

OFFERING MEMORANDUM **2015**

BMO GLOBAL BUSINESSES

HighIncome

FUND

November 12, 2015

Offering Advisor Series Units and Series F Units of the Fund in each of the provinces and territories of Canada.

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



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Glossary of terms

Accredited Investor means a person who is permitted by Securities Legislation in the Offering Jurisdictions to make an investment in the Fund by virtue of being an “accredited investor” as defined in the Securities Legislation.

Business Day means any day on which the Toronto Stock Exchange is open for business.

CRA means the Canada Revenue Agency.

Dealers means dealers who are registered or are exempt from registration (and not otherwise restricted) under applicable Securities Legislation to sell Units and who are acceptable to the Manager.

Declaration of Trust means the amended and restated master declaration of trust creating the Fund, which acknowledges that the Manager is holding legal title to the property on behalf of the investors in the Fund and provides for the management of the Fund by the Manager.

Fund means BMO Global Businesses High Income Fund.

Investment Objective means the investment objective of the Fund as described under *Investment objective*.

Investment Strategy means the investment strategy of the Fund to be implemented by the Manager in respect of the Fund.

Long Position means ownership of a security with the expectation that its value will appreciate.

Manager (or Manager-Trustee) means BMO Asset Management Inc., in its capacity as manager and trustee of the Fund, or any successor appointed as the manager and trustee of the Fund.

Net Asset Value means the net asset value of the Fund calculated in accordance with the Declaration of Trust; “**Series Net Asset Value**” means the net asset value of a particular Series of the Fund calculated in accordance with the Declaration of Trust; “**Series Net Asset Value per Unit**” means the portion of the Series Net Asset Value attributed to each Unit of the particular Series of the Fund.

Offering Jurisdictions means all the provinces and territories of Canada.

Offering Memorandum means this offering memorandum of the Fund as it may be amended from time to time.

Portfolio Manager means the Manager or such other portfolio manager as may be retained by the Manager to provide investment advice in respect of the Fund’s investment portfolio with the initial Portfolio Manager being Guardian Capital LP.

Prime Broker means a broker offering professional services for large institutional investors. The prime broker clears the trades in securities of the Fund, custodies the Fund’s securities, provides margin financing, lends stock to cover short sales and provides necessary reporting to the Manager.

RRIF means a registered retirement income fund.

RRSP means a registered retirement savings plan.

Registered Plan means an RRSP, RRIF, TFSA, registered education savings plans, registered disability savings plans and deferred profit sharing plan.

Registrar and Transfer Agent means BMO Asset Management Inc., in its capacity as registrar and transfer agent of the Fund.

Risk-Adjusted Returns means a measure of how much an investment returned in relation to the amount of risk it took on.

ROC (Return of Capital): The Fund can generally choose to make a distribution that is a ROC, but will be considered to distribute a ROC if it distributes more than its net income and net realized capital gains. A ROC distribution is not included in Unitholder income, but instead reduces the adjusted cost base (“**ACB**”) of the Units on which it was paid. When Units are redeemed, Unitholders may realize a larger capital gain. If the ACB of Units held is reduced to less than zero while Unitholders continue to hold them, the Unitholder will be deemed to realize an immediate capital gain equal to the negative amount and the Unitholder’s ACB will be increased to zero. A ROC distribution should not be confused with return on investment or “yield.” Conclusions about the Fund’s investment performance should not be drawn from the amount of ROC it distributes.

Securities Legislation means the laws and regulations in each province and territory of Canada that are applicable to the Fund and the requirements, rules, policies, instruments and decisions of the local securities authorities that are applicable to the Fund.

Series means the Advisor Series Units and Series F Units, as applicable, and any additional series issued by the Fund in the future.

TFSA means a tax-free savings account.

Tax Act means the *Income Tax Act* (Canada).

Unitholder means an investor who holds Units.

Units mean the units of each Series of the Fund.

Valuation Date means each day that the Toronto Stock Exchange is open for trading, the last day in each fiscal year of the Fund and any other day as the Manager-Trustee may designate as a Valuation Date for the Fund.

Valuation Time means 4:00 p.m. Eastern Time on each Valuation Date or, if the Toronto Stock Exchange closes earlier that day, then the time as of which the market closes, or any other time as the Manager may from time to time determine.

All dollar references in this Offering Memorandum are to Canadian dollars unless otherwise indicated.

The offering

BMO Global Businesses High Income Fund is an open-ended mutual fund established on November 12, 2015 as a trust under the laws of the Province of Ontario pursuant to the Declaration of Trust executed by the Manager, as amended from time to time. The Manager is the trustee of the Fund. As part of its management of the Fund, the Manager is responsible for providing or arranging for the provision of portfolio management services for the Fund. The Manager has arranged for the Portfolio Manager to provide portfolio management services to the Fund. The head office address of the Fund and the Manager is 1 First Canadian Place, 100 King St. W., 43rd Floor, Toronto, Ontario M5X 1A1.

At present, the Fund is offering:

- Advisor Series Units through authorized dealers to investors who have an available prospectus exemption; and
- Series F Units through dealers who have entered into an agreement with the Manager to investors who have an available prospectus exemption

Units are offered on a continuous basis to investors resident in each of the provinces and territories of Canada pursuant to the accredited investor exemption from the prospectus requirement in Securities Legislation. **National Instrument 45-106 Prospectus Exemptions (“NI 45-106”) requires that individuals who invest on the basis that they are accredited investors (other than certain high-net worth individuals) must sign a risk acknowledgement form, which is included in the accompanying subscription agreement.**

Purchasers will be required to make certain representations in the Subscription Agreement and the Manager will rely on such representations to establish the availability of the exemption from the prospectus requirement described above. No subscription will be accepted unless the Manager is satisfied that the subscription is in compliance with applicable securities laws.

The Fund is not available for U.S. residents. If a Unitholder is or becomes a U.S. resident, the Manager may, in the Manager’s sole discretion, compulsorily redeem such Unitholder’s Units at any time.

How is the Fund different from retail mutual funds?

A mutual fund is a pool of money contributed by investors with similar investment objectives that is invested in a portfolio of securities on their behalf by professional portfolio managers. When someone invests in a mutual fund, they do so by buying units of the fund. Unitholders share in a fund’s income, expenses and the gains and losses the fund makes on its investments in proportion to the units they own.

Unlike retail mutual funds, this Fund is designed only for investors who have adequate financial means, a longer term view to investing, who do not rely on predictable distributions or withdrawals from the Fund, who are financially able to maintain their investments and who can tolerate a higher level of risk in order to obtain potentially higher returns.

