. Servicing commissions may be modified or discontinued by the Manager at any time.

CAPITAL STRUCTURE

Description of the Units or Series Units

An investment in the Fund is represented by Units. The Fund is authorized to issue an unlimited number of Units or Series Units, having such terms and conditions as the Manager may determine. Additional series of Units may be offered in the future on different terms, including having different fee and dealer compensation terms may be offered in the future. All Units of the same Series have equal rights and privileges, and shall be subject to the terms and conditions hereof.

Five classes of units are offered under this Offering Memorandum. Series A, Series B, Series F, Series O and Series W Units. Each such Fund Series have the Series Expenses and Series Fees and other rights, privileges and restrictions, as set out in the Master Trust Agreement, as it may be amended from time to time. The Manager may create additional Fund Series to be governed by the terms, conditions and provisions of the Master Trust Agreement.

Each Unitholder is entitled to one vote for each Unit or Series Unit held and is entitled to participate equally within the Fund or the Fund Series with respect to any and all distributions made by them, including distributions of net Income of the Fund and Net Realized Capital Gains.

Although the money invested by investors to purchase Units of any Series is tracked on a Series by Series basis in the Fund’s administration records, the assets of all Series will be combined into a single pool to create one portfolio for investment purposes.

Units or Series Units will be offered as at the Valuation Day, at the applicable Unit Value or Series Unit Value calculated at the end of such Valuation Day, if the Manager receives the required payment and a duly completed and executed subscription agreement no later than 3:00 p.m. (Montreal time) on the Valuation Day.

Subject to the provisions of the Master Trust Agreement and the requirements of securities legislation, the Manager may from time to time may enter into a transaction with other investment funds resulting in the: (i) combination of the assets of the Fund with those of another investment fund (a “**Merger**”), (ii) continuation of multiple restructured funds (a “**Restructuring**), or (iii) disposition of the property of the Fund for no consideration to another trust, including another fund, provided that there is no change in beneficial ownership of such property (a “**Reorganization**”).

Notice of any Merger, Restructuring or Reorganization of the Fund will be given in writing to the Unitholders and shall take effect on a date to be specified therein. The date shall not be less than thirty days, after notice of the amendment is given to Unitholders, exempt that the Manager may determine that any amendment shall become effective at an earlier time if, in the view of the Manager, that seems desirable and the amendment is not prejudicial to any Unitholder.

As at January 27, 2017, the Fund has issued ten units of Series B to the Manager having a Series Net Asset Value per Unit of 100\$.

Details of the Offering

Units or Series Units are being offered, subject to satisfaction of applicable regulatory requirements, at a minimum subscription of \$25,000 (in the applicable currency) and a minimum subsequent subscription of \$500 (in the applicable currency) to Accredited Investors resident in any Offering Jurisdiction or in any other jurisdiction in accordance with applicable laws. Units or Series Units will be issued to subscribers against delivery of duly executed subscription agreements and payment in full of the subscription price. See “*Subscription Procedures*”.

RESALE RESTRICTIONS

A Unitholder may not transfer any of its Units unless the Manager has given its written consent approving such transfer by the Unitholder to the transferee of such Units. Any transfer of Units must be made in accordance with applicable securities laws, which will vary depending on the relevant jurisdiction, and which may require the transfer to be made in accordance with, or pursuant to exemptions from, prospectus and registration requirements. The Fund is not a reporting issuer or equivalent in any of the jurisdictions of Canada and does not intend to become a reporting issuer or equivalent in any jurisdiction of Canada. Unless permitted under securities legislation, a purchaser cannot trade the Units before the date that is four months and a day after the date the Fund becomes a reporting issuer in any province or territory of Canada and in accordance with applicable laws. Purchasers are advised to seek legal advice prior to any proposed transfer of the Units.

INVESTING IN THE FUND

The Units offered under this Offering Memorandum are continuously offered to investors resident in all provinces and territories of Canada (the “**Offering Jurisdictions**”) pursuant to the exemptions from the prospectus and registration requirements of applicable securities laws. In no circumstances will the Manager accept a subscription for Units offered under this Offering Memorandum, whether initial or subsequent, if its distribution cannot be made in reliance on such exemptions from the prospectus and registration requirements.

Investors may be admitted to the Fund or may acquire additional Units on a weekly. The Units are being offered using the mutual fund order entry system FundSERV. Subscription for Units must be made from a distributor on the FundSERV network under the Manufacturer Code to PALOS MANAGEMENT INC. “PAL” and the following order codes:

Series A Units	“PAL200”
Series B Units	“PAL210”
Series F Units	“PAL211”
Series O Units	“PAL212”
Series W Units	“PAL213”

Funds in respect of any subscription will be payable by investors at the time of the subscription.

Investors who wish to make an initial subscription for Units may do so by delivering a subscription application (substantially in the form of the Subscription Instructions package accompanying the Offering Memorandum or such other form of subscription application as the Manager may approve from time to time) to the Manager, through Dealers (as defined in the section entitled Compensation Paid to Dealers) or other persons permitted by applicable securities laws to sell Units, accompanied by wire transferred funds in an amount equal to the purchase price through the FundSERV network. Additional subscriptions for Units must be made by delivering a request to that effect through the FundSERV network. The Manager will not accept direct subscriptions, except in exceptional circumstances.

Units of each Fund will be offered at the applicable Series Net Asset Value per Unit (as defined under the heading Determination of Net Asset Value) calculated as of the applicable Valuation Day.

Subscriptions that are received prior to 3:00 pm (Eastern Time) on the Valuation Day and accepted by the Manager will be made on such Valuation Day. Subscriptions that are received by the Manager after such time will be made, if accepted by the Manager, as of the following Valuation Day. Any subscription funds received by the Manager after such time will be held in the general bank account of the Fund until the next Valuation Day, at which time the Units subscribed for will be issued (if the subscription has been accepted). Such funds will not be segregated for the investor’s account and will be held in trust on behalf of the investor until the later of (i) the expiration of the two (2) business day cancellation period (see section entitled Purchasers’ Rights), or (ii) the issuance of the Units. All subscriptions for Units are to be forwarded by Dealers, without charge, to the Manager or delivered through the FundSERV network, as applicable, the same day they are received.

The Manager reserves the right to accept or reject orders, and any monies received with a rejected order will be refunded forthwith, without interest, other compensation or deduction after the Manager has made such determination. The Manager will not accept subscriptions from, and will not direct the issuance or transfer of Units to: (a) any non-resident of Canada if, as a consequence thereof, the Fund could be unable to obtain or could lose its status as a “mutual fund trust” for the purposes of the Tax Act; or (b) any person which would cause the Fund to contravene the laws of any jurisdiction or to become subject to the laws of a foreign jurisdiction.

If at any time the Manager becomes aware that Units are beneficially owned by one or more persons described above, that Fund may redeem all or such portion of the Units on such terms as the Manager deems appropriate in the circumstances. All subscriptions will be irrevocable.

Subscriptions to the Fund will be irrevocable after the expiration of the two (2) Business Day cancellation period.

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

Units of each Class of Units of can only be purchased in Canadian dollars.

Qualified Investors

The Manager is offering for sale an unlimited number of Units on a continuous basis in each of the provinces and territories of Canada by way of private placement pursuant to the exemptions described below from the prospectus requirements afforded by National Instrument 45-106 - *Prospectus Exemption*, which in Québec is a Regulation (“**NI 45-106**”). In the event applicable securities legislation, regulations or rules change in the future such that one or more of the exemptions described below are no longer available, the Fund will cease offering Units pursuant to such exemptions, but may continue offering Units to investors pursuant to other exemptions which are or remain available.

Minimum Amount Exemption

An investor resident in any province or territory of Canada will qualify under the Minimum Amount Exemption if the investor qualifies under that exemption as defined in NI 45-106, which includes purchasing as principal, not being a natural person and investing not less than \$150,000 with a single Fund (the “**Minimum Amount Exemption**”).

Accredited Investor Exemption

An investor resident in any province or territory in Canada will qualify as an Accredited Investor if he or she satisfies certain criteria as defined in NI 45-106. Each investor should refer to the more detailed representations, warranties and certifications contained in the Subscription Instructions which accompanies this Offering Memorandum to determine whether he or she qualifies as an Accredited Investor and needs to sign a risk acknowledgement in the prescribed form (the “**Accredited Investor Exemption**”).

Offering Memorandum Exemption

An investor resident in the Province of British Columbia will qualify under the Offering Memorandum Exemption pursuant to NI 45-106 if purchasing as principal and if the investor receives a copy of this Confidential Offering Memorandum and signs the Subscription Instructions as well as the risk acknowledgement in the prescribed form of Form 45-106F4 – *Risk Acknowledgement* (the “**Offering Memorandum Exemption**”).

Minimum Initial and Subsequent Investments

The minimum initial investment in the Funds is \$25,000 for any Series for an investor relying on the Accredited Investor Exemption, or for an investor relying on the Offering Memorandum Exemption, or such lesser amount as the Manager may determine, in its sole discretion. A subsequent investment in a Fund already held by the investor is subject to an additional minimum investment of \$500, subject to applicable securities legislation, or such lesser amount as the Manager may determine, in its sole discretion.

For investors that qualify under the Minimum Amount Exemption in addition to the requirement that each additional investment be for an amount not less than \$5,000, the investor must have previously purchased and continue to hold Units of the same class with an aggregate acquisition cost or current Net Asset Value of not less than \$150,000. Otherwise, the additional investment will be subject to the requirements described above for initial investments.

The Manager reserves the right to change the minimum amounts for additional investments in the Fund at any time, from time to time, and on a case-by-case basis, subject to regulatory requirements.

An investor who purchases as an Accredited Investor is required to notify the Manager if such investor’s status changes.

REDEMPTION OF UNITS

Application for Redemption

Units may be surrendered for redemption at any time. A Unitholder may have a portion of all of his or her Units redeemed as of the next Valuation Day (the “**Redemption Date**”) at the applicable Series Net Asset Value per Unit as of the Redemption Date provided the Manager has received a notice of redemption five (5) Business Days prior to the Valuation Day.

Where the Units which are the subject of the notice of redemption were purchased from a distributor on the FundSERV network, a request for redemption may also be entered on the FundSERV system five (5) Business Days prior to the Redemption Date, and payment of the redemption proceeds will be made using the FundSERV network.

Where the Units which are the subject of the notice of redemption were purchased through the Manager, payment of the redemption proceeds will generally be made by cheque, bank draft or wire transfer. Subject to applicable law, redemption proceeds may be made in kind if in the Manager’s discretion circumstances do not permit a payment in cash. The Manager shall within three Business Days following the determination of the Series Net Asset Value per Unit for the applicable Redemption Date distribute an amount equal to the Series Net Asset Value per Unit determined as of the relevant Redemption Date. See “*Determination of Net Asset Value*”.

