CONFIDENTIAL OFFERING MEMORANDUM

*This confidential offering memorandum (the "**Offering Memorandum**") constitutes an offering of the securities described herein only in those jurisdictions where, and to those persons to whom, they may be lawfully offered for sale. This Offering Memorandum is not, and under no circumstances is it to be construed as, a prospectus or an advertisement or a public offering of these securities. No securities commission or similar regulatory authority in Canada has reviewed this Offering Memorandum nor has it in any way passed upon the merits of the securities offered hereunder and any representation to the contrary is an offence. No prospectus has been filed with any such authority in Canada in connection with the securities offered hereunder.*

This Offering Memorandum is for the confidential use of only those persons to whom it is transmitted in connection with this offering. By their acceptance of this Offering Memorandum, recipients agree that they will not transmit, reproduce or make available to anyone, other than their professional advisors, this Offering Memorandum or any information contained herein. No person has been authorized to give any information or to make any representation not contained in this Offering Memorandum. Any such information or representation which is given or received must not be relied upon.

Continuous Offering **March 1, 2018**

BRIDGING REAL ESTATE LENDING FUND LP

Class A, Class UA (USD Class), Class F, Class UF (USD Class), Class I and Class UI (USD Class) limited partnership units (collectively, the "**Units**") of the Bridging Real Estate Lending Fund LP (the "**Partnership**") are being offered on a private placement basis pursuant to exemptions from the prospectus and, where applicable, the registration requirements under applicable securities legislation. Units are being offered on a continuous basis to an unlimited number of eligible subscribers who are prepared to invest a minimum initial subscription amount of $5,000, provided the subscriber qualifies as an "accredited investor" under applicable securities legislation. If the subscriber does not qualify as an "accredited investor" then the minimum initial subscription amount for Units is $150,000 pursuant to the "minimum amount investment" exemption under National Instrument 45-106 – *Prospectus Exemptions* ("**NI 45-106**"); provided further that such subscriber is (i) not an individual, and (ii) not created or used solely to rely on the "minimum amount investment" exemption. Bridging Finance GP Inc. (the "**General Partner**") may, in its sole discretion, accept subscriptions for lesser amounts provided such subscribers are "accredited investors" under applicable securities legislation. Units will be offered at the net asset value ("**Net Asset Value**") per Unit for the applicable class (determined in accordance with a limited partnership agreement dated as of March 1, 2018 (the "**Limited Partnership Agreement**", as the same may be amended, restated or supplemented from time to time) at the relevant Valuation Date (as defined below). Units are only transferable with the consent of the General Partner and in accordance with applicable securities legislation.

Units held by limited partners of the Partnership may be redeemed at their Net Asset Value per Unit at the close of business on the last business day (that is, the last day on which the Toronto Stock Exchange is open for trading) of each month and such other business day or days as the Manager may in its discretion designate (each, a "**Valuation Date**"), provided the written request for redemption is submitted at least 30 days prior to such Valuation Date.

Units are subject to restrictions on resale under applicable securities legislation unless a further statutory exemption may be relied upon by the investor or an appropriate discretionary order is obtained from the appropriate securities regulatory authorities pursuant to applicable securities legislation. As there is no market for the Units, it may be difficult or even impossible for a subscriber to sell them other than by way of a redemption of their Units.

The Units offered hereby are distributed exclusively by the Partnership by way of a private placement. Investors should carefully review the risk factors outlined in this Offering Memorandum. Investors are urged to consult with an independent legal advisor prior to signing the subscription form for the Units and to carefully review the Limited Partnership Agreement. Investors relying on this Offering Memorandum must comply with all applicable securities legislation with respect to the acquisition or disposition of Units. Units are only transferable with the consent of the General Partner and in accordance with applicable securities legislation.

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SUMMARY

Prospective investors are encouraged to consult with their own professional advisors as to the tax and legal consequences of investing in the Partnership. The following is a summary only and is qualified by the more detailed information contained in this Offering Memorandum and the Limited Partnership Agreement.

The Partnership:	Bridging Real Estate Lending Fund LP (the "**Partnership**") is a limited partnership formed and organized under the laws of the Province of Ontario. See "The Partnership".
The General Partner:	The general partner of the Partnership is Bridging Finance GP Inc. (the "**General Partner**"), a wholly-owned subsidiary of the Manager (as defined below). The General Partner is a corporation incorporated under the laws of the Province of Ontario. The business and affairs of the Partnership is managed by the General Partner pursuant to the provisions of a limited partnership agreement dated as of March 1, 2018 (the "**Limited Partnership Agreement**"), as the same may be amended, restated or supplemented from time to time. However, the General Partner has engaged the Manager to carry out certain portfolio management and administrative functions for the Partnership. See "The General Partner".
The Manager:	The General Partner has retained Bridging Finance Inc. (the "**Manager**") as the manager, to provide certain portfolio management, administrative and other services to the Partnership pursuant to a management agreement dated March 1, 2018 (the "**Management Agreement**"). The Manager is a corporation incorporated under the laws of Canada. The Management Agreement may be terminated upon the occurrence of certain events. See "The Manager".
The Mortgage Administrator:	The Manager has retained the services of MarshallZehr Group Inc. to act as the mortgage administrator of the Mortgages (as defined below) (the "**Mortgage Administrator**") pursuant to a master mortgage administration agreement dated March 1, 2018 (the "**Mortgage Administration Agreement**") as the same may be amended, restated or supplemented from time to time. The General Partner may enter into agreements with other mortgage administrators without the consent of, or any notice to, the Limited Partners of the Partnership. The Mortgage Administrator is a licensed mortgage brokerage and mortgage administrator governed by the Financial Services Commission of Ontario and shall procure, broker, service, administer and monitor the Mortgages through to maturity.
Investment Objective:	The investment objective of the Partnership is to preserve the capital of holders of units of the Partnership ("**Limited Partners**") and provide the Limited Partners with exposure to the Canadian real estate market by owning a diversified portfolio of Mortgage investments. See "Investment Objective and Strategy".
Investment Strategy:	In general, the investment strategy of the Partnership will be to invest in an actively managed portfolio (the "**Portfolio**") comprised of first and second ranked mortgage loans secured by real property in Canada (the "**Mortgages**") that are used for commercial purposes, including but not limited to, retail, office, multi-family residential and industrial properties, developable land and secured construction and land financing. The collateral that the Partnership may take as security includes, but is not limited to, the following: common or preferred stock, warrants to purchase common stock or other equity interests, real estate/property, contracts, purchase orders, inventory, commodities, machinery and equipment, accounts receivable or consumer finance transactions.

The Partnership may also make incidental investments in assets such as promissory notes, convertible debentures, warrants and other "equity sweeteners" issued in connection with the primary investments held in the Portfolio.

The Partnership will execute the investment strategy through the unique insight and experience of the Manager and other professionals the Manager may deem appropriate.

The Partnership may, but is not obliged to, make some or all of its investments through one or more intermediary vehicles.

See "Investment Objective and Strategies of the Partnership", "Investment Guidelines of the Partnership" and "Investment Restrictions of the Partnership".

Loan Facilities

The Partnership may enter into loan facilities with one or more lenders and secure these borrowings with liens or other security interests in its assets (or the assets of any of its intermediary vehicles) provided that the Partnership may not, at any point in time, incur a level of borrowing in excess of 50% of the net asset value ("**Net Asset Value**") of the Partnership. Subject to the foregoing restriction on the use of leverage, the Partnership may obtain letters of credit/financial guarantees instead of cash borrowings.

The General Partner views the loan facilities as having four potential uses:

(a) to provide liquidity in the event of unitholder redemptions;

(b) for working capital purposes;

(c) for investment purposes; and

(d) to smooth the timing difference between the closing of potential new Mortgages and cash availability in the Partnership.

See "Investment Objective and Strategies of the Partnership – Loan Facilities".

Investment Guidelines and Restrictions

The Partnership has developed certain investment policies and guidelines (the "**Investment Guidelines**") that are described under "Investment Guidelines".

The Partnership is also subject to a number of general investment restrictions. See "Investment Restrictions".

The Offering:

A continuous offering of Class A units, Class UA units (USD Class), Class F units, Class UF units (USD Class), Class I units and Class UI units (USD Class) of the Partnership (collectively, the "**Units**"). There need not be any correlation between the numbers of each of the classes of Units sold hereunder. The differences among the classes of Units are the different eligibility criteria, currency, fee structures and administrative expenses associated with each class. See "Details of the Offering".

Each Unit represents an undivided beneficial interest in the Partnership. The Partnership is authorized to issue an unlimited number of classes of Units and an unlimited number of Units in each such class. The Partnership may issue fractional Units so that subscription funds may be fully invested. Each Unit of a particular class has equal rights to each other Unit of the same class with respect to all matters, including voting, receipt of allocations and distributions from the Partnership, liquidation and other events in connection with the Partnership.

The USD Classes are suitable for investors who want U.S. dollar denominated exposure to the Portfolio. As the Partnership is denominated in Canadian dollars, investors who purchase the USD Classes will be exposed to fluctuations in the Canadian/U.S. dollar exchange rate. To offset this exposure, the Manager will use its best efforts to hedge the currency risk. If the Manager is successful, the returns of the Class UA, Class UF, Class UI Units as measured in U.S. dollars will be

	similar to the returns of the Class A, Class F and Class I Units, respectively, as measured in Canadian dollars. Without regard to movements in the currency exchange rate as between the Canadian and U.S. dollar, several factors may result in the returns not being equal, including, but not limited to, any expenses incurred by the Partnership in hedging the currency and the timing of an investor's investment relative to when the Manager is able to hedge the currency in the Units. Therefore, there is no guarantee that the Manager will be successful in fully hedging any currency exposure.
Personal Investment Capital:	Certain directors, officers and employees of the Manager, or the Mortgage Administrator, and/or its affiliates and associates may purchase and hold Class I or UI Units and may also participate in the Mortgages on a syndicated basis from time to time. See "Interest of Management and Others in Material Transactions".
Valuation Date:	The Net Asset Value of the Partnership and the Net Asset Value per Unit of each class will be calculated on the last business day (that is, the last day on which the Toronto Stock Exchange is open for trading) of each month and such other business day or days as the Manager may in its discretion designate (each, a "**Valuation Date**").
Price:	Units will be offered at a price equal to the Net Asset Value per Unit for the applicable class of Units on each Valuation Date (determined in accordance with the Limited Partnership Agreement). See "Computation of Net Asset Value of the Partnership". Units may be purchased as at the close of business on a Valuation Date if a duly completed subscription form and the required payment reaches the General Partner no later than 4:00 p.m. (EST) on such Valuation Date. The issue date for subscription orders received and accepted after 4:00 p.m. (EST) on a Valuation Date will be the next Valuation Date. See "Details of the Offering".
Minimum Initial Subscription:	Units are being offered to investors resident in British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Québec, New Brunswick, Nova Scotia, Newfoundland and Labrador, Prince Edward Island, Northwest Territories, Nunavut and Yukon (the "**Offering Jurisdictions**") pursuant to exemptions from the prospectus requirements under section 2.3 (accredited investor exemption) and section 2.10 (minimum amount investment exemption) under National Instrument 45-106 *Prospectus Exemptions* ("**NI 45-106**") and, where applicable, the registration requirements under National Instrument 31-103 *Registration Requirements, Exemptions and Ongoing Registrant Obligations* ("**NI 31-103**"). Units are being offered by the Partnership on a continuous basis to an unlimited number of eligible subscribers who are prepared to invest a sufficient amount to meet the minimum initial subscription requirements or who are otherwise qualified investors. As at the date of this Offering Memorandum, the minimum initial subscription amount for persons relying on the "accredited investor" exemption is $5,000. The minimum initial subscription amount for persons relying on the "minimum amount investment" exemption is $150,000; provided that such subscriber is (i) not an individual, and (ii) not created or used solely to rely on the "minimum amount investment" exemption. The minimum amount is net of any sales commissions paid by a subscriber to their registered dealer. At the sole discretion of the General Partner, subscriptions may be accepted for lesser amounts from persons who are "accredited investors" as defined under applicable securities legislation. See "Details of the Offering" and "Subscription Procedure". Subscriptions for Units are subject to acceptance or rejection in whole or in part by the General Partner in its sole discretion. No subscription for Units will be accepted from a purchaser unless the General Partner is satisfied that the subscription is in compliance with the requirements of applicable securities

legislation. Subscribers whose subscriptions have been accepted by the General Partner will become limited partners of the Partnership.

Class A and Class UA Units (USD Class) will be issued to qualified purchasers.

Class F and Class UF Units (USD Class) will be issued to: (i) purchasers who participate in fee-based programs through eligible registered dealers; (ii) qualified purchasers in respect of whom the Partnership does not incur distribution costs; and (iii) qualified individual purchasers in the General Partner's sole discretion. If a Limited Partner ceases to be eligible to hold Class F or Class UF Units, the General Partner may, in its sole discretion, exchange such Limited Partner's Class F or UF Units for Class A or UA Units, respectively, on five days' notice, unless such Limited Partner notifies the Partnership during the notice period and the General Partner agrees that the Limited Partner is once again eligible to hold Class F or UF Units, as applicable.

Class I and Class UI Units (USD Class) will be issued to institutional investors at the discretion of the General Partner. If a Limited Partner ceases to be eligible to hold Class I or Class UI Units, the General Partner may, in its sole discretion, exchange such Limited Partner's Class I or Class UI Units for Class A or Class UA Units , respectively, on five days' notice, unless such Limited Partner notifies the Partnership during the notice period and the General Partner agrees that the Limited Partner is once again eligible to hold Class I or UI Units, as applicable.

Subject to the consent of the General Partner, Limited Partners may exchange or switch all or part of their investment in the Partnership from one class of Units to another class if the Limited Partner is eligible to purchase that class of Units. The timing and processing rules applicable to purchases and redemptions of Units also applies to exchanges or switches between classes of Units. See "Details of the Offering" and "Redemption of Units". Upon an exchange or switch from one class of Units to another class, the number of Units held by the Limited Partner will change since each class of Units has a different Net Asset Value per Unit. Limited Partners should consult with their own tax advisors regarding any tax implications of exchanging or switching between classes of Units.

Units will not be offered to nor will subscriptions for Units be accepted from: (a) persons who are "non-Canadians" within the meaning of the *Investment Canada Act*; (b) "non-residents" of Canada, "tax shelters", "tax shelter investments" or persons or entities an investment in which would be a "tax shelter investment", all within the meaning of the *Income Tax Act* (Canada) (the "**Tax Act**"); or (c) a partnership which does not contain a prohibition against investment by persons or entities referred to in the foregoing paragraphs (a) and (b). In the event that any Limited Partner subsequently becomes a "non-Canadian", a "non-resident" of Canada, a "tax shelter", a "tax shelter investment", a person or an entity an investment in which would be a "tax shelter investment" or a partnership with any of the foregoing as a member or the Limited Partner's interest in the Partnership subsequently becomes a "tax shelter investment", such Limited Partner is required to immediately notify the General Partner in writing of such change in status and such Limited Partner's Units will be redeemed by the Partnership on the next Valuation Date.

By executing a subscription form for Units in the form prescribed by the Limited Partnership Agreement, each subscriber is making certain representations, and the General Partner and the Partnership are entitled to rely on such representations to establish the availability of exemptions from the prospectus and registration requirements described under NI 45-106 and NI 31-103 See "Subscription Procedure".

Additional Subscriptions: Following the required initial minimum investment in the Partnership, Limited Partners resident in the Offering Jurisdictions may make additional investments of not less than $5,000 provided that, at the time of the subscription for additional Units, the Limited Partner is an "accredited investor" as defined under applicable securities legislation. Limited Partners who are not "accredited investors" nor individuals, but previously invested in and continue to hold Units having an aggregate initial acquisition cost or current Net Asset Value equal to $150,000, will also be permitted to make subsequent investments in the Partnership of not less than $5,000. The General Partner may, in its sole discretion, from time to time permit additional investments of lesser amounts. Limited Partners subscribing for additional Units should complete the subscription form prescribed from time to time by the General Partner. See "Additional Subscriptions".

Management Fees: As compensation for providing management and administrative services to the Partnership, the Manager receives a monthly management fee (the "**Management Fee**") from the Partnership attributable to Class A Units, Class UA Units, Class F Units, Class UF Units and, in certain circumstances described below, Class I Units and Class UI Units. Each class of Units is responsible for the Management Fee attributable to that class.

Class A and Class UA Units (USD Class):

The Partnership pays the Manager a monthly Management Fee equal to 1/12 of 2.0% of the Net Asset Value of the Class A and Class UA Units (determined in accordance with the Limited Partnership Agreement), plus any applicable federal and provincial taxes, calculated and accrued on each Valuation Date and payable on the last business day of each month based on the Net Asset Value of the Class A and Class UA Units, respectively, as at the last business day of each month.

Class F and UF Units (USD Class):

The Partnership pays the Manager a monthly Management Fee equal to 1/12 of 1.0% of the Net Asset Value of the Class F and Class UF Units (determined in accordance with the Limited Partnership Agreement), plus any applicable federal and provincial taxes, calculated and accrued on each Valuation Date and payable on the last business day of each month based on the Net Asset Value of the Class F and Class UF Units, respectively, as at the last business day of each month.

Class I and UI Units (USD Class):

Subject to the discretion of the General Partner, investors who purchase Class I and Class UI Units must either: (i) enter into an agreement with the Manager which identifies the monthly Management Fee negotiated with the investor which is payable by the investor directly to the Manager; or (ii) enter into an agreement with the Partnership which identifies the monthly Management Fee negotiated with the investor which is payable by the Partnership to the Manager. In each circumstance, the monthly Management Fee, plus any applicable federal and provincial taxes, is calculated and accrued on each Valuation Date and payable on the last business day of each month based on the Net Asset Value of the Class I or Class UI Units as applicable, as at the last business day of each month.

Allocation of Net Income or Net Loss: Generally, Net Income or Net Losses of the Partnership which are allocable to Limited Partners during any fiscal year will be allocated and accrued on each Valuation Date to Limited Partners in proportion to the number of Units held by each of them as at each Valuation Date, subject to adjustment to reflect subscriptions and redemptions of Units made during the fiscal year, as described below.

To the extent the Partnership generates a Total Return per Unit (as defined below) which is equal to or less than the Hurdle Rate (as defined below), then 99.999%

of the Net Income of the Partnership for such period will be allocated to the Limited Partners and 0.001% of the Net Income of the Partnership for such period will be allocated to the General Partner.

To the extent the Partnership generates a Total Return per Unit which is greater than the Hurdle Rate and the Net Asset Value per Unit on the applicable Valuation Date exceeds the Prior High NAV (as defined below), then all of the Net Income of the Partnership once such Hurdle Rate has been reached for such period will be allocated on such Valuation Date as to 20% to the General Partner as an incentive allocation (the "**Incentive Allocation**") and as to 80% to the Limited Partners, plus any applicable federal and provincial taxes.

Net Losses of the Partnership for any fiscal year (or interim period) will be allocated as to 99.999% to the Limited Partners and as to 0.001% to the General Partner.

The Incentive Allocation is calculated on a class by class basis. The Incentive Allocation will be calculated and accrued monthly and paid annually. For subscriptions and redemptions other than at year-end, the Net Income of the Partnership will be annualized for purposes of determining whether the Total Return threshold has been met.

The Manager may waive or reduce the amount of any Management Fee or Incentive Allocation to which it is entitled in its sole and absolute discretion.

For purposes of the foregoing allocations,

"**Hurdle Rate**" means a Total Return per Unit of 6%, as determined on the first business day of each fiscal year and applicable for the entire fiscal year;

"**Net Income**" of the Partnership for any period means the Partnership income earned by the Partnership, less all fees and expenses of the Partnership (including any Management Fee); provided that if the foregoing results in a negative amount, such amount for such period shall be referred to as a "Net Loss" of the Partnership;

"**Prior High NAV**" per Unit of a class is the Net Asset Value per Unit of that class on the most recent Valuation Date in respect of which an Incentive Allocation was paid or payable with respect to such Unit (or if no Incentive Allocation has yet become payable with respect to such Unit, the Net Asset Value per Unit at which such Unit was issued); and

"**Total Return per Unit**" means the amount equal to the percentage appreciation of the Net Asset Value per Unit, without taking into account any accrued Incentive Allocation, but including the amount of any distributions on a per Unit basis. The Total Return Per Unit shall be calculated on a monthly basis.

The General Partner reserves the right to adjust allocations to account for Units purchased or redeemed during a fiscal year and other relevant factors. See "The Limited Partnership Agreement – Distributions and Computation and Allocation of Net Income or Net Losses of the Partnership".

The Hurdle Rate is not a guaranteed rate of return on an investment in Units.

Distributions:

Subject to applicable securities legislation, distributions will be automatically reinvested in additional Units of the Class at the Net Asset Value of such Class of Units on the date of distribution, unless a Limited Partner elects, by written notice to the Manager, to receive such distributions in cash.

The Partnership intends to make monthly distributions on each class of Units to holders of such Units based on the Net Income of the Partnership. The amount of any distributions may fluctuate and there can be no assurance that any distributions will be made in any period or of any particular amount.

	The General Partner for the Partnership, in its sole discretion, may increase or decrease the distributions on each class of Units with changes in the Net Asset Value of such class. The distributions on each class of Units are not guaranteed. See "Distribution Policy".
Sales Commission:	No sales commission is payable to the General Partner or the Manager in respect of Units purchased directly by a subscriber. However, registered dealers may, at their discretion, charge purchasers a front-end sales commission of up to 5.0% of the Net Asset Value of the Class A and Class UA Units purchased by the subscriber. Any such sales commission will be negotiated between the registered dealer and the purchaser and will be payable directly by the subscriber to their dealer. Any such sales commission will reduce a subscriber's net investment amount in Class A and Class UA Units. See "Fees and Expenses".
Service Commission:	The Manager pays a monthly service commission to participating registered dealers equal to $1/12^{th}$ of 1.0% of the Net Asset Value of the Class A and Class UA Units sold by such dealers then outstanding. Payments are calculated and paid monthly to registered dealers from the Management Fees the Manager receives from the Partnership. Notwithstanding the foregoing, the Manager, in its sole discretion, reserves the right to change the frequency of payment to registered dealers of the service commission to a quarterly or annual basis. See "Fees and Expenses".
Operating Expenses:	The Partnership is responsible for its own operating expenses. Operating expenses include, among others, legal, audit, custodian and prime broker fees; consulting and other professional fees relating to particular investments of the Partnership; third-party investment due diligence and monitoring expenses; reasonable due-diligence-related travel expenses; third-party valuation and audit expenses; third-party research-related expenses; all expenses associated with the underwriting, servicing, collection and liquidation of investments of the Partnership, including software; distribution expenses; taxes; brokerage commissions; interest; operating and administrative costs; investor servicing costs; and the costs of reports to the Limited Partners. Each class of Units is responsible for the operating expenses that relate specifically to that class and for its proportionate share of the common expenses of the Partnership that relate to all classes of Units.
Redemption:	An investment in Units is intended to be a long-term investment. However, Limited Partners may request that such Units be redeemed at their Net Asset Value per Unit for the applicable class (determined in accordance with the Limited Partnership Agreement) on a Valuation Date, provided the request for redemption is submitted at least 30 days prior to such Valuation Date. The General Partner is permitted to suspend redemptions of Units with the prior permission of the Canadian securities regulators, where required, for any period not exceeding 120 days during which the General Partner determines that conditions exist which render impractical the sale of assets of the Partnership. See "Redemption of Units". In addition, the General Partner reserves the right to hold back up to 20% of the aggregate redemption amount payable to a Limited Partner in order to provide an orderly disposition of assets. In addition, if on such Valuation Date the General Partner has received from one or more Limited Partners requests to redeem 10% or more of the Net Asset Value of the Partnership, payment of the redemption amount to such Limited Partners may be deferred until the next month-end. Such deferral may take place if, in the sole judgement of the General Partner, extra time is warranted to facilitate the orderly liquidation of portfolio security positions to meet such redemption requests. The redemption amount payable to Limited Partners will be adjusted by

changes in the Net Asset Value of the Partnership during this period and calculated on each Valuation Date in respect of the payment to be made on such date.