Investment objective, strategies and restrictions

Investment objective

The Fund’s investment objective is to achieve a high level of total return, including dividend income and capital gains, by investing primarily in dividend yielding common and preferred shares of companies from around the world.

As part of its investment objective, the Fund invests primarily in equities of companies that trade on recognized stock exchanges in countries around the world.

Investment strategies and restrictions

The Portfolio Manager primarily uses the following strategies to achieve the Fund’s objectives:

- invests primarily in dividend yielding common and preferred shares
- seeks long-term returns consisting of stable dividend growth and steady income that is based upon a growth, payout and sustainability philosophy
- applies a market-oriented, bottom-up approach to selecting the best companies within each sector, regardless of geography
- will invest in a minimum of three sectors

- uses a proprietary, internally-developed, multifactor process that performs cross-regional comparisons to detect where positive fundamental change is occurring in global markets
 - utilizes a mid and large capitalization bias
 - diversifies the Fund's assets among regions, countries and sectors to help reduce risk
 - may invest up to 10% of its Net Asset Value at the time of investment in any individual stock
 - may invest up to 30% of its Net Asset Value at the time of investment in securities of exchange-traded funds and other mutual funds, which may include funds that are managed by the Manager or one of its affiliates or associates
 - the Fund is authorized to borrow in order to increase its investment leverage. On average, over time, the Fund expects to utilize leverage, at the time of investment, of 30% of its Net Asset Value, however the Fund may only utilize leverage of between 0% and 50% of its Net Asset Value, at the time of borrowing
 - the Fund may use derivatives to implement the investment strategy. Derivatives, such as options, futures, forward contracts, swaps and other derivative instruments may be used for both hedging and non-hedging purposes, or to, among other things:
 - protect the Fund against potential losses. For example, the Portfolio Manager may be concerned about the impact that rising interest rates may have on the Fund. The Portfolio Manager may attempt to reduce the impact of security price fluctuations by using interest rate swaps
 - reduce the impact of volatility on the Fund. For example, the Portfolio Manager may attempt to reduce the impact of any adverse changes in exchange rates by buying currency futures
 - gain exposure to securities without buying the securities directly.
 - may write covered call options on the securities that it owns to earn option premiums to supplement the dividends and distributions generated by securities held by the Fund and to lower the overall volatility of returns associated with the securities. Under such call options, the Fund will sell to the buyer of the option in exchange for a premium, either a right to buy the security from the Fund at a stipulated exercise price or, if the option is cash settled, the right to a payment from the Fund equal to the difference between the value of the security and the exercise price on settlement date
 - the amount, if any, of covered call options written by the Fund will vary based on many factors, including the prevailing levels of price volatility of the securities owned by the Fund
 - writing covered call options also partially hedges against a decline in the price of the securities on which they are written to the extent of the premiums received by the Fund at the time the options are written by the Fund
 - the call options written by the Fund may be either exchange-traded options or over-the-counter options
- The Fund may hold a portion of its assets in cash or short-term instruments such as money market securities or in exchange-traded funds while seeking investment opportunities or for defensive purposes to reflect general economic and/or market conditions.
- These investment strategies and restrictions may only be changed on at least 60 days' prior written notice to Unitholders.
- Loan facility*
- The Fund may borrow pursuant to a loan facility (the "**Loan Facility**") from the Manager (the "**Lender**"). The Loan Facility may be utilized by the Fund to fund redemptions of Units by Unitholders from time to time and to fund expenses of the Fund on a temporary basis. The Fund may also enter into other loan facilities from time to time which may be used to invest in securities. The Manager expects that the terms, conditions, interest rates, fees and expenses of and under any Loan Facility will be typical for loans of this nature.
- Utilization of the Loan Facility will effectively result in leverage in the Fund. The Manager, on behalf of the Fund, may use such leverage, when market conditions are appropriate, to attempt to increase the potential returns of the Fund. The use of leverage to enhance returns of the Fund may result in losses. The Manager anticipates that, with respect to the Loan Facility, the Lender will require the Fund to provide a security interest in some or all of its assets in favour of the Lender to secure such borrowings. The Manager will ensure that, in the event of default under the Loan Facility, the Lender's recourse will be limited to the assets of the Fund.

The aggregate amount of borrowings by the Fund may not exceed 50% of the Net Asset Value of the Fund at the time of the borrowing. In the event that the total amount borrowed by the Fund exceeds the 50% limit as a result of redemptions or other decrease in the number of Units of the Fund, the Manager will reduce indebtedness on an orderly basis as soon as practicable so that the amount borrowed does not exceed such limit.

Other than borrowings by the Fund under the Loan Facility and from the Manager as contemplated above, the Fund will not engage in borrowing.

Investment risks

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

General risks

Unitholders' investments in the Fund are not guaranteed. The Fund owns different types of investments, the value of which will change from day to day, reflecting changes in interest rates, economic conditions, market and company news, and unforeseeable events. As a result, the value of the Fund investments may go up and down, and the value of Unitholders' investments may be more or less when they redeem their Units than when they purchased them. The Fund is not subject to the normal mutual fund regulations and disclosure requirements for publicly offered mutual funds which limit such mutual funds' ability to short sell securities, use leverage, concentrate investments and use derivatives, but is instead subject to the investment restrictions set out herein.

Business risk

While the Manager believes that the Fund's investment policies will be successful over the long term, there can be no guarantee against losses resulting from an investment in Units and there can be no assurance that the Fund's investment approach will be successful or that its investment objective will be attained. No assurance can be given that the Fund's investment portfolio will generate any income or will appreciate in value. The Fund could realize substantial losses, rather than gains, from some or all of the investments described herein. A trust, such as the Fund, cannot flow through losses to investors. However, such losses will be reflected in the Net Asset Value per Unit which, if the Units are redeemed, would give rise to capital losses which may be used by investors.

Capital depletion risk

Advisor Series Units and Series F Units make monthly distributions of an amount comprised, in whole or in part, of ROC. A ROC reduces the amount of an original investment and may result in the return to a Unitholder of the entire amount of such Unitholder's original investment. ROC that is not reinvested will reduce the Net Asset Value of the Fund, which could reduce the Fund's ability to generate future income. Conclusions about the Fund's investment performance should not be drawn from the amount of this distribution. ROC can only be made by a Series of the Fund to the extent that there is a positive balance in the capital account for the relevant Series. To the extent that the balance in the capital account becomes, or is at risk of becoming, zero, monthly distributions may be reduced or discontinued without prior notice. See *Income tax considerations* for additional information about ROC.