Any payment referred to above, unless such payment is not honored, will discharge the Fund, the Trustee, the Manager and their agents from all liability to the redeeming Unitholder in respect of the payment and the Units redeemed.

Redemption at the Demand of the Manager

The Manager may, in its discretion, require any Unitholder who holds, or who would hold (following a redemption), Units or Series Units having an aggregate value less than an amount determined from time to time by the Manager (the “**Floor Amount**”) to redeem the remaining Units or Series Units held by the Unitholder by giving him 30 days' prior written notice to that effect. If the Unitholder increases the aggregate Unit Value or Series Unit Value of his Units or Series Units to the Floor Amount or more within the thirty (30) day period, the Manager shall not be entitled to direct the Trustee to redeem the Units or the Series Units of the Unitholder unless the Unitholder holds at a later date Units or Series Units having an aggregate Unit Value or Series Unit Value less than the Floor Amount. In addition, the Manager may cause the Fund to redeem, without notice, Units owned by (i) a non-resident of Canada, if the continued ownership of such non-resident could cause the Fund to be unable to obtain or to lose its status as a mutual fund trust for the purposes of the Tax Act; or (ii) a person which would cause the Fund to contravene the laws of any jurisdiction or to become subject to the laws of a foreign jurisdiction.

Power of Trustee to Suspend Redemption

The Manager may suspend the right of Unitholders to require a Fund to redeem Units and the concurrent payment for Units of that Fund tendered for redemption and will so immediately advise the Trustee during any period in which the Manager determines that it is not reasonably practicable to determine equitably the Unit Value of such Units or that allowing redemptions would not be equitable for the other Unitholders of the Fund or Series as the case may be, as a whole, provided that the suspension is not prohibited under applicable securities laws.

Any suspension may apply to all requests for redemption received prior to the suspension but as to which payment has not been made, as well as to all requests received while the suspension is in effect. All

Unitholders making redemption requests will be advised by the Manager of the suspension and that redemption requests previously received will be effected as of the first Valuation Day following the termination of the suspension. All such Unitholders will be advised that they have the right to withdraw any requests for redemption previously submitted. The suspension will terminate on the first day on which the condition giving rise to the suspension has ceased to exist, provided that no other condition under which a suspension is authorized to be imposed then exists.

Partial Redemption Permitted

The Trustee may redeem on the direction of the Manager some of the Units or Series Units for which redemption has been requested by Unitholders and delay or suspend the redemption of the remaining Units or Series Units of these Unitholders. Any such partial redemption shall be pro rata among all such Unitholders. Upon making the pro rata payments, the appropriate number of Units or Series Units held by each of the Unitholders shall be deducted from his holdings recorded on the Register, and his remaining Units or Series Units shall remain recorded thereon.

Notification Where Redemptions Suspended

If the Manager or the Trustee decides to suspend the right of redemption of Units or Series Units, the Manager shall send a notice of such suspension to every Unitholder who has submitted an application for redemption.

A redemption of Units by the Fund may be a taxable event to Unitholders. See “*Certain Canadian Federal Income Tax Considerations*”.

DISTRIBUTIONS

The Fund intends to distribute sufficient net income (including net realized capital gains, if any) to Unitholders in each taxation year to ensure that the Fund is not liable for income tax under Part I of the Tax Act, after taking into account any loss carry forwards and capital gains refunds. All distributions will be made on a pro rata basis within each Series to each registered Unitholder determined as of the close of business (prior to any subscriptions or redemptions) on the last Valuation Day of each fiscal quarter, at the end of the Fund’s financial year-end or at such other date determined by the Manager.

Subject to applicable securities legislation, all distributions made by the Fund (net of any deductions or withholdings required by law) will be automatically reinvested in additional Units of the Fund or fractions of Units of the Fund at the Series Net Asset Value per Unit. Potential investors should keep this policy in mind when determining whether or not an investment in the Fund is suitable for their particular circumstances. The Manager reserves the right to change such policy, and may elect to have distributions paid in cash. Distributions paid in cash are expected to be paid within three Business Days after they have been declared.

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

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

Other Distributions

In addition to the distributions described above, the Manager on behalf of the Trustee may, in its sole discretion, declare a distribution to be payable, to holders of Units or Series Units, in any year, in such amount or amounts, and on such dates as the Manager on behalf of the Trustee may determine.

So as to ensure the allocation and distribution, to holders of Units or Series Units, of all of the Income of the Fund, Net Realized Capital Gains and any other applicable amounts so that the Fund will not have any liability for tax under the Tax Act or under equivalent provincial and territorial legislation in Canada in any year, the amount, if any, by which the Income of the Fund and Net Realized Capital Gains exceed the aggregate of:

- (a) such part of the taxable capital gains of the Fund for the calendar year required to be retained by the Fund to maximize its capital gains refund for such year, unless the Manager has given written notice to the Trustee that it is not to apply to the Fund for that year by the end of the year, and
- (b) any amount that became payable by the Trustee during the calendar year to Unitholders on the Units or Series Units (other than amounts that became payable to Unitholders on the redemption of their Units or Series Units),

shall, without any further actions on the part of the Trustee, be payable to holders of Series Units of record as of the close of business on the last Distribution Record and Declaration Date in such year.

Management Fee Distributions and Portfolio Expense Distributions

In the event that the Manager accepts a reduction in the Management Fee charged to a Fund Series with respect to Units held by a Unitholder of such Fund Series, the Fund shall distribute an amount equal to such reduction to such Unitholder (a “**Management Fee Distribution**”). In the event that the Manager of the Fund agrees to reimburse certain Fund expenses or Series Expenses with respect to Units held by a Unitholder of the Fund, the Fund shall distribute an amount equal to such reimbursement to such Unitholder (a “**Portfolio Expense Distribution**”). Management Fee Distributions and Portfolio Expense Distributions shall be calculated and distributed by the Fund at such intervals as determined from time to time by the Manager and shall be payable first out of the Fund’s Income and Net Realized Capital Gains of the Fund for the taxation year ending in, or contemporaneously with, the calendar year in which the Management Fee Distributions or Portfolio Expense Distributions are made and otherwise out of the capital of the Fund.

Withholding Taxes

The Manager on behalf of the Trustee shall deduct or withhold from distributions payable to any Unitholder all amounts required by law to be withheld from such distributions.

Temporary Use of Principal

The Manager, in its sole discretion, may transfer temporarily from principal to income within the Fund sufficient cash to facilitate distributions to Unitholders of net Income of the Fund and Net Realized Capital Gains.

DETERMINATION OF NET ASSET VALUE OR SERIES NET ASSET VALUE

Valuation Day

The Manager shall determine or shall cause to be determined the Net Asset Value, the Series Net Asset Value, the Unit Value and the Series Unit Value on Tuesday of each week unless the Trustee has declared a suspension, and shall immediately provide such determination to the Trustee. If Tuesday is not a business day, the determination will be made on the business day preceding such Tuesday. The Series Unit Value will be in the currency of the respective Series.

The Manager may in addition, at its discretion, determine or may cause to be determined the Net Asset Value, the Series Net Asset Value, the Unit Value and the Series Unit Value as of the close of business on any Business Day it may reasonably select.

Determination of Net Asset Value or Series Net Asset Value

The Net Asset Value and any Series Net Asset Value established by the Manager or its delegate under the authority of the Trustee shall be conclusive and binding on all Unitholders.

- (a) For the purpose of determining the Net Asset Value and any Series Net Asset Value, assets of the Fund shall be deemed to include:
 - (i) all liquid assets, consisting of cash or its equivalent, including cash on hand, on deposit or on call, including any accrued interest;
 - (ii) all bills, demand notes and accounts receivable;
 - (iii) all shares, debt obligations, subscription rights and other securities owned or contracted for by the Fund;
 - (iv) all stock and cash dividends and cash distributions to be received by the Fund and not yet received by it but declared to shareholders of record on a date on or before the date as of which the Net Asset Value is being determined;
 - (v) all interest accrued on any fixed interest-bearing securities owned by the Fund which is not included in the quoted price; and
 - (vi) all other property of every kind and nature including prepaid expenses.
- (b) The value of such assets shall be determined as follows: The any short-term investments, including notes and money market instruments, shall be valued at cost plus accrued interest;
 - (i) the value of any cash on hand or on deposit, bills, demand notes, accounts receivable, prepaid expenses, as well as cash dividends and interest declared or accrued and not yet received shall be its face amount unless the Manager or its delegate has determined that any such deposit, bill, demand note or account receivable is not worth the face amount, in which event the value shall be the fair value as determined by the Manager or its delegate;
 - (ii) the value of any security, index futures or index options thereon which is listed on any recognized exchange shall be determined by the closing sale price or, if there is no sale price, the average between the closing bid and the closing asked price on

the day on which the Net Asset Value is being determined, all as reported by any report in common use or authorized as official by a recognized stock exchange; provided that if such stock exchange is not open for trading on that date, then on the last previous date on which such stock exchange was open for trading;

- (iii) the value of any security, the resale of which is restricted or limited, shall be the lesser of the value thereof based on reported quotations in common use and that percentage of the market value of securities of the same class, the trading of which is not restricted or limited by reason of any representation, undertaking or agreement or by law, equal to the percentage that the Fund's acquisition cost was of the market value of such securities at the time of acquisition; provided that a gradual taking into account of the actual value of the securities may be made where the date on which the restriction will be lifted is known; and
 - (iv) securities and other assets for which market quotations are not readily available shall be valued at their fair value, as determined by the Manager or its delegate.
- (c) The liabilities of the Fund or Fund Series shall be deducted from the assets of the Fund as applicable, in calculating the Net Asset Value or the Series Net Asset Value and shall be deemed to include the following:
- (i) all bills, notes and accounts payable;
 - (ii) all administrative expenses payable or accrued, or both;
 - (iii) all contractual obligations for the payment of money or property, including the amount of any unpaid distribution credited to the Unitholders of record at or before the day as of which the Net Asset Value or Series Net Asset Value is being determined;
 - (iv) all allowances authorized or approved by the Manager for taxes, if any, or contingencies;
 - (v) all other liabilities of the Fund or applicable Fund Series of whatsoever kind and nature, except liabilities represented by outstanding Units or Series Units;
 - (vi) in the case of liabilities of a Fund Series, all Series Expenses and Series Fees of such Fund Series.
- (d) For the purposes of this Agreement, the Net Asset Value of the Fund is the value of its assets less its liabilities and the Series Net Asset Value is the value of the assets of the Fund attributable to the Fund Series less the liabilities of the Fund Series.
- (e) The Unit Value or the Series Unit Value established at any time and from time to time by or under the authority of the Manager in accordance with the Master Trust Agreement shall be conclusive and binding upon all Unitholders, including previous Unitholders who may have redeemed their Units or Series Units.
- (f) Each purchase or sale of any investment of the Fund shall be reflected in the next computation of the Net Asset Value following the Business Day on which the purchase or sale was made.