The General Partner may suspend redemption rights of Limited Partners for any period when normal trading is suspended on any stock exchange, options exchange or futures exchange on which securities or derivatives are traded which, in the aggregate, represent more than 50% of the Net Asset Value (or underlying market exposure) of the Partnership.

The Net Asset Value (and Net Asset Value per Unit) for the applicable class of Units determined for the purposes of a subscription or redemption of Units which takes place other than at the Partnership's fiscal year-end will reflect a reduction to take into account the General Partner's share of Net Income (as defined herein) based on the annualized returns of the Partnership (realized and unrealized) from the date of commencement of the fiscal year to the date of the issuance or redemption of the Units.

Resale Restrictions: The Units are being offered on a private placement basis pursuant to exemptions from the prospectus and, where applicable, the registration requirements under applicable securities legislation. The Units are subject to restrictions on resale under applicable securities legislation unless a further statutory exemption may be relied upon by the investor or an appropriate discretionary order is obtained from the appropriate securities regulatory authorities pursuant to applicable securities legislation. As there is no market for the Units, it may be difficult or even impossible for a subscriber to sell them other than by way of a redemption of their Units. See "Resale Restrictions".

Risk Factors and Conflicts of Interest: The Partnership is subject to various risk factors and conflicts of interest. **An investment in the Partnership is not guaranteed and is not intended as a complete investment program.** A subscription for Units should be considered only by persons financially able to maintain their investment and who can bear the risk of loss associated with an investment in the Partnership. Investors should review closely the investment objective, strategies and restrictions to be utilized by the Partnership as outlined herein to familiarize themselves with the risks associated with an investment in the Partnership. Investment in the Partnership is also subject to certain other risks. These risk factors and the Code of Ethics to be followed to address conflicts of interest are described under "Risk Factors" and "Conflicts of Interest".

Investment Risk Level: The Manager has identified the anticipated investment risk level of the Partnership as an additional guide to help prospective investors decide whether the Partnership is suitable for the investor. The Manager's determination of the risk rating for the Partnership is guided by the methodology recommended by the Fund Risk Classification Task Force of the Investment Funds Institute of Canada. The Task Force concluded that the most comprehensive, easily understood form of risk is the historical volatility of a fund as measured by the standard deviation of its performance. The Manager believes the use of standard deviation as a measurement tool allows for a reliable and consistent quantitative comparison of a fund's relative volatility and related risk. Standard deviation is widely used to measure volatility of return. A fund's risk is measured using rolling one, three and five year standard deviation and comparing these values against other funds and an industry standard framework. The standard deviation represents, generally, the level of volatility in returns that a fund has historically experienced over the set measurement periods.

However, an investor should also be advised that other types of risk, both measurable and non-measurable, may exist. Additionally, just as historical

	performance may not be indicative of future returns, the Partnership's historical volatility may not be indicative of its future volatility. In accordance with the mandate, objectives and methodology described above, and taking into consideration the limited operating history of the Partnership, the Manager anticipates the Partnership to be rated as "**medium**". Notwithstanding the foregoing, investors should consider this Offering Memorandum in its entirety before making an investment decision, including the risk factors set out herein. See "Risk Factors".
Canadian Federal Income Tax Considerations:	Each Limited Partner will generally be required to include, in computing income or loss for tax purposes for a taxation year, the Limited Partner's share of the income or loss allocated to such Limited Partner for each fiscal year of the Partnership ending in or coinciding with the Limited Partner's taxation year, whether or not the Limited Partner has received a distribution from the Partnership. Income and loss of the Partnership for tax purposes will be allocated in accordance with the provisions of the Limited Partnership Agreement. See "Canadian Federal Income Tax Considerations".
Non-Eligibility for Investment by Deferred Income Plans:	Units are **not** "qualified investments" under the Tax Act for trusts governed by registered retirement savings plans, registered retirement income funds, deferred profit sharing plans, registered disability savings plans, registered education savings plans or tax-free savings accounts. See "Canadian Federal Income Tax Considerations – Non-Eligibility for Investment by Deferred Income Plans".
Year-End:	December 31
Auditors to the Partnership:	Ernst & Young LLP Toronto, Ontario
Legal Counsel to the Partnership:	Wildeboer Dellelce LLP Toronto, Ontario
Custodian of the Monetary Assets of the Partnership:	Bank of Montreal Toronto, Ontario
Administrator and Record-keeper of the Partnership:	Commonwealth Fund Services Ltd. Toronto, Ontario

THE PARTNERSHIP

Bridging Real Estate Lending Fund LP (the "**Partnership**") is a limited partnership formed and organized under the laws of the Province of Ontario pursuant to the *Limited Partnerships Act* (Ontario) as "Bridging Real Estate Lending Fund LP" by the filing and recording of a declaration on February 22, 2018. The day-to-day business and affairs of the Partnership is managed by Bridging Finance GP Inc. (the "**General Partner**") pursuant to the provisions of the limited partnership agreement dated as of March 1, 2018 (the "**Limited Partnership Agreement**" or "**Partnership Agreement**"), as the same may be amended, restated and supplemented from time to time. The offices of the General Partner are located at 77 King Street West, Suite 2925, P.O. Box 322, Toronto, Ontario, M5K 1K7.

The capital of the Partnership is divided into an unlimited number of Units issuable in one or more classes of Units. The Partnership currently offers six classes of Units: Class A Units, Class UA Units, Class F Units, Class UF Units, Class I Units and Class UI Units. Additional classes of Units may be offered in the future. Subscribers whose subscription for Units have been accepted by the General Partner will become Limited Partners (as defined below) of the Partnership. Net Income or Net Losses of the Partnership will be allocated as set forth under "Limited Partnership Agreement".

THE GENERAL PARTNER

Bridging Finance GP Inc., a corporation incorporated under the laws of the Province of Ontario on May 12, 2015.

The General Partner is responsible for the management and control of the business and affairs of the Partnership in accordance with the terms of the Limited Partnership Agreement, but has engaged the Manager to provide certain portfolio management, administrative and other services to the Partnership. See "The Manager". The General Partner shall be entitled to receive an Incentive Allocation as defined and described under "Distributions and Computation and Allocation of Net Income or Net Losses of the Partnership".

The General Partner is a wholly-owned subsidiary of the Manager and, as a result, the Partnership may be considered to be a connected issuer and related issuer of the Manager. The General Partner made the decision to create the Partnership and distribute its Units and determined the terms of the Offering.

For a description of the professional experience of the directors of the General Partner see the disclosure under "The Manager – Directors and Officers of the Manager and the General Partner".

THE MORTGAGE ADMINISTRATOR

The Manager has retained the services of MarshallZehr Group Inc. to act as the mortgage administrator of the mortgages (the "**Mortgage Administrator**"). The Mortgage Administrator is a licensed mortgage brokerage and mortgage administrator governed by the Financial Services Commission of Ontario and shall procure, broker, service, administer and monitor the mortgages for the Manager through to maturity. The General Partner may enter into agreements with other mortgage administrators without the consent of, or any notice to, the Limited Partners of the Partnership.

About MarshallZehr Group Inc.

The Mortgage Administrator is a privately held real estate lending firm formed under the laws of Ontario in 2008. As stated above, it is a licensed mortgage brokerage and mortgage administrator under the *Mortgage Brokerages, Lenders and Administrators Act, 2006,* SO 2006, c 29 (Ontario). The offices of the Mortgage Administrator are located at 465 Phillip St., Suite 206, Waterloo, Ontario, N2L 6C7.

The Mortgage Administrator possesses expertise and experience in originating, underwriting, servicing and syndicating mortgage investments since 2008. The principals of the Mortgage Administrator have a combined 50 + years of experience within the real estate industry.

The Partnership will execute the investment strategy through the unique insight and experience of the Manager and other professionals the Manager may deem appropriate.

The Mortgage Administration Agreement

The Manager has retained the services of the Mortgage Administrator to procure, broker, service, administer and monitor the mortgages for the Manager through to maturity pursuant to a Master Mortgage Administration Agreement dated March 1, 2018 (the "**Mortgage Administration Agreement**") as the same may be amended, restated or supplemented from time to time.

The Mortgage Administrator will identify potential investment opportunities to the Manager, however the Manager shall ultimately be responsible for the investment decisions of the Partnership and will review the opportunities identified by the Mortgage Administrator and make the investment decisions on behalf of the Partnership.

Pursuant to the Mortgage Administration Agreement, among other things, the Mortgage Administrator shall:

a) provide research, information and data with respect to the proposed Mortgage investments;
b) procure Mortgage investment opportunities and present them to the Manager for consideration;
c) service, administer and monitor the Mortgages through to maturity once the Partnership has made an investment in them including, without limitation, making determinations as to the Mortgages' administration, borrowing of funds, collection of all payments on account of principal and interest due under the Mortgages, ensuring payment of applicable taxes on mortgaged premises, ensuring placement of and payment for appropriate insurance against damage to or loss of mortgaged premises, performance of insurance adjustment services, handling of expropriation of mortgaged premises, record-keeping, realization on Mortgages, and determinations as to the execution of all Mortgage transactions; and
d) generally perform any other act necessary to enable it to carry out its obligations under such Mortgage Administration Agreement, subject to the directions and orders of the Manager on behalf of the Partnership from time to time, which directions and orders shall be reasonably consistent with the nature of the duties set out above.

Pursuant to the Mortgage Administration Agreement, the Mortgage Administrator may assign any of its duties to one of its subsidiaries, affiliates or a reputable third-party, however the Mortgage Administrator shall remain liable to the Manager and the Partnership for the performance of all such duties.

Termination

The Mortgage Administration Agreement ,unless terminated by either party upon the occurrence of certain events and in compliance with the provisions of the Mortgage Administration Agreement, shall continue until the termination of the Partnership.

Compensation

In consideration for providing the services under the Mortgage Administration Agreement, the Mortgage Administrator shall be entitled to an administrator fee which shall be paid directly to the Mortgage Administrator by the borrowers (mortgagors) and not the Partnership.

THE MANAGER

General

The Manager was incorporated on January 8, 2013 under the laws of Canada. The principal business address of the Manager is 77 King Street West, Suite 2925, P.O. Box 322, Toronto, Ontario, M5K 1K7 and its registered office address is 949 Wilson Avenue, Toronto, Ontario, M3K 1G2.

Directors and Officers of the Manager and the General Partner

The name, municipality of residence and position(s) with the Manager and the General Partner, and the principal occupation of the directors and senior officers of the Manager and the General Partner are as follows:

Name and Municipality of Residence	Position with the Manager	Position with the General Partner	Principal Occupation
Natasha Sharpe Toronto, Ontario	Director, Chief Investment Officer	Director and President	Chief Investment Officer of the Manager
Jenny Virginia Coco Toronto, Ontario	Executive Vice-President and Director	Director and Vice-President	Chief Executive Officer of Coco Paving Inc.
Rock-Anthony Coco Toronto, Ontario	Executive Vice-President and Director	Director and Vice-President	President of Coco Paving Inc.
Farzana Merchant Toronto, Ontario	Vice-President of Finance and Fund Accounting	N/A	Vice-President of Finance and Fund Accounting of the Manager
Barry Hall Toronto,ON	Senior Manager of Finance and Fund Accounting	N/A	Senior Manager of Finance and Fund Accounting of the Manager
David Sharpe Toronto, Ontario	Chief Executive Officer	N/A	Chief Executive Officer of the Manager
Andrew Mushore Toronto, Ontario	Chief Compliance Officer	N/A	Chief Compliance Officer of the Manager

Set out below are the particulars of the professional experience of the directors and senior officers of the

Manager and the General Partner:

Natasha Sharpe: Natasha is a Director, Chief Investment Officer of the Manager. Natasha was previously the Chief Credit Officer for Sun Life Financial where she was responsible for creating risk policy for the company's $110-billion global portfolio of managed assets. Prior to that, Natasha held the position of Vice-President at Coopers and Lybrand and went on to spend over 10 years at BMO Financial Group where she led various teams in risk assessment and corporate finance. In 2010, Natasha was named as one of Canada's Top 40 Under 40. In 2015, Natasha was named to the Diversity 50 in Canada. Natasha is a director of

private and non-profit companies. She holds a PhD and a Masters of Business Administration from the University of Toronto.

Jenny Virginia Coco: Jenny is Executive Vice-President and a Director of the Manager. Jenny is the Chief Executive Officer of Coco Paving Inc., a division of the Coco Group. Jenny joined the Coco Group full time in 1987, having spent many summers learning the family business. Jenny oversees the daily management of the Canadian and U.S. operations, and is largely responsible for the negotiation of acquisitions as well as overseeing company expansions, including a concrete pipe manufacturing facility and an aggregate dock for the importing of materials, both of which have resulted in a vertical integration that has allowed Coco Paving to obtain a high degree of success in its heavy construction division. Under Ms. Coco's stewardship, Coco Group has successfully integrated five businesses and acquisitions over the last 13 years. She continues to be the liaison for private-public partnerships for the development of highway infrastructure in Ontario. Jenny has also taken an active role in the expansion of the residential and commercial divisions of the company. Jenny received a Masters of Business Administration (Finance) from the University of Windsor. Jenny has been a member of the Integrated Financial Planning Committee for the London Diocese, and has previously served on the Board of Directors of the University of Windsor and the Federal Business Development Bank of Canada.

Rock-Anthony Coco: Rocky is Executive Vice-President and a Director of the Manager. Rocky is President of Coco Paving Inc., a division of the Coco Group where he oversees all activities of the Heavy Construction Division from asphalt paving to underground site servicing and concrete paving. Under Rocky's management, Coco Paving Inc. has successfully tendered and completed all MTO projects since 2004 in South Western Ontario on Highway 402 and Highway 401, encompassing over 50 kilometres of highway infrastructure. Rocky is a civil engineering graduate from the University of Windsor in 1987, and gained his license to practice as a Professional Engineer in 1991. He has been a President of the Heavy Construction Association of Windsor.

David Sharpe: David is the Chief Executive Officer of the Manager, responsible for the strategic direction of the firm and ensuring sustainable growth is achieved. David has close to 25 years of financial services industry experience, in roles such as General Counsel, Chief Compliance Officer and Chief Risk Officer for leading financial organizations, and previously was the head of investigations for the Mutual Fund Dealers Association of Canada. David is Chair Emeritus of First Nations University of Canada. David was a member of the Board of Governors for close to 7 years and served as Board Chair. He is also a Board member of the Economic Development Corporation for Eabametoong (Fort Hope) First Nation and is a member of the Dean's Council at Queen's University, Faculty of Law. David is a member of the Mohawks of the Bay of Quinte. David is a lawyer and has been a member of the Law Society of Upper Canada since 1997. He has an LLB from Queen's University, an LLM in Securities Law from Osgoode Hall Law School and a Masters of Business Administration from the Richard Ivey School of Business, University of Western Ontario. David has also received the Professional Director Certification from the Johnson-Shoyama Graduate School of Public Policy at the University of Saskatchewan/University of Regina. In 2015, David was named to the Diversity 50 in Canada.

Farzana Merchant: Farzana is Vice-President of Finance and Fund Accounting. Farzana is responsible for the Financial Operations, Reporting and Fund Administration of Bridging Finance. She has over a decade of experience in providing Accounting, Finance and Administration services to Pension, Mutual, Hedge and Private equity funds. Prior to joining Bridging Finance Inc., Farzana worked as a Senior Manager at SS&C Fund Services leading a team to provide operational support for various Hedge funds and Private equity funds, focusing on funds with complex strategies, products and structures. Prior to that she worked at CIBC Mellon, a leading global asset service provider supporting Mutual fund and Pension

Fund operations. Farzana holds a Bachelor's degree in Commerce and a Post Graduate Diploma in Banking and Finance from the National Institute of Bank Management.

Barry Hall: Barry is the Senior Manager of Finance and Fund Accounting and assists in managing the financial, reporting and fund administration operations of Bridging Finance Inc. Prior to joining Bridging Finance Inc., Barry worked as an Audit Manager at Deloitte LLP in Toronto, Canada for nearly a decade and gained valuable professional experience providing audit and assurance services to the investment management industry. Barry's experience includes, among other items, the implementation of internal controls, assessment of new accounting standards and securitization accounting. Barry graduated from Queen's University with a Bachelor of Commerce degree and is a Chartered Professional Accountant (CPA,CA).

Andrew Mushore: Andrew is Chief Compliance Officer of the Manager. Andrew is responsible for the oversight of the firm's compliance system. Prior to joining Bridging Finance, Andrew was a Senior Compliance Officer at CI Financial. He later went on to hold the position Senior Manager, Compliance of an investment management firm in Toronto with approximately $1.6 billion under management. Andrew holds a Bachelor's degree in Finance with a minor in Economics and a Bachelor's degree in Management from Fordham University in New York, NY.

Management Agreement

The General Partner has retained the Manager to provide certain portfolio management, administrative and other services to the Partnership pursuant to the management agreement date March 1, 2018 (the "**Management Agreement**") as the same may be amended, restated or supplemented from time to time.

The Manager is the investment advisor. The Manager was incorporated on January 8, 2013 under the laws of Canada.

The Manager's principal office is 77 King Street West, Suite 2925, P.O. Box 322, Toronto, Ontario, M5K 1K7 and its registered office address is 949 Wilson Avenue, Toronto, Ontario, M3K 1G2. The Manager may also be contacted by toll-free telephone at 1-888-920-9598, by telephone at 416-362-6283 or by e-mail to inquiries@bridgingfinance.ca.

Under the Management Agreement, the Manager is responsible for investment management decisions of the Partnership and to render services under the Management Agreement honestly and in good faith and in the best interests of the Partnership and to exercise the degree of care, diligence and skill a reasonably prudent person would exercise in comparable circumstances. The Management Agreement may be assigned by the Manager to an affiliated entity at any time provided notice thereof is given to all Limited Partners.

The Management Agreement provides that the Manager will not be liable in any way to the Partnership if it has satisfied the duties and the standard of care, diligence and skill set forth above. The Partnership has agreed to indemnify the Manager for any losses as a result of the performance of its duties under the Management Agreement. However, the Manager will incur liability in cases of wilful misconduct, bad faith, negligence or disregard of its duties or standards of care, diligence and skill.

The Management Agreement, unless terminated as described below, will continue until the termination of the Partnership. The Manager or the Partnership may terminate the Management Agreement if the other party (i) is in breach or default of the provisions of the Management Agreement and, if capable of being cured, such breach or default has not been cured within forty-five (45) days' written notice of such breach or default, (ii) has been declared bankrupt or insolvent and has entered into liquidation or winding-up, whether compulsory or voluntary (and not merely a voluntary liquidation for the purposes of amalgamation or reorganization), or (iii) makes a general assignment for the benefit of creditors or otherwise acknowledges its insolvency.

In the event that the Management Agreement is terminated as provided above, the General Partner shall determine, in its sole discretion, whether to appoint a successor advisor to carry out the activities of the Manager or to carry out such activities itself in which case the General Partner will be entitled to a fee no greater than that payable to the Manager under the Management Agreement.

As compensation for providing services to the Partnership, the Manager receives a monthly Management Fee from the Partnership attributable to each Class of limited partnership units (collectively, the "**Units**"). Management Fees in respect of the Units will be calculated and payable monthly in arrears as of each Valuation Date.

The Manager, under the supervision of the General Partner, will select brokers to transact trades on behalf of the Partnership. The assets of the Partnership will be held by such brokers, including any assets which are required to satisfy a broker's margin requirements.

Units will be distributed in British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Québec, New Brunswick, Nova Scotia, Newfoundland and Labrador, Prince Edward Island, Northwest Territories, Nunavut and Yukon (the "**Offering Jurisdictions**") through registered dealers, including the Manager and such other persons as may be permitted by applicable law. In the event of such distribution, registered dealers (other than the Manager) will be entitled to the compensation described under "Dealer Compensation". Subject to the requirements under NI 31-103, the Manager may pay, out of the Management Fees it receives from the Partnership, a negotiated referral fee to registered dealers or other persons in connection with the sale of Units. See "Dealer Compensation – Referral Fees".

The Management Agreement provides for a continuing term with no provision for an expiry date and may be terminated by either party giving to the other not less than 30 days' prior notice in writing. The General Partner may, in its sole discretion, terminate and replace the Manager where it deems it to be in the best interests of the Partnership.

Fees and Expenses

As compensation for providing services to the Partnership, the Manager receives a monthly Management Fee from the Partnership attributable to Class A Units, Class UA Units, Class F Units, Class UF Units and, in certain circumstances, Class I and Class UI Units. Each class of Units is responsible for the Management Fee attributable to that class. Management Fees in respect of each class of Units will be calculated and payable monthly in arrears as of each Valuation Date. See "Fees and Expenses – Management Fee".

In addition, the Partnership shall reimburse the Manager for all reasonable costs incurred by the Manager in the performance of their duties, such as professional fees, printing fees, portfolio and investment transaction costs. The Manager will invoice the Partnership, for the amount of such costs incurred on behalf of the Partnership to be reimbursed and paid in cash.

THE CUSTODIAN

The Bank of Montreal (in such capacity, the "**Custodian**") is the custodian of the monetary assets of the Partnership pursuant to banking arrangements entered into between the Partnership and the Custodian. As compensation for the custodial services rendered to the Partnership, the Custodian will receive such fees from the Partnership as agreed thereto and the General Partner may approve from time to time. The Custodian will be responsible for the safekeeping of all of the cash assets of the Partnership delivered to it and will act as the custodian of such assets, other than those assets transferred to the Custodian or another entity, as the case may be, as collateral or margin. The Custodian may also provide the Partnership with financing lines. The Partnership is responsible for the payment of all fees incurred in connection with the provision of such services by the Custodian.