Counterparty and settlement risk

Some of the markets in which the Fund will effect its transactions may be "over the counter" or "interdealer" markets. The participants in such markets are typically not subject to credit evaluation and regulatory oversight as are members of "exchange based" markets. This exposes the Fund to the risk that a counterparty will not settle a transaction in accordance with its terms and conditions because of a dispute over the terms of the contract (whether or not bona fide) or because of a credit or liquidity problem, thus causing the Fund to suffer a loss. In addition, in the case of a default, the Fund could become subject to adverse market movements while replacement transactions are executed. Such "counterparty risk" is accentuated for contracts with longer maturities where events may intervene to prevent settlement, or where the Fund has concentrated its transactions with a single or small group of counterparties. The Fund is not restricted from dealing with any particular counterparty or from concentrating any or all of its transactions with one counterparty. Moreover, neither the Fund nor the Manager has an internal credit function which evaluates the creditworthiness of its counterparties. The ability of the Fund to transact business with any one or number of counterparties, the lack of any meaningful and independent evaluation of such counterparties' financial capabilities and the absence of a regulated market to facilitate settlement may increase the potential for losses by the Fund.

Currency risk

When the Fund invests in foreign securities, it will buy the securities using foreign currency. For example, the Fund will use U.S. dollars to buy U.S. stocks or bonds. Because currencies change in value against each other, it's possible that an unfavourable move in the exchange rate may

reduce, or even eliminate, any increase in the value of that investment. The opposite can also be true – the Fund can benefit from changes in exchange rates.

Custody risk and broker or dealer insolvency

The Fund does not control the custodianship of all of its securities. The Fund's assets will be held in one or more accounts maintained for the Fund by its prime broker or at other brokers. Such brokers are subject to various laws and regulations in various jurisdictions that are designed to protect their customers in the event of their insolvency. However, the practical effect of these laws and their application to the Fund's assets are subject to substantial limitations and uncertainties. Because of the large number of entities and jurisdictions involved and the range of possible factual scenarios involving the insolvency of the prime broker or any sub-custodians, agents or affiliates, it is impossible to generalize about the effect of their insolvency on the Fund and its assets. Investors should assume that the insolvency of any of the prime broker or such other service providers would result in the loss of all or a substantial portion of the Fund's assets held by or through such prime broker and/or the delay in the payment of withdrawal proceeds.

Derivative risk

While derivatives can be useful for hedging against losses or as a substitute for the underlying assets, they involve a number of risks:

- The hedging strategy used by the Fund may not be effective;
- There's no guarantee that a market will exist when the Fund wants to meet the terms of the derivative contract. This could prevent the Fund from making a profit or limiting its losses;
- The other party to a derivative contract may not be able to meet its obligations;
- Stock exchanges may set daily trading limits on futures contracts. This could prevent the Fund from closing a contract;
- The price of stock index options may be distorted if trading in some or all of the stocks that make up the index is interrupted. If the Fund could not close out its position in these options because of interruptions or imposed restrictions, it may experience losses;
- The price of a derivative may not accurately reflect the value of the underlying security or index;

- An acceptable counterparty may not be willing to enter into contracts that allow the Fund to link its performance to the underlying security;
- If the Fund is required to give a security interest in order to enter into a derivative, there is a risk that the other party may try to enforce the security interest against the Fund's assets;
- The cost of the derivative contracts may increase.

Equity risk

Businesses issue equity securities, such as shares or units, to help pay for their operations and finance future growth. When the Fund buys equities, it becomes part owner of the company that issued the securities. Changes in the value of the businesses change the value of the Fund. The price of a security is influenced by the outlook for the particular business, by the market activity and by the larger economic picture, both at home and abroad. When the economy is expanding, the outlook for many businesses may also be good and the value of their securities may rise. The opposite is also true.

If the Fund invests in limited partnership units or trust units, such as oil and gas royalty trusts, real estate investment trusts and income trusts, its degrees of risk will depend on the sector and the underlying asset or business and the Fund may therefore be susceptible to risks associated with the industry in which the underlying business operates, to changes in business cycles, commodity prices, and to interest rate fluctuations and other economic factors.

Foreign investment risk

If the Fund invests in foreign securities, its value is affected by financial markets and general economic trends in the countries where the securities are issued. While the U.S. market has standards that are similar to those in Canada, other foreign markets may not. For example, some foreign markets may not be as strictly regulated as Canadian and U.S. markets. Their laws might make it difficult to protect investor rights. The political climate might be less stable and social, religious and regional tensions may exist. Business disclosure and accounting standards may be less stringent than in Canada and the U.S., making it difficult to obtain complete information about a potential investment. Securities markets may be smaller than in more developed countries, making it more difficult to sell securities in order to take profits or avoid losses. As a result, the value of foreign securities, and the value of the Fund if it holds foreign securities, may rise or fall more rapidly and to a greater

degree than Canadian and U.S. investments. In general, securities issued in more developed markets have lower foreign investment risk. Securities issued in emerging or developing markets have higher foreign investment risk.

If the Fund concentrates its investments in a single country or region of the world it will likely be riskier than funds with greater geographic diversification because prices of securities in the same markets tend to move up and down together.

Fund of fund risk

The Fund may invest directly in, or obtain exposure to, other investment funds as part of its investment strategy. Therefore, the Fund will be subject to the risk of the underlying funds. Also, if the Fund invests in an underlying fund and that underlying fund suspends redemptions, the Fund will be unable to value part of its portfolio and may be unable to redeem its securities in the underlying fund.

Large transaction risk

The Fund may have one or more investors (including another investment fund) who hold or acquire a significant amount of Units.

If one or more of these investors (including these investment funds) decides to redeem its investment in the Fund, the Fund may have to make large sales of securities to meet these requests. The Portfolio Manager may have to change the composition of the Fund's portfolio significantly or may be forced to sell investments at unfavourable prices, which can negatively impact the Fund's returns. Conversely, if one or more of these investors decides to increase its investment in the Fund, the Fund may have to hold a relatively large position in cash for a period of time while the Portfolio Manager attempts to find suitable investments. This could negatively impact the Fund's return.

A trust, such as the Fund, is subject to a "loss restriction event" for tax purposes each time a person or partnership becomes a "majority-interest beneficiary" of the trust for tax purposes, which generally occurs when a beneficiary of the trust and its affiliates have beneficial interests in the trust of more than 50% of the fair market value of the trust. However, no person, partnership or affiliated group should become a "majority interest beneficiary" of the Fund as long as the Fund satisfies certain investment diversification restrictions. If the Fund experiences a "loss restriction event," the taxation year of the Fund will be deemed to end. The Fund will realize its capital losses and may elect to realize its capital gains. Unused capital losses will expire and the ability of the Fund to carry forward non-capital losses will be restricted.