The Net Asset Value of the Fund is the value of its assets less its liabilities and the Unit Value is equal to the Net Asset Value at the Valuation Day divided by the total number of Units of the Fund outstanding. The Series Net Asset Value of the Fund Series is the value of its assets less its liabilities and the Series Unit Value is equal to the Series Net Asset Value at the Valuation Day divided by the total number of Series Units of the Fund Series outstanding.

ACTS REQUIRING UNITHOLDER APPROVAL

Subject to the requirements of securities legislation, the Manager may from time to time amend, in whole or in part, all or any of the provisions of the Master Trust Agreement, provided that no such amendment which affects the rights, duties, compensation or responsibilities of the Trustee shall be made without its consent.

Notice of any amendment to the Master Trust Agreement shall be given in writing to the Unitholders and shall take effect on a date to be specified therein. The date shall be not less than thirty days, after notice of the amendment is given to Unitholders, except that the Manager may determine that any amendment shall become effective at an earlier time if, in the view of the Manager, that seems desirable and the amendment is not prejudicial to any Unitholder.

Furthermore, the Manager may from time to time amend the Master Trust Agreement without notice to the Unitholders where the amendment is to: (a) remove any conflicts or other inconsistencies which may exist between any of the terms of the Master Trust Agreement and any provisions of any law or regulation applicable to or affecting the Fund, the Trustee, the Manager or its agents; (b) correct any appearance of conflict or any ambiguity; (c) make any change or correction which is a typographical correction or is required to correct any ambiguity or defective or inconsistent provision, clerical omission, mistake or manifest error contained therein; and (d) bring the Trust Agreement into conformity with current practices within the securities industry; provided that such amendments do not adversely affect the pecuniary value of the interest of any Unitholder.

The Master Trust Agreement may further be amended from time to time without prior notice to provide for the creation of additional Funds and fundamental investment objectives, investment strategies and investment restrictions and practices relating thereto.

A Unitholder entitled to vote at a meeting of Unitholders may by means of a proxy appoint a proxy holder or one or more alternate proxy holders, who are not required to be Unitholders, to attend and act at the meeting in the manner and to the extent authorized by the proxy and with the authority conferred by the proxy. The Manager may prescribe from time to time the form of proxy. Proxies shall be deposited with the secretary of the meeting before any vote is cast under its authority, or at such earlier time and in such manner as the Manager may prescribe. A vote given in accordance with the terms of a proxy shall be valid notwithstanding the previous death or incapacity of the principal or revocation of the proxy or of the authority under which the proxy was executed or the transfer of Units for which the proxy is given, provided that no notice in writing of such death, incapacity, revocation or transfer shall have been received by the secretary of the meeting before the commencement of the meeting or adjourned meeting at which the proxy is used.

Holders of Units may attend and vote at all meetings of the Unitholders either in person or by proxy. Each whole Unit shall be entitled to one vote at all meetings of the Unitholders.

At least one Unitholder representing, in total, at least 5% of the issued and outstanding Units or Series Units on the date of a meeting of Unitholders shall constitute a quorum for such meeting.

The Fund will not hold regular meetings.

REPORTING TO UNITHOLDERS

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

TERMINATION AND LIQUIDATION OF THE FUND

Notice of Early Termination

The Fund has no fixed term.

The Fund may be terminated by the Manager in its absolute discretion by giving written notice to the Trustee and the Unitholders fixing the date on which the termination is to take effect, which date shall be not less than thirty days after the service of the notice.

If the Fund is terminated before the fiscal year end, the Fund will not need to have the financial statements audited.

Liquidation Procedure

Following such termination date, the Manager shall proceed as follows:

- (a) The Manager shall sell all investments then remaining in the hands of the Trustee as part of the Fund Property and the sale shall be carried out and completed in such manner and within such period after the termination of the Fund as the Manager thinks advisable.
- (b) The Manager shall from time to time distribute to the Unitholders, on a pro rata basis, all of the available net assets of the Fund, provided that the Manager shall be entitled to retain out of any money in its hands under the provisions of this section, and after reasonable provision for all costs, charges, expenses, claims and demands incurred, made or apprehended by the Trustee in connection with the liquidation of the Fund and out of the money so retained to be indemnified and saved harmless against any such costs, charges, expenses, claims and demands.

Redemption of Units or Series Units

As and from the date of termination of the Fund so fixed by the Manager, the rights of Unitholders with respect to the redemption of Units or Series Units shall cease.

STATEMENT OF POLICIES

Conflicts of Interest

Securities regulation in Canada requires that potential conflicts of interest be fully disclosed in this Offering Memorandum. Such potential conflicts are perceived to arise whenever a registrant such as the Manager participates in the distribution of securities of a related or connected issuer.

The Manager may engage in activities as manager, portfolio manager and exempt market dealer in respect of securities of related issuers and connected issuers but will do so only in compliance with applicable securities legislation. The securities laws of the provinces and territories of Canada require securities dealers and advisers, when they trade in or advise with respect to their own securities or securities of certain other issuers to which they, or certain other parties related to them, are related or connected, to do so only in accordance with particular disclosure and other rules. These rules require dealers and advisers, prior to trading with or advising their customers or clients, to inform them of the relevant relationships and connections with the issuer of the securities. Clients and customers should refer to the applicable provisions of these securities laws for the particulars of these rules and their rights or consult with a legal adviser. The definition of the terms “related issuer” and “connected issuer” can be found in National Instrument 33-105 - *Underwriting Conflicts* (which in Québec is a Regulation), of the Canadian Securities Administrators.

Fairness Policy

As a Portfolio Manager, the Manager and its employees shall conduct themselves with integrity and honesty and act in an ethical manner in all of their dealings with its clients (including the Fund). The Manager shall not knowingly participate or assist in the violation of any statute or regulation governing securities and investment matters. The responsible Persons shall exercise reasonable supervision over subordinate employees subject to their control to prevent any violation by such Persons of applicable statutes or regulations. The Manager shall exercise diligence and thoroughness on taking an investment action on behalf of each client and shall have a reasonable and adequate basis for such actions, supported by appropriate research and investigations. Before initiating an investment transaction for a client, the Manager will consider its appropriateness and suitability. The Manager will manage each account within the guidelines established between the Manager and the client. The Manager shall ensure that each client account is supervised separately and distinctly from other clients’ accounts. The Manager owes a duty to each client and, therefore, has an obligation to treat each client fairly.

The Manager shall ensure fairness in allocating investment opportunities among its clients and/or funds, as the case may be. It may be determined, however, that the purchase or sale of a particular security is appropriate for more than one client account. Therefore, where appropriate, it is the Manager’s policy to treat all clients fairly and to achieve an equitable distribution of a given security. In order to ensure fairness in the allocation of investment opportunities among its clients, the Manager will allocate investment opportunities with consideration to the prime determinants of market exposure, cash availability and industry sector exposure and with regard to the suitability of such investments to each client. In determining the suitability of each investment opportunity to a client’s portfolio, consideration will be given to a number of factors, the most important being the client’s investment objectives and strategies, existing portfolio composition and cash levels. Where an investment opportunity is suitable for two or more clients or funds, the Manager will allocate such investment opportunity equitably in order to ensure that clients have equal access to the same quality and quantity of investment opportunities. Transactions for clients shall have priority over personal transactions so that the Manager’s personal transactions do not act adversely to a client’s interest. The Manager will at all times preserve confidentiality of information communicated by a client concerning matters within the scope of a confidential relationship.

The above sets out in general terms the standards of fairness that the Manager and its employees will exercise in its dealings with all of its clients.

Soft Dollar Arrangements

Soft dollar arrangements occur when brokers have agreed to provide other services (relating to research and trade execution) at no cost to the Manager in exchange for brokerage business from the Manager’s managed accounts and investment funds. Although the brokers involved in soft dollar arrangements do not necessarily charge the lowest brokerage commissions, the Manager will nonetheless enter into such

arrangements when it is of the view that such brokers provide best execution and/or the value of the research and other services exceeds any incremental commission costs.

The Manager intends to enter into soft dollar arrangements in accordance with industry standards when it is of the view that such arrangements are for the benefit of its clients, however not all soft dollar arrangements will benefit all clients at all times.

In selecting brokers or dealers to execute transactions and negotiating their commission rates, the Fund is expected to consider one or more of such factors as price, execution capabilities, reputation, reliability, financial resources, the quality of research products and services and the value and expected contribution of such services to the performance of the Fund. It is not possible to place a dollar value on information and services received from brokers and dealers, as they only supplement the research efforts of the Fund. If the Fund determines in good faith that the amount of the commissions charged by a broker or dealer is reasonable in relation to the value of the research products or services provided by such broker or dealer, the Fund may pay commissions to such broker or dealer in an amount greater than the amount another broker or dealer might charge.

PROCEEDS OF CRIME (MONEY LAUNDERING) LEGISLATION

In order to comply with Canadian legislation aimed at the prevention of money laundering, the Manager may require additional information concerning investors. If, as a result of any information or other matter which comes to the Manager's attention, any director, officer or employee of the Manager, or its professional advisors, knows or suspects that an investor is engaged in money laundering, such Person is required to report such information or other matter to the Financial Transactions and Reports Analysis Centre of Canada and such report shall not be treated as a breach of any restriction upon the disclosure of information imposed by law or otherwise.

CERTAIN CANADIAN FEDERAL INCOME TAX CONSIDERATIONS

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

The following is a summary of the principal Canadian federal income tax considerations under the *Income Tax Act* (Canada) ("**Tax Act**") generally applicable to the acquisition, holding and disposition of Units of the Fund by a Unitholder of the Fund who acquires Units of the Fund pursuant to this Offering Memorandum. This summary has been reviewed by Fasken Martineau DuMoulin LLP, and only applies to a prospective Unitholder of the Fund who is an individual (other than a trust) resident in Canada for purposes of the Tax Act, who deals at arm's length and is not affiliated with the Fund within the meaning of the Tax Act and who holds Units of the Fund as capital property (a "**Holder**"). This summary does not apply to a Unitholder that has entered or will enter into a "derivative forward agreement" or a "synthetic disposition arrangement" as these terms are defined in the Tax Act with respect to the Units.

Generally, Units of the Fund will be considered to be capital property to a Holder provided that the Holder does not hold such Units in the course of carrying on a business of buying and selling securities and has not acquired them in one or more transactions considered to be an adventure or concern in the nature of trade. Assuming that the Fund qualifies as "mutual fund trust" for purposes of the Tax Act, certain Holders who might not otherwise be considered to hold Units of the Fund as capital property may, in certain circumstances, be entitled to have such Units and all other "Canadian securities" owned or subsequently acquired by them treated as capital property by making the irrevocable election permitted by subsection 39(4) of the Tax Act.