The Partnership reserves the right, in its discretion, to change the custodial arrangement described above including, but not limited to, the appointment of a replacement custodian and/or additional custodians.

The General Partner and the Manager shall not be responsible for any losses or damages to the Partnership arising out of any action or inaction by the Custodian or any sub-custodian holding the assets of the Partnership.

THE RECORD-KEEPER AND PARTNERSHIP REPORTING

The administrator of the Partnership (the "**Administrator**") is Commonwealth Fund Services Ltd.. The Administrator was retained to provide certain administrative, valuation and record-keeping services to the Partnership pursuant to the terms of an administration agreement (the "**Administration Agreement**"). The Administrator is located at 200 Front Street West, Suite 2500, Toronto, Ontario.

Pursuant to the Administration Agreement, the Administrator is responsible for computing the Net Asset Value of the Partnership and of each Class, maintaining the books and records of the Partnership, providing Limited Partners recordkeeping and administration services, establishing and maintaining accounts on behalf of the Partnership with financial institutions, effecting the registration or transfer of Units, administering the procedure for the issue, transfer, allotment, redemption and purchase of Units in accordance with the Partnership Agreement and this offering memorandum, entering on the register of Limited Partners all issues, allotments, transfers, conversions, redemptions and/or purchases of Units, preparing all necessary tax filings for Limited Partners and any other matters necessary for the administration of the Partnership. The Administrator may delegate certain functions under the Administration Agreement to affiliated companies. Under the Administration Agreement, the Partnership pays the Administrator an administration fee. The Partnership is also responsible for out-of-pocket expenses (such as copying and mailing of reports) incurred by the Administrator on behalf of the Partnership.

The Administrator has agreed to exercise the care, diligence and skill that a prudent service provider would exercise in comparable circumstances. The Administrator shall not be liable for any act or omission in the course of, or connected to, rendering its services, except to the extent that such liability directly arises out of the negligence, willful misconduct or lack of good faith of the Administrator. The Administrator shall not be responsible for any loss or diminution in the value of the Partnership's assets.

The Partnership has agreed to indemnify and save harmless the Administrator, and its affiliates, subsidiaries and agents, and their directors, officers, and employees from and against all legal fees, judgments and amounts paid in settlement, actually and reasonably incurred by any of them in connection with the services provided under the Administration Agreement except to the extent incurred as a result of the negligence, willful misconduct or lack of good faith on the part of the Administrator.

The Administration Agreement may be terminated by either party giving the other party at least three months' written notice. The Administration Agreement may also be terminated immediately by either party under certain circumstances, including bankruptcy or insolvency of the other party.

INVESTMENT OBJECTIVE AND STRATEGY

Investment Objective

The investment objective of the Partnership is to preserve the capital of the Limited Partners and provide the Limited Partners with exposure to the Canadian real estate market by owning a diversified portfolio of Mortgage investments.

Investment Strategy

To achieve its investment objective, the Partnership intends to invest in an actively managed portfolio (the "**Portfolio**") comprised of first and second ranked mortgage loans secured by Real Property (defined below) in Canada (the "**Mortgages**") that are used for commercial purposes, including but not limited to, retail, office, multi-family residential and industrial properties, developable land and secured construction and land financing. Each Mortgage is an independent investment opportunity for the Partnership that the Manager decides, on behalf of the partnership, to participate in as a lender and beneficial owner.

"**Real Property**" shall mean property which in law is real property and includes, whether or not the same would in law be real property, leaseholds, mortgages, undivided joint interests in real property and any interests in and to any of the foregoing.

The Partnership may participate in the Mortgages on a syndicated basis with others, including the Mortgage Administrator and its affiliates and associates.

Each investment shall follow a rigorous documentation process that is managed by the independent credit function of the Manager in consultation with the Mortgage Administrator. The Manager intends to diversify the Partnership's investments by type, priority, duration and risk while maintaining consideration for the state of the economy, the general financial markets and the Canadian real estate market.

The collateral that the Partnership may take as security includes, but is not limited to, the following: common or preferred stock, warrants to purchase common stock or other equity interests, real estate/property, contracts, purchase orders, inventory, commodities, machinery and equipment, accounts receivable, or consumer finance transactions. The Partnership intends to obtain standard security in respect of the Mortgages which may include, but is not limited to, an assignment of rents, an assignment of insurance proceeds, and assignment of purchase agreements, general security agreements and personal covenants from the principals of the mortgagors.

The Partnership's interest in the Mortgages shall be held by legal title and registered in the name of the Mortgage Administrator on behalf of the Partnership as the mortgage administrator of the Mortgages.

The Partnership may also make incidental investments in assets such as promissory notes, convertible debentures, warrants and other "equity sweeteners" issued in connection with the primary investments held in the Portfolio.

In addition to the above, the Partnership may also make temporary investments in bonds, debentures, notes or other fixed income securities using monies awaiting deployment into the Mortgages, reinvestment or distributions to the Limited Partners.

THERE CAN BE NO ASSURANCE THAT THE PARTNERSHIP'S INVESTMENT OBJECTIVE WILL BE ACHIEVED. INVESTMENT RESULTS MAY VARY SUBSTANTIALLY OVER TIME.

The General Partner reserves the right to amend (without the approval of the Limited Partners) the foregoing investment objective and strategies, provided that not less than 30 days' prior written notice of the proposed material change is given to each Limited Partner.

The foregoing disclosure of investment objective, strategies and restrictions may constitute "forward-looking information" for the purpose of applicable securities legislation as it contains statements of the intended course of conduct and future operations of the Partnership. These statements are based on assumptions made by the Manager of the success of its 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 by the Manager and the success of its investment strategies are subject to a number of factors. Economic and market conditions

may change, which may materially impact the success of the Manager's intended strategies as well as its actual course of conduct. **Investors are strongly advised to read the section of the current offering memorandum of the Partnership under the heading "Risk Factors" for a discussion of factors that may impact the operations and success of the Partnership**.

Loan Facilities

The Partnership may enter into loan facilities with one or more lenders. The Manager views the loan facilities as being able to provide liquidity in the event of Limited Partner (as defined below) redemptions. There is no secondary market for the Mortgages so there is relatively little immediate liquidity for the Partnership to meet unexpected redemption requests, except for income-generating securities, if any, and cash or cash equivalents held by the Partnership. The loan facilities could be used to fund redemptions, for working capital purposes, for investment purposes, to smooth the timing difference between the closing of potential new Mortgages and cash availability in the Partnership. Any loan facility would be repaid as cash flow within the Partnership permits or as new Units are issued.

The Manager expects the terms, conditions, interest rate, fees and expenses of the loan facilities will be typical for loans of this nature. In connection with any such loan advances, the Partnership may grant security over the assets of the Partnership to secure repayment of such loan advances. The Partnership may enter into such loan facilities with one or more lenders that may include affiliates of the Manager. However, in such circumstances where the credit facility is used for an investment, such investment decision shall be made by the Manager.

INVESTMENT GUIDELINES

The Partnership will follow the Investment Guidelines for the Partnership set forth in the Partnership Agreement. The Investment Guidelines of the Partnership may be changed from time to time by the Manager to adapt to changing circumstances and the Limited Partners shall be provided not less than 60 days' prior written notice of any material changes to the Investment Guidelines. For the purposes of the Investment Guidelines listed below, all amounts and percentage limitations will be determined on the date of the relevant investment, and any subsequent change in any applicable percentage resulting from changing Net Asset Values will not require the disposition of any investment from the Portfolio. The Partnership's Investment Guidelines provide, among other things, as follows:

- The Portfolio strategy involves a fundamental analysis that identifies good mortgagors by taking into consideration their principals, previously completed projects and the past experience of the mortgagors and their principals, and also targets diversification of the Mortgages by type, priority, duration and risk.

- Standard documentation used with respect to the Mortgages will provide that, in the event of a failure by a mortgagor to pay an amount owing under a Mortgage, the Mortgage Administrator or the Manager, for and on behalf of the lender, will be entitled to enforce the Mortgage in accordance with applicable law.

- The collateral that the Partnership may take as security includes, but is not limited to, the following: common or preferred stock, warrants to purchase common stock or other equity interests, real estate/property, contracts, purchase orders, inventory, commodities, machinery and equipment, accounts receivable, or consumer finance transactions.

- The Partnership may also make incidental investments in assets such as promissory notes, convertible debentures, warrants and other "equity sweeteners" issued in connection with the primary investments held in the Portfolio.

- The Partnership will execute the investment strategy through the unique insight and experience of the Manager and other professionals the Manager may deem appropriate.

INVESTMENT RESTRICTIONS

The assets of the Partnership will be invested in accordance with the Partnership's investment objectives and the investment restrictions. The following investment restrictions may not be changed without the approval of the Limited Partners by Extraordinary Resolution:

• The Partnership shall not invest more than 30% of the Net Asset Value of the Partnership in any one investment. This investment restriction need not be complied with during the initial 12 month period following the date of the Partnership's first investment provided that the Manager endeavours to ensure at all times an appropriate level of diversification of risk within the Portfolio.

• The Partnership may borrow permanently (either directly or at the level of any intermediary vehicle) to meet redemption requests of Limited Partners, and secure these borrowings with liens or other security interests in its assets (or the assets of any of its intermediary vehicles), provided that the Portfolio may not, at any point in time, incur a level of borrowing (including any short-term borrowings) in excess of 50% of the Net Asset Value of the Partnership.

• The Partnership will not engage in derivative transactions other than for the purpose of reducing risk (*i.e.* not for enhancing returns of the Portfolio).

THE INVESTMENT SELECTION PROCESS

The Mortgage Administrator will create a term sheet for each potential Mortgage and the Manager's internal investment team will review and approve the term sheet subject to successful due diligence on collateral and/or projected cash flows. For the Mortgages, the Manager considers the following factors:

1. industry overview and competitors;
2. market analysis;
3. management team review;
4. financial analysis including projections and cash flows;
5. stress cases;
6. collateral analysis;
7. key risks and mitigants;
8. prior credit history and performance; and
9. exit strategy.

Once a Mortgage is made, the Mortgage Administrator shall monitor the investment using key process control procedures that are auditable and replicable by third parties and shall provide regular periodic updates to the Manager.

Documentation prior to making a Mortgage shall include the written analysis of the risk framework, the completion of a pre-proposal checklist, the completion of a credit approval request, and supplementary information. The key process control document supporting each investment is a comprehensive outline of each of the steps in the investment, monitoring and collateral tracking procedures.

THE LIMITED PARTNERSHIP AGREEMENT

Introduction

The following is a summary of the Limited Partnership Agreement. This summary is not intended to be complete and each subscriber may request a copy of the Limited Partnership Agreement which forms part of this Offering Memorandum.

The rights and obligations of the Limited Partners and the General Partner under the Limited Partnership Agreement are governed by the laws of the Province of Ontario.

A subscriber for Units will become a Limited Partner of the Partnership upon the acceptance by the General Partner of the subscription and the recording of the subscriber as a Limited Partner of the Partnership in the register of Limited Partners maintained by the General Partner pursuant to the *Limited Partnerships Act* (Ontario).

Units

The interest of the Limited Partners in the Partnership is divided into an unlimited number of classes of Units. Each Unit of a particular class of the Partnership is equal to each other Unit of such Class and has the same rights and obligations attaching to it as each other Unit of such Class. Each Limited Partner will be entitled to one vote for every Unit of a particular Class held by such Limited Partner as determined at the close of business on the applicable record date for voting, and a fractional vote for each fractional portion of a Unit of a particular Class held on the record date. For each Unit of the Partnership purchased, a Limited Partner will be required to contribute the applicable Net Asset Value of the Unit to the capital of the Partnership. There are no restrictions as to the maximum number of Units that a Limited Partner is entitled to hold in the Partnership, subject to the approval of the General Partner. The Units constitute securities for the purposes of the *Securities Transfer Act 2006* (Ontario) and similar legislation in other jurisdictions.

The Partnership may issue fractional Units so that subscription funds may be fully invested. Fractional Units will be calculated to three decimal points (rounded down). Fractional Units carry the same rights and are subject to the same conditions as whole Units in the proportion which they bear to a whole Unit.

In addition, if the General Partner becomes aware that holders of 40% or more of the Units then outstanding are, or may be, financial institutions or other similar entities or that such a situation is imminent, the General Partner may send notice to certain of these Limited Partners requiring them to sell their Units or a portion thereof within a specified period of not less than 15 days. If a Limited Partner fails to comply with any such request, the General Partner shall have the right to sell such Limited Partner's Units or to purchase the same on behalf of the Partnership at fair value as determined by an independent third party selected by the General Partner, whose determination will be final and binding and not subject to review or appeal.

An investor who purchases Units, among other things, (i) irrevocably authorizes certain information to be provided to the General Partner and its service providers for their collection and use, including such investor's full name, residential address or address for service, email address, social insurance number or business number, as the case may be, and the name and registered representative number of the representative of the agents responsible for such subscription and covenants to provide such information to those agents, (ii) acknowledges that he, she or it is bound by the terms of the Partnership Agreement and is liable for all obligations of a Limited Partner, (iii) makes the representations and warranties, including without limitation, representations and warranties as to his, her or its residency, set out in the Partnership Agreement, (iv) irrevocably nominates, constitutes and appoints the General Partner as his, her or its true and lawful attorney with the full power and authority as set out in the Partnership Agreement, and (v) covenants and agrees that all documents executed and other actions taken on behalf of him, her or it pursuant to the power of attorney will be binding on him, her or it, and agrees to ratify any such documents or actions

requested by the General Partner. The Partnership Agreement includes representations, warranties and covenants on the part of the investor that he, she or it is not a "non-resident" for the purposes of the Tax Act, a "non-Canadian" within the meaning of the *Investment Canada Act* or a partnership and that he, she or it will maintain such status during such time as the Units are held by him, her or it. In the Partnership Agreement, each investor is deemed to represent and warrant that the investor is not a "financial institution" as that term is defined in subsection 142.2(1) of the Tax Act unless such investor has provided written notice to the contrary to the General Partner prior to the date of acceptance of the investor's subscription for Units.

The General Partner is not required to subscribe for any Units or otherwise contribute capital to the Partnership.

Fees and Operating Expenses

The Partnership shall pay to the Manager certain of the fees described under "Fees and Expenses".

The Partnership will reimburse the General Partner, or its agents or subcontractors, for all expenses (inclusive of applicable taxes) incurred in connection with the operation and administration of the Partnership in accordance with the Partnership Agreement. It is anticipated that these expenses will include (a) mailing, printing and other expenses associated with providing periodic reports to Limited Partners; (b) Limited Partner reporting and general operating and administrative services; (c) fees payable to the auditors, valuators, legal advisors and service providers (including bookkeeping registrar and transfer agency costs) of the Partnership; (d) fees payable to a custodian and Administrator; (e) taxes and ongoing regulatory filing fees; (f) any reasonable out-of-pocket expenses incurred by the General Partner or its agents in connection with their ongoing obligations to the Partnership, including expenses in respect of any independent qualified persons retained to review any investments; (g) expenses relating to portfolio transactions; (h) insurance and safekeeping fees (i) any expenses which may be incurred upon the termination of the Partnership; and (j) expenses of any action, suit or other proceeding in respect of which or in relation to which the Manager or the General Partner are entitled to indemnity by the Partnership. See also "Fees and Expenses".

Computation and Allocation of Net Income or Net Losses of the Partnership

Generally, Net Income or Net Losses of the Partnership which are allocable to holders of units of the Partnership ("**Limited Partners**") during any fiscal year will be allocated and accrued on each Valuation Date to Limited Partners in proportion to the number of Units held by each of them as at each Valuation Date, subject to adjustment to reflect subscriptions and redemptions of Units (as defined below) made during the fiscal year, as described below.

To the extent the Partnership generates a Total Return per Unit (as defined below) which is equal to or less than the Hurdle Rate (as defined below), then 99.999% of the Net Income of the Partnership for such period will be allocated to the Limited Partners and 0.001% of the Net Income (as defined below) of the Partnership for such period will be allocated to the General Partner.

To the extent the Partnership generates a Total Return per Unit which is greater than the Hurdle Rate and the Net Asset Value per Unit on the applicable Valuation Date exceeds the Prior High NAV (as defined below), then all of the Net Income of the Partnership once such Hurdle Rate has been reached for such period will be allocated on such Valuation Date as to 20% to the General Partner as an incentive allocation (the "**Incentive Allocation**") and as to 80% to the Limited Partners, plus any applicable federal and provincial taxes.

Net Losses of the Partnership for any fiscal year (or interim period) will be allocated as to 99.999% to the Limited Partners and as to 0.001% to the General Partner.

The Incentive Allocation is calculated on a class by class basis. The Incentive Allocation will be calculated and accrued monthly and paid annually. For subscriptions and redemptions other than at year-end, the Net

Income of the Partnership will be annualized for purposes of determining whether the Total Return threshold has been met.

The General Partner reserves the right to adjust allocations to account for Units purchased or redeemed during a fiscal year and other relevant factors. See "The Limited Partnership Agreement – Distributions and Computation and Allocation of Net Income or Net Losses of the Partnership".

The Partnership is responsible for its own operating expenses. Operating expenses include, among others, legal, audit, custodian, prime broker and safekeeping fees, distribution expenses, taxes, brokerage commissions, interest, operating and administrative costs, investor servicing costs and the costs of reports to the Limited Partners.

For purposes of the foregoing allocations,

"**Hurdle Rate**" means a Total Return per Unit of 6%, as determined on the first business day of each fiscal year and applicable for the entire fiscal year;

"**Net Income**" of the Partnership for any period means the Partnership income earned by the Partnership, less all fees and expenses of the Partnership (including any Management Fee); provided that if the foregoing results in a negative amount, such amount for such period shall be referred to as a "Net Loss" of the Partnership;

"**Prior High NAV**" per Unit of a class is the Net Asset Value per Unit of that class on the most recent Valuation Date in respect of which an Incentive Allocation was paid or payable with respect to such Unit (or if no Incentive Allocation has yet become payable with respect to such Unit, the Net Asset Value per Unit at which such Unit was issued); and

"**Total Return per Unit**" means the amount equal to the percentage appreciation of the Net Asset Value per Unit, without taking into account any accrued Incentive Allocation, but including the amount of any distributions on a per Unit basis. The Total Return Per Unit shall be calculated on a monthly basis.

The General Partner reserves the right to adjust allocations to account for Units purchased or redeemed during a fiscal year and other relevant factors. See "The Limited Partnership Agreement – Distributions and Computation and Allocation of Net Income or Net Losses of the Partnership".

The Hurdle Rate is not a guaranteed rate of return on an investment in Units.

Allocation of Net Income or Net Loss for Tax Purposes

The Partnership will allocate its income or loss calculated in accordance with the provisions of the Tax Act and the Limited Partnership Agreement to the General Partner and to the Limited Partners in the same manner, as nearly as practicable, as Net Income or Net Losses will be allocated.

Where in the course of any fiscal year Units are redeemed by one or more Limited Partners or acquired from the Partnership, the General Partner may, but is not required to, adopt an allocation policy intended to allocate income and loss for tax purposes in such manner as to account for Units which are purchased or redeemed throughout such fiscal year. A Limited Partner who is considering disposing of Units during a fiscal year of the Partnership should obtain specific tax advice.

Functions and Powers of the General Partner

The General Partner has exclusive authority to manage the operations and affairs of the Partnership, to make all decisions regarding the business of the Partnership and to bind the Partnership. The General Partner may, pursuant to the terms of the Partnership Agreement, delegate certain of its powers to third parties where, in the discretion of the General Partner, it would be in the best interests of the Partnership to do so. The General Partner is required to exercise its powers and discharge its duties honestly, in good faith

and in the best interests of the Partnership and to exercise the degree of care, diligence and skill of a reasonably prudent and qualified General Partner. Among other restrictions imposed on the General Partner, it may not dissolve the Partnership nor wind up the Partnership's affairs except in accordance with the provisions of the Partnership Agreement.

The General Partner has the power to make on behalf of the Partnership and each Limited Partner of the Partnership, in respect of such Limited Partner's interest in the Partnership, any and all elections, determinations or designations under the Tax Act or any other taxation or other legislation or laws of like import of Canada or of any province or jurisdiction. The General Partner will file, on behalf of the General Partner and the Limited Partners, any information return required to be filed in respect of the activities of the Partnership under the Tax Act or any other taxation or other legislation or laws of like import of Canada or of any province or jurisdiction.

Accounting and Reporting

The Partnership's fiscal year will be the calendar year. A copy of the audited financial statements will be made available by the General Partner to each Limited Partner following the end of each fiscal year. Each statement will be accompanied by a narrative report describing the affairs and operations of the Partnership. The General Partner may, in its sole discretion, seek exemptions relieving the Partnership from its quarterly reporting requirements under applicable securities laws and is authorized to do so under the Partnership Agreement.

In addition, the General Partner shall, by March 31 of each year, forward to each Limited Partner of record of the Partnership on December 31 of the preceding year such information as is necessary to enable the Limited Partner to complete his or her income tax reporting relating to his or her interest in the Partnership.

The General Partner will ensure that the Partnership complies with all other reporting and administrative requirements.

The General Partner shall keep adequate books and records reflecting the activities of the Partnership. A Limited Partner of the Partnership or his, her or its duly authorized representative shall have the right to examine the books and records of the Partnership during normal business hours at the offices of the General Partner. Notwithstanding the foregoing, a Limited Partner shall not have access to any information which, in the opinion of the General Partner, should be kept confidential in the interests of the Partnership.

Limited Liability

The Partnership was formed in order for Limited Partners to benefit from liability limited to the extent of their capital contributions to the Partnership together with their *pro rata* share of the undistributed income of the Partnership. Limited Partners may lose the protection of limited liability by taking part in the management or control of the business of the Partnership and may be liable to third parties as a result of false or misleading statements in the public filings made pursuant to the *Limited Partnerships Act* (Ontario) or equivalent filings under the legislation of other jurisdictions. Limited Partners may also lose the protection of limited liability if the Partnership operates, owns property, or incurs obligations, or otherwise carries on business, in a province or territory of Canada or other jurisdiction which does not recognize the limited liability conferred under the *Limited Partnerships Act* (Ontario).

The General Partner will indemnify and hold harmless each Limited Partner from and against all losses, liabilities, expenses and damages suffered or incurred by the Limited Partner that result from such Limited Partner not having limited liability, except where the lack or loss of limited liability is caused by some act or omission of such Limited Partner or a change in any applicable legislation. However, the General Partner has only nominal assets. Consequently, it is unlikely that the General Partner will have sufficient assets to satisfy any claims pursuant to this indemnity.

Except in the event of a loss of limited liability, no Limited Partner will be obligated to pay any additional assessment or make any further capital contribution on or with respect to the Units held or purchased by him or her; however, the Limited Partners and the General Partner may be bound to return to the Partnership such part of any amount distributed to them as may be necessary to restore the capital of the Partnership to its existing amount before such distribution if, as a result of such distribution, the capital of the Partnership is reduced and the Partnership is unable to pay its debts as they become due. See "Risk Factors".