Leverage

While gains made with borrowed funds generally cause the Fund's value to increase faster than without the use of borrowed funds, if the value of securities purchased with borrowed funds declines, or does not appreciate sufficiently to cover the costs of borrowing, the Fund's value will decrease faster and more significantly than without the use of borrowed funds.

Such decrease in the Fund's value could be substantial if the value of the securities purchased with borrowed funds declines significantly. The interest expense and banking fees incurred in respect of the Loan Facility, or expenses and fees incurred in respect of other forms of leverage, may exceed the incremental capital gains/losses and income generated by the incremental investment of Fund assets. In addition, the Loan Facility may impose additional restrictions on the Fund and the Fund may not be able to renew the Loan Facility or other form of leverage on acceptable terms.

Furthermore, the amount of borrowings that the Fund may have outstanding at any time could be large in relation to its capital. Thus, in addition to changes in the value of securities purchased with borrowed funds, the amount of the Fund's borrowings and the interest rates on those borrowings, which may fluctuate from time to time, may have a significant effect on the Fund's performance.

Net asset value

The Net Asset Value of the Fund will fluctuate with changes in the market value of the Fund's investments. Such changes in market value may occur as a result of various factors, including those factors identified above with respect to foreign investments and emerging market securities and material changes in the intrinsic value of an issuer whose securities are held by the Fund.

Prime broker to hold assets

Some or all of the Fund's assets may be held in one or more margin accounts due to the fact that the Fund will use leverage. The margin accounts may provide less segregation of customer assets than would be the case with a more conventional custody arrangement. The prime broker may also lend, pledge or hypothecate the Fund's assets in such accounts, which may result in a potential loss of such assets. As a result, the Fund's assets could be frozen and inaccessible for withdrawal or subsequent trading for an extended period of time if the prime broker experiences financial difficulty. In such case, the Fund may experience losses due to insufficient assets at the prime broker to satisfy the claims of its creditors, and adverse market movements while its positions cannot be traded.

In addition, the prime broker may not be able to provide leverage to the Fund, which would adversely affect the Fund's returns.

Series risk

The Fund issues more than one Series of securities. Each Series has its own fees and expenses, which are tracked separately; however, if a Series can't meet its financial obligations, the other Series are responsible for making up the difference. This is because the Fund as a whole is legally responsible for the financial obligations of all of the Series.

Tax treatment of options risk

In determining its income for tax purposes, the Fund will treat the option premiums received from writing covered call options and any gains or losses realized from closing out the options in accordance with the CRA's published administrative practice. The CRA's practice is to not grant advance income tax rulings on the characterization of items as capital or income. No advance income tax ruling has been sought or received from the CRA. Accordingly, there is a risk that the CRA may disagree with the tax treatment adopted by a fund. In such case, the net income of the fund for tax purposes and the taxable component of distributions to investors could subsequently be determined to be more than originally reported. Investors could be reassessed or the fund could be liable for income tax. Any liability imposed on the fund may reduce the value of the fund and the value of an investor's investment in the fund.

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

Distribution policy

The Fund distributes a fixed amount per Unit per month. The amount of the monthly distribution may be adjusted without notice throughout the year as market conditions change. Any net income earned by the Fund in excess of the monthly distribution may also be distributed to Unitholders from time to time. Any net capital gains are distributed in December, however the Fund may distribute at other times as well.

For both Advisor Series Units and Series F Units, the Fund distributes monthly any net income and/or ROC.

Distributions are automatically reinvested in additional Units of the applicable Series of the Fund, unless the Manager receives written notice from a Unitholder of the

desire to withdraw from the automatic reinvestment program and, in such case, the Unitholder will receive cash distributions from the Fund (the "**Cash Distribution Option**"). The Cash Distribution Option shall take effect for a particular Unitholder on the next scheduled distribution date after receipt of such notice, provided that the Manager has received the notice at least 3 Business Days prior to the next scheduled distribution date. If notice is received by the Manager less than 3 Business Days prior to the next scheduled distribution date, the Cash Distribution Option shall take effect on the next distribution date following the end of the 3 Business Day notice period.

If the cash distributions to a Unitholder are greater than the net increase in the value of such Unitholder's investments in Advisor Series Units or Series F Units, as applicable, these distributions will erode the value of the Unitholder's original investments.

Because monthly distributions may include a ROC, distributions do not necessarily reflect the Fund's investment performance and should not be confused with "yield" or "income": Conclusions about the Fund's investment performance should not be drawn from the amount of this distribution.

A ROC made to a Unitholder is not immediately taxable in the Unitholder's hands but will reduce the ACB of the related Units.

See *Income tax considerations* for more information.

Management of the Fund

Manager and trustee

BMO Asset Management Inc. has been appointed as manager and trustee of the Fund pursuant to the Declaration of Trust. The Manager is an indirect wholly-owned subsidiary of Bank of Montreal.

As manager, the Manager is responsible for the business, operations and affairs of the Fund, including managing or arranging for the management of the Fund's investment portfolio as well as providing or arranging for the administrative services of the Fund such as valuation services, fund accounting and Unitholder records. In this capacity, the Manager will receive the management fees described later in this Offering Memorandum. As trustee, the Manager has overall authority over the assets and affairs of the Fund and has a fiduciary responsibility to act in the best interest of the Unitholders. The Manager receives compensation from the Fund for the services it provides to the Fund in its capacity as manager, but does not currently receive any compensation for acting as trustee.

The Manager may resign as manager and trustee on 60 days' prior written notice to Unitholders.

The Manager can be reached at 1 First Canadian Place, 100 King St. West, 43rd Floor, Toronto, Ontario M5X 1A1, via telephone at 1-800-361-1392 or via e-mail at alternativeproducts@bmo.com. The Manager's website is www.bmo.com/gam/ca.

Portfolio Manager

As part of the services it provides to the Fund, the Manager will provide, or cause to be provided, investment analysis and recommendations, make decisions relating to the investment of the Fund's assets and supervise the Fund's investment portfolio on a continuous basis. The Manager is registered as an adviser in Ontario and in all of the other Canadian provinces and territories. The Manager may appoint another portfolio manager for the Fund or retain a sub-advisor for the Fund.