This summary is based on the assumption that the Fund will not be a “SIFT Trust” within the meaning of the Tax Act. This, in turn, is based on the assumption that the Units will at no time be listed or traded on a stock exchange or any other public market as defined for the purposes of the Tax Act. For the purpose of such rules, the redemption mechanism does not result in the Units being considered to be traded on a public market.

This summary is also based on the assumptions that none of the issuers of the securities in the portfolio will be foreign affiliates of the Fund or of any Unitholder and that none of the securities in the portfolio will be a “tax shelter investment” within the meaning of section 143.2 of the Tax Act. Further, this summary assumes that none of the securities in the portfolio will be “offshore investment fund property” that would require the Fund to include amounts in the Fund’s income pursuant to section 94.1 of the Tax Act, or an interest in a trust which would require the Fund to report income in connection with such interest pursuant to the rules in section 94.2 of the Tax Act, or an interest in a non-resident trust other than an exempt foreign trust as defined in section 94 of the Tax Act.

This summary is based on the current provisions of the Tax Act, the regulations thereunder, the current publicly available administrative and assessing practices and policies of the Canada Revenue Agency (the “CRA”) published in writing and all specified proposals to amend the Tax Act and regulations thereunder publicly announced by or on behalf of the Minister of Finance (Canada) prior to the date hereof (“**Proposed Amendments**”). This description is not exhaustive of all Canadian federal income tax consequences and does not take into account or anticipate changes in the law whether by legislative, governmental or judicial action other than the Proposed Amendments in their present form, nor does it take into account provincial, territorial or foreign tax considerations which may differ significantly from those discussed herein. There can be no assurance that the Proposed Amendments will be enacted in the form publicly announced, or at all.

This summary is not exhaustive of all possible Canadian federal income tax considerations applicable to an investment in Units of the Fund. This summary does not address the deductibility of interest on any funds borrowed by a Unitholder to purchase Units of the Fund. The income and other tax consequences of investing in Units will vary depending on an investor’s particular circumstances including the province or territory in which the investor resides or carries on business. Accordingly, this summary is of a general nature only and is not intended to be, nor should it be construed to be, legal or tax advice to any holder of Units of the Fund. Prospective investors should consult their own tax advisors with respect to the income tax consequences to them of an acquisition of Units of the Fund based on their particular circumstances.

Status of the Fund

This summary assumes that the Fund qualifies or will be deemed to qualify at all times as “mutual fund trust” for purposes of the Tax Act.

Taxation of the Fund

The Fund must pay tax on its net income (including net realized capital gains) for a taxation year, less the portion thereof that it deducts in respect of the amount paid or payable to its Unitholders in the year. An amount will be considered to be payable to a Unitholder in a taxation year if it is paid to the Unitholder in that year by the Fund or if the Unitholder is entitled in that year to enforce payment of the amount. The Fund intends to deduct in each year, in computing their income, the full amount available for deduction in each year and, therefore, provided the Fund makes distributions in each year of their net income and net realized capital gains as described under *Distributions*, the Fund will generally not be liable in such year for any tax on its net income or profit under Part I of the Tax Act.

The Fund will be entitled for each taxation year throughout which it is a “mutual fund trust” for purposes of the Tax Act to reduce (or receive a refund in respect of) its liability, if any, for tax on its net realized capital gains by an amount determined under the Tax Act based on the redemptions of its Units during the year (the “**Capital Gains Refund**”). The Capital Gains Refund in a particular taxation year may not completely offset the tax liability of the Fund for such taxation year which may arise upon the sale or other disposition of securities included in the portfolio in connection with the redemption of its Units.

In general, gains and losses realized by a Fund from derivative transactions will be on income account except where such derivatives are used to hedge portfolio securities held on capital account, and will be recognized for tax purposes at the time they are realized by the Fund in accordance with the CRA’s published administrative practice. The Fund may report certain share option transactions on capital account. Gains and losses realized on the disposition of shares held in long positions will generally be reported as capital gains and capital losses. Whether gains and losses realized by the Fund are on income or capital account will depend largely on factual considerations.

A loss realized by the Fund on a disposition of capital property will be a suspended loss for purposes of the Tax Act if the Fund, or a person affiliated with the Fund, acquires a property (a “**substituted property**”) that is the same or identical to the property disposed of, within 30 days before and 30 days after the disposition and the Fund, or a person affiliated with the Fund, owns the substituted property 30 days after the original disposition. If a loss is suspended, the Fund cannot deduct the loss from the Fund’s capital gains until the substituted property is sold and is not reacquired within 30 days before and after the sale.

The Fund may derive income or gains from investments in countries other than Canada, and as a result, may be liable to pay income or profits tax to such countries. To the extent that any such foreign tax paid by the Fund exceeds 15% of the amount included in the Fund’s income from such investments, such excess may generally be deducted by the Fund in computing their net income for the purposes of the Tax Act. To the extent that any such foreign tax paid does not exceed 15% of such amount and has not been deducted in computing the Fund’s income, the Fund may designate in respect of a Unitholder a portion of its foreign source income which can reasonably be considered to be part of the Fund’s income distributed to such Unitholder so that such income and a portion of the foreign tax paid by the Fund may be regarded as foreign source income of, and foreign tax paid by, the Unitholder for the purposes of the foreign tax credit provisions of the Tax Act.

In computing its income under the Tax Act, the Fund may deduct reasonable administrative and other expenses incurred to earn income from property or a business. The Fund may not deduct interest on borrowed funds that are used to fund redemptions of its Units.

The Fund will be required to compute all amounts in Canadian dollars for purposes of the Tax Act and accordingly may realize gains or losses by virtue of the fluctuation in the value of the foreign currencies relative to Canadian dollars.

Losses incurred by the Fund in a taxation year cannot be allocated to Unitholders, but may be deducted by the Fund in future years in accordance with the Tax Act.

The Tax Act contains rules concerning the taxation of certain trusts, the units of which are listed or traded on a stock exchange or other public market, that own certain types of property defined as “non-portfolio property”. A trust that is subject to these rules is subject to trust level taxation at rates comparable to those that apply to corporations or the trust’s income earned from “non-portfolio property”. These rules should not impose any tax on the Fund to the extent that the Units of the Fund (as well as any other securities that the Fund may issue) are not listed or traded on a stock exchange, trading system or other organized facility.

Taxation of Unitholders

A Unitholder will generally be required to include in computing income for a particular taxation year of the Unitholder such portion of the net income of the Fund for that particular taxation year, including the taxable portion of any net realized capital gains and distributions, as is paid or becomes payable to the Unitholder (whether in cash or whether such amount is automatically reinvested in additional Units of the Fund). The non-taxable portion of a Fund's net realized capital gains that are paid or become payable to a Unitholder in a taxation year will not be included in computing the Unitholder's income for the year. Any other amount in excess of a Unitholder's share of the net income of a Fund for a taxation year that is paid or becomes payable to the Unitholder in the year (i.e. returns of capital) will not generally be included in the Unitholder's income for the year, but will reduce the adjusted cost base of the Unitholder's Units. To the extent that the adjusted cost base of a Unit would become a negative amount, the negative amount will be deemed to be a capital gain and the adjusted cost base of the Unit to the Unitholder will be increased by the amount of such deemed capital gain.

Provided that appropriate designations are made by the Fund, such portion of the net realized taxable capital gains of the Fund, the taxable dividends received or deemed to be received by the Fund on shares of taxable Canadian corporations, the foreign source income of the Fund as is paid or becomes payable to a Unitholder and the amount of foreign taxes paid or deemed to be paid by the Fund, if any, will effectively retain their character and be treated as such in the hands of the Unitholder for purposes of the Tax Act. A Unitholder may be entitled to claim a foreign tax credit in respect of foreign taxes designated to such Unitholder in accordance with the detailed rules in the Tax Act. To the extent that amounts are designated as taxable dividends from taxable Canadian corporations, the gross-up and dividend tax credit rules will apply.

Any loss of the Fund for purposes of the Tax Act cannot be allocated to, and cannot be treated as a loss of, a Unitholder.

Under the Tax Act, the Fund is permitted to deduct in computing its income for a taxation year an amount that is less than the amount of its distributions for the year. This will enable the Fund to use, in a taxation year, losses from prior years without affecting the ability of the Fund to distribute its income annually. In such circumstances, the amount distributed to a Unitholder, but not deducted by the Fund will not be included in the Unitholder's income. However, the adjusted cost base of a Unitholder's Units will be reduced by such amount.

On the disposition or deemed disposition of a Unit of the Fund, including on a redemption, a Unitholder will realize a capital gain (or capital loss) to the extent that the Unitholder's proceeds of disposition (other than any amount payable by the Fund which represents an amount that is otherwise required to be included in the Unitholder's income as described herein), net of any reasonable costs of disposition, exceed (or are less than) the adjusted cost base of the Unit of the Fund. For the purpose of determining the adjusted cost base of a Unitholder's Units of the Fund, when additional Units of the Fund are acquired by the Unitholder, the cost of the newly acquired Units of the Fund will be averaged with the adjusted cost base of all Units of the Fund owned by the Unitholder as capital property immediately before that time. For this purpose, the cost of Units of the Fund that have been issued on a distribution will generally be equal to the amount of the net income or capital gain distributed to the Unitholder of the Fund that has been distributed in the form of additional Units of the Fund. A consolidation of Units of the Fund following a distribution paid in the form of additional Units of the Fund will not be regarded as a disposition of Units of the Fund and will not affect the aggregate adjusted cost base to a Unitholder.

In general, one-half of any capital gain (a "**taxable capital gain**") realized by a Unitholder on the disposition of Units of the Fund or designated by the Fund in respect of the Unitholder in a taxation year will be included in computing the Unitholder's income for that year and one-half of any capital loss realized by the Unitholder in a taxation year may be deducted from taxable capital gains realized by the Unitholder

or designated by the Fund in respect of the Unitholder in accordance with the detailed provisions of the Tax Act.

Amounts designated by the Fund to a Unitholder as taxable capital gains or dividends from taxable Canadian corporations, and taxable capital gains realized on the disposition of Units of the Fund may increase the Unitholder's liability for alternative minimum tax.

In certain situations where a Unitholder disposes of Units and would otherwise realize a capital loss, the loss will be denied. This may occur if the Unitholder or the Unitholder's spouse or another person affiliated with the Unitholder (including a corporation controlled by the Unitholder) has acquired Units of the Fund (which are considered to be "substituted property") within 30 days before or after the Unitholder disposes of Units. In these circumstances, the capital loss on the disposition of the Units may be deemed to be a "superficial loss" and denied and the amount of the denied loss will be added to the adjusted cost base to the owner of the Units which are substituted property.