Transfers of Units

Only whole Units are transferable. A Limited Partner may transfer all or part of his or her Units by delivering to the Administrator, in its capacity as transfer agent for the Units, a form of transfer and power of attorney, substantially in the form annexed as Schedule "A" to the Limited Partnership Agreement, duly completed and executed by the Limited Partner, as transferor, and the transferee. The transferee, by executing the transfer, agrees to be bound by the Partnership Agreement as a Limited Partner as if the transferee had personally executed the Partnership Agreement and to grant the power of attorney provided for in the Limited Partnership Agreement. A transferee who executes the transfer will be required to represent and warrant that he, she or it is not a "non-resident" within the meaning of the Tax Act, is not a "non-Canadian" within the meaning of the *Investment Canada Act*, is not a partnership and is not a "tax shelter" or an entity an interest in which is a "tax shelter investment" as that term is defined in the Tax Act and will be required to covenant to maintain such status during such time as the Units are held by him, her or it. The transferee will also be required to disclose whether the transferee is or is not a "financial institution" as that term is defined in subsection 142.2(1) of the Tax Act. If the transferee is a "financial institution" or the General Partner believes that it is, the General Partner may reject the transfer. The transferee will furthermore ratify and confirm the power of attorney given to the General Partner in the Partnership Agreement.

If a Limited Partner ceases to be resident in Canada or becomes a "financial institution" for tax purposes and does not sell the Units held by such Limited Partner to a person who is qualified to hold such Units, the General Partner has the right pursuant to the Partnership Agreement either to purchase such Units for cancellation for and on behalf of the Partnership or sell, on behalf of the Partnership, such Units to a person who is qualified to hold Units, in either case at their Net Asset Value as determined by the Administrator and the General Partner.

The General Partner has the right to reject any transfer for any reason and will deny the transfer of Units to a "non-resident" for the purposes of the Tax Act. Thereafter, the General Partner reserves the right to repurchase any Units held by a "non-resident" appearing from time to time on the record of Limited Partners of the Partnership. Pursuant to the provisions of the Partnership Agreement, when the transferee has been registered as a Limited Partner of the Partnership under the *Limited Partnerships Act* (Ontario), the transferee of Units shall become a party to the Limited Partnership Agreement and shall be subject to the obligations and entitled to the rights of a Limited Partner under the Limited Partnership Agreement. A transferor of Units will remain liable to reimburse the Partnership for any amounts distributed to him or her by the Partnership which may be necessary to restore the capital of the Partnership to the amount existing immediately prior to such distribution, if the distribution resulted in a reduction of the capital of the Partnership and the incapacity of the Partnership to pay any debts as they became due.

The Partnership Agreement provides that if the General Partner becomes aware that the beneficial owners of 40% or more of the Units of the Partnership then outstanding are, or may be, "financial institutions" (as defined in subsection 142.2(1) of the Tax Act) or that such a situation is imminent, among other rights set forth in the Partnership Agreement, the General Partner has the right to refuse to issue Units of the Partnership or register a transfer of Units of the Partnership to any person unless that person provides a declaration that it is not a financial institution.

Meetings

The Partnership will not be required to hold annual general meetings. However, meetings of the Limited Partners may be called at any time by the General Partner in respect of all Limited Partners, or, where the nature of the business to be transacted is only relevant to the Limited Partners holding Units of a particular Class, in respect of that Class. Meetings shall be called on receipt of a written request from Limited Partners holding, in aggregate, 50% or more of the Net Asset Value of the Partnership or, in respect of a matter relevant to Limited Partners holding Units of a particular Class, 50% or more of the Net Asset Value of the Partnership attributable to that Class. Each Limited Partner will be entitled to one vote for every Unit owned by such Limited Partner as determined at the close of business on the applicable record date for voting, and a fractional vote for each fractional portion of the Unit owned on the record date. The General Partner is entitled to one vote in its capacity as General Partner. At any meeting of Limited Partners or of Limited Partners of a Class, two or more Limited Partners, or two or more Limited Partners of the particular Class, present in person or represented by proxy and holding not less than 50% of the Net Asset Value of the Partnership (in the case of a meeting of all Limited Partners) or 50% of the Net Asset Value of the Partnership attributable to the applicable Class (in the case of a meeting of a Class) will constitute a quorum at a meeting of the Limited Partners except a meeting called to consider an Extraordinary Resolution at which two or more Limited Partners of each Class present in person or represented by proxy and, in each case, holding not less than 66 2/3% of the Net Asset Value of the Partnership attributable to each Class will constitute a quorum. For greater certainty, no particular Class acting without the other Classes may pass an Extraordinary Resolution. If a quorum is not present at a meeting within 30 minutes after the time fixed for the meeting, the meeting, if convened pursuant to a written request of Limited Partners, shall be cancelled, but otherwise will be adjourned to such date as selected by the chair of the meeting. In the event that such meeting is adjourned for less than 30 days, the General Partner will not be required to give notice of the adjourned meeting to the Limited Partners other than by an announcement made at the initial meeting that is adjourned. The Limited Partners present at any adjourned meeting will constitute a quorum for purposes of considering any business that might have been dealt with at the original meeting. The General Partner (in respect of any Units which may be held by it from time to time), insiders of the Partnership (as such expression is defined in the *Securities Act* (Ontario)) and affiliates of the General Partner, and any director or officer of such persons, who hold Units will not be entitled to vote on any Extraordinary Resolution.

Amendments

The Partnership Agreement may only be amended with the consent of the Limited Partners given by Extraordinary Resolution. However, unless all of the Limited Partners consent thereto, no amendment can be made to the Partnership Agreement which would have the effect of reducing the interest in the Partnership of the Limited Partners, changing in any manner the allocation of income or loss for tax purposes, changing the liability of any Limited Partner, allowing any Limited Partner to participate in the control or management of the business of the Partnership, changing the right of a Limited Partner or the General Partner to vote at any meeting, or changing the Partnership from a limited partnership to a general partnership. In addition, no amendment can be made to the Partnership Agreement which would have the effect of reducing the fees payable to the General Partner, its share of the income or assets of the Partnership unless the General Partner, in its sole discretion, consents thereto.

Notwithstanding the foregoing, the General Partner is entitled to make certain amendments to the Partnership Agreement without the consent of the Limited Partners for the purpose of adding any provisions which, in the opinion of the General Partner, based on the recommendation of counsel to the Partnership, are for the protection or benefit of the Limited Partners or the Partnership, for the purpose of curing an ambiguity or for the purpose of correcting or supplementing any provision which may be defective or inconsistent with another provision. Such amendments may be made only if they will not materially affect the interest of any Limited Partner.

Removal of General Partner

The General Partner may not be removed as general partner of the Partnership other than by an Extraordinary Resolution of the Limited Partners, and only if the General Partner is in breach or default of the provisions of the Partnership Agreement and, if capable of being cured, such breach has not been cured within 45 business days' notice of such breach to the General Partner, or if the General Partner becomes bankrupt or insolvent. A quorum for a meeting called for the purposes of removing the General Partner as general partner of the Partnership shall consist of two or more Limited Partners present in person or represented by proxy and representing not less than 66 2/3% of the Net Asset Value of the Partnership.

Power of Attorney

The Partnership Agreement contains a power of attorney coupled with an interest, the effect of which is to constitute it an irrevocable power of attorney. The power of attorney authorizes the General Partner on behalf of the Limited Partners, among other things, to execute the Partnership Agreement, any amendments to the Partnership Agreement and all instruments necessary to reflect the Partnership Agreement and any amendments to the Partnership Agreement, as well as any elections, determinations or designations under the Tax Act or taxation legislation of any province or territory with respect to the affairs of the Partnership or a Limited Partner's interest in the Partnership, including elections under subsections 85(2) and 98(3) of the Tax Act and the corresponding provisions of applicable provincial legislation in respect of the dissolution of the Partnership. **By purchasing Units of the Partnership, each investor acknowledges and agrees that he, she or it has given such power of attorney and will ratify any and all actions taken by the General Partner pursuant to such power of attorney.** The power of attorney shall survive any dissolution or termination of the Partnership.

FEES AND EXPENSES

Management Fee

As compensation for providing management and administrative services to the Partnership, the Manager receives a monthly management fee (the "**Management Fee**") from the Partnership attributable to Class A Units, Class UA Units, Class F Units, Class UF Units and, in certain circumstances described below, Class I and Class UI Units. Each class of Units is responsible for the Management Fee attributable to that class.

Class A and Class UA Units:

The Partnership pays the Manager a monthly Management Fee equal to 1/12 of 2.0% of the Net Asset Value of the Class A and Class UA Units (determined in accordance with the Limited Partnership Agreement), plus any applicable federal and provincial taxes, calculated and accrued on each Valuation Date and payable on the last business day of each month based on the Net Asset Value of the Class A and Class UA Units as at the last business day of each month.

Class F and Class UF Units:

The Partnership pays the Manager a monthly Management Fee equal to 1/12 of 1.0% of the Net Asset Value of the Class F and Class UF Units (determined in accordance with the Limited Partnership Agreement), plus any applicable federal and provincial taxes, calculated and accrued on each Valuation Date and payable on the last business day of each month based on the Net Asset Value of the Class F and Class UF Units as at the last business day of each month.

Class I and Class UI Units:

Subject to the discretion of the General Partner, investors who purchase Class I and Class UI Units must either: (i) enter into an agreement with the Manager which identifies the monthly Management Fee negotiated with the investor which is payable by the investor directly to the Manager; or (ii) enter into an agreement with the Partnership which identifies the monthly Management Fee negotiated with the investor which is payable by the Partnership to the Manager. In each circumstance, the monthly Management Fee,

plus any applicable federal and provincial taxes, is calculated and accrued on each Valuation Date and payable on the last business day of each month based on the Net Asset Value of the Class I and Class UI Units as at the last business day of each month.

Sales Commission

No sales commission is payable to the General Partner or the Manager in respect of Units purchased directly by a subscriber. However, registered dealers may, at their discretion, charge purchasers a front-end sales commission of up to 5.0% of the Net Asset Value of the Class A and Class UA Units purchased by the subscriber. Any such sales commission will be negotiated between the registered dealer and the purchaser and will be payable directly by the subscriber to their dealer. Any such sales commission will reduce a subscriber's net investment amount in Class A and UA Units.

Service Commission

The Manager pay a monthly service commission to participating registered dealers equal to 1/12th of 1.0% of the Net Asset Value of the Class A and Class UA Units sold by such dealers then outstanding. Payments are calculated and paid monthly to registered dealers from the Management Fees the Manager receives from the Partnership. Notwithstanding the foregoing, the Manager, in its sole discretion, reserves the right to change the frequency of payment to registered dealers of the service commission to a quarterly or annual basis.

Referral Fees

Subject to the requirements under NI 31-103, the Manager may pay, out of the Management Fees it receives from the Partnership, a negotiated referral fee to registered dealers or other persons in connection with the sale of Units.

Operating Expenses

The Partnership is responsible for its own operating expenses. Operating expenses include, among others, legal, audit, custodian and prime broker fees; consulting and other professional fees relating to particular investments of the Partnership; third-party investment due diligence and monitoring expenses; reasonable due-diligence-related travel expenses; third-party valuation and audit expenses; third-party research-related expenses; all expenses associated with the underwriting, servicing, collection and liquidation of investments of the Partnership; distribution expenses; taxes; brokerage commissions; interest; operating and administrative costs; investor servicing costs; and the costs of reports to the Limited Partners. Each class of Units is responsible for the operating expenses that relate specifically to that class and for its proportionate share of the common expenses of the Partnership that relate to all classes of Units.

DETAILS OF THE OFFERING

Units are being offered by the Partnership on a continuous basis to an unlimited number of eligible subscribers who are prepared to invest a sufficient amount to meet the minimum initial subscription requirements or who are otherwise qualified investors. There need not be any correlation between the number of units of each of the Classes sold hereunder. The differences among the six classes of Units are the different eligibility criteria, currency, fee structures and administrative expenses associated with each class. Additional classes of limited partnership units may be offered in the future. For a description of the Management Fees attributable to each Class of Units offered hereunder in respect of which the Manager receives from the Partnership or in certain circumstances from a Limited Partner with respect to Class I and Class UI Units, see "Fees and Expenses – Management Fees".

Each Unit represents an undivided beneficial interest in the Partnership. The Partnership is authorized to issue an unlimited number of classes of Units and an unlimited number of Units in each such class. The Partnership may issue fractional Units so that subscription funds may be fully invested. Each Unit of a particular class has equal rights to each other Unit of the same class with respect to all matters, including

voting, receipt of allocations and distributions from the Partnership, liquidation and other events in connection with the Partnership.

Units will be offered at a price equal to the Net Asset Value per Unit for the applicable Class of Units on each Valuation Date. As at the date of this Offering Memorandum, the minimum initial subscription amount for persons relying on the "accredited investor" exemption is $5,000. The minimum initial subscription amount for persons relying on the "minimum amount investment" exemption is $150,000; provided that such subscriber is (i) not an individual, and (ii) not created or used solely to rely on the "minimum amount investment" exemption. The minimum amount is net of any sales commissions paid by a subscriber to their registered dealer. At the sole discretion of the General Partner, subscriptions may be accepted for lesser amounts from persons who are "accredited investors" as defined under NI 45-106.

Class A and Class UA Units will be issued to qualified purchasers.

Class F and Class UF Units will be issued to: (i) qualified purchasers who participate in fee-based programs through eligible registered dealers; (ii) qualified purchasers in respect of whom the Partnership does not incur distribution costs; and (iii) qualified individual purchasers in the General Partner's sole discretion. If a Limited Partner ceases to be eligible to hold Class F or Class UF Units, the General Partner may, in its sole discretion, exchange such Limited Partner's Class F or Class UF Units for Class A or Class UA Units, respectively on five days' notice, unless such Limited Partner notifies the Partnership during the notice period and the General Partner agrees that the Limited Partner is once again eligible to hold Class F or Class UF Units.

Class I and Class UI Units will be issued to institutional investors at the discretion of the General Partner. If a Limited Partner ceases to be eligible to hold Class I or Class UI Units, the General Partner may, in its discretion, exchange such Limited Partner's Class I or Class UI Units for Class A or Class UA Units, respectively on five days' notice, unless such Limited Partner notifies the Partnership during the notice period and the General Partner agrees that the Limited Partner is once again eligible to hold Class I or Class UI Units.

The USD Classes are suitable for investors who want U.S. dollar denominated exposure to the Portfolio. As the Partnership is denominated in Canadian dollars, investors who purchase the USD Classes will be exposed to fluctuations in the Canadian/U.S. dollar exchange rate. To offset this exposure, the Manager will use its best efforts to hedge the currency risk. If the Manager is successful, the returns of the Class UA, Class UF, Class UI Units as measured in U.S. dollars will be similar to the returns of the Class A, Class F and Class I Units, respectively, as measured in Canadian dollars. Without regard to movements in the currency exchange rate as between the Canadian and U.S. dollar, several factors may result in the returns not being equal, including, but not limited to, any expenses incurred by the Partnership in hedging the currency and the timing of an investor's investment relative to when the Manager is able to hedge the currency in the Units. Therefore, there is no guarantee that the Manager will be successful in fully hedging any currency exposure.

Subject to the consent of the General Partner, Limited Partners may exchange or switch all or part of their investment in the Partnership from one class of Units to another class if the Limited Partner is eligible to purchase that class of Units. The timing and processing rules applicable to purchases and redemptions of Units also applies to exchanges or switches between classes of Units. See "Redemption of Units". Upon an exchange or switch from one class of Units to another class, the number of Units held by the Limited Partner will change since each class of Units has a different Net Asset Value per Unit.

Generally, exchanges or switches between classes of Units are not dispositions for tax purposes. However, Limited Partners should consult with their own tax advisors regarding any tax implications of exchanging or switching between classes of Units.

Units are being offered to investors resident in the Offering Jurisdictions pursuant to exemptions from the

prospectus requirements under section 2.3 (accredited investor exemption) and section 2.10 (minimum amount investment exemption) under NI 45-106 and, where applicable, the registration requirements under NI 31-103. Units will not be issued to individuals under section 2.10 of NI 45-106 (minimum amount investment exemption).

Purchasers will be required to make certain representations in the subscription form, and the General Partner and the Partnership will be entitled to rely on such representations, to establish the availability of the exemptions under NI 45-106 and NI 31-103. No subscription will be accepted unless the General Partner is satisfied that the subscription is in compliance with applicable securities legislation. Investors other than individuals that are "accredited investors" (as defined under applicable securities legislation) must also represent to the General Partner (and may be required to provide additional evidence at the request of the General Partner to establish) that such investor was not formed solely in order to make private placement investments which may not have otherwise been available to any persons holding an interest in such investor.

The following persons and entities may not invest in Units of this Partnership:

(a) "non-Canadians" within the meaning of the *Investment Canada Act*;

(b) "non-residents" of Canada, "tax shelters", "tax shelter investments" or persons or entities an investment in which would be a "tax shelter investment", all within the meaning of the Tax Act; or

(c) a partnership which does not contain a prohibition against investment by the persons or entities referred to in the foregoing paragraphs (a) and (b).

In the event that any Limited Partner subsequently becomes a "non-Canadian", a "non-resident" of Canada, a "tax shelter", a "tax shelter investment", a person or entity an investment in which would be a "tax shelter investment" or a partnership with any of the foregoing as a member or the Limited Partner's interest in the Partnership subsequently becomes a "tax shelter investment", such Limited Partner is required to immediately notify the General Partner in writing of such change in status and such Limited Partner's Units will be redeemed by the Partnership on the next Valuation Date.

Units will be distributed in the Offering Jurisdictions through registered dealers as may be permitted by applicable law. In the event of such distribution, registered dealers will be entitled to the compensation described under "Fees and Expenses - Service Commission". Subject to the requirements under NI 31-103, the Manager may pay, out of the Management Fees they receives from the Partnership, a negotiated referral fee to registered dealers or other persons in connection with the sale of Units. See "Fees and Expenses – Referral Fees".

A separate Net Asset Value per Unit is calculated on a Valuation Date for each class of Units by taking the proportionate share of the net assets of the Partnership allocated to that class of Units, subtracting the expenses of that class of Units and the proportionate share of the common expenses of the Partnership allocated to that class of Units and dividing the result by the number of Units of that class held by Limited Partners.

Units may be purchased as at the close of business on a Valuation Date if a duly completed subscription form and the required payment is received by the General Partner no later than 4:00 p.m. (EST) on such Valuation Date. The issue date for subscription orders received and accepted after 4:00 p.m. (EST) on a Valuation Date will be the next Valuation Date. No certificates evidencing ownership of Units will be issued to Limited Partners.

The Net Asset Value (and Net Asset Value per Unit) for the applicable class of Units determined for the purposes of a subscription or redemption of Units which takes place other than at the Partnership's fiscal year-end will reflect a reduction to take into account the General Partner's share of Net Income based on

the annualized returns of the Partnership (realized and unrealized) from the date of commencement of the fiscal year to the date of the issuance or redemption of the Units.

See "The Limited Partnership Agreement – Units" for a brief summary of the attributes of the Units. Reference is made to the Limited Partnership Agreement for a full and complete description of such attributes.

SUBSCRIPTION PROCEDURE

Subscriptions for Units must be made by completing the prescribed subscription form and power of attorney and by forwarding such documents together with cheque(s) for payment of the minimum subscription amount to the General Partner. Subscription funds provided prior to a Valuation Date will be kept in a segregated account. Subscriptions for Units are subject to acceptance or rejection in whole or in part by the General Partner in its sole discretion. No subscription for Units will be accepted from a purchaser unless the General Partner is satisfied that the subscription is in compliance with the requirements of applicable securities legislation. In the event a subscription for Units is rejected, any subscription funds forwarded by the subscriber will be returned without interest or deduction. Subscribers whose subscriptions for Units have been accepted by the General Partner will become Limited Partners.

By executing the subscription form for Units in the form prescribed by the Limited Partnership Agreement, each subscriber represents to the General Partner, the Partnership and to all other Limited Partners that, among other things, the Limited Partner is not a "non-Canadian" within the meaning of the *Investment Canada Act*, a "non-resident" of Canada, a "tax shelter", a "tax shelter investment" or a person or an entity an investment in which would be a "tax shelter investment" within the meaning of the Tax Act, a "financial institution" within the meaning of Section 142.2 of the Tax Act or a partnership which does not contain a prohibition against investment by the foregoing persons or entities.

Purchasers will be required to make certain representations (including those noted in the foregoing paragraph) in the subscription form, and the General Partner and the Partnership are entitled to rely on such representations, to establish the availability of the exemptions from the prospectus and registration requirements described under NI 45-106 and NI 31-103.

ADDITIONAL SUBSCRIPTIONS

Following the required initial minimum investment in the Partnership, Limited Partners resident in the Offering Jurisdictions may make additional investments of not less than $5,000 provided that, at the time of the subscription for additional Units, the Limited Partner is an "accredited investor" as defined under applicable securities legislation. Limited Partners who are not "accredited investors" nor individuals, but previously invested in and continue to hold Units having an aggregate initial acquisition cost or current Net Asset Value equal to $150,000, will also be permitted to make subsequent investments in the Partnership of not less than $5,000. The General Partner may, in its sole discretion, from time to time permit additional investments of lesser amounts from accredited investors. Limited Partners subscribing for additional Units should complete the subscription form prescribed by the General Partner from time to time.

RESALE RESTRICTIONS

As the Units offered pursuant to this Offering Memorandum are being distributed pursuant to exemptions from the prospectus requirements under applicable securities legislation, resale of these Units by subscribers is subject to restrictions unless a further statutory exemption may be relied upon by the subscriber or an appropriate discretionary order is obtained from the appropriate securities regulatory authorities pursuant to applicable securities legislation. Investors should consult with their professional advisors prior to subscribing for Units. Furthermore, no transfers of Units may be affected unless the General Partner, in its sole discretion, approves the transfer and the proposed transferee. The General Partner also reserves the right to exchange Class F Units or Class I Units, as the case may be, for Class A

Units or to exchange Class UF Units or Class UI Units, as the case may be, for Class UA Units upon transfer if the General Partner determines that the proposed transferee is ineligible to hold Class F Units, Class I Units, Class UF Units or Class UI Units as the case may be. Limited Partners should consult with their own tax advisors regarding the implications of transferring Units from one class to another. There is no market for these Units and no market is expected to develop, therefore it may be difficult or even impossible for a purchaser to sell their Units other than by way of a redemption of their Units.

Subscribers are advised to consult with their professional advisors concerning restrictions on resale and are further advised against reselling their Units until they have determined that any such resale is in compliance with the requirements of applicable securities legislation and the Limited Partnership Agreement.