The Manager has appointed Guardian Capital LP ("**Guardian Capital**") to act as the Portfolio Manager to the Fund. The Portfolio Manager is one of Canada's longest established, independent investment counselling firms. As at June 30, 2015, the Portfolio Manager managed approximately \$25 billion (CAD) in assets for retail mutual funds, segregated and pooled pension clients, and corporate, endowment, and charitable clients. The Portfolio Manager is wholly-owned by Guardian Capital Group Limited, a public company, the shares of which are listed for trading on the Toronto Stock Exchange. The Portfolio Manager is compensated for providing its portfolio management services to the Fund by the Manager.

The Portfolio Manager currently manages the assets of a number of investment funds and other clients. While all advice and recommendations made to the Fund will be consistent with its obligation to exercise its powers and discharge its duties honestly, in good faith and in the best interests of the Fund, the Portfolio Manager will continue to provide investment advice to its other clients, who may have similar investment needs to those of the Fund. There may, therefore, be potential conflicts of interest between the Fund and other portfolios managed by the Portfolio Manager.

All decisions as to the purchase and sale of portfolio securities and decisions as to the execution of these portfolio transactions, including the selection of market, dealer and the negotiation, where applicable, of commissions will be made by the Portfolio Manager. The Portfolio Manager will seek to obtain prompt execution of orders on favourable terms. To the extent that the executions and prices offered by more than one dealer are comparable, the Portfolio Manager may choose to effect portfolio transactions with dealers who provide research, statistical and other services to the Fund or the Portfolio Manager.

Where the Fund and one or more other portfolios or clients of the Portfolio Manager are engaged in the purchase or sale of the same security, the transaction will be effected on an equitable basis in accordance with the Portfolio Manager's Security Allocation Policy dealing with trade allocation.

The Portfolio Manager uses a team approach in making investment decisions. The following is a description of the lead people:

Srikanth Iyer, MBA

Managing Director – Systematic Strategies

Sri joined Guardian Capital in 2001 to help lead the development and implementation of its proprietary systematic strategies. Prior to joining Guardian Capital, Sri was with Global Value Investors in Princeton, New Jersey responsible for a variety of portfolio management and financial engineering roles. Sri graduated with a Bachelor of Commerce from the University of Bombay in 1989, earned his Chartered Cost and Works Accountant (India) designation in 1990 and his MBA (Applied Finance) from Rutgers Graduate School of Management in 1994.

Harpreet Singh, MBA, CFA

Director of Research and Portfolio Management – Systematic Strategies

Harpreet joined Guardian Capital in 2012 as Director of Research and Portfolio Management with responsibility for research and portfolio management in its systematic strategies team. Harpreet is a proven senior investment professional in portfolio management and construction, risk analysis and quantitative modeling. Previously, he was the Head of US Equities at Manulife Asset Management in Toronto, where he successfully guided fundamental as well as quantitative analysts and portfolio managers in a disciplined portfolio construction process established by him. Before that, Harpreet was a Quantitative Associate at Standish, Ayer & Wood, Inc., a leading asset management firm in Boston. Harpreet earned a B. Tech. in Chemical Engineering from The Indian Institute of Technology in New Delhi in 1989 and his MBA in Finance in 1992 from Bentley Graduate School of Business in Massachusetts. Harpreet is a CFA Charterholder.

Fiona Wilson, MBA, CFA

Portfolio Manager – Systemic Strategies

Fiona joined Guardian Capital in 2011 as a Portfolio Manager in its systematic strategies team. Fiona began her career as an options trader at CIBC and progressed to become Head of Currency Options Marketing, South East Asia for Societe Generale with postings in Tokyo,

Singapore and London. Her experiences included structuring classical and exotic option trading and hedging strategies for central banks, corporate and institutional clients throughout Asia. She subsequently took on the role of Portfolio Manager, Global Derivative Instruments with Ontario Municipal Employees Retirement System (OMERS). Fiona graduated with a Bachelor of Arts from the University of Western Ontario in 1985 and obtained her Honours Bachelor of Commerce and MBA from the University of Windsor in 1987 and 1989, respectively. Fiona is also a CFA Charterholder.

Prime Broker

The Manager has appointed BMO Capital Markets as the prime broker for the securities of the Fund pursuant to a prime broker agreement. BMO Capital Markets offers its services through BMO Nesbitt Burns Inc., an indirect wholly-owned subsidiary of Bank of Montreal and an affiliate of the Manager. The prime broker agreement may be terminated by the Prime Broker at any time and by the Manager upon written notice to the Prime Broker, however the obligations of each party accrued as at the time of termination shall continue in full force and effect.

The services provided by the Prime Broker include:

- clearing;
- custody;
- brokerage;
- margin financing;
- reporting; and
- securities lending.

BMO Capital Markets may hold securities on behalf of the Fund at its head office or any of its branches or any other location where it is customary for BMO Capital Markets to keep securities on behalf of its clients. Foreign assets may be held by local sub-custodians appointed by BMO Nesbitt Burns Inc. or under their authority in various foreign jurisdictions where a fund may have assets invested. BMO Nesbitt Burns Inc. or the sub-custodians may use the facilities of any domestic or foreign depository or clearing agency authorized to operate a book-based system.

The Prime Broker receives compensation from the Fund for the services it provides to the Fund.

Auditor

The auditor of the Fund is PricewaterhouseCoopers, LLP, Chartered Professional Accountants, Licensed Public Accountants of Toronto, Ontario.

Valuation Agent

BMO Asset Management Inc. is the valuation agent of the Fund and provides certain fund accounting and valuation services to the Fund including, without limitation: calculating the Net Asset Value per Unit, net income and net realized capital gains of the Fund.

Registrar and Transfer Agent

BMO Asset Management Inc. is the registrar and transfer agent of the Fund. As Registrar and Transfer Agent, BMO Asset Management Inc. provides certain unitholder record keeping services for the Fund. The registers of the Units are kept in Toronto, Ontario.

Fund governance

The Manager is responsible for the day-to-day administration and operation of the Fund. To ensure these duties are carried out in the best interests of the Fund and its Unitholders, the Manager has adopted a Code of Business Conduct (the “**Code**”) consisting of “BMO’s Code of Conduct” and “Information Security – Safeguarding Our Customers’ Trust” which requires that the Manager puts the interests of the Fund ahead of all self-interests. Among other subjects, the Code deals with standards of conduct, confidential information, conflicts of interests and insider trading and other areas, including compliance with laws and regulations, and sanctions for breach of the Code.

The Manager has a Personal Trading Policy, which must be followed by directors, officers and employees of the Manager and by specific employees of its affiliates, that includes obtaining prior approval, as required, before placing any trades for their personal accounts.