Loss Restriction Event

If the Fund experiences a "loss restriction event" ("**LRE**") (i) the Fund will be deemed to have a year-end for tax purposes (which could result in the Fund being subject to tax unless it distributes its income and capital gains prior to such year-end), and (ii) the Fund will become subject to the loss restriction rules generally applicable to corporations that experience an acquisition of control, including a deemed realization of any unrealized capital losses and restrictions on their ability to carry forward losses.

Generally, a Fund will be subject to a LRE when a person becomes a "majority-interest beneficiary" of the Fund, or a group of persons becomes a "majority-interest group of beneficiaries" of the Fund, as those terms are defined in the Tax Act. Generally, a majority-interest beneficiary of the Fund will be a beneficiary who, together with the beneficial interests of persons and partnerships with whom the beneficiary is affiliated, has a fair market value that is greater than 50% of the fair market value of all the interests in the income or capital, in the Fund.

Based on recent legislative change proposals, the Tax Act provides for an exception to the LRE rules with respect to the acquisition or disposition of equity of a trust if certain conditions are met. The exception applies to exempt a trust from the LRE rules where the LRE occurs due to the acquisition or disposition of equity of the trust where the following two conditions are met:

- (i) such entity is, immediately before that time, an "investment fund", as this term is defined in the Tax Act; and
- (ii) the acquisition or the disposition, as the case may be, is not part of a series of transactions or events that includes the trust ceasing to be an "investment fund".

Tax Implications of the Fund's Distribution Policy

The net asset value per Unit of the Fund will, in part, reflect any income and gains of the Fund that have accrued or been realized, but have not been made payable at the time Units of the Fund were acquired. Accordingly, a Unitholder who acquires Units of the Fund, including on a reinvestment of distributions, may become taxable on the Unitholder's share of income and gains of the Fund that accrued before Units of the Fund were acquired. In particular, an investor who acquires Units of the Fund at any time in the year prior to a distribution being paid or made payable will have to pay tax on the entire distribution (to the extent it is a taxable distribution) regardless of the fact that the investor only recently acquired such Units.

Tax Information

Each Unitholder will be provided with the necessary information in respect of the Unitholder's investment in the Fund during a year, including the amount and type of income distributed, the amount of capital that was returned, if any, and the amount of any dividend tax credit or foreign tax credit available to such Unitholder, to enable him or her to complete his or her income tax return in respect of that year.

Eligibility for Investment

Provided that the Fund qualifies as a "mutual fund trust" at all relevant times for purposes of the Tax Act, the Units will be qualified investments for trusts governed by registered retirement savings plans, registered retirement income funds, deferred profit sharing plans, registered education savings plans, registered disability savings plans or tax-free savings accounts ("**Tax Deferred Plans**").

Notwithstanding that Units are qualified investments for a tax-free savings account ("**TFSA**"), registered retirement savings plan ("**RRSP**") or the registered retirement income fund ("**RRIF**"), a Unitholder will be subject to a penalty tax if the Units, as the case may be, held in a TFSA, RRSP or RRIF are a "prohibited investment" under the Tax Act. The Units will not be a "prohibited investment" for a trust governed by TFSA, RRSP or RRIF, provided the holder of the TFSA or the annuitant under the RRSP or RRIF, as applicable, (i) deals at arm's length with the Fund for purposes of the Tax Act, and (ii) does not have a "significant interest" as defined in the Tax Act in the Fund. In addition, the Units will generally not be a "prohibited investment" if the Units are "excluded property" as defined in the Tax Act.

USE OF PROCEEDS

The proceeds from the issue of the Units or Series Units will be used by the Fund to acquire securities in accordance with the Fund's investment objective and strategies, and subject to the Fund's investment restrictions. The Management Fee will be paid to the Manager out of the net proceeds of the offering. See "*Fees and Expenses*". A portion of the proceeds will also be used to pay for the operating expenses of the Fund or to reimburse the Manager for doing so.

INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

The Manager will receive the fees described under "*Fees and Expenses*" for its services to the Fund and will be reimbursed by the Fund for all expenses incurred in connection with the operation and administration of the Fund.

See "*Statement of Policies – Conflicts of Interest*".

RISK FACTORS

There are certain risks associated with an investment in the Units. Prospective investors and their advisors should consider the following risk factors associated with an investment in Units before subscribing for Units:

No Assurance of Achieving Investment Objective

There can be no assurance that the Fund will meet its investment objective or that an investment in Units will earn any positive return. An investment in Units is speculative and appropriate only for investors who have the capacity to absorb a loss of some or all of their investment. An investment in the Fund is not intended as a complete investment program. Investors should review closely the investment objective and

investment strategies to be utilized by the Fund as outlined herein to familiarize themselves with the risks associated with an investment in the Fund.

No Operating History for the Fund

Although persons involved in the management of the Fund and the service providers to the Fund have had long experience in their respective fields of specialization, the Fund only has limited operating history upon which prospective investors can evaluate the Fund's likely performance. Investors should be aware that the past performance by those involved in the investment management of the Fund should not be considered as an indication of future results.

Debt Securities

The Fund may invest in bonds or other debt securities including, without limitation, bonds, notes and debentures issued by corporations. Debt securities pay fixed, variable or floating rates of interest. The value of debt securities in which the Fund may invest will change in response to fluctuations in interest rates. In addition, the value of certain debt securities can fluctuate in response to perceptions of creditworthiness, political stability or soundness of economic policies. Debt securities are subject to the risk of the issuer's inability to meet principal and interest payments on its obligations (i.e., credit risk) and are subject to price volatility due to such factors as interest rate sensitivity, market perception of the creditworthiness of the issuer and general market liquidity (i.e., market risk). If debt securities are not held to maturity, the Fund may suffer a loss at the time of sale of such securities.

Equity Risk

Companies issue equities, or stocks, to help finance their operations and future growth. A company's performance outlook, market activity and the larger economic picture influence its stock price. The value of the Fund is affected by changes in the prices of the stocks it holds. The risks and potential rewards are usually greater for small companies, start-ups, resource companies and companies in emerging markets. Investments that are convertible into equity may also be subject to equity risk.

Currency risk

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

Series Risk

Since the Fund may have multiple Series of Units, each Series will be charged, as a separate Series, any Series Expenses such as management fees that are specifically attributable to that Series. However, the Investment Advisor generally will allocate all other expenses of the Fund among the Series of Units in a fair and equitable manner and the creditor of the Fund may seek to satisfy its claims from the assets of the Fund as a whole, even though its claims relate only to a particular Series of Units.

Currency Hedging Strategies Risk

The Manager will hedge currency risk (i.e. US dollar exposure) with the use of forward or futures contracts (or any other appropriate instrument).

The effectiveness of the Fund's currency hedging strategy will be affected by movement in interest rates. Meaningful differences between the Canadian dollar interest rates and American dollar interest rates may affect the effectiveness of the currency hedging strategy used by the Fund.

Interest Rate Changes

The value of the Fund's investments may fall if market interest rates for government, corporate or high yield credit rise. The value of the Fund that holds fixed income securities will rise and fall as interest rates change. When interest rates fall, the value of an existing bond tends to rise. When interest rates rise, the value of an existing bond tends to fall. The value of debt securities that pay a variable (or floating) rate of interest is generally less sensitive to interest rate changes. The Manager's ability to replace matured variable debt securities at the same or better yield will be impacted by interest rate changes.

Illiquid Assets

The Fund may invest in illiquid assets and there can be no assurance that the Fund will be able to dispose of such investments. An illiquid asset is a security or other position that cannot be disposed of quickly in the normal course of business. The Fund may invest in illiquid assets consisting of securities listed under an initial public offering or other securities the resale of which is restricted under applicable securities legislation. There is a risk that the Fund may be unable to dispose of its illiquid assets, it may have to sell such securities at a lower price, or sell other securities instead to obtain cash and would therefore have to forego other investment opportunities.

If the Manager is unable or determines that it is inappropriate to dispose of some or all of the portfolio securities if and when the Fund is terminated, Unitholders may, subject to applicable laws, receive distributions of securities *in specie*, for which there may be an illiquid market or which may be subject to resale restrictions of indefinite duration. A considerable period of time may elapse between the time a decision is made to sell such assets and the time the Fund is able to do so, and the value of such assets could decline during such period.

Small to Medium Capitalization Companies

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

Mutual Fund Trust Status

It is intended that the Fund will qualify as a "mutual fund trust" for the purposes of the Tax Act effective from the date of its creation and at all times thereafter. However, there can be no assurance that the Tax Act and/or administrative policies of the CRA respecting the treatment of "mutual fund trusts" and unit trusts will not be changed in a manner which adversely affects the holders of Units. If the Fund fails to meet one or more conditions to qualify as a "mutual fund trust", the income tax considerations described under "*Certain Canadian Federal Income Tax Considerations*", would, in some respects, be materially different.

Not a Public Mutual Fund

The Fund is not subject to the restrictions placed on public mutual funds to ensure diversification and liquidity of the Fund's portfolio (National Instrument 81-102 - *Investment Funds*, which in Québec is a

Regulation), although, in the opinion of the Manager, the Fund follows a reasonable policy of investment diversification. The Fund is also not subject to National Instrument 81-107 - *Independent Review Committee for Investment Funds*, which in Québec is a Regulation) which requires public investment funds to appoint an independent review committee to review and provide input on conflicts of interest between funds and their managers.

Redemptions of Units

Substantial redemptions of Units may require the Fund to sell assets it would not otherwise sell and at less than optimal prices in order to raise the necessary cash to fund redemptions. Substantial redemptions may also require the Fund to sell assets to rebalance the portfolio to reflect a smaller asset base. A smaller asset base could limit the investment opportunities available to the Fund and increase its expense ratio. Such factors could adversely affect the value of the Units redeemed and of the Units remaining outstanding. See “*Redemption of Units*”.

Conflicts of Interest

The Manager, its Affiliates and their respective directors and officers may provide investment advisory and portfolio management services to entities with which the Fund transacts as well as other investment funds or other clients. Since the Manager may manage common interests for accounts on different financial terms, there may be a perception that certain accounts are favoured over others. The Manager has a fairness policy to ensure the fair and reasonable treatment of all clients based upon the clients’ investment objectives and strategies and to avoid favouritism or discrimination among clients. None of the directors or officers of the Manager will devote his full time to the business and affairs of the Fund.

Indemnification Obligations

Under certain circumstances, the Fund might be subject to significant indemnification obligations in respect of the Manager and the Portfolio Manager or certain parties related to it. The Fund will not carry any insurance to cover such potential obligations and none of the foregoing parties will be insured for losses for which the Fund has agreed to indemnify them. Any indemnification paid by the Fund would reduce the Fund’s Net Asset Value and, by extension, the value of the Units.