COMPUTATION OF NET ASSET VALUE OF THE PARTNERSHIP

The Net Asset Value of the Partnership will be determined by the Administrator, who may consult with the Manager , any investment advisor, custodian, and/or the auditors of the Partnership. The Net Asset Value of the Partnership will be determined for the purposes of subscriptions and redemptions as at 4:00 p.m. (EST) on each Valuation Date, and on December 31 of each year if that day is not otherwise a Valuation Date for the purpose of the distribution of net income and net realized capital gains of the Partnership to the Limited Partners. The Net Asset Value of the Partnership on any Valuation Date shall be equal to the aggregate fair market value of the assets of the Partnership as of such Valuation Date, less an amount equal to the total liabilities of the Partnership (excluding all liabilities represented by outstanding Units) as of such Valuation Date. The Net Asset Value per Unit will be calculated on a class-by-class basis and will be determined by dividing the Net Asset Value of the Partnership on a Valuation Date attributable to a particular class of Units by the total number of that class of Units then outstanding on such Valuation Date.

The Net Asset Value of the Partnership on a Valuation Date shall be determined in accordance with the following:

(a) The assets of the Partnership shall be deemed to include the following property:

i. all cash on hand or on deposit, including any interest accrued thereon adjusted for accruals deriving from trades executed but not yet settled;

ii. all bills, notes and accounts receivable;

iii. all bonds, debentures, shares, subscription rights and other securities owned by or contracted for the Partnership including, without limitation, any units of the Partnership;

iv. all shares, rights and cash dividends and cash distributions to be received by the Partnership and not yet received by it when the Net Asset Value of the Partnership is being determined so long as, in the case of cash dividends and cash distributions to be received by the Partnership and not yet received by it when the Net Asset Value of the Partnership is being determined, the shares are trading ex-dividend;

v. all interest accrued on any interest-bearing securities owned by the Partnership other than interest, the payment of which is in default; and

vi. prepaid expenses.

(b) The market value of the assets of the Partnership shall be determined as follows:

i. notwithstanding the following, the value of any units of the Partnership shall be the Net Asset Value of such units, determined in accordance with the Limited Partnership Agreement, as amended, restated or supplemented from time to time;

ii. the value of any cash on hand or on deposit, bills, demand notes, accounts receivable, prepaid expenses, cash dividends received (or to be received and declared to securityholders of record on a date before the date as of which the Net Asset Value of the Partnership is being determined), and interest accrued and not yet received, shall be deemed to be the full amount thereof unless the Manager shall have determined that any such deposit, bill, demand note, account receivable, prepaid expense, cash dividend received or interest is not worth the full amount thereof, in which event the value thereof shall be deemed to be such value as the Manager shall determine to be the reasonable value thereof;

iii. short-term mortgages shall be valued at cost plus accrued interest, which the Manager, or a third party engaged by the Manager, believes to be the approximate fair value, provided there are no impairments. In order to estimate the fair value of the long term mortgages, the Manager, or a third party engaged by the Manager, may use various valuation techniques, including but not limited to, discounted cash flows;

iv. the value of any bonds, debentures, and other debt obligations shall be valued by taking the average of the bid and ask prices on a Valuation Date at such times as the Manager, in its discretion, deems appropriate. Short-term investments including notes and money market instruments shall be valued at cost plus accrued interest;

v. the value of any security which is listed or dealt in upon a stock exchange shall be determined as follows: (1) Common shares and preferred shares are valued at the closing price recorded by the security exchange on which the security is principally traded. In circumstances where the closing price is not within the bid-ask spread, management will determine the points within the bid-ask spread that are most representative of the fair value; and (2) listed options are valued at the closing price on the recognized exchange on which the option is traded. In circumstances where the closing price is not within the bid-ask spread, management will determine the points within the bid-ask spread that are most representative of the fair value.

vi. the value of all assets and liabilities of the Partnership valued in terms of a currency other than the currency used to calculate the Net Asset Value of the Partnership shall be converted to the currency used to calculate the Net Asset Value of the Partnership by applying the rate of exchange obtained from the best available sources to the Manager including, but not limited to, any of its affiliates; and

vii. the value of any security which is traded on an over-the-counter market will be the closing sale price on such date or, if there is no closing sale price, the simple average of the closing bid and the closing ask price on such date, all as reported by the financial press or an independent reporting organization;

viii. the value of any security or other property for which no price quotations are available or, in the opinion of the Manager , to which the above valuation principles cannot or should not be applied, shall be the fair value thereof determined from time to time in such manner as the Manager shall from time to time provide.

(c) The liabilities of the Partnership shall be calculated on an accrued basis and shall be deemed to include the following:

i. all bills, notes and accounts payable;

ii. all fees (including management fees) and administrative and operating expenses payable and/or accrued by the Partnership;

iii. all contractual obligations for the payment of money or property, including distributions of net income and net realized capital gains, if any, declared, accrued or credited to the Limited Partners but not yet paid on the day before the day as of which the Net Asset Value of the Partnership is being determined;

iv. all allowances authorized or approved by the Manager for taxes or contingencies; and

v. all other liabilities of the Partnership of whatever kind and nature, except liabilities represented by outstanding Units.

(d) Portfolio transactions (investment purchases and sales) will be reflected in the first computation of the Net Asset Value of the Partnership made after the date on which the transaction becomes binding.

(e) The Net Asset Value of the Partnership and Net Asset Value per Unit on the first business day following a Valuation Date shall be deemed to be equal to the Net Asset Value of the Partnership (or per Unit, as the case may be) on such Valuation Date after payment of all fees, including administrative fees and management fees, and after processing of all subscriptions and redemptions of Units in respect of such Valuation Date.

(f) The Net Asset Value of the Partnership and the Net Asset Value per Unit established by the Manager in accordance with the provisions of this section shall be conclusive and binding on all the Limited Partners.

(g) The Manager may determine such other rules as it deems necessary from time to time, which rules may deviate from International Financial Reporting Standards ("IFRS").

The Net Asset Value of the Partnership (or per Unit, as the case may be) calculated in this manner will be used for the purpose of calculating the Manager's and other service providers' fees and will be published net of all paid and payable fees. Such Net Asset Value of the Partnership (or per Unit, as the case may be) will be used to determine the subscription price and redemption value of Units. To the extent that such calculations are not in accordance with IFRS, the financial statements of the Partnership will include a reconciliation note explaining any difference between such published Net Asset Value of the Partnership and Net Asset Value per Unit for financial statement reporting purposes (which must be calculated in accordance with IFRS).

The Net Asset Value for a particular class of Units ("Class Net Asset Value") as at 4:00 p.m. (EST) on a Valuation Date shall be determined for the purposes of subscriptions and redemptions in accordance with the following calculation:

a) the Class Net Asset Value last calculated for that class of Units; plus

b) the increase in the assets attributable to that class as a result of the issue of Units of that class or the redesignation of Units into that class since the last calculation; minus

c) the decrease in the assets attributable to that class as a result of the redemption of Units of that class or the redesignation of Units out of that class since the last calculation; plus or minus

d) the proportionate share of the Net Change in Non-Portfolio Assets (as defined below) attributable to that class since the last calculation; plus or minus

e) the proportionate share of the impact of portfolio transactions and the adjustments to the assets as a result of a stock dividend, stock split or other corporate action recorded on that Valuation Date attributable to that class since the last calculation; plus or minus

f) the proportionate share of market appreciation or depreciation of the portfolio assets attributable to that class since the last calculation; minus

g) the proportionate share of the Partnership expenses (other than class specific expenses) ("Common Expenses") allocated to that class since the last calculation; minus

h) any expenses specific to that class since the last calculation.

"Net Change in Non-Portfolio Assets" on a Valuation Date means

a) the aggregate of all income accrued by the Partnership as of that Valuation Date, including cash dividends and distributions, interest and compensation; minus

b) the Common Expenses to be accrued by the Partnership as of that Valuation Date which have not otherwise been accrued in the calculation of the Net Asset Value of the Partnership as of that Valuation Date; plus or minus

c) any change in the value of any non-portfolio assets or liabilities stated in any foreign currency accrued on that Valuation Date including, without limitation, cash, accrued dividends or interest and any receivables or payables; plus or minus

d) any other item accrued on that Valuation Date determined by the Manager to be relevant in determining the Net Change in Non-Portfolio Assets.

A Unit of a class of the Partnership being issued or a Unit that has been redesignated as a part of that class shall be deemed to become outstanding as of the next calculation of the applicable Class Net Asset Value immediately following the Valuation Date at which the applicable Class Net Asset Value per Unit that is the issue price or redesignation basis of such Unit is determined and the issue price received or receivable for the issuance of the Unit shall then be deemed to be an asset of the Partnership attributable to the applicable class.

A Unit of a class of the Partnership being redeemed or a Unit that has been redesignated as no longer being a part of that class shall be deemed to remain outstanding as part of that class until immediately following the Valuation Date at which the applicable Class Net Asset Value per Unit that is the redemption price or redesignation basis of such Unit is determined; thereafter, the redemption price of the Unit being redeemed, until paid, shall be deemed to be a liability of the Partnership attributable to the applicable class and the Unit which has been redesignated will be deemed to be outstanding as a part of the class into which it has been redesignated.

On any Valuation Date that a distribution is paid to the Limited Partners of a class of Units, a second Class Net Asset Value shall be calculated for that class, which shall be equal to the first Class Net Asset Value calculated on that Valuation Date minus the amount of the distribution. For greater certainty, the second Class Net Asset Value shall be used for determining the Class Net Asset Value per Unit on such Valuation Date for purposes of determining the issue price and redemption price for Units on such Valuation Date, as

well as the redesignation basis for Units being redesignated into or out of such class, and Units redeemed or redesignated out of that class as at such Valuation Date shall participate in such distribution while Units subscribed for or redesignated into such class as at such Valuation Date shall not.

The Class Net Asset Value per Unit for a particular class of Units as at any Valuation Date is the quotient obtained by dividing the applicable Class Net Asset Value as at such Valuation Date by the total number of Units of that class outstanding at such Valuation Date. This calculation shall be made without taking into account any issuance, redesignation or redemption of Units of that class to be processed by the Partnership immediately after the time of such calculation on that Valuation Date. The Class Net Asset Value per Unit for each class for the purpose of the issue of Units or the redemption of Units shall be calculated on each Valuation Date by or under the authority of the Manager as at such time on every Valuation Date as shall be fixed from time to time by the Manager and the Class Net Asset Value per Unit so determined for each class shall remain in effect until the time as of which the Class Net Asset Value per Unit for that class is next determined.

The Net Asset Value per Unit of any one class of Units need not be equal to the Net Asset Value per Unit of any other class.

The Manager shall be entitled to delegate any of its powers and obligations to a valuation service provider, including, but not limited to any of its affiliates, by entering into a valuation services agreement relating to the calculation of the Net Asset Value of the Partnership and the Class Net Asset Value for the Units on each Valuation Date. As of the date hereof, the Manager has retained Commonwealth Fund Services Ltd. pursuant to the Administration Agreement to, among other things, provide valuation and financial reporting services to the Partnership and to calculate the Net Asset Value of the Partnership and the Class Net Asset Value of the Units on each Valuation Date. See "Administrator, Record-keeper and Fund Reporting". For greater certainty, the calculation of the Net Asset Value of the Partnership and the Class Net Asset Value of the Units on each Valuation Date pursuant to this section is for the purposes of determining subscription prices and redemption values of Units and not for the purposes of accounting in accordance with IFRS.

See the Limited Partnership Agreement for a full and complete description of the determination of the Net Asset Value of the Partnership and the Class Net Asset Value of the Units on each Valuation Date.

DISTRIBUTION POLICY

Subject to applicable securities legislation, distributions will be automatically reinvested in additional Units of the same Class at the Net Asset Value of such Class of Units on the date of distribution, unless a Limited Partner elects, by written notice to the Manager, to receive such distributions in cash.

The Partnership intends to make monthly distributions on each Class of Units to holders of such Units, based on the Net Income of the Partnership. The amount of any distributions may fluctuate and there can be no assurance that any distributions will be made in any period or of any particular amount.

The General Partner for the Partnership, in its sole discretion, may increase or decrease the distributions on Units with changes in the Net Asset Value of such Class. The distributions on each Class of Units are not guaranteed.

REDEMPTION OF UNITS

An investment in Units is intended to be a long-term investment. However, Units which are held by Limited Partners may be redeemed at their Net Asset Value per Unit for the applicable class (determined in accordance with the Limited Partnership Agreement) on a Valuation Date, provided the request for redemption is submitted at least 30 days prior to such Valuation Date.

The General Partner is permitted to suspend redemptions of Units with the prior permission of the Canadian securities regulators, where required, for any period not exceeding 120 days during which the General Partner determines that conditions exist which render impractical the sale of assets of the Partnership. Payment of the redemption amount will be paid to the redeeming Limited Partner not later than the 30th day following the applicable Valuation Date (60 days if such Valuation Date is the Partnership's fiscal year-end) upon which such redemption is effective.

Any written request by a Limited Partner for the redemption of Units shall be deemed to constitute the entire notice to the Partnership and shall, unless the General Partner determines otherwise in its sole discretion, supersede all previous requests, communications, representations, understandings and agreements, written or verbal, between the Limited Partner and the Partnership with respect to the redemption of Units including, but not limited to, any prior notices of redemption**.**

In addition, the General Partner reserves the right to hold back up to 20% of the aggregate redemption amount payable to a Limited Partner in order to provide an orderly disposition of assets. The term of such hold back will not exceed a reasonable time period, having regard to the applicable circumstances.

If on such Valuation Date the General Partner has received from one or more Limited Partners requests to redeem 10% or more of the Net Asset Value of the Partnership, payment of the redemption amount to such Limited Partners may be deferred until the next month-end. Such deferral may take place if, in the sole judgement of the General Partner, extra time is warranted to facilitate the orderly liquidation of portfolio security positions to meet such redemption requests. The redemption amount payable to Limited Partners will be adjusted by changes in the Net Asset Value of the Partnership during this period and calculated on each Valuation Date in respect of the payment to be made on such date.

The General Partner may suspend redemption rights of Limited Partners for any period when normal trading is suspended on any stock exchange, options exchange or futures exchange on which securities or derivatives are traded which, in the aggregate, represent more than 50% of the Net Asset Value (or underlying market exposure) of the Partnership.

The General Partner shall have the right to require a Limited Partner to redeem some or all of the Units owned by such Limited Partner on a Valuation Date at the Net Asset Value per Unit thereof, by notice in writing to the Limited Partner given at least 30 days before the date of redemption, which right may be exercised by the General Partner in its absolute discretion.

If a redeeming Limited Partner owns Units of more than one class, Units will be redeemed on a "first in, first out" basis. Accordingly, Units of the earlier class owned by the Limited Partner will be redeemed first, at the redemption price for Units of such class, until such Limited Partner no longer owns Units of such class.

The Net Asset Value (and Net Asset Value per Unit) for the applicable class of Units determined for the purposes of a subscription or redemption of Units which takes place other than at the Partnership's fiscal year-end will reflect a reduction to take into account the General Partner's share of Net Income based on the annualized returns of the Partnership (realized and unrealized) from the date of commencement of the fiscal year to the date of the issuance or redemption of the Units.

FINANCIAL DISCLOSURE

Ernst & Young, Chartered Professional Accountants, Toronto, Ontario, are the auditors of the Partnership.

Annual audited financial statements of the Partnership, including a calculation of the Net Asset Value per Unit for each class of Units, will be sent to Limited Partners upon request by March 31 of each fiscal year. The General Partner will forward to each Limited Partner interim unaudited financial statements of the Partnership as at and for the six months then ended within 60 days after the end of each such interim period

upon request. Within 60 days of the end of each fiscal quarter, the General Partner will provide a short written commentary outlining highlights of the Partnership's activities.

LIABILITY OF LIMITED PARTNERS AND REGISTRATION OF THE PARTNERSHIP

Under the laws of the Offering Jurisdictions in which Units are being offered, a limited partner of a limited partnership organized under the laws of the Province of Ontario generally will not be liable, subject to certain exceptions, for the obligations of the partnership except in respect of the amount of property that such limited partner contributes or agrees to contribute to the capital of the partnership. A limited partner may not have such limited liability: (i) if he or she is also a general partner of the limited partnership; (ii) if he or she takes part in the management of the business of the limited partnership; (iii) if a certificate of the limited partnership contains a false statement which is relied upon by a person suffering a loss and such limited partner became aware that the statement was false or misleading and failed within a reasonable time to take steps to have the record of limited partners corrected, or where the limited partner signed the certificate or declaration or later became aware of its falsehood and did not amend the certificate or declaration within a reasonable time; and (iv) if the limited partnership fails to comply with the formal requirements of applicable limited partnership legislation. As well, a limited partner may not have such limited liability where a limited partner holds, as trustee for the limited partnership, specific property stated in the certificate or record of limited partnership as contributed by such limited partner, but which has not in fact been contributed or which has been wrongfully returned and money or other property wrongfully paid or conveyed to him or her on account of his or her contribution. Where a limited partner has rightfully received the return, in whole or in part, of the capital of his or her contribution, the limited partner is nevertheless liable to the limited partnership for any sum, not in excess of that returned with interest, necessary to discharge the limited partnership's liabilities to all creditors who extended credit or whose claims arose before such return.

For certain regulatory purposes, the Partnership may be considered to be carrying on business in certain Offering Jurisdictions by virtue of this offering being made therein and the trading activities of the Partnership. However, there is a risk that Limited Partners may not be afforded limited liability in such Offering Jurisdictions to the extent that principles of conflicts of law recognizing the limitation of liability of limited partners have not been authoritatively established with respect to limited partnerships formed under the laws of one jurisdiction but carrying on business, owning property or incurring obligations in another jurisdiction. The General Partner is responsible for maintaining the registration of the Partnership as an extra-jurisdictional limited partnership in any such Offering Jurisdiction.

Pursuant to the Limited Partnership Agreement, the General Partner has agreed to indemnify and hold harmless each of the Limited Partners (including former Limited Partners) from and against all costs, damages, liabilities or losses incurred resulting from not having limited liability, other than the loss of limited liability caused by any act or omission of the Limited Partner. The General Partner has further agreed to indemnify the Partnership for any costs, damages, liabilities or losses incurred by the Partnership as a result of an act of negligence or misconduct by the General Partner pursuant to the Limited Partnership Agreement. The foregoing indemnity will not extend to liabilities arising from a Limited Partner being called upon to return any distributions paid to them (with interest), whether properly paid or paid in error. In addition, the General Partner has only nominal assets.

TERMINATION OF THE PARTNERSHIP

The Partnership will be terminated and dissolved in the event of any of the following: (i) there are no outstanding Units; (ii) the Manager resigns and no successor is appointed within the time limits prescribed in the Limited Partnership Agreement; (iii) the Manager is, in the opinion of the General Partner, in material default of its obligations under the Limited Partnership Agreement and such default continues for 120 days from the date that the Manager receives notice of such material default from the General Partner; (iv) the Manager has been declared bankrupt or insolvent or has entered into liquidation or winding-up, whether compulsory or voluntary (and not merely a voluntary liquidation for the purposes of amalgamation or

reconstruction); (v) the Manager makes a general assignment for the benefit of its creditors or otherwise acknowledges its insolvency; or (vi) the assets of the Manager have become subject to seizure or confiscation by any public or governmental authority.

The Manager may at any time terminate and dissolve the Partnership by giving to the General Partner and each Limited Partner written notice of its intention to terminate at least 90 days before the date on which the Partnership is to be terminated.

In the event of the winding-up of the Partnership, the rights of the Limited Partners to require redemption of any or all of their Units shall be suspended, the Manager shall make appropriate arrangements for converting the investments of the Partnership into cash and the General Partner shall proceed to wind-up the affairs of the Partnership in such manner as seems to it to be appropriate. The assets of the Partnership remaining after paying or providing for all obligations and liabilities of the Partnership shall be distributed among the Limited Partners registered as at the close of business on the termination date in accordance with the Limited Partnership Agreement. Distributions of net income and net realized capital gains shall, to the extent not inconsistent with the orderly realization of the assets of the Partnership, continue to be made in accordance with the Limited Partnership Agreement until the Partnership has been wound up.

Notwithstanding the foregoing, if authorized by the holders of more than 50% of the outstanding Units, the assets of the Partnership may be, in the event of the winding-up of the Partnership, distributed to the Limited Partners on the termination of the Partnership *in specie* in whole or in part, and the General Partner shall have complete discretion to determine the assets to be distributed to any Limited Partners and their values for distribution purposes.

CANADIAN FEDERAL INCOME TAX CONSIDERATIONS

The following is, as of the date hereof, a fair summary of the principal Canadian federal income tax considerations with respect to the acquisition, ownership and disposition of Units to a Limited Partner who, for the purposes of the Tax Act, is a Canadian resident individual, deals at arm's length with the Partnership, is the initial investor in the Units and will hold Units as capital property and has invested for his or her own benefit and not as a trustee of a trust. The determination of whether the Units are capital property to a holder will depend, in part, on the holder's particular circumstances. Generally, Units will be considered to be capital property to a holder if acquired by him or her for investment purposes and not acquired or held in the course of carrying on a business of trading or dealing in securities or as part of an adventure in the nature of trade.

This summary is based on the current provisions of the Tax Act, the regulations thereunder (the "**Regulations**") and the administrative practices and policies of the Canada Revenue Agency ("**CRA**") and also takes into account all specific proposals to amend the Tax Act and the Regulations publicly announced by the Minister of Finance (Canada) prior to the date hereof (the "**Proposals**"). Except for the foregoing, this summary does not take into account or anticipate any changes in law, whether by legislative, regulatory, administrative or judicial action. There can be no assurance that any Proposals will be enacted in the form proposed, if at all. Furthermore, this summary does not take into account provincial or foreign income tax legislation or considerations.

This summary is based on the assumption that the Partnership is not a "tax shelter" or "tax shelter investment", each as that term is defined in the Tax Act and an investment in the Partnership is not a "tax shelter investment" for the purposes of the Tax Act. This summary further assumes that at all times, all members of the Partnership will be resident in Canada for purposes of the Tax Act and that they will comply in all respects with the restrictions on partners pursuant to the Limited Partnership Agreement.

This summary is not applicable to a Limited Partner: (i) that is a "financial institution" as defined in the Tax Act for purposes of the "mark-to-market" property rules, (ii) that is a "specified financial institution"

as defined in the Tax Act, (iii) who makes or has made a functional currency reporting election pursuant to section 261 of the Tax Act, (iv) an interest in which would be a "tax shelter investment", as defined in the Tax Act, or who acquires an Unit as a "tax shelter investment" (and this summary assumes that no such persons hold the Units), (v) that has, directly or indirectly, a "significant interest", as defined in subsection 34.2(1) of the Tax Act, in the Partnership, or (vi) that has entered or will enter into a "derivative forward agreement", as defined in the Tax Act, in respect of the Units. Any such Limited Partners should consult their own tax advisors with respect to an investment in the Units.