The Code and Personal Trading Policy is administered by the compliance department of the Manager.

The Manager has the exclusive authority over the assets and affairs of the Fund and is ultimately responsible for the Fund. The Manager also has an Investment Management Committee that meets monthly to examine and review investment performance, compliance, industry trends, ideas, opportunities and related matters in connection with the Fund. This committee reports performance and significant issues to the Manager.

The Manager has hired the Portfolio Manager to provide investment advice and portfolio management to the Fund. The Portfolio Manager’s activities are carefully and regularly monitored by the Manager’s Investment Management Committee to help ensure observance of investment guidelines, conduct and financial performance. The Portfolio Manager may also report to the Manager from time to time.

Valuation and Net Asset Value

Units are purchased, distributions reinvested (unless otherwise specified by the Unitholder) and redemptions implemented for the Fund on the basis of the Series Net Asset Value per Unit applicable to the transaction, which is reflected in the next calculation of the Series Net Asset Value. The Series Net Asset Value per Unit of a Series of the Fund is calculated by dividing the value of the Series Net Assets of the particular Series of the Fund (that is, the value of that Series' proportionate share of the assets of the Fund less the value of that Series' proportionate share of the liabilities of the Fund) by the total number of Units of that Series of the Fund then outstanding. The Series Net Asset Value is calculated by the Valuation Agent as of the Valuation Time on each Valuation Date.

The value of the assets of the Fund is determined with reference to the following valuation methods, depending on the type of security being valued:

1. cash on hand, on deposit or on call, prepaid expenses, cash dividends declared and interest accrued are valued at their face amount or what is considered reasonable value by the Valuation Agent;
2. securities listed on any stock exchange or in the over-the-counter market are valued at their closing price (or such other value as the securities regulatory authorities may permit), last reported at the Valuation Time on the Valuation Date on the principal stock exchange on which such security is traded. If there are no such recent sales price, the Valuation Agent may determine its best estimate of the fair value of such securities;
3. derivative securities are valued at their current market value;
4. where a covered clearing corporation option is written, the premium received is considered a deferred credit. The value of the option is equal to the current market value of an option that would have the effect of closing the position; any difference resulting from revaluation will be treated as unrealized gain or loss. The deferred credit will be deducted to arrive at the net asset value of the Fund;
5. the value of a forward contract or a futures contract is the gain or loss that would be realized if, at the Valuation Date, the position in such contract were to be closed out;
6. units of any pooled fund, if permitted to be acquired by the Fund, are valued at the net asset value for such units quoted by the trustee or manager of such fund;
7. the value of any security or other asset for which a market quotation is not readily available is the best estimate of the fair market value as determined by the Valuation Agent;
8. the value of all assets and liabilities of a Fund quoted in a currency other than Canadian dollars will be translated into Canadian dollars at the prevailing rate of exchange on the Valuation Date as quoted by customary sources selected by the Valuation Agent;
9. all expenses and liabilities of the Fund are calculated on an accrual basis; and
10. the value of all other assets is their fair value as determined by the Valuation Agent.

The value of any security or property to which, in the opinion of the Valuation Agent, the above valuation principles cannot be applied (whether because no price or yield equivalent quotations are available as above provided, or for any other reason) shall be the fair value thereof determined in such manner as the Valuation Agent from time to time provides. The Valuation Agent may also fair value securities in the following circumstances: (i) when there is a halt trade on a security which is normally traded on an exchange; (ii) on securities that trade on markets that have closed prior to the time of calculation of the Net Asset Value of the Fund and for which there is sufficient evidence that the closing price on the market is not the most appropriate value at the time of valuation; and (iii) when there are investment or currency restrictions imposed by a country that affect the Fund's ability to liquidate the assets held in that market.

Purchases and Redemptions

Distribution of Units

Units are distributed through the Manager and Dealers in each Offering Jurisdiction.

Investing in Units

The Fund may issue an unlimited number of Units on a continuous basis in one or more Series. The Fund currently issues Advisor Series Units and Series F Units. The Fund may issue additional Series in the future at the discretion of the Manager. Units may only be purchased and redeemed in Canadian dollars.

Units are offered on a continuous basis to investors resident in each of the provinces and territories of Canada pursuant to the accredited investor exemption from the prospectus requirement in Securities Legislation.

NI 45-106 requires that individual who invest on the basis that they are accredited investors (other than certain high-net worth individuals) must sign a risk acknowledgement form, which is included in the accompanying subscription agreement.

Each Series of Units is intended for different types of investors.

- Advisor Series Units are available to Accredited Investors who meet the minimum purchase amount.
- Series F Units are available to Accredited Investors who are enrolled in dealer-sponsored wrap programs or flat fee accounts, who meet the minimum purchase amount and whose dealer has entered into a Series F agreement with the Manager.

If the Manager becomes aware that a Unitholder no longer qualifies to own Series F Units, the Manager, on 30 days' notice to the Unitholder, may switch the Unitholder's Series F Units into Advisor Series Units. Each initial purchase of Advisor Series Units and Series F Units of the Fund is subject to a minimum of \$5,000. Subsequent purchases must be in increments of not less than \$100 or such other amount required by applicable securities laws.

The Manager may, in its sole discretion, redeem Units if an investment in the Fund has a value of less than \$1,000 at any time. Prior to redeeming such investment, the Manager shall provide the Unitholder with 30 days' written notice that such a redemption will occur in order to provide the Unitholder with the opportunity to invest an additional amount in the Fund to meet the minimum threshold to continue to hold Units.

Purchases

Orders to purchase Advisor Series Units and Series F Units may be made by an investor at any time. If purchasing Advisor Series Units, the investor may choose between the sale charge ("**Sales Charge**") option, the standard deferred charge ("**Standard Deferred Charge**") option, or the low load deferred charge ("**Low Load Deferred Charge**") option.

In order to receive the Series Net Asset Value per Unit of the applicable Series of the Fund determined on the Valuation Date upon which the purchaser intends the Units to be purchased, a purchase order must be received by the Manager before 4:00 p.m. (Eastern Time) on that Valuation Date. If a purchase order is received after this time, the purchase order will be processed at the Series Net Asset Value per Unit of the applicable Series calculated on the next Valuation Date.

The Manager is entitled in its discretion to reject subscriptions for purchases of Units in whole or in part. Any decision to reject a subscription for purchases of Units in whole or in part will be made by the Manager promptly, and in any event, within 3 Business Days of the relevant Valuation Date. If a subscription is rejected, the Manager will refund the subscription amount without interest.