Valuation of the Fund’s Investments

Valuation of the Fund’s securities and other investments may involve uncertainties and judgmental determinations and, if such valuations should prove to be incorrect, the Net Asset Value of the Fund could be adversely affected. Independent pricing information may not be available regarding certain of the Fund’s securities and other investments. Valuation determinations will be made in good faith in accordance with the Trust Agreement. The Fund may from time to time have some of its assets in investments which by their very nature may be extremely difficult to value accurately. To the extent that the value assigned by the Fund to any such investment differs from the actual value, the Unit Value may be understated or overstated, as the case may be. In light of the foregoing, there is a risk that a Unitholder who redeems all or part of its Units while the Fund holds such investments will be paid an amount less than such Unitholder would otherwise be paid if the actual value of such investments is higher than the value designated by the Fund. Similarly, there is a risk that such Unitholder might, in effect, be overpaid if the actual value of such investments is lower than the value designated by the Manager in respect of a redemption. In addition, there is risk that an investment in the Fund by a new Unitholder (or an additional investment by an existing Unitholder) could dilute the value of such investments for the other Unitholders if the actual value of such investments is higher than the value designated by the Manager. Further, there is risk that a new Unitholder (or an existing Unitholder that makes an additional investment) could pay more than it might otherwise if

the actual value of such investments is lower than the value designated by the Manager. The Fund does not intend to adjust the Net Asset Value of the Fund retroactively.

Changes in Legislation

There can be no assurance that income tax or securities laws, or the interpretation or application thereof, will not be changed in a manner that adversely affects the Fund or the Unitholders. The regulatory environment is evolving and changes to it may adversely affect the Fund and/or the Unitholders. To the extent that regulators adopt practices of regulatory oversight that create additional compliance, transaction, disclosure or other costs, returns of the Fund may be negatively affected.

Tax Risk

The Net Asset Value of the Fund and the Unit Value or the Series Net Asset Value and the Series Unit Value will be calculated on the basis of both realized gains and losses and accrued, but unrealized, gains and losses. In computing each Unitholder's share of income or loss for purposes of the Tax Act, generally only realized gains and other recognized amounts will be taken into account. Therefore, the change in Net Asset Value or Series Net Asset Value of a Unitholder's Units or Series Units may differ from such Unitholder's share of income and loss for tax purposes. Furthermore, investors may be allocated income for tax purposes and not receive any cash distributions from the Fund, particularly those Unitholders participating in the Distribution Reinvestment Program. In addition, with the combination of the following factors: (1) the principal source of revenue for the Fund is in the form of income and generally less than all income is distributed before the last month of the fiscal year, (2) all undistributed income is distributed at the fiscal year end, consequently, unitholders acquiring Units during or near the end of a fiscal year may receive a higher proportion of income distributions and the consequent tax exposure, than other unitholders. Potential investors are cautioned that they should obtain tax advice from a qualified tax advisor before investing in Units.

U.S. Tax Risk

The Foreign Account Tax Compliance provisions of the U.S. Hiring Incentives to Restore Employment Act of 2010 (or "**FATCA**") imposes a 30% U.S. withholding tax on "withholdable payments" made to a Fund, unless that Fund complies with certain information reporting and other requirements. Withholdable payments include (i) certain U.S. source income (such as interest, dividends and other passive income) and (ii) gross proceeds from the sale or disposition of property that can produce U.S. source interest or dividends. The withholding tax applies to withholdable payments made on or after July 1, 2014, (or January 1, 2017 in the case of gross proceeds) unless a Fund complies with certain due diligence and reporting obligations under the intergovernmental agreement in effect between the United States and Canada in respect of FATCA (the "**Canada-U.S. IGA**") and its implementing provisions under the Tax Act. "Foreign passthru payments" paid by a mutual fund to certain investors on or after January 1, 2017, may also become subject to FATCA withholding. The Fund intends to comply with these due diligence and reporting obligations so as to ensure that the 30% U.S. withholding tax does not apply to any payment it receives. Accordingly, under the Canada-U.S. IGA, the Fund generally will be required to conduct due diligence regarding all Unitholders and (where applicable) their beneficial owners, and to report to the CRA certain information regarding its U.S. Unitholders, including information regarding their name, address, and U.S. Taxpayer Identification Number. The information reported to the CRA is expected to be exchanged with the U.S. Internal Revenue Service.

Notwithstanding the foregoing, the Fund's due diligence and reporting obligations under FATCA will not apply with respect to certain accounts and products established in Canada and maintained by Canadian Financial Institutions. These accounts and products, as described in the Canada-U.S. IGA, include the

following: registered retirement savings plans, registered retirement income funds, pooled registered pension plans, registered pension plans, tax-free savings accounts, and deferred profit-sharing plans.

If the Fund fails to meet its obligations under the Canada-U.S. IGA, it may be subject to the offences and punishment provision of the Tax Act. The administrative costs arising from compliance with FATCA may cause an increase in the operating expenses of the Fund or other underlying fund(s) in which the Fund has invested, directly or indirectly, thereby reducing returns to Unitholders. Investors should consult their own tax advisors regarding the possible implications of FATCA and the Canada-U.S. IGA on their investment and the entities through which they hold their investment.

Foreign Investment Risk

The Fund will invest in securities issued by corporations in, or governments of, countries other than Canada. Investing in foreign securities can be beneficial in expanding investment opportunities and increasing portfolio diversification, but there are risks associated with foreign investments, including:

- companies outside of Canada may be subject to different regulations, standards, reporting practices and disclosure requirements than those that apply in Canada;
- the legal systems of some foreign countries may not adequately protect investor rights;
- political, social or economic instability may affect the value of foreign securities;
- foreign governments may make significant changes to tax policies, which could affect the value of foreign securities; and
- foreign governments may impose currency exchange controls that may prevent a Fund from taking money out of the country.

General Economic and Market Conditions

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

Registered Plan Eligibility

Although the Fund has obtained legal advice on eligibility of Units of the Fund for the Plans and the Manager intends to ensure that the Fund complies with the Investment Restrictions, the tax authorities may come to a different conclusion. Prospective purchasers who intend to hold Units in a trust governed by a Plan are advised to consult their own tax advisors in this regard.

Lack of Independent Experts Representing Unitholders

The Fund and the Manager have consulted with a single legal counsel regarding the formation and terms of the Fund and the offering of Units. Unitholders have not, however, been independently represented. Therefore, to the extent that the Fund, Unitholders or this offering could benefit by further independent review, such benefit will not be available. Each prospective investor should consult his or her own legal, tax and financial advisors regarding the desirability of purchasing Units and the suitability of investing in the Fund.

No Involvement of Unaffiliated Selling Agent

No outside selling agent unaffiliated with the Manager has made any review or investigation of the terms of this offering, the structure of the Fund or the background of the Manager.

Trading Errors

In the course of carrying out trading and investing responsibilities on behalf of the Fund, the Investment Advisor's personnel may make "trading errors", i.e., errors in executing specific trading instructions. Examples of trading errors include: (i) buying or selling an investment asset at a price or quantity that is inconsistent with the specific trading

PURCHASERS' RIGHTS

In certain circumstances, purchasers resident in the Offering Jurisdictions are provided with a remedy for rescission or damages, or both, in addition to any other right they may have at law, where an offering memorandum and any amendment to it contains a misrepresentation. A "misrepresentation" is an untrue statement of a material fact or an omission to state a material fact that is required to be stated or that is necessary to make any statement not misleading or false in the light of the circumstances in which it was made. These remedies, or notice with respect thereto, must be exercised or delivered, as the case may be, by the purchaser within the time limits prescribed by the applicable securities legislation.

The following summary is subject to the express provisions of the applicable securities laws, regulations and rules, and reference is made thereto for the complete text of such provisions. Such provisions may contain limitations and statutory defences not described here on which the Issuer and other applicable parties may rely. **Purchasers should refer to the applicable provisions of the securities legislation of their province or territory for the particulars of these rights or consult with a legal adviser.** The rights of action described below are in addition to and without derogation from any other right or remedy available at law to the purchaser and are intended to correspond to the provisions of the relevant securities legislation and are subject to the defences contained therein.

Rights for Purchasers in Alberta

Securities legislation in Alberta provides that every purchaser of Units of the Fund pursuant to this Offering Memorandum or any amendment thereto shall have, in addition to any other rights they may have at law, a right of action for damages or rescission, against the purchased Fund and certain other persons if this Offering Memorandum or any amendment thereto contains a "misrepresentation" (as defined in the *Securities Act* (Alberta) (the "**Alberta Act**"). However, such rights must be exercised within prescribed time limits. Purchasers should refer to the applicable provisions of the Alberta securities legislation for particulars of those rights or consult with a lawyer. In particular, Section 204 of the Alberta Act provides that if this Offering Memorandum or any amendment thereto contains a misrepresentation, a purchaser who purchases Units of a Fund offered under this Offering Memorandum or any amendment will be deemed to have relied upon the misrepresentation, if it was a misrepresentation at the time of purchase, and has a right of action for damages against that Fund and every person or company who signed this Offering Memorandum or, alternatively, for rescission against the purchased Fund, provided that if the purchaser exercises its right of rescission against that Fund, the purchaser will not have a right of action for damages against that Fund or against any aforementioned person or company.

No action can be commenced to enforce the rights of action described above more than:

- (a) in the case of an action for rescission, 180 days from the date of the transaction that gave rise to the cause of action, or

- (b) in the case of any action, other than an action for rescission, the earlier of:
 - (i) 180 days from the date that the purchaser first had knowledge of the facts giving rise to the cause of action, or
 - (ii) three years from the date of the transaction that gave rise to the cause of action.

No person or company referred to above is liable if the person or company proves that the purchaser had knowledge of the misrepresentation. In addition, no person or company will be liable in an action pursuant to section 204 of the Alberta Act if the person or company proves that:

- (a) this Offering Memorandum or any amendment thereto was sent to the purchaser without the person's or company's knowledge or consent and that, on becoming aware of it being sent, the person or company promptly gave reasonable notice to the Funds that it was sent without the knowledge and consent of the person or company;
- (b) on becoming aware of the misrepresentation in this Offering Memorandum, the person or company withdrew its consent to this Offering Memorandum and gave reasonable notice to the Fund of the withdrawal and the reason for it; or
- (c) if, with respect to any part of this Offering Memorandum or any amendment thereto purporting to be made on the authority of an expert, or purporting to be a copy of, or an extract from, a report, an opinion or a statement of an expert, that person or company proves had no reasonable grounds to believe and did not believe that there had been a misrepresentation, the relevant part of this Offering Memorandum or any amendment thereto did not fairly represent the report, opinion or statement of the expert, or was not a fair copy of, or an extract from, the report, opinion or statement of the expert.