This summary also assumes that the Partnership will not be a "SIFT partnership", as defined in subsection 197(1) of the Tax Act, at any relevant time for purposes of the rules in the Tax Act applicable to a "SIFT partnership" on the basis that the Units of the Partnership are not listed on a stock exchange or other public market. If the Partnership is or becomes a SIFT partnership, the tax consequences as described below would be material and adversely different.

The income and other tax consequences of acquiring, holding or disposing of Units vary according to the status of the investor, the province or territory in which the investor resides or carries on business and, generally, the investor's own particular circumstances. The following description of income tax matters is, therefore, of a general nature only and is not intended to constitute advice to any particular investor. The income tax consequences described in this summary are based on the assumptions that an investor does not undertake or arrange any transaction relating to his or her Units, other than those referred to in this Offering Memorandum, and that none of the transactions relating to the investor's Units and referred to in this Offering Memorandum is undertaken or arranged primarily to obtain a tax benefit other than those specifically described herein. Each investor should seek independent advice regarding the tax consequences of investing in Units based upon the investor's own particular circumstances.

Computation of Income or Loss

The income or loss of the Partnership will be computed in accordance with the provisions of the Tax Act for each of its fiscal years as if the Partnership were a separate person resident in Canada. The Partnership's fiscal year-end is December 31. In computing the income or loss of the Partnership, deductions will be claimed in respect of all expenses of the Partnership in accordance with and to the extent permitted under the Tax Act.

Subject to the restrictions described hereunder, each Limited Partner will generally be required to include, in computing his or her income or loss for tax purposes for a taxation year, his or her share of the income or loss (including taxable capital gains or allowable capital losses) of the Partnership allocated to such Limited Partner for each fiscal year of the Partnership for such year, whether or not he or she has received or will receive a distribution from the Partnership. Income and loss of the Partnership for tax purposes will be allocated to Limited Partners in accordance with the provisions of the Limited Partnership Agreement. Depending upon the quantum and timing of any Partnership income or losses allocated to a Limited Partner and the amount and timing of distributions, a negative adjusted cost base in the Units held by the Limited Partner could arise. In the event that the adjusted cost base of a Unit held by a Limited Partner is negative at the end of any fiscal year of the Partnership, the Limited Partner would be required to recognize at that time a capital gain equal to such negative amount, one-half of which would be included in the income of the Limited Partner. The adjusted cost base of the Limited Partner's Unit would then be nil. The Partnership is not required to make distributions to Limited Partners in any year, even when income will be allocated to Limited Partners for purposes of the Tax Act. As a result, Limited Partners may be required to pay tax on such income allocation even though the Limited Partner has not received a cash distribution. This may also be the case where an allocation of income is made to a Limited Partner who transferred Units before the end of the year. The Partnership will furnish to each Limited Partner such information as is prescribed by CRA to assist in declaring the Limited Partner's share of the Partnership's income or loss. However, the responsibility for filing any required tax returns and reporting his or her share of the income or loss of the Partnership falls solely upon each Limited Partner.

In general, every member of a Partnership must, in accordance with the Tax Act, file an information return in prescribed form which contains specified information for each taxation year of the Partnership. An information return filed by one member of a Partnership is deemed to have been made by each member of the Partnership. The General Partner has agreed to file the necessary information return.

In general, a Limited Partner's share of any income or loss of the Partnership from any source or from sources in a particular place will be treated as if it were income or loss of the Limited Partner from that source or from sources in that particular place and any provisions of the Tax Act applicable to that type of income or loss will apply to the Limited Partner.

Subject to the "at-risk rules" discussed below, a Limited Partner's share of the business losses, if any, of the Partnership for any fiscal year may be applied against his or her income from any other source to reduce net income for the relevant taxation year and, to the extent it exceeds other income for that year, carried back three years and forward twenty years against taxable income of such other years. Subject to the "at risk rules" discussed below, a Limited Partner's share of the allowable capital losses of the Partnership may be applied only against taxable capital gains and may be carried back three years or forward indefinitely and deducted against net taxable capital gains of those years, subject to the restrictions under the Tax Act.

The Tax Act provides that, notwithstanding the income or loss allocation provisions of the Limited Partnership Agreement, any losses of the Partnership from a business or property allocated to a Limited Partner will be deductible by such Limited Partner in computing his or her income for a taxation year only to the extent that his or her share of the loss does not exceed his or her "at-risk amount" in respect of the Partnership at the end of the year (referred to herein as the "at-risk rules"). In general terms, the "at-risk amount" of a Limited Partner in respect of the Partnership at the end of a fiscal year of the Partnership is (i) the adjusted cost base of his or her Units at that time plus (ii) at the end of the fiscal year of the Partnership his or her share of the income of the Partnership for the fiscal year less the aggregate of (iii) all amounts owing by the Limited Partner (or persons with whom the Limited Partner does not deal at arm's length) to the Partnership or to a person with whom the Partnership does not deal at arm's length and (iv) subject to certain exceptions, any amount or benefit to which the Limited Partner is entitled to receive where the amount or benefit is intended to protect the Limited Partner from any loss he or she may sustain by virtue of being a member of the Partnership or holding or disposing of Units.

A Limited Partner's share of any Partnership loss that is not deductible by him or her in the year because of the "at-risk rules" is considered to be his or her "limited partnership loss" in respect of the Partnership for that year. Such "limited partnership loss" may be deducted by him or her in any subsequent taxation year against any income for that year to the extent that his or her "at-risk amount" at the end of the Partnership's fiscal year ending in that year exceeds his or her share of any loss of the Partnership for that fiscal year. Prospective investors who intend to finance the acquisition of their Units should consult their tax advisors in this regard.

Disposition and Redemption of Units

Upon the redemption or other actual or deemed disposition of a Unit by a Limited Partner, a capital gain (or a capital loss) will generally be realized to the extent that the proceeds of disposition of the Unit, net of any reasonable costs of disposition, exceed (or are exceeded by) the adjusted cost base to the Limited Partner of the Unit. The portion of capital gains included in computing income ("taxable capital gain") and the portion of capital losses ("allowable capital loss") deductible from taxable capital gains is one-half. A taxable capital gain resulting from a disposition (including a deemed disposition) of the Units will be included in computing the income of a Limited Partner for the taxation year in which the disposition takes place. The unused portion of an allowable capital loss may be carried back three years or forward indefinitely and may only be used against taxable capital gains, subject to detailed rules in the Tax Act. Limited Partners should consult with their own tax advisors regarding any tax implications of exchanging or transferring between classes of Units.

In general, the adjusted cost base of a Unit to a Limited Partner is the subscription price of the Unit plus the Limited Partner's share of any income of the Partnership, including his or her share of any capital gains realized by the Partnership for any previously completed fiscal years, less (i) the Limited Partner's share of the losses of the Partnership for any fiscal year ending before that time (except where any portion of such losses were included in his or her "limited partnership loss" in respect of the Partnership, such losses will reduce his or her adjusted cost base of his or her Units only to the extent they have been previously deducted), and (ii) any distributions made to the Limited Partner by the Partnership. The adjusted cost base could become a negative amount in the event that the total of the reductions referred to above exceeds the additions. If the adjusted cost base of a Limited Partner's Unit is negative at the end of any fiscal year of the Partnership, then the Limited Partner must recognize at that time a capital gain equal to such negative amount, one-half of which would be taxable. The adjusted cost base of the Limited Partner's Unit would then be nil. A Limited Partner who is considering disposing of Units during a fiscal year of the Partnership should obtain tax advice before doing so since ceasing to be a Limited Partner before the end of the Partnership's fiscal year may affect certain adjustments to his or her cost base and his or her entitlement to a share of the Partnership's income or loss. The adjusted cost base of each Unit will be subject to the averaging provisions contained in the Tax Act.

Additional considerations may apply where, as part of a transaction or event or a series of transactions or events, a Limited Partner disposes of a Unit and a Unit is acquired, directly or indirectly through certain other partnerships or Canadian resident trusts (other than a "mutual fund trust" as defined in the Tax Act), by a person exempt from tax under section 149 of the Tax Act. Limited Partners proposing to engage in such a transaction should obtain specific tax advice.

Alternative Minimum Tax

Limited Partners that are individuals or trusts may be subject to the alternative minimum tax rules. Such Limited Partners should consult their own tax advisors.

Dissolution of the Partnership

In general, any income or loss realized by the Partnership on the disposition of its assets in the course of its dissolution or termination in a fiscal year will be included in computing its income or loss as described above and allocated to the Limited Partners in accordance with the Limited Partnership Agreement. The adjusted cost base of each Limited Partner's Units will be increased or decreased as described above to reflect the Limited Partner's share of the Partnership's income or loss and the fair market value of property and cash distributed to the Limited Partner in the course of the dissolution. The Limited Partner will realize a capital gain or capital loss equal to any remaining negative or positive adjusted cost base of the Limited Partner's Units after all of the Partnership's property has been distributed. One half of any such capital gain or capital loss would be taxable or deductible as described above.

Non-Eligibility for Investment by Tax Deferred Plans

Units are not "qualified investments" under the Tax Act for registered retirement savings plans, registered retirement income funds, deferred profit sharing plans, registered disability savings plans, registered education savings plans, tax-free savings accounts or individual pension plans.

New IRS Reporting Rules

On March 18, 2010, the Hiring Incentives to Restore Employment Act of 2010 was enacted into law and added a new withholding tax system, often referred to as the *Foreign Account Tax Compliance Act* ("FATCA"), to the Internal Revenue Code (the "Code").

FATCA requires a "foreign financial institution" ("FFI"), the broad definition of which would include an investment Partnership established outside of the U.S., to undertake certain due diligence, reporting,

withholding and certification obligations with respect to its direct investors. Failure to comply with FATCA could subject an FFI or its account holders to certain sanctions including a 30% U.S. withholding tax on certain payments.

On February 5, 2014, Canada and the U.S. signed the Canada-United States Enhanced Tax Information Exchange Agreement (the "Canada-US IGA") relating to FATCA, and, on June 19, 2014, amendments to the Tax Act to implement the Canada-US IGA received Royal Assent (the "FATCA Amendments"). The FATCA Amendments came into force on June 27, 2014.

Under the Canada-U.S. IGA, a Canadian FI must comply with certain due diligence and reporting obligations in respect of "U.S. Reportable Accounts" maintained by such Canadian FI at any time after June 29, 2014. Annual information reporting obligations to the CRA, including reporting on such U.S. Reportable Accounts began in 2014, subject to a three year phase-in period. Information provided to the CRA, including information regarding U.S. Reportable Accounts will be exchanged by the CRA with the IRS in accordance with the provisions of the Canada-U.S. IGA. A Canadian FI that complies with the requisite due diligence and reporting requirements of the Canada-U.S. IGA will generally be relieved from certain provisions that would otherwise have been applicable under FATCA, including the imposition of the 30% withholding tax on certain U.S. source payments and the obligation to close accounts of individual account holders who do not provide requested information to permit the Canadian FI to establish whether they are U.S. Reportable Accounts.

If applicable, the Partnership intends to comply with FATCA. Any U.S. withholding tax imposed under FATCA would reduce the returns to Limited Partners. The administrative cost of compliance with FATCA may also cause an increase in operating expenses of the Partnership further reducing returns to Limited Partners. Limited Partners should consult their own tax advisors regarding the implications of FATCA on their investment in the Partnership.

RISK FACTORS

An investment in Units involves certain risks, including risks associated with the Partnership's investment strategies. The following risk factors do not purport to be a complete explanation of all risks involved in purchasing Units. Prospective investors should read this entire Offering Memorandum and consult with their legal and other professional advisors before determining whether to invest in Units.

Risks Associated with an Investment in the Partnership

Speculative Investment

An investment in the Partnership is not guaranteed and is not intended as a complete investment program. A subscription for Units should be considered only by persons financially able to maintain their investment and who can bear the risk of loss associated with an investment in the Partnership. Investors should review closely the investment objective, strategies and restrictions to be utilized by the Partnership as outlined herein to familiarize themselves with the risks associated with an investment in the Partnership.

Concentration

A mortgage pool with few mortgagors is subject to the potential risk that such mortgagors may have a disproportionately greater effect on the performance of the mortgage pool than if such mortgagor concentration did not exist. Such a mortgage pool may be subject to losses that are more severe than other pools having the same or similar aggregate principal balance and composed of smaller average loan balances and a greater number of mortgagors. The Manager will seek to reduce this risk over a period of time as the Partnership builds its mortgage portfolio by limiting the maximum exposure to any single mortgagor. It is expected that initially the exposure to any single mortgagor may be significantly

concentrated until the Partnership reaches a sufficient size to enable the Manager to balance the dollar amounts of the mortgage opportunities meeting the risk and return objectives of the Partnership to the total assets of the Partnership.

Not a Public Mutual Fund

The Partnership is not subject to the securities regulatory restrictions placed on public mutual funds to ensure diversification and liquidity of the Partnership's portfolio securities.

Limited Operating History for the Partnership

Although all persons involved in the management of the Partnership and the service providers to the Partnership have had long experience in their respective fields of specialization including experience with other credit funds, it has to be considered that the Partnership has a limited operating and performance history upon which prospective investors can evaluate the Partnership's performance.

Charges to the Partnership

The Partnership is obligated to pay Management Fees, brokerage commissions and legal, accounting, filing and other expenses regardless of whether the Partnership realizes any profits. In addition, the Partnership will allocate Net Income to the General Partner in respect of a fiscal year, as described under "The Limited Partnership Agreement – Distributions and Computation and Allocation of Net Income or Net Losses of the Partnership".

Changes in Investment Objective, Strategies and Restrictions

The Partnership may alter its investment objective, strategies and restrictions without the prior approval of the Limited Partners if the General Partner and the Manager determine that such changes are in the best interests of the Partnership.

Limited Partners Not Entitled to Participate in Management

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

Dependence of the Manager on Key Personnel

The Manager depends, to a great extent, on the services of a limited number of individuals in the management and administration of the Partnership's trading activities. The loss of such services for any reason could impair the ability of the Manager to perform its investment management activities on behalf of the Partnership.

Reliance on the Manager

The Partnership relies on the ability of the Manager to actively manage the assets of the Partnership. The Manager will make the actual trading decisions upon which the success of the Partnership will depend significantly. No assurance can be given that the trading approaches utilized by the Manager will prove successful. There can be no assurance that satisfactory replacements for the Manager will be available, if needed. Termination of the Management Agreement will not terminate the Partnership, but will expose investors to the risks involved in whatever new investment management arrangements the General Partner is able to negotiate for and on behalf of the Partnership. In addition, the liquidation of securities positions

held by the Partnership as a result of the termination of the Management Agreement may cause substantial losses to the Partnership.

Reliance on the Mortgage Administrators

The Partnership and the Manager will be relying on the ability of the Mortgage Administrator to administer and service the Partnership's portfolio of Mortgage investments. There can be no assurance that satisfactory replacements for the Mortgage Administrators will be available if the Mortgage Administrator ceases to act as such. Termination of the Mortgage Administrator will not terminate the Partnership, but will expose investors to the risks involved in whatever new administration and servicing arrangements the Manager is able to negotiate.

Dependence of the Mortgage Administrators on Key Personnel

Each Mortgage Administrator will depend, to a great extent, on the services of a limited number of individuals in the conduct of the Mortgage Administrator's activities in respect of the Partnership's portfolio of Mortgage investments. The loss of one or more of such individuals for any reason could impair the ability of a Mortgage Administrator to perform its administration and servicing activities on behalf of the Partnership in respect of the Partnership's portfolio of Mortgage investments.

Resale Restrictions

The offering of the Units is not qualified by way of prospectus and, consequently, the resale of the Units is subject to restrictions under applicable securities legislation. There is no formal market for the Units and one is not expected to develop. Accordingly, it is possible that Limited Partners, including the Partnership, may not be able to resell their Units other than by way of redemption of their Units on a Valuation Date, subject to the limitations described under "The Limited Partnership Agreement – Redemption of Units".

Illiquidity

Holders of Units may not be able to liquidate their investment in a timely manner and Units may not be readily accepted as collateral for a loan. There can be no assurance that the Partnership will be able to dispose of its investments in order to honour requests to redeem Units.

Possible Effect of Redemptions

Substantial redemptions of Units could require the Partnership to liquidate securities positions more rapidly than otherwise desirable to raise the necessary cash to fund redemptions and to achieve a market position appropriately reflecting a smaller asset base. Such factors could adversely affect the value of the Units redeemed and of the Units that remain outstanding.

Liability of the Limited Partners

The Limited Partnership Agreement provides that no Limited Partner will be subject to any liability whatsoever, in tort, contract or otherwise, to any person in connection with the investment obligations, affairs or assets of the Partnership and all such persons shall look solely to the Partnership's assets for satisfaction of claims of any nature arising out of or in connection therewith. There is a risk, which is considered by the Manager to be remote in the circumstances, that a Limited Partner could be held personally liable, notwithstanding the foregoing statement in the Limited Partnership Agreement, for obligations of the Partnership to the extent that claims are not satisfied out of the assets of the Partnership. It is intended that the operations of the Partnership will be conducted in such manner so as to minimize such risk. In the event that a Limited Partner should be required to satisfy any obligation of the Partnership, such Limited Partner will be entitled to reimbursement from any available assets of the Partnership.

Distributions and Allocations

The Partnership is not required to distribute its profits. If the Partnership has income for Canadian federal income tax purposes for a fiscal year, such income will be allocated to the Limited Partners in accordance with the provisions of the Limited Partnership Agreement as described under "The Limited Partnership Agreement – Distributions and Computation and Allocation of Net Income or Net Losses of the Partnership" and will be required to be included in computing their income for tax purposes, irrespective of the fact that cash may not have been distributed to Limited Partners. The Partnership will thereafter allocate all of its income to the Partnership. Allocations for tax purposes to the Partnership, may not correspond to the economic gains and losses which the Partnership, may experience.

Repayment of Certain Distributions

Other than with respect to the possible loss of limited liability as outlined in the risk factor below, no Limited Partner will be obligated to pay any additional assessment on the Units held or subscribed. However, if the available assets of the Partnership are insufficient to discharge obligations to creditors incurred by the Partnership, the Partnership may have a claim against a Limited Partner for the repayment of any distributions or returns of contributions received by such Limited Partner (including upon redemption of Units), to the extent that such obligations arose before the distributions or returns of contributions sought to be recovered by the Partnership. In the Limited Partnership Agreement, each Limited Partner agrees to repay to the Partnership any such amount for which such Limited Partner could be liable pursuant to applicable limited partnership legislation upon the request of the General Partner. A Limited Partner who transfers his or her Units remains liable to make such repayments, irrespective of whether his or her transferee becomes a substituted Limited Partner. See "The Limited Partnership Agreement – Liability of Limited Partners and Registration of the Partnership".

Possible Loss of Limited Liability

The Partnership may, by virtue of its offering of the Units or otherwise, be carrying on business in Offering Jurisdictions other than the jurisdiction under which it was formed. However, there is a risk that Limited Partners may not be afforded limited liability in such Offering Jurisdictions to the extent that principles of conflicts of law recognizing the limitation of liability of Limited Partners have not been authoritatively established with respect to limited partnerships formed under laws of one jurisdiction but carrying on business in another jurisdiction. See "The Limited Partnership Agreement – Liability of Limited Partners and Registration of the Partnership".

Potential Indemnification Obligations

Under certain circumstances, the Partnership might be subject to significant indemnification obligations in respect of the General Partner, the Manager, the Mortgage Administrator and other service providers to the Partnership or certain persons related to them. The Partnership will not carry any insurance to cover such potential obligations and none of the foregoing parties will be insured for losses for which the Partnership has agreed to indemnify them. Any indemnification paid by the Partnership would reduce the Net Asset Value of the Partnership and the Net Asset Value per Unit, and, by extension, the Net Asset Value of the Partnership and the Net Asset Value per Unit.

Valuation of the Partnership's Investments

Valuation of the Partnership's portfolio 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 Partnership and the Net Asset Value per Unit could be adversely affected. Independent pricing information may not at times be available regarding certain of the Partnership's portfolio securities and other investments. Valuation determinations will be made in good faith in accordance with the Limited Partnership Agreement.

The Partnership may 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 designated by the Partnership to any such investment differs from its actual value, the Net Asset Value per Unit may be understated or overstated, as the case may be. In light of the foregoing, there is a risk that a Limited Partner who redeems all or part of his or her Units while the Partnership holds such investments will be paid an amount less than such Limited Partner would otherwise be paid if the actual value of such investments is higher than the value designated by the Partnership. Similarly, there is a risk that such Limited Partner might, in effect, be overpaid if the actual value of such investments is lower than the value designated by the Partnership. In addition, there is risk that an investment in the Partnership by a new Limited Partner (or an additional investment by an existing Limited Partner) could dilute the value of such investments for the other Limited Partners if the actual value of such investments is higher than the value designated by the Partnership. Furthermore, there is a risk that a new Limited Partner (or an existing Limited Partner that makes an additional investment) could pay more to purchase Units than he or she might otherwise be required to pay if the actual value of such investments is lower than the value designated by the Partnership. The Partnership does not intend to adjust the Net Asset Value per Unit of any class of Units retroactively.

Lack of Independent Experts Representing Limited Partners

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

No Involvement of Unaffiliated Selling Agent

The General Partner and the Manager are under common control and ownership. Consequently, no outside selling agent unaffiliated with such parties has made any review or investigation of the terms of the offering of the Units, the structure of the Partnership or the background of the General Partner and the Manager.

Tax Liability

Each Limited Partner is taxable in respect of the income of the Partnership allocated to him or her. Income will be allocated to Limited Partners according to the terms of the Limited Partnership Agreement and without regard to the acquisition price of such Units. Limited Partners may have an income tax liability in respect of profits not distributed.

The income or loss of the Partnership will be computed as if the Partnership were a separate person resident in Canada. The CRA has stated that it will permit certain taxpayers to report their gains and losses from commodities-related transactions as capital gains and losses (rather than as ordinary income or losses from a business), but has also stated that it will not extend such treatment to a partnership whose prime activity is trading in commodities or commodities futures where the facts support the proposition that the partnership is carrying on a business of trading such items. The CRA's administrative practices with respect to trading activities (other than commodities) to be undertaken by the Partnership may be applied in a similar manner. In the event that the Partnership treats certain of its gains and losses from trading in equities and equity derivative securities as giving rise to capital gains and capital losses, it is possible that the CRA may recharacterize such gains and losses as being on income account.

The above risks do not represent a complete explanation of all the risks involved with an investment in the Partnership and potential investors should carefully review this entire offering memorandum and consult with an independent legal advisor prior to signing the subscription form for the Units.

Risks Associated with the Partnership's Investments

The following risk factors, associated with the Partnership's investments, will directly impact the Limited Partners.