Settlement of purchases will generally be made within the timelines that are standard in the industry but the Manager reserves the right to settle purchases up to 3 Business Days following the Valuation Date. If the subscription proceeds and, on an initial purchase, the documents the Manager requires have not been received by the Manager within 3 Business Days of processing a purchase order for any Units, the Manager will redeem Units on the next Business Day. If the proceeds from the redemption are greater than the payment owed, the Fund keeps the difference. If the proceeds are less than the payment owed, the Manager will pay the difference to the Fund on the Unitholder's behalf, and collect this amount together with additional costs from the Unitholder's Dealer who may collect these amounts from the Unitholder.

Redemptions

Redemptions may be made at the Series Net Asset Value per Unit of the applicable Series of the Fund determined on the relevant Valuation Date. In order to receive the Series Net Asset Value per Unit of the applicable Series of the Fund determined on a Valuation Date, an order for redemption of Units must be received before 4:00 p.m. (Eastern Time) on that Valuation Date. Any redemption order not received in time to be processed will be processed on the next Valuation Date.

Subject to the short-term redemption penalty described below, there are no additional redemption charges payable by the Unitholder as a result of a redemption of Series F Units. Advisor Series Units are subject to the redemption charges set out below as well as the short-term redemption penalty.

Redemption payments will be made in Canadian dollars. Settlement of redemptions will generally be made within the timelines that are standard within the industry but the Manager reserves the right to settle redemptions up to 3 Business Days following the applicable Valuation Date.

The Manager shall suspend the calculation of the Series Net Asset Value per Unit and the right to request a redemption for each Series of Units for any period when required to do so under Securities Legislation and may do so when it believes such a course of action is in the best interests of the Fund and it is permitted to do so under Securities Legislation.

The Fund will not accept any orders for the purchase of Units during any period when the redemption of Units has been suspended.

Redeeming Units under the deferred charge options

Unitholders may be required to pay a redemption fee on Units bought under either of the deferred charge options if the Unitholder redeems the Units within seven years after they are purchased under the Standard Deferred Charge option, or within three years after they are purchased under the Low Load Deferred Charge option. This redemption fee is a percentage of the original cost of the investment, and declines at the rates shown under *Fees and expenses*. With the deferred charge options, Units are redeemed in the order they were purchased or deemed purchased.

Free redemption amount

In each calendar year, up to 10% of the Units held under the Standard Deferred Charge option in the Fund can either (i) be redeemed for cash without a redemption fee, or (ii) if not already redeemed, re-designated as Sales Charge option Units. This amount is the “**Free Redemption Amount**” and is not cumulative, meaning Unitholders cannot carry any unused amount forward to the next calendar year. The Free Redemption Amount is not available for Units purchased under the Low Load Deferred Charge option. Units bought under the Standard Deferred Charge option that are re-designated as part of the Free Redemption Amount will, from the time they are re-designated, become subject to the higher level of service fees or trailing commissions that are applicable to Units purchased under the Sales Charge option. The service fees or trailing commissions for Units purchased under the Sales Charge option are set out under *Fees and expenses*.

Fees and expenses

Management fees

For its management services, the Manager receives a monthly management fee (expressed as an annual rate) from the Fund calculated daily on each Valuation Date and payable monthly, based on the Series Net Asset Value of each Series on that date as follows:

Advisor Series Units	Series F Units
1.95%	0.95%

The Fund is also required to pay HST on the management fees payable by the Fund in respect of each Series.

The Manager may increase the management fee applicable to a Series upon not less than 60 days’ prior written notice to Unitholders of that Series.

Operating expenses

The Manager pays all expenses relating to the operation of its portfolio and the carrying on of its business.

These expenses may include, without limitation: audit fees and expenses; legal fees and expenses; prime brokerage and related custody expenses; registrar and transfer agency fees and expenses; costs attributable to the issue and redemption of Units, including the cost of the Unitholder recordkeeping system; expenses incurred in respect of preparing and distributing offering documents and subscription agreements, financial reports and other types of reports, statements and communications to Unitholders; fund accounting and valuation costs; filing fees, including those expenses incurred by the Manager; interest and bank charges; premises and staff costs; applicable taxes, including HST, and other general operating and administrative expenses.

The Fund also pays its own brokerage commissions and includes this in the cost of its investments.

In return, the Fund pays a fixed administration fee to the Manager. The operating expenses paid by the Fund, excluding brokerage commissions, are fixed at an annualized rate of 0.20%, plus HST on such amount. The Manager may increase this fixed rate for the Fund’s operating expenses upon not less than 60 days’ prior written notice to Unitholders.

Redemption fees

There are no redemption fees for securities purchased under the Sales Charge option.

For Units purchased under a deferred charge option, Unitholders pay a redemption fee at the following rates if Units are redeemed during the time periods specified. The redemption fee is a percentage of the original cost of the Units being redeemed.

Standard Deferred Charge Option

<i>Standard Deferred Charge schedule</i>	
During the following periods after purchase	Redemption fee
First year	6.0%
Second year	5.5%
Third year	5.0%
Fourth year	4.5%
Fifth year	4.0%
Sixth year	3.0%
Seventh year	2.0%
Thereafter	Nil

No redemption fee will be payable for:

- cash distributions or dividends paid in cash on Units purchased under the Standard Deferred Charge option; or
- Units received on the reinvestment of distributions or dividends that are distributed as a result of Units purchased under the Standard Deferred Charge option.

Low Load Deferred Charge Option

<i>Low Load Deferred Charge schedule</i>	
During the following periods after purchase	Redemption fee
First year	3.0%
Second year	2.0%
Third year	1.0%
Thereafter	Nil

No redemption fee will be payable for:

- cash distributions or dividends paid in cash on Units purchased under the Low Load Deferred Charge option; or
- Units received on the reinvestment of distributions or dividends that are distributed as a result of Units purchased under the Low Load Deferred Charge option.

To minimize any redemption fees Unitholders may be required to pay under any deferred charge option, the following rules apply:

- the Units first purchased or deemed to be purchased along with any Units received on the reinvestment of distributions of these Units will be redeemed first; and
- any redemptions or re-designations in a calendar year that fall within the Free Redemption Amount will not be subject to a redemption fee.

The Free Redemption Amount for a calendar year is equal to the sum of: (a) 10% of the number of Units held at the end of the last calendar year; and (b) 10% of the number of Units purchased during the current calendar year up to the time of the redemption. A Unitholder cannot carry forward any unused portion of the Free Redemption Amount to the next calendar year.