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

In an action for damages, the defendant will not be liable for all or any part of the damages that it proves do not represent the depreciation in value of the Units as a result of the misrepresentation relied upon. The amount recoverable under this right of action will not exceed the price at which the Units were offered under this Offering Memorandum or any amendment thereto. The rights of action for rescission or damages are in addition to and without derogation from any other right the purchaser may have at law.

This summary is subject to the express provisions of the Alberta Act and the regulations and rules made under it, and prospective investors should refer to the complete text of those provisions.

Rights for Purchasers in Manitoba

If the purchaser is resident in Manitoba and if this Offering Memorandum, together with any amendment thereto, or any advertising or sales literature relating to the Units contains a misrepresentation, each purchaser in Manitoba, or otherwise subject to the applicable securities laws of Manitoba, to whom the Offering Memorandum has been sent or delivered and who purchases Units of the Fund, will be deemed to have relied upon such misrepresentation if it was a misrepresentation at the time of purchase, and the purchaser has a right of action for damages against the Fund, and, subject to certain additional defenses, against the directors of the Fund who were directors at the date of the Offering Memorandum, and against

any person or company who signed the Offering Memorandum and any amendment thereto, or alternatively, while still an owner of the Units, may elect instead to exercise a right of rescission against the Fund, in which case the purchaser will have no right of action for damages against the Fund or the directors of the Fund or any other person or company who signed this Offering Memorandum, provided that, among other limitations:

- (a) in an action for rescission or damages, no person or company will be liable if it proves that the purchaser purchased the Units with knowledge of the misrepresentation;
- (b) in an action for damages, no person or company will be held liable for all or any portion of the damages that it proves do not represent the depreciation in value of the Units as a result of the misrepresentation relied upon; and
- (c) in no case will the amount recoverable under the right of action described above exceed the price at which the Units were offered under the Offering Memorandum.

All persons or companies referred to above that are found to be liable or that accept liability are jointly and severally liable. A person or company that is found liable to pay a sum in damages may recover a contribution, in whole or in part, from a person that is jointly and severally liable to make the same payment in the same cause of action unless, in all the circumstances of the case, the course is satisfied that it would not be just and equitable.

In addition, no person or company, other than the Fund, is liable if the person or company proves that:

- (a) this Offering Memorandum or any amendment thereto 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 gave reasonable general notice that it was delivered without the person's or company's knowledge or consent;
- (b) after delivery of this Offering Memorandum or any amendment thereto and before the purchase of the Units by the purchaser, on becoming aware of any misrepresentation in this Offering Memorandum, or any amendment thereto, the person or company withdrew the person's or company's consent to the Offering Memorandum, or any amendment thereto, 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 amendment thereto purporting to be made on the authority of an expert, or to be a copy of, or an extract from, a report, an opinion or a statement of an expert, the person or company had no reasonable grounds to believe and did not believe that: (i) there had been a misrepresentation, or (ii) the relevant part of this Offering Memorandum or any amendment thereto (A) did not fairly represent the report, opinion or statement of the expert, or (B) was not a fair copy of, or an extract from, the report, opinion or statement of the expert.

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

In addition, 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 any action, other than an action for rescission, the earlier of: (i) 180 days after the date on which the purchaser first had knowledge of the facts giving rise to the cause of action or (ii) 2 years after the date of the transaction that gave rise to the cause of action.

In addition, if a misrepresentation is contained in a record incorporated by reference in, or is deemed to be incorporated into the Offering Memorandum or any amendment thereof, the misrepresentation is deemed to be contained in the Offering Memorandum or any amendment thereto.

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

Rights for Purchasers in New Brunswick

The *Securities Act* (New Brunswick) (the “**New Brunswick Act**”) provides that, subject to certain limitations, where this Offering Memorandum or any amendment thereto, which is provided to a purchaser of the Units of the Fund contains an untrue statement of a material fact or an omission to state a material fact that is required to be stated or that is necessary to make a statement not misleading in light of the circumstances in which it was made (a “**misrepresentation**”), a purchaser who purchases those Units shall be deemed to have relied on the misrepresentation if it was a misrepresentation at the time of purchase and the purchaser has, subject to certain defenses, a right of action for damages against the purchased Fund or may elect to exercise a right of rescission against the seller, in which case he shall have no right of action for damages, provided that:

- (a) in an action for rescission or damages, the defendant will not be liable if it proves that the purchaser purchased the security with knowledge of the misrepresentation;
- (b) in an action for damages, the defendant is not liable for all or any portion of the damages that it proves do not represent the depreciation in value of the security as a result of the misrepresentation relied upon; and
- (c) in no case shall the amount recoverable under the right of action described herein exceed the price at which the security was offered.

The right of action for rescission or damages described herein is conferred by section 150 of the New Brunswick Act and is in addition to and without derogation from any right the purchaser may have at law.

Pursuant to section 161 of the New Brunswick Act, no action shall be commenced to enforce a right of rescission unless such action is commenced not later than 180 days after the date of the transaction that gave rise to the cause of action and in the case of any action, other than an action for rescission, such action shall be commenced before the earlier of: (i) one year after the plaintiff first had knowledge of the facts giving rise to the cause of action, and (ii) six years after the date of the transaction that gave rise to the cause of action.

Rights for Purchasers in Nova Scotia

The *Securities Act* (Nova Scotia) provides that, subject to certain limitations, where this Offering Memorandum, together with any amendment thereto, or any advertising or sales literature (as such terms are defined in the *Securities Act* (Nova Scotia)) disseminated in connection with the offering, contains an

untrue statement of material fact or omits to state a material fact that is necessary to prevent a statement in this Offering Memorandum, any amendment thereto or advertising or sales literature from being misleading in light of the circumstances in which the statement was made (each, a “**Misrepresentation**”), that was a Misrepresentation at the time of purchase, a purchaser who purchases Units in the Fund has a right of action for damages against the Fund and, subject to certain additional defenses, every seller (other than that Fund) of Units, directors of the seller and persons who have signed this Offering Memorandum.

Alternatively, the purchaser may elect to exercise a right of rescission against the seller in which case the purchaser shall have no right of action for damages against the seller, directors of the seller or persons who have signed the Offering Memorandum.

The foregoing rights are subject to, among other limitations, the following:

- (a) no action shall be commenced to enforce any of the foregoing rights more than 120 days after the date on which the initial payment was made for the Units;
- (b) no person will be liable if it proves that the purchaser purchased the Units with knowledge of the Misrepresentation;
- (c) in the case of an action for damages, no person will be liable for all or any portion of the damages that it proves do not represent the depreciation in value of the Units as a result of the Misrepresentation relied upon; and
- (d) in no case will the amount recoverable in any action exceed the price at which the Units were offered under this Offering Memorandum or amendment thereto.

In addition, no person or company other than the purchased Fund is liable if the person or company proves that:

- (a) this Offering Memorandum or any amendment thereto 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 gave reasonable general notice that it was delivered without the person’s or company’s knowledge or consent;
- (b) after delivery of this Offering Memorandum or any amendment thereto and before the purchase of the Units by the purchaser, on becoming aware of any Misrepresentation in this Offering Memorandum, or amendment thereto, the person or company withdrew the person’s or company’s consent to this Offering Memorandum, or amendment thereto, and gave reasonable general notice of the withdrawal and the reason for it; or
- (c) with respect to any part this Offering Memorandum or any amendment thereto purporting to be made on the authority of an expert, or purporting to be a copy of, or an extract from, a report, an opinion or a statement of an expert, that person or company had no reasonable grounds to believe and did not believe that there had been a Misrepresentation, or that the part of this Offering Memorandum or amendment thereto (i) did not fairly represent the report, opinion or statement of the expert, or (ii) was not a fair copy of, or an extract from, the report, opinion or statement of the expert.

Furthermore, no person or company other than the purchased Fund is liable with respect to any part of this Offering Memorandum or any amendment thereto 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 that there had been a Misrepresentation.

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

The rights of action for rescission or damages are in addition to and without derogation from any other right the purchaser may have at law.

Rights for Purchasers in Ontario

A purchaser of Units of the Fund who is resident in Ontario and to whom this Offering Memorandum was delivered may, if the amount of the purchase does not exceed the sum of \$50,000, rescind the contract to purchase such Units by sending written notice to the Fund within 48 hours from the time the purchaser received the confirmation for the purchase of the Units. The amount the purchaser is entitled to recover on exercise of the right to rescind may not exceed the net asset value of the Units purchased at the time the right to rescind is exercised, but will be entitled to reimbursement from every registered dealer through whom such Units were purchased (if any) for the amount of sales charges and fees relevant to the investment of the purchaser in the purchased Fund in respect of the Units for which the notice of rescission was given.

In the event that this Offering Memorandum or any amendment thereto contains a misrepresentation, a purchaser resident in Ontario who purchases 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 against the purchased Fund or, alternatively, while still the owner of the Units, for rescission against that 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 that Fund;
- (b) a Fund will not be liable if it proves that the purchaser purchased the Units with knowledge of the misrepresentation;
- (c) in the case of an action for damages, a Fund will not be liable for all or any portion of damages that it proves do not represent the depreciation in value of the Units as a result of the misrepresentation relied upon; and
- (d) in no case shall the amount recoverable exceed the price at which the Units were offered.

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 the purchaser purchased the Units; 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 the purchaser purchased the Units.

The rights of action for rescission or damages conferred by section 130.1 of the *Securities Act* (Ontario) is in addition to and without derogation from any other right the purchaser may have at law.

Not all defences upon which the Funds or others may rely are described herein. Please refer to the full text of the *Securities Act* (Ontario) for a complete listing.

This Offering Memorandum is being delivered in connection with a distribution made in Ontario in reliance on the exemption from the prospectus requirements contained under section 2.3 of NI 45-106 (the “accredited investor exemption”). The rights referred to above 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.

Rights for Purchasers Prince Edward Island

The right of action for rescission or damages described under this heading is conferred by section 112 of the *Securities Act* (Prince Edward Island). Section 112 provides, that in the event that this Offering Memorandum contains a “misrepresentation”, a purchaser who purchased the Units of the Fund during the period of distribution, without regard to whether the purchaser relied upon such misrepresentation, has a statutory right of action for damages against the Fund, every person who signed the Offering Memorandum. Alternatively, the purchaser who purchases the Units during the period of distribution may elect to exercise a statutory right of action for rescission against the Fund. For the purposes of section 112, “misrepresentation” means an untrue statement of material fact, or an omission to state a material fact that is required to be stated by the *Securities Act* (Prince Edward Island), or an omission to state a material fact that needs to be stated so that a statement is not false or misleading in light of the circumstances in which it is made.