General Economic and Market Conditions

The success of the Partnership'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 Partnership's investments. Unexpected volatility or illiquidity could impair the Partnership's profitability or result in losses.

Assessment of the Market

The Manager intends to invest in opportunities that provide what the Manager, at the time of investment, believes to be the best reward per unit of risk. The Manager also intends to optimize the reward per unit of risk of the Partnership's investment portfolio depending on the Manager's view of the domestic and international economy, market trends and other considerations. The Partnership's portfolio will be positioned in accordance with the Manager's market view. There is no assurance that the Manager's assessment of the market will be correct and result in positive returns. Losses may occur as a result of any incorrect assessment.

Concentration

The Manager may take more concentrated securities positions than a typical mutual fund or concentrate investment holdings in specialized industries, market sectors or in a limited number of issuers. Investment in the Partnership involves greater risk and volatility since the performance of one particular sector, market or issuer could significantly and adversely affect the overall performance of the entire Partnership.

Availability of Mortgages

The ability of the Partnership to make investments in Mortgages in accordance with its objectives and investment policies stated in this offering memorandum depends on the availability of suitable investments and the amount of funds available.

The Manager has retained the services of the Mortgage Administrator in order to procure, broker, service, administer and monitor the Mortgages and therefore relies on the Mortgage Administrator to present suitable investments to the Manager of the Partnership.

Foreign Investment Risk

To the extent that the Partnership invests in securities of foreign issuers, it will be affected by world economic factors and, in many cases, by the value of the Canadian dollar as measured against foreign currencies. Obtaining complete information about potential investments from foreign markets may also be of greater difficulty. Foreign issuers may not follow certain standards that are applicable in North America, such as accounting, auditing, financial reporting and other disclosure requirements. Political climates may differ, affecting stability and volatility in foreign markets. As a result, the Net Asset Value of the Partnership may fluctuate to a greater degree by investing in foreign equities than if the Partnership limited its investments to Canadian securities.

Illiquidity of Underlying Investments

Due to the nature of the Partnership's investment strategy and portfolio, certain investments may have to be held for a substantial period of time before they can be liquidated to the Partnership's greatest advantage or, in some cases, at all. The Partnership will generally hold investments that are illiquid and for which no ready market exists. Illiquid investments carry the risk that a buyer may not be found for such investments. Also, certain of the investments owned by the Partnership may be subject to legal or contractual restrictions which may impede the Partnership's ability to dispose of its investments which it might otherwise desire to do. To the extent that there is no liquid trading market for these investments, the Partnership may be unable to liquidate these investments or may be unable to do so at a profit.

Credit Risk

The investments of the Partnership in Mortgages will expose the Partnership to the credit risk of the borrower or counterparty, as applicable, including the risk of default by the borrower or counterparty, as applicable, on the interest, principal and other payment amounts owing on the Mortgage. Although the Manager will seek to moderate risk through the careful selection of investments within the parameters of the investment strategy, and such investments in the Portfolio will generally be secured by specific collateral, there can be no assurance the liquidation of such collateral would satisfy a borrower's obligation in the event of default or that such collateral could be readily liquidated under such circumstances. In the event of bankruptcy of a borrower, delays or limitations could be experienced with respect to the ability to realize the benefits of any collateral securing a Mortgage.

Impaired Loans; No Insurance

The Partnership may from time to time have one or more impaired loans in its Portfolio. Loans are impaired where full recovery is considered in doubt based on a current evaluation of the security held and for which specific loss provisions have been established. Any Mortgage which is secured by buildings and/or land will not generally be insured by a mortgage insurer in whole or in part. Consequently, the performance of such impaired loans may affect the overall performance of the Partnership.

Joint Ventures and Co-Investments

The Partnership may enter into joint venture or co-investment arrangements with other entities when making investments, which may include other vehicles or accounts, organised or sponsored by the Manager or its respective affiliates. These may involve incentive-based management agreements. The Manager may, from time to time, in its sole discretion, offer Limited Partners or third parties opportunities to co-invest with the Partnership in particular investments. Co-investment opportunities may result in additional benefits for those who so invest. As the Manager retains discretion as to how co-investment opportunities are allocated among Limited Partners, the benefits of an investment in which the Manager has made co-investment opportunities available will be received only by the Limited Partners selected by the Manager for such opportunities and not by any of the other Limited Partners.

Litigation

Litigation can and does occur in the ordinary course of the management of an investment portfolio. The Partnership may be engaged in litigation both as plaintiff and as a defendant. In certain cases, borrowers may bring claims and/or counterclaims against the Partnership, the Manager, and/or their respective principals and affiliates. The expense of defending against claims made against the Partnership by third parties and paying any amounts pursuant to settlements or judgments would, to the extent that the Partnership has not been able to protect itself by indemnification or other rights against the portfolio companies, be borne by the Partnership and reduce the Net Asset Value of the Partnership.

In recent years, certain judicial decisions have upheld the right of borrowers to sue lending institutions on the basis of various evolving legal theories (collectively termed "**lender liability**"). Generally, lender liability is founded upon the premise that an institutional lender has violated a fiduciary duty (whether implied or contractual) of good faith and fair dealing owed to the borrower or has assumed a degree of control over the borrower resulting in creating a fiduciary duty owed to the borrower or its other creditors or shareholders. Due to the nature of the Partnership's investments, the Partnership could be subject to allegations of lender liability.

Fixed Income Securities

To the extent that the Partnership holds fixed income investments in its portfolio, it will be influenced by financial market conditions and the general level of interest rates in Canada. In particular, if fixed income investments are not held to maturity, the Partnership may suffer a loss at the time of sale of such securities.

Equity Securities

To the extent that the Partnership holds equity investments in its portfolio, it will be influenced by stock market conditions in those jurisdictions where the securities held by the Partnership are listed for trading and by changes in the circumstances of the issuers whose securities are held by the Partnership. Additionally, to the extent that the Partnership holds any foreign investments in its portfolio, it will be influenced by world political and economic factors and by the value of the Canadian dollar as measured against foreign currencies which will be used in valuing the foreign investment positions held by the Partnership.

Possible Correlation With Traditional Investments

Although the Partnership's portfolio will not typically be comprised of a material amount of equity securities, there can be no assurance that the performance of the Partnership will not, in fact, be positively correlated to the performance of traditional stock and bond investments, especially if multiple markets move in tandem, thereby reducing the overall portfolio benefits of an investment in the Partnership.

Idle Cash

While the Manager will typically endeavour to keep the assets of the Partnership invested, there may be periods of time when the Partnership has a significant portion of its assets in cash or cash equivalents. The investment return on such "idle cash" may not meet the overall return objective the Manager seeks for the Partnership.

Currency Risk

Investments denominated in a currency other than Canadian dollars will be affected by 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 within the Partnership's portfolio may be worth more or less depending on their susceptibility to foreign exchange rates.

To the extent that the Partnership directly or indirectly holds assets in local currencies, the Partnership will be exposed to a degree of currency risk which may adversely affect performance. Changes in foreign currency exchange rates may affect the value of investments in the Partnership. In addition, the Partnership will incur costs in connection with conversions between various currencies. The Partnership may seek to hedge the foreign currency exposure, but such hedging strategies may not necessarily be available or effective and may not always be employed, since the Partnership may choose to enhance returns through direct currency exposure.

Leverage

The Partnership may use financial leverage by borrowing funds against the assets of the Partnership. The use of leverage increases the risk to the Partnership and subjects the Partnership to higher current expenses. Also, if the Partnership's portfolio value drops to the loan value or less, Limited Partners could sustain a total loss of their investment.

Diversification of Investments

The ability of the Partnership to diversify its investments will depend on the general availability of suitable investments for the Partnership. The Manager intends to diversify the Partnership's investments by type, priority, duration and risk, however circumstances may cause the Manager to make investments in Mortgages of similar type, priority, duration and risk.

Environmental

The value of the properties which will be subject to the Mortgages can be significantly impacted should remedial work be required following the discovery of the presence of certain materials, including hazardous or toxic substances and wastes on the property. The failure to effect such remedial work may adversely affect the mortgagor's ability to sell or refinance the property. Furthermore, failure to effect the remedial work may also result in claims against the mortgagor.

In practice, the Mortgage Administrator will generally obtain an evaluation of the property that will be subject to the Mortgage, such evaluation to include an environmental site assessment.

Insolvency of the Mortgage Administrator

The Partnership's interest in the Mortgages shall be held by legal title and registered in the name of the Mortgage Administrator on behalf of the Partnership. In the event of insolvency of the Mortgage Administrator, this could result in significant delays for the payment of withdrawal proceeds to the Partnership.

Industry Specific Risks

Regulatory Risk

As neither the Manager nor the Partnership possess the required licenses to engage in the business of dealing in mortgages, the Partnership and the Manager must work in collaboration with a licensed mortgage broker and administrator to conduct the contemplated mortgage investment activities described herein.

Risks Associated with Mortgages

Real estate investment contains elements of risk and is subject to uncertainties such as costs of operation and financing and fluctuating demand. In addition, prospective investors should take note of the following:

(a) *Credit Risk*: Credit risk is the risk that a mortgagor will fail to discharge the obligation under a Mortgage causing the Partnership to incur a financial loss. The Manager attempts to minimize credit risk primarily by ensuring that the collateral value of the security fully protects both first and second Mortgage advances, that there is a viable exit strategy for each Mortgage, and that Mortgages are made to experienced mortgagors. In addition, the Manager limits concentration of risk by diversifying the Partnership's portfolio by way of geographic location, property type, maximum amount on any one property and maximum amount to any one mortgagor.

(b) *Liquidity Risk*: The Partnership uses cash flow projections to forecast funding requirements on Mortgage proposals and anticipated redemption of Units. The Partnership may enter into loan facilities with one or more lenders to hedge the liquidity risk of redemptions. See "Loan Facilities".

(c) *Economic Conditions*: Investments in Mortgages are affected by general economic conditions, local real estate markets, demand for housing or commercial premises, fluctuation in occupancy rates, operating expenses and various other factors. Investments in Mortgages are relatively illiquid. This illiquidity will limit the Partnership's ability to vary its portfolio of Mortgages promptly in response to changing economic or investment conditions.

(d) *Property Characteristics*: The location and age of a property, its construction quality and access to transportation generally impacts on its potential to generate sustainable income during its economic life. Unless carefully selected, the characteristics of an area in which a property is located can change over time thereby adversely affecting the property's financial performance.

(e) *Competition*: Commercial real estate is subject to the usual competitive forces of supply, demand and availability of substitutes. These competitive forces may impact on the overall financial performance of the property including occupancy levels and potential rental rates. As a result, increased competition could adversely affect income from, and the value of, the mortgaged properties.

(f) *Mortgage Insurance*: The Partnership's portfolio of Mortgages will not generally be insured by the Canada Mortgage and Housing Corporation or any other mortgage insurer in whole or in part.

(g) *Default*: In case of a default on a Mortgage, it may be necessary for a Mortgage Administrator, in order to protect the Partnership's investment, to engage in foreclosure or sale proceedings and to make further outlays to complete an unfinished project or to maintain prior encumbrances in good standing.

(h) *Impaired Loans*: The Partnership may from time to time have one or more impaired loans in the Partnership's portfolio of Mortgages. Loans are impaired where full recovery is considered in doubt based on a current evaluation of the security held and for which specific loss provisions have been established.

(i) *Refinancing Issues*: The availability of credit for a mortgagor to refinance the Mortgage or sell the mortgaged properties will be significantly dependent on economic conditions in the markets where the mortgaged properties are located, the creditworthiness of the mortgagor, as well as the willingness and ability of lenders to make such mortgages. The availability of funds in the credit markets fluctuates and there can be no assurance that the availability of such funds will exist at the time certain Mortgages mature.

(j) *Priority*: Financial charges funded by first Mortgage lenders may in some cases rank in priority to the Mortgages registered in favour of a Mortgage Administrator as bare trustee and nominee of the General Partner in respect of the General Partner's interests on behalf of the Partnership. In the event of default by a mortgagor under any prior financial charge, a Mortgage Administrator maybe required to arrange a new first Mortgage or pay out the same in order to avoid adverse financial implications for the Partnership.

The above risks do not represent a complete explanation of all the risks involved with the Partnership's investments and potential investors should carefully review this entire offering memorandum and consult with an independent legal advisor prior to signing the subscription form for the Units. There can be no assurance that the Partnership's investment objective will be achieved or that the Net Asset Value per Unit at redemption will be equal to or more than a purchaser's original cost.

CONFLICTS OF INTEREST

Various potential conflicts of interest exist between the Partnership and the Manager. These potential conflicts of interest may arise as a result of common ownership and certain common directors, partners, officers and personnel and, accordingly, will not be resolved through arm's length negotiations but through the exercise of judgment consistent with fiduciary responsibilities to the Partnership and its Limited Partners generally.

The Manager manages, and may in the future manage, the trading for other limited partnerships, trusts, corporations, investment funds or managed accounts in addition to the Partnership. In the event that the Manager elects to undertake such activities and other business activities in the future, the Manager and its principals may be subject to conflicting demands in respect of allocating management time, services and other functions. The Manager and its principals and affiliates will endeavour to treat each investment pool and managed account fairly and not to favour one pool or account over another and will conduct their activities in accordance with the Manager's fair allocation policy.

In executing its duties on behalf of the Partnership, the Manager will be subject to the provisions of the Limited Partnership Agreement and the Manager's Code of Ethics (a copy of which is available for review by Limited Partners upon request at the offices of the Manager), which provide that the Manager will exercise its duties in good faith and with a view to the best interests of the Partnership and its Limited Partners.

INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

Certain senior officers and directors of the Manager, or the Mortgage Administrator, and/or its affiliates and associates may purchase and hold Class I or UI Units and may participate in the Mortgages on a syndicated basis from time to time.

The Manager may receive compensation and/or reimbursement of expenses from the Partnership as described under "Management of the Partnership – The Manager ", "Fees and Expenses – Management Fees Payable by the Partnership" and "Fees and Expenses – Performance Fees Payable by the Partnership".

MATERIAL CONTRACTS

The only material contracts of the Partnership are as follows:

(i) the Limited Partnership Agreement referred to under "The Limited Partnership Agreement";

(ii) the Management Agreement referred to under "The Manager";

(iii) the Mortgage Administration Agreement referred to under "The Mortgage Administrator"; and

(iv) the Administration Agreement referred to under "The Record-Keeper and Partnership Reporting".

PROCEEDS OF CRIME (MONEY LAUNDERING) LEGISLATION

In order to comply with federal legislation aimed at the prevention of money laundering, the Partnership may require additional information concerning each Limited Partner.

If, as a result of any information or other matter which comes to the General Partner's or the Manager's attention, any director, partner, officer or employee of the General Partner, the Manager, or their respective 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 confidential information imposed by law or otherwise.

PRIVACY POLICY

In connection with the offering and sale of Units, personal information (such as address, telephone number, social insurance number, birth date, assets and/or income information, employment history and credit history, if applicable) about each Limited Partner is collected and maintained. Such personal information is collected to enable the General Partner, and the Manager to provide Limited Partners with services in connection with their investment in the Partnership, to meet legal and regulatory requirements and for any other purpose to which Limited Partners may consent in the future. Investors are encouraged to review the privacy policy of the Partnership set out in in the subscription form prescribed by the General Partner from time to time.

PURCHASERS' RIGHTS OF ACTION FOR DAMAGES OR RESCISSION

Securities laws in certain jurisdictions of Canada provide purchasers, in addition to any other rights they may have at law, with rights of action for damages or rescission if an offering memorandum, such as this Offering Memorandum, or any amendment to it and, in certain cases, advertising and sales literature used in connection therewith, contains a misrepresentation. However, these rights must be exercised by the purchaser within the time limits prescribed by the applicable securities laws. Each purchaser should refer to the provisions of the applicable securities laws for a complete text of these rights and/or consult with a legal advisor.

The following is a summary of the statutory rights of action for damages or rescission available to purchasers resident in certain provinces and territories. These summaries are subject to the express provisions of the applicable securities laws of such jurisdictions and the regulations, rules and policy statements thereunder, and reference is made thereto for the complete texts of such provisions. The rights of action described below are in addition to, and without derogation from, any other right or remedy that a purchaser may have under applicable laws.

Statutory Rights of Action

Purchasers Resident in Alberta in Reliance on the Minimum Amount Investment Exemption

Alberta Securities Commission Rule 45-511 *Local Prospectus Exemptions and Related Requirements* provides that the following statutory rights of action apply to information contained in an offering memorandum, such as this Offering Memorandum, that is provided to a purchaser of securities in respect of a distribution made in reliance only on the "minimum amount investment" exemption in section 2.10 of NI 45-106.

The rights of action for damages or rescission described herein is conferred by section 204 of the *Securities Act* (Alberta) (the "**ASA**") and the time limits specified by section 211 of the ASA in which an action to enforce a right under section 204 must be commenced. If this Offering Memorandum, or any amendment to it, provided in connection with a distribution made in reliance on the "minimum amount investment"

exemption contains a misrepresentation, a purchaser resident in Alberta who purchases under such exemption a security offered by this Offering Memorandum: (a) is deemed to have relied on the misrepresentation if it was a misrepresentation at the time of purchase and, in addition to any other rights the purchaser may have at law, (b) has a right of action for damages against (i) the Partnership, and (ii) each person who signed this Offering Memorandum (each a "**Signatory**" and collectively, the "**Signatories**"). If a purchaser elects to exercise a right of rescission against the Partnership, the purchaser will have no right of action for damages against the Partnership or the Signatories.

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

No action may be commenced to enforce either right of action unless the right is exercised:

(a) in the case of an action for rescission, on notice given to the Partnership not later than 180 days from the date of the transaction that gave rise to the cause of action; or

(b) in the case of an action for damages, on notice given to the Partnership not later than the earlier of (i) 180 days from the date 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,

and also provided that:

(a) the Partnership or a Signatory will not be held liable under this paragraph if the Signatory or the Partnership proves the defendant purchased the Units with knowledge of the misrepresentation;

(b) in an action for damages, the Partnership or the Signatory will not be liable for all or any portion of those damages that they prove do not represent the depreciation in value of the Units as a result of the misrepresentation; and

(c) in no case will the amount recoverable under this paragraph exceed the price at which the Units were sold to the purchaser.

Purchasers Resident in Manitoba

In the event that this Offering Memorandum, or any amendment hereto, contains a misrepresentation and it is a misrepresentation at the time of purchase, the purchaser shall be deemed to have relied upon the misrepresentation and shall have, in addition to any other rights the purchaser may have at law: (a) a right of action for damages against (i) the Partnership, (ii) every director of the Partnership at the date of the Offering Memorandum (each a "**Director**" and collectively, the "**Directors**"), and (iii) every Signatory; and (b) a right of rescission against the Partnership. If a purchaser elects to exercise a right of rescission against the Partnership, the purchaser will have no right of action for damages against the Partnership, the Directors or the Signatories.

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

The Partnership, the Directors and the Signatories will not be liable if they prove that the purchaser purchased the Units with knowledge of the misrepresentation.

All of the Partnership, the Directors and the Signatories that are found to be liable or accept liability are jointly and severally liable. A defendant who is found liable to pay a sum in damages may recover a contribution, in whole or in part, from a person who 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 court is satisfied that it would not be just and equitable.

Directors or Signatories will not be liable:

(a) if they prove the Offering Memorandum was sent to the purchaser without their knowledge or consent and, after becoming aware that it was sent, promptly gave reasonable notice to the Partnership that it was delivered without their knowledge and consent;

(b) if they prove that, after becoming aware of a misrepresentation in the Offering Memorandum they withdrew their consent to the Offering Memorandum and gave reasonable notice to the Partnership of their withdrawal and the reasons therefor;

(c) if, with respect to any part of the Offering Memorandum purporting to be made on the authority of an expert or to be a copy of, or an extract from, a report, opinion or statement of an expert ("**Expert Opinion**"), if they prove they did not have any reasonable grounds to believe and did not believe that there was a misrepresentation or that the relevant part of the Offering Memorandum did not fairly represent the Expert Opinion or was not a fair copy of, or an extract from, such Expert Opinion; or

(d) with respect to any part of the Offering Memorandum not purporting to be made on an expert's authority, or not purporting to be a copy of, or an extract from an Expert Opinion, unless the Director or Signatory (i) did not conduct an investigation sufficient to provide reasonable grounds for a belief that there had been no misrepresentation, or (ii) believed there had been a misrepresentation.

A person or company is not liable in an action for a misrepresentation in forward-looking information if the person or company proves that this Offering Memorandum contained, proximate to that information, reasonable cautionary language identifying the forward-looking information as such, and identifying material factors that could cause actual results to differ materially from a conclusion, forecast or projection in the forward-looking information, and a statement of the material factors or assumptions that were applied in drawing the conclusion or making the forecast or projection, and the person or company had a reasonable basis for drawing the conclusions or making the forecasts or projections set out in the forward-looking information.

In an action for damages, the Partnership, the Directors and the Signatories will not be liable for all or any part of the damages that they prove do not represent the depreciation in value of the Units as a result of the misrepresentation. The amount recoverable under the right of action shall not exceed the price at which the Units were offered under this Offering Memorandum.

A purchaser of Units to whom the Offering Memorandum was required to be sent in compliance with the regulations respecting an offering memorandum but was not sent within the time prescribed for sending the Offering Memorandum by those regulations, has a right of action for rescission or damages against the Partnership or any dealer who did not comply with the requirement.

A purchaser to whom the Offering Memorandum is required to be sent may rescind the contract to purchase the Units by sending a written notice of rescission to the Partnership not later than midnight on the second day, excluding Saturdays and holidays, after the purchaser signs the agreement to purchase the Units.

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

(a) in the case of rescission, not later than 180 days from the day of the transaction that gave rise to the cause of action; or

(b) in the case of an action, other than an action for rescission, the earlier of (i) 180 days from the day the purchaser first had knowledge of the facts giving rise to the cause of action; and (ii) two years from the day of the transaction that gave rise to the cause of action.

Purchasers Resident in New Brunswick

New Brunswick Securities Commission Rule 45-802 provides that the statutory rights of action for rescission or damages referred to in section 150 ("**Section 150**") of the *Securities Act* (New Brunswick) (the "**NBSA**") apply to information relating to an offering memorandum, such as this Offering Memorandum, that is provided to a purchaser of securities in connection with a distribution made in reliance on the "accredited investor" prospectus exemption in section 2.3 of NI 45-106. Section 150 provides purchasers who purchase securities offered for sale in reliance on an exemption from the prospectus requirements of the NBSA with a statutory right of action against the issuer of securities for rescission or damages in the event that an offering memorandum provided to the purchaser contains a "misrepresentation". In New Brunswick, "misrepresentation" means an untrue statement of a material fact or an omission to state a material fact that is required to be stated or that is necessary to make a statement not misleading in the light of the circumstances in which it was made.