Statutory rights of action for rescission or damages by a purchaser are subject to the following limitations:

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

whichever period first expires;

- (a) no person will be liable if the person proves that the purchaser purchased the Units with knowledge of the misrepresentation;

- (b) no person, other than the purchaser of the Fund, will be liable if the person proves that:
- (i) the Offering Memorandum was sent to the purchaser without the person's knowledge or consent and that, on becoming aware of it being sent, the person had promptly given reasonable notice to the Funds that it had been sent without the knowledge and consent of the person;
 - (ii) the person, on becoming aware of the misrepresentation in the Offering Memorandum, had withdrawn the person's consent to the Offering Memorandum and had given reasonable notice to the issuer of the withdrawal and the reason for it; or
 - (iii) with respect to any part of the Offering Memorandum purporting to be made on the authority of an expert or purporting to be a copy of, or an extract from, a report, statement or opinion of an expert, the person had no reasonable grounds to believe, and did not believe that:
 - (A) there had been a misrepresentation; or
 - (B) the relevant part of the Offering Memorandum:
 - (I) did not fairly represent the report, statement or opinion of the expert; or
 - (II) was not a fair copy of, or an extract from, the report, statement or opinion of the expert.

If the purchaser elects to exercise a right of action for rescission, the purchaser will have no right of action for damages.

In no case will the amount recoverable in any action exceed the price at which the Units were offered to and purchased by the purchaser.

In an action for damages, the defendant will not be liable for any damages that the defendant proves do not represent the depreciation in value of the Units as a result of the misrepresentation.

The foregoing statutory rights of action for rescission or damages conferred by section 112 are in addition to and without derogation from any other right the purchaser may have at law.

This summary is subject to the express conditions of the *Securities Act* (Prince Edward Island) and the regulations and rules made under it, and prospective investors should refer to the complete text of those provisions.

Rights for Purchasers in Québec

In addition to any other right or remedy available to the purchasers of Units residing in Québec under ordinary civil liability rules, purchasers are granted the same rights of action for damages or rescission as purchasers in Ontario.

Rights for Purchasers in Saskatchewan

Section 138 of *The Securities Act, 1988* (Saskatchewan), as amended (the “**Saskatchewan Act**”) provides that where an offering memorandum (such as this Offering Memorandum) or any amendment thereto is sent or delivered to a purchaser and it contains a misrepresentation (as defined in the Saskatchewan Act), a purchaser who purchases a Unit of the Fund covered by this Offering Memorandum or any amendment thereto has, without regard to whether the purchase relied on their misrepresentation, a right of action for rescission against the Fund or has a right of action for damages against:

- (a) the purchased Fund;
- (b) every promoter of the purchased Fund at the time this Offering Memorandum or any amendment thereto was sent or delivered;
- (c) every person or company whose consent has been filed respecting the offering, but only with respect to reports, opinions or statements that have been made by them;
- (d) every person who or company that, in addition to the persons or companies mentioned in (a) to (c) above, signed this Offering Memorandum or any amendment thereto; and
- (e) every person who or company that sells Units of that Fund on behalf of that Fund under this Offering Memorandum or amendment thereto.

Such rights of rescission and damages are subject to certain limitations including the following:

- (a) if the purchaser elects to exercise its right of rescission against the purchased Fund, it shall have no right of action for damages against it;
- (b) in an action for damages, a defendant will not be liable for all or any portion of the damages that he, she or it proves do not represent the depreciation in value of the Units resulting from the misrepresentation relied on;
- (c) no person or company, other than the purchased Fund, will be liable for any part of this Offering Memorandum or any amendment thereto 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 failed to conduct a reasonable investigation sufficient to provide reasonable grounds for a belief that there had been no misrepresentation or believed that there had been a misrepresentation;
- (d) in no case shall the amount recoverable exceed the price at which the Units were offered; and
- (e) no person or company is liable in an action for rescission or damages if that person or company proves that the purchaser purchased the securities with knowledge of the misrepresentation.

In addition, no person or company, other than the purchased Fund, will be liable in an action pursuant to section 138 of the Saskatchewan Act if the person or company proves that:

- (a) this Offering Memorandum or any amendment thereto was sent or delivered without the person’s or company’s knowledge or consent and that, on becoming aware of it being sent or delivered, that person or company gave reasonable general notice that it was so sent or delivered; or

- (b) with respect to any part of this Offering Memorandum or any amendment thereto purporting to be made on the authority of an expert, or purporting to be a copy of, or an extract from, a report, an opinion or a statement of an expert, that person or company had no reasonable grounds to believe and did not believe that there had been a misrepresentation, the part of this Offering Memorandum or any amendment thereto did not fairly represent the report, opinion or statement of the expert, or was not a fair copy of, or an extract from, the report, opinion or statement of the expert.

In addition, no person or company will be liable in an action pursuant to section 138 of the Saskatchewan Act if that person or company proves that in respect of a misrepresentation in forward looking information (as defined in the Saskatchewan Act), such person or company proves that with respect to the document containing the forward looking information, proximate to that information, there is contained reasonable cautionary language identifying the forward looking information as such and identifying material factors that could cause actual results to differ materially from a conclusion, forecast or projection in the forward looking information; and a statement of material factors or assumptions that were applied in drawing a conclusion or making a forecast or projection set out in the forward looking information; and, the person or company had a reasonable basis for drawing the conclusions or making the forecast and projections set out in the forward looking information.

Not all defences upon which we or others may rely are described herein. Please refer to the full text of the Saskatchewan Act for a complete listing.

Similar rights of action for damages and rescission are provided in section 138.1 of the Saskatchewan Act in respect of a misrepresentation in advertising and sales literature disseminated in connection with an offering of securities.

Section 138.2 of the Saskatchewan Act also provides that where an individual makes a verbal statement to a prospective purchaser that contains a misrepresentation relating to the security purchased and the verbal statement is made either before or contemporaneously with the purchase of the security, the purchaser has, without regard to whether the purchaser relied on the misrepresentation, a right of action for damages against the individual who made the verbal statement.

Section 141(1) of the Saskatchewan Act provides a purchaser with the right to void the purchase agreement and to recover all money and other consideration paid by the purchaser for the securities if the securities are sold in contravention of the Saskatchewan Act, the regulations to the Saskatchewan Act or a decision of the Saskatchewan Financial Services Commission.

Section 141(2) of the Saskatchewan Act also provides a right of action for rescission or damages to a purchaser of securities to whom an offering memorandum or any amendment to it was not sent or delivered prior to or at the same time as the purchaser enters into an agreement to purchase the securities, as required by Section 80.1 of the Saskatchewan Act.

The rights of action for damages or rescission under the Saskatchewan Act are in addition to and do not derogate from any other right which a purchaser may have at law.

Section 147 of the Saskatchewan Act provides that no action shall be commenced to enforce any of the foregoing rights more than:

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

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

Section 80.1 of the Saskatchewan Act also provides a purchaser who has received an amended offering memorandum delivered in accordance with subsection 80.1(3) of the Saskatchewan Act, a right to withdraw from the agreement to purchase securities by delivering a notice to the person who or company that is selling the securities, indicating the purchaser's intention not to be bound by the purchase agreement, provided such notice is delivered by the purchaser within two business days of receiving the amended offering memorandum.

Rights for Purchasers in British Columbia (when not relying on the Offering Memorandum Exemption) and Newfoundland and Labrador

Investors in British Columbia (when not relying on the Offering Memorandum Exemption) and Newfoundland and Labrador are granted the same rights of action for damages or rescission as residents of Ontario who purchase Units.

Rights for Purchasers in British Columbia (when relying on the Offering Memorandum Exemption)

According to NI 45-106, you can cancel your agreement to purchase the securities (the "**Cancellation Right**"). To do so, you must send a notice to us by midnight on the second business day after you sign the agreement to buy the securities.

In addition to the Cancellation Right and to any other rights or remedies available at law, the *Securities Act* (British Columbia) (the "**BC Securities Act**") provides Unitholders with the rights, in certain circumstances, to seek damages or to cancel their agreement to purchase Units. These rights are available if this Offering Memorandum contains a misrepresentation or if the Manager fails to deliver the Offering Memorandum within the prescribed time. Pursuant to the BC Securities Act, a "misrepresentation" means an untrue statement about a material fact or an omission to state a material fact that is required to be stated or that is necessary to prevent a statement that is made from being false or misleading in the circumstances in which it was made.

Certain of the rights granted to Unitholders under the BC Securities Act are summarized below. For more complete information about such rights, Unitholders should seek legal advice.

More specifically, the BC Securities Act provides that if there is a misrepresentation in this Offering Memorandum, you have a statutory right to sue:

- (a) the Fund to cancel your agreement to buy the securities; or
- (b) for damages against the Fund and for damages against the Manager, every person who was a director of the Manager at the date of this Offering Memorandum and any other person who signed this Offering Memorandum.

This statutory right to sue is available to you whether or not they relied on the misrepresentation. If you choose to rescind their purchase, they cannot then sue for damages. In addition, in an action for damages, the defendant will not be liable for all or any portion of damages that it proves do not represent the

depreciation in value of the Units as a result of the misrepresentation. Furthermore, the amount recoverable in an action for damages will not exceed the price at which the Units were offered. However, there are various defences available to the persons or companies that you have a right to sue. In particular, they have a defence if you knew of the misrepresentation when you purchased the securities.

Moreover, under the BC Securities Act, the defendant will not be liable for a misrepresentation in forward-looking information if the Fund proves that:

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

Finally, if you intend to rely on the rights described above in paragraphs (a) or (b), you do so within strict time limitations. You must commence your action to cancel the agreement within 180 days after you signed the agreement to purchase the securities. You must commence your action for damages within the earlier of: (i) 180 days after learning of the misrepresentation, or (ii) three years after you signed the agreement to purchase the securities.

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

General

The foregoing summaries are subject to the express provisions of the relevant provincial securities legislation and the regulations, rules and policy statements thereunder and reference should be made thereto for the complete text of such provisions. The rights of action described herein are in addition to and without derogation from any other right or remedy that the purchaser may have at law.

FINANCIAL STATEMENTS

(See attached)

CERTIFICATE

The following certificate is provided as required by Alberta securities law where an investor purchases Units in reliance on the minimum amount exemption set forth in section 2.10 of NI 45-106 and as required by British Columbia securities laws where an investor purchases Units in reliance on the exemption set forth in section 2.9 of NI 45-106.

January 27, 2017

This Offering Memorandum does not contain a misrepresentation.

PALOS MANAGEMENT INC., in its capacity as manager and promoter of the PALOS WP GROWTH FUND

Per: (S) Charles Marleau
President

Per: (S) Alain Lizotte
Chief Financial Officer

On behalf of the board of directors **PALOS MANAGEMENT INC.**, as manager and promoter of the **PALOS WP GROWTH FUND**

Per: (S) Peter J. Malouf
Director

Per: (S) Robert Boisjoli
Director