Where this Offering Memorandum is delivered to a prospective purchaser of Units in connection with a trade made in reliance on section 2.3 of NI 45-106, and this Offering Memorandum contains a misrepresentation, a purchaser who purchases Units will be deemed to have relied on the misrepresentation and will have, subject to certain limitations and defences, a statutory right of action against the Partnership for damages or, while still the owner of Units, for rescission, in which case, if the purchaser elects to exercise the right of rescission, the purchaser will have no right of action for damages, provided that the right of action for rescission will be exercisable by the purchaser only if the purchaser commences an action against the defendant, not more than 180 days after the date of the transaction that gave rise to the cause of action, or, in the case of any action other than an action for rescission, 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.

The Partnership shall not be liable where it is not receiving any proceeds from the distribution of the Units being distributed and the misrepresentation was not based on information provided by the Partnership unless the misrepresentation (i) was based on information that was previously publicly disclosed by the Partnership, (ii) was a misrepresentation at the time of its previous public disclosure, and (iii) was not subsequently publicly corrected or superseded by the Partnership before the completion of the distribution of the Units being distributed.

In addition, if advertising or sales literature is relied upon by a purchaser in connection with a purchase of Units and such advertising or sales literature contains a misrepresentation, the purchaser shall also have a right of action for damages or rescission against every promoter or director of the Partnership at the time the advertising or sales literature was disseminated.

In addition, where an individual makes a verbal statement to a prospective purchaser that contains a misrepresentation relating to the Units and the verbal statement is made either before or contemporaneously with the purchase of the Units, the purchaser shall 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 the individual who made the verbal statement. No such individual will be liable if:

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

(b) prior to the purchase of Units by the purchaser, that individual notified the purchaser that the individual's statement contained a misrepresentation.

Neither the Partnership nor any other person referred to above will be liable, whether for misrepresentations in this Offering Memorandum, any advertising or sales literature or in a verbal statement:

(a) if the Partnership or such other person proves that the purchaser purchased the Units with knowledge of the misrepresentation; or

(b) in an action for damages, for all or any portion of the damages that the Partnership or such other person proves do not represent the depreciation in value of the Units as a result of the misrepresentation relied on.

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

(a) that the advertising or sales literature was disseminated without the person's knowledge or consent and that, on becoming aware of its dissemination, the person gave reasonable general notice that it was so disseminated,

(b) that, after the dissemination of the advertising or sales literature and before the purchase of the Units by the purchaser, on becoming aware of any misrepresentation in the advertising or sales literature the person withdrew the person's consent to it and gave reasonable general notice of the withdrawal and the reason for the withdrawal, or

(c) that, with respect to a false statement purporting to be a statement made by an official person or contained in what purports to be a copy of, or an extract from, a public official document, it was a correct and fair representation of the statement or copy of, or extract from, the document, and the person had reasonable grounds to believe and did believe that the statement was true.

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

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

(b) believed there had been a misrepresentation.

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

In no case will the amount recoverable for the misrepresentation exceed the price at which the Units were offered.

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

Purchasers Resident in Newfoundland and Labrador

The right of action for damages or rescission described herein is conferred by section 130.1 of the *Securities Act* (Newfoundland and Labrador) (the "**NL Act**"). The NL Act provides, in the relevant part, that where an offering memorandum, such as this Offering Memorandum, contains a misrepresentation, as defined in the NL Act, a purchaser who purchases securities offered by the offering memorandum during the period of distribution has, without regard to whether the purchaser relied upon the misrepresentation, (a) a statutory right of action for damages against (i) the Partnership, (ii) every director of the Partnership at the date of the offering memorandum, and (iii) every person or the Partnership who signed the offering memorandum; and (b) for rescission against the Partnership.

The NL Act provides a number of limitations and defences in respect of such rights. Where a misrepresentation is contained in an offering memorandum, a person or company shall not be liable for damages or rescission:

(a) where the person or company proves that the purchaser purchased the Units with knowledge of the misrepresentation;

(b) where the person or company proves that the offering memorandum was sent to the purchaser without the person's or company's knowledge or consent and that, on becoming aware of its being sent, the person or company promptly gave reasonable notice to the Partnership that it was sent without the knowledge and consent of the person or company;

(c) if the person or the Partnership proves that the person or company, on becoming aware of the misrepresentation in the offering memorandum, withdrew the person's or company's consent to the offering memorandum and gave reasonable notice to the Partnership of the withdrawal and the reason for it;

(d) if, 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, opinion or statement of an expert, the person or company proves that the person or company did not have any reasonable grounds to believe and did not believe that:

(i) there had been a misrepresentation; or

(ii) the relevant part of the offering memorandum:

(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;

(e) with respect to any part of the offering memorandum not purporting to be made on the authority of an expert and not purporting to be a copy of, or an extract from, a report, opinion or statement of an expert, unless the person or company:

(i) did not conduct an investigation sufficient to provide reasonable grounds for a belief that there had been no misrepresentation; or

(ii) believed there had been a misrepresentation;

(f) in the case of an action for damages, the defendant is not liable for all or any part of the damages that the defendant proves do not represent the depreciation in value of the Units as a result of the misrepresentation; and

(g) in no case will the amount recoverable in any action exceed the price at which the Units were offered under the offering memorandum.

Section 138 of the NL Act provides that no action shall be commenced to enforce these rights more than:

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

(b) in the case of an action for damages, the earlier of:

(i) 180 days after the date that the purchaser first had knowledge of the facts giving rise to the cause of action; or

(ii) three years after the date of the transaction that gave rise to the cause of action.

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

Purchasers Resident in Nova Scotia

The right of action for rescission or damages described herein is conferred by section 138 of the *Securities Act* (Nova Scotia) (the "**NSSA**"). Section 138 provides, in the relevant part, that in the event that an offering memorandum, such as this Offering Memorandum, together with any amendments hereto, or any advertising or sales literature (as defined in the NSSA) contains an untrue statement of material fact or omits to state a material fact that is required to be stated or that is necessary in order to make any statements contained herein or therein not misleading in light of the circumstances in which it was made (in Nova Scotia, a "misrepresentation"), a purchaser of securities is deemed to have relied upon such misrepresentation if it was a misrepresentation at the time of purchase and has, subject to certain limitations and defences, a statutory right of action for damages against the seller of such securities, the directors of the seller at the date of the offering memorandum and the persons who have signed the offering memorandum or, alternatively, while still the owner of such securities, may elect instead to exercise a statutory right of rescission against the seller, in which case the purchaser will have no right of action for damages against the seller, the directors of the seller at the date of the offering memorandum or the persons who have signed the offering memorandum, provided that, among other limitations:

(a) no action shall be commenced to enforce the right of action for rescission or damages by a purchaser resident in Nova Scotia later than 120 days after the date payment was made for the securities (or after the date on which initial payment was made for the securities where payments subsequent to the initial payment are made pursuant to a contractual commitment assumed prior to, or concurrently with, the initial payment);

(b) no person will be liable if it proves that the purchaser purchased the securities 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 securities; and

(d) in no case will the amount recoverable in any action exceed the price at which the securities were offered to the purchaser.

In addition, no person or company (other than the issuer if it is the seller) will be liable if such person or company proves that:

(a) the offering memorandum or the amendment to the offering memorandum was sent or

delivered to the purchaser without the person's or company's knowledge or consent and that, on becoming aware of its delivery, the person or company gave reasonable general notice that it was delivered without the person's or company's knowledge or consent;

(b) after delivery of the offering memorandum or the amendment to the offering memorandum and before the purchase of the securities by the purchaser, on becoming aware of any misrepresentation in the offering memorandum, or amendment to the offering memorandum, the person or company withdrew the person's or company's consent to the offering memorandum, or amendment to the offering memorandum, and gave reasonable general notice of the withdrawal and the reason for it; or

(c) with respect to any part of the offering memorandum or amendment to the offering memorandum purporting

(i) to be made on the authority of an expert, or

(ii) 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

(A) there had been a misrepresentation, or

(B) the relevant part of the offering memorandum or amendment to the offering memorandum 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.

Furthermore, no person or company (other than the issuer if it is the seller) will be liable under section 138 of the NSSA with respect to any part of the offering memorandum or amendment to the offering memorandum not purporting

(a) to be made on the authority of an expert; or

(b) 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, the offering memorandum or amendment to the offering memorandum, the misrepresentation is deemed to be contained in the offering memorandum or amendment to the offering memorandum.

The liability of all persons or companies referred to above is joint and several with respect to the same cause of action. A defendant who is found liable to pay a sum in damages may recover a contribution, in whole or in part, from a person or company who 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 court is satisfied that it would not be just and equitable.

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

Purchasers Resident in Ontario

Securities laws of Ontario provide that, subject to the following paragraph, a purchaser resident in Ontario shall have, in addition to any other rights the purchaser may have at law, a right of action for damages or rescission against the Partnership and a selling security holder on whose behalf the distribution is made if an offering memorandum, such as this Offering Memorandum, contains a "misrepresentation" (for the purposes of this section, as defined in the *Securities Act* (Ontario)) (the "**OSA**"), without regard to whether the purchaser relied on the misrepresentation. Purchasers should refer to the applicable provisions of the Ontario securities laws for particulars of these rights or consult with a lawyer.

OSC Rule 45-501 *Ontario Prospectus and Registration Exemptions* provides that, when an offering memorandum is delivered to a prospective purchaser in connection with a distribution made in reliance on the "accredited investor" prospectus exemption in section 2.3 of NI 45-106, the rights of action referred to in section 130.1 of the OSA ("**Section 130.1**") will apply in respect of the offering memorandum unless the prospective purchaser is:

(a) a Canadian financial institution, meaning either:

(i) an association governed by the *Cooperative Credit Associations Act* (Canada) or a central cooperative credit society for which an order has been made under section 473(1) of that Act; or

(ii) a bank, loan corporation, trust company, trust corporation, insurance company, treasury branch, credit union, caisse populaire, financial services corporation, or league that, in each case, is authorized by an enactment of Canada or a jurisdiction of Canada to carry on business in Canada or a jurisdiction of Canada;

(b) a Schedule III bank, meaning an authorized foreign bank named in Schedule III of the *Bank Act* (Canada);

(c) the Business Development Bank of Canada incorporated under the *Business Development Bank of Canada Act* (Canada); or

(d) a subsidiary of any person referred to in paragraphs (a), (b) and (c), if the person owns all of the voting securities of the subsidiary, except the voting securities required by law to be owned by the directors of that subsidiary.

Subject to the foregoing, Section 130.1 of the OSA provides a purchaser who purchases Units offered by this Offering Memorandum during the period of distribution with a statutory right of action for damages or rescission against the Partnership and a selling security holder on whose behalf the distribution is made in the event that the Offering Memorandum or any amendment to it contains a "misrepresentation", without regard to whether the purchaser relied on the misrepresentation. A "misrepresentation" is defined in the OSA as an untrue statement of 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 is made. A "material fact", when used in relation to securities issued or proposed to be issued, is defined in the OSA as a fact that would be reasonably expected to have a significant effect on the market price or value of the securities. In the event that this Offering Memorandum, together with any amendment to it, is delivered to a purchaser of Units and this Offering Memorandum contains a misrepresentation which was a misrepresentation at the time of purchase of the Units, the purchaser will have statutory right of action for damages against the Partnership and a selling security holder on whose behalf the distribution is made or, while still the owner of the Units, for rescission against the Partnership and a selling security holder on whose behalf the distribution is made, in which case, if the purchaser elects to exercise the right of

rescission, the purchaser will have no right of action for damages against the Partnership and a selling security holder on whose behalf the distribution is made, provided that:

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

(b) no person or company will be liable if he, she or it proves that the purchaser purchased the Units with knowledge of the misrepresentation;

(c) in an action for damages, the defendant will not be liable for all or any portion of the damages that the defendant proves do not represent the depreciation in value of the Units as a result of the misrepresentation relied upon;

(d) no person or company will be liable for a misrepresentation in "forward-looking information" (as defined in the OSA) if he, she or it proves that:

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

(ii) it had a reasonable basis for drawing the conclusions or making the forecasts and projections set out in the forward-looking information;

(e) in no case will the amount recoverable exceed the price at which the Units were offered to the purchaser; and

(f) the right of action for damages or rescission is in addition to, and does not derogate from, any other right or remedy the purchaser may have at law.

Purchasers Resident in Prince Edward Island

The right of action for rescission or damages described herein is conferred by section 112 of the *Securities Act* (Prince Edward Island) (the "**PEI Act**"). Section 112 provides, that in the event that an offering memorandum, such as this Offering Memorandum, contains a "misrepresentation", a purchaser who purchased securities 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 Partnership, the selling security holder on whose behalf the distribution is made, every director of the Partnership at the date of the offering memorandum, and every person who signed the offering memorandum. Alternatively, the purchaser while still the owner of Units may elect to exercise a statutory right of action for rescission against the Partnership or the selling security holder on whose behalf the distribution is made. Under the PEI Act, "misrepresentation" means an untrue statement of material fact, or an omission to state a material fact that is required to be stated by the PEI Act, 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 shall be commenced to enforce the right of action for rescission by a purchaser resident in Prince Edward Island, later than 180 days after the date of the transaction that gave rise to the cause of action;

(b) in the case of any action other than an action for rescission;

(i) 180 days after the purchaser first had knowledge of the facts given rise to the cause of action; or

(ii) three years after the date of the transaction giving rise to the cause of action or whichever period expires first;

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

(d) no person other than the Partnership and selling security holder 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 Partnership 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 Partnership 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 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.

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

Purchasers Resident in Saskatchewan

Section 138 of *The Securities Act, 1988* (Saskatchewan), as amended (the "**SSA**"), provides that where an offering memorandum, such as this Offering Memorandum, or any amendment to it is sent or delivered to a purchaser and it contains a misrepresentation (for the purposes of this section, as defined in the SSA), a purchaser who purchases securities covered by the offering memorandum or any amendment to it has, without regard to whether the purchaser relied on the misrepresentation, a right of action for rescission against the Partnership or a selling security holder on whose behalf the distribution is made or has a right of action for damages against:

(a) the Partnership or a selling security holder on whose behalf the distribution is made;

(b) every promoter and director of the Partnership or the selling security holder, as the case may be, at the time of the offering memorandum or any amendment to it 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 the offering memorandum or the amendment to the offering memorandum; and

(e) every person who or company that sells Units on behalf of the Partnership or selling security holder under the offering memorandum or amendment to the offering memorandum.

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

(a) if the purchaser elects its right of rescission against the Partnership or selling security holder, it shall have no right of action for damages against that party;

(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 Partnership or a selling security holder, will be liable for any part of the offering memorandum or any amendment to it 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 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 action for rescission or damages if that person or company proves that the purchaser purchased the Units with knowledge of the misrepresentation.

In addition, no person or company, other than the Partnership or selling security holder, will be liable in an action pursuant to section 138 of the SSA if the person or company proves that:

(a) the offering memorandum or any amendment to it 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 immediately gave reasonable general notice that it was so sent or delivered; or

(b) with respect to any part of the offering memorandum or any amendment to it 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 the offering memorandum or any amendment to it 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 SSA if that person or company proves that in respect of a misrepresentation in forward looking information (as defined in the SSA), such person or company proves that with respect to the document containing the forward looking information, approximate 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.

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

Subsection 138.2(1) of the SSA 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.

Subsection 141(1) of the SSA 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 by a vendor who is trading in Saskatchewan in contravention of the SSA, the regulations to the SSA or a decision of the Saskatchewan Financial Services Commission.

Subsection 141(2) of the SSA 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 SSA.

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

Section 147 of the SSA 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, 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, 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 SSA also provides a purchaser who has received an amended offering memorandum delivered in accordance with subsection 80.1(3) of the SSA with a right to withdraw from the agreement to purchase Units by delivering a notice to the person who or company that is selling the Units, 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.

Purchasers Resident in Northwest Territories, Nunavut or the Yukon

If this Offering Memorandum, or any amendments thereto, delivered to a purchaser of Units resident in the Northwest Territories, Nunavut or the Yukon contains a misrepresentation, a purchaser in such jurisdictions who purchases the Units during the period of distribution has, without regard to whether the purchaser relied on the misrepresentation, a statutory right of action for damages against (i) the Partnership, (ii) the selling security holder on whose behalf the distribution was made, (iii) every director of the Partnership at the date of the Offering Memorandum, and (iv) every person who signed the Offering Memorandum. Alternatively, the purchaser may elect to exercise a statutory right of action for rescission against the Partnership or the selling security holder on whose behalf the distribution was made, in which case, the purchaser shall have no right of action for damages against the Partnership, the selling security holder, the directors and persons who signed the Offering Memorandum. If a misrepresentation is contained in a record incorporated by reference in, or deemed to be incorporated into, an Offering Memorandum, or any amendments thereto, the misrepresentation is deemed to be contained in the Offering Memorandum, or any amendments thereto, as the case may be.

All or any one or more of the persons who are found to be liable, or who accept liability, for a misrepresentation will be jointly and severally liable; provided, however, that the Partnership, and every director of the Partnership at the date of the Offering Memorandum who is not a selling security holder, will not be liable if the Partnership does not receive any proceeds from the distribution of the Units and the misrepresentation was not based on information provided by the Partnership, unless the misrepresentation was

(a) based on information that was previously publicly disclosed by the Partnership;

(b) a misrepresentation at the time of its previous disclosure; and

(c) not subsequently publicly corrected or superseded by the Partnership before completion of the distribution of the Units.

Any person, including the Partnership and the selling security holder, will not be liable for a misrepresentation:

(a) if the person proves that the purchaser purchased the Units with knowledge of the misrepresentation; or

(b) in an action for damages, the person will not be liable for all or any part of those damages that the person proves do not represent the depreciation in value of the Units as a result of the misrepresentation; and

(c) in no case will the amount recoverable in any action exceed the price at which the Units were sold to the purchaser.

A person, other than the Partnership and the selling security holder, will not be liable in an action for damages for a misrepresentation:

(a) if the person proves that the Offering Memorandum, or any amendments thereto, was sent to the purchaser without the person's knowledge or consent and that, on becoming aware of its being sent, the person promptly gave reasonable notice to the Partnership that it was sent without the knowledge and consent of the person;

(b) if the person proves that the person, on becoming aware of the misrepresentation in the Offering Memorandum, or any amendments thereto, withdrew the person's consent to the Offering Memorandum, or any amendments thereto, and gave reasonable notice to the Partnership of the withdrawal and the reason for it; or

(c) if, with respect to any part of the Offering Memorandum, or any amendments thereto, purporting to be made on the authority of an expert or purporting to be a copy of, or any extract from, a report, statement or opinion of an expert, the person had no reasonable grounds to believe and did not believe that

(i) there had been a misrepresentation, or

(ii) the relevant part of the Offering Memorandum, or any amendments thereto, (A) did not fairly represent the report, statement or opinion of the expert, or (B) was not a fair copy of, or an extract from, the report, statement or opinion of the expert.

In addition, a person, other than the Partnership and the selling security holder, will not be liable in an action for damages for a misrepresentation with respect to any part of an Offering Memorandum, or any amendments 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, statement or opinion of an expert, unless the person:

(a) failed to conduct a reasonable investigation to provide reasonable grounds for a belief that there had been no misrepresentation; or

(b) believed that there had been a misrepresentation.

Any person, including the Partnership and the selling security holder, will not be liable for a misrepresentation in forward-looking information (as defined in the *Securities Act* (Northwest Territories), the *Securities Act* (Nunavut) or the *Securities Act* (Yukon)) if the person proves that:

(a) the Offering Memorandum, any amendments thereto, or other document contained, proximate to the forward-looking information, (A) reasonable cautionary language identifying the forward-looking information as such, and (B) identifying material factors that could cause actual results to differ materially from a conclusion, forecast or projection in the forward-looking information,

(b) a statement of the material factors or assumptions that were applied in drawing a conclusion or making a forecast or projection set out in the forward-looking information, and

(c) the person had a reasonable basis for drawing the conclusions or making the forecasts or projections set out in the forward-looking information;

provided, however, that the foregoing does not relieve a person of liability with respect to forward-looking information in a financial statement required to be filed under the securities laws of the Northwest Territories, Nunavut or the Yukon.

No action shall be commenced to enforce a right of action 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 plaintiff first had knowledge of the facts giving rise to the cause of action, or

(ii) three years after the date of the transaction that gave rise to the cause of action.

Other Rescission Rights

In certain provinces a purchaser of Units may, where the amount of the purchase does not exceed the sum of $50,000, rescind the purchase by written notice given to the registered dealer from whom the purchase was made (i) within 48 hours after receipt of the confirmation for a lump sum purchase, or (ii) within 60 days after receipt of the confirmation for the initial payment under a contractual plan. Subject to the registered dealer's reimbursement of sales charges and fees to the purchaser as described below, the amount a purchaser is entitled to recover on exercise of this right to rescind shall not exceed the Net Asset Value of the Units purchased, at the time the right is exercised. The right to rescind a purchase made under a contractual plan may be exercised only with respect to payments scheduled to be made within the time specified above for rescinding a purchase made under a contractual plan. Every registered dealer from whom the purchase was made must reimburse the purchaser who has exercised this right of rescission for the amount of sales charges and fees relevant to the investment of the purchaser in the Partnership in respect of the Units for which the written notice of the exercise of the right of rescission was given.

Purchasers must exercise these rights within the prescribed time limits under applicable securities legislation. Purchasers should refer to the applicable provisions of the securities legislation in their province of residence to determine whether they have similar rescission rights or consult with their legal advisor for more details.

Contractual Rights of Action

Purchasers Resident in British Columbia or Québec or Purchasers Resident in Alberta in Reliance on the "Accredited Investor" Exemption

If this Offering Memorandum, or any amendments thereto, contains a misrepresentation, a purchaser resident in British Columbia or Québec who purchased Units under this Offering Memorandum, or a purchaser resident in Alberta who purchased Units under this Offering Memorandum in reliance on the "accredited investor" exemption under NI 45-106, will not be entitled to the statutory rights of action described above. However, in consideration of purchasing Units under this Offering Memorandum and upon acceptance by the General Partner of the purchaser's subscription in respect thereof, purchasers in those jurisdictions are hereby granted a contractual right of action for damages or rescission that is the same as the statutory rights of action described above provided to purchasers resident in Ontario under the OSA.

CERTIFICATE

This Offering Memorandum does not contain a misrepresentation.

DATED as of the 1 day of March, 2018.

BRIDGING REAL ESTATE LENDING FUND LP,
by its Manager, Bridging Finance Inc., and by
its general partner, Bridging Finance GP Inc.

By:	(signed) "*Natasha Sharpe*"	By:	(signed) "*David Sharpe*"
	Natasha Sharpe		David Sharpe
	Chief Investment Officer		Chief Executive Officer

ON BEHALF OF THE BOARD OF DIRECTORS OF BRIDGING FINANCE GP INC.

By:	(signed) "*Natasha Sharpe*"	By:	(signed) *"Jenny Coco"*
	Natasha Sharpe		Jenny Coco
	Director		Director