Impact of sales charges

The following table shows the maximum amount of fees a Unitholder would have to pay if the Unitholder made an investment of \$1,000 in Advisors Series Units, held that investment for one, three, five or ten years and redeemed

immediately before the end of the period. The fees under the Sales Charge option are negotiable with the Unitholder's Dealer.

	At Purchase	One Year	Three Years	Five Years	Ten Years
Sales Charge Option	\$50.00	n/a	n/a	n/a	n/a
Standard Deferred Charge option ⁽¹⁾	n/a	\$60.00	\$50.00	\$40.00	n/a
Low Load Deferred Charge option ⁽¹⁾	n/a	\$30.00	\$10.00	n/a	n/a

(1) Redemption fees may apply if a Unitholder redeems Advisor Series Units within seven years of purchase under the Standard Deferred Charge option or within three years of purchase under the Low Load Deferred Charge option, as shown under *Fees and expenses* above. The redemption fee is based upon the original cost of the Unitholder's investment. For purposes of the table, no reinvestments of income or capital gains distributions have been assumed. Up to 10% of a Unitholder's investment may be redeemed or re-designated as Sales Charge option Units in each calendar year without a redemption fee except for Units purchased under the Low Load Deferred Charge option. This Free Redemption Amount is not reflected in the numbers shown above. Please see *Free redemption amount* above for more information on the Free Redemption Amount.

Short-term redemption penalty

If an investor redeems all or part of its investment in the Fund within 30 days of the initial purchase, the Manager may, in its discretion, impose a redemption charge of up to 5% of the applicable Series Net Asset Value of the Units to be redeemed, such amount being paid to the Fund. This short-term redemption penalty is in addition to all of the fees that the investor is subject to that are described in this Offering Memorandum. Further purchase orders from the same investor may also be refused by the Manager.

Dealer compensation

Series F Units

No sales commissions are paid on the purchase of Series F Units and no fee applies on the redemption of such Units. The Manager does not pay a service fee to Dealers for Series F Units.

Advisor Series Units

Advisor Series Units of the Fund may be purchased through a Dealer under the Sales Charge Option or one of the deferred charge options. The choice of purchase option affects the fees and sales charges paid to the Dealer and the service fee the Manager will pay to the Dealer.

There are two deferred charge options – the Standard Deferred Charge option and the Low Load Deferred Charge option. Under the Standard Deferred Charge

option or the Low Load Deferred Charge option, the Manager pays a commission to the Dealer on the Unitholders behalf when Units of the Fund are purchased. Unitholders may be required to pay a fee to the Manager if Unitholders redeem their Units within a specified number of years after purchase. The redemption fee is a percentage of the original cost of the Units redeemed and declines at the rates shown in the *Fees and expenses*.

Sales commissions

Advisor Series Units purchased under the Sales Charge option require Unitholders to pay their Dealer a sales commission at the time of purchase. The maximum amount of the commission is 5% of the amount invested. The sales commission is negotiable between the Unitholder and its Dealer.

If a Unitholder buys Advisor Series Units under the Standard Deferred Charge option, the Manager pays the Unitholder's Dealer a sales commission of 5% of the amount invested. If a Unitholder buys Advisor Series Units under the Low Load Deferred Charge option, the Manager pays the Unitholder's Dealer a commission of 2% of the amount invested. The commissions the Manager pays to a Unitholder's Dealer for Units purchased under the deferred charge options are not negotiable.

Service fees or trailing commissions

For Advisor Series Units, out of the management fees that are received by the Manager, the Manager pays Unitholder's Dealers a service fee or trailing commission, calculated daily and paid quarterly. The service fee will be payable by the Manager to the Dealer at an annualized rates shown below based on the average of the Series Net Asset Values of the Advisor Series Units held by the clients of the Dealer during the previous calendar quarter. The following table provides a summary of the maximum annual service fee the Manager will pay to a Unitholder's Dealer on Advisor Series Units. The Manager may modify or discontinue payment of the service fee at any time.

	Service Fee (%) (as applicable)		
	Sales Charge option	Deferred Charge options	
		Standard Deferred Charge option	Low Load Deferred Charge option
Advisor Series Units	1.00%	0.50%	1.00%

Summary of the Declaration of Trust

The rights and obligations of the Manager-Trustee and the Unitholders of the Fund are governed by the Declaration of Trust (as amended from time to time). The following

is a summary of certain portions of the Declaration of Trust. This summary supplements the other information contained in this Offering Memorandum but is not intended to be complete, and each investor should carefully review the Declaration of Trust itself for full details of these provisions. The Declaration of Trust is available from the Manager upon request.

Unitholder Meetings

Meetings of the Unitholders as a whole or of any series of Unitholders of the Fund may be convened by the Manager-Trustee from time to time as it may deem advisable. Meetings of Unitholders as a whole of the Fund shall be convened to consider and approve (i) any matter which pursuant to securities legislation must be submitted to Unitholders for approval; and (ii) the appointment of a successor trustee. Details regarding the calling and holding of Unitholder meetings are set out in the Declaration of Trust.

A written resolution signed by the holders of a majority of the Units otherwise entitled to be voted at a meeting shall be effective as if it had been passed at a meeting, provided all Unitholders are provided a copy of the proposed resolution (and all such other information they would have otherwise been entitled to pursuant to the Declaration of Trust) as soon as is practicable and in any event prior to the effective date of such resolution.

Unitholder Liability and Indemnification

No Unitholder shall incur or be subject to any liability whatsoever, in tort, contract or otherwise, to any person in connection with the property of the Fund or the obligations or affairs of the Fund or with respect to any agreement relating to the Fund or with respect to any act or omission of the Manager-Trustee or any other person in the performance or exercise, or purported performance or exercise, of any obligation, power, discretion or authority conferred upon the Manager-Trustee or such other person, whether under this Declaration of Trust or otherwise. The Fund shall indemnify and hold each of its Unitholders harmless from and against all claims and liabilities to which any such Unitholder may become subject by reason of being or having been a Unitholder of the Fund and shall reimburse such Unitholder for all legal and other expenses reasonably incurred in connection with any such claim or liability. The rights accruing to a Unitholder under the Declaration of Trust shall not exclude any other right to which such Unitholder may be lawfully entitled nor shall anything herein contained restrict the right of the Fund to indemnify or reimburse a Unitholder in any appropriate situation even though not specifically provided for herein; provided, however, that the Fund

shall not have liability to reimburse Unitholders for taxes assessed against them by reason of their ownership of Units nor for any losses suffered by reason of changes in the value of Units.

Amendments

Any proposed change to this Declaration of Trust that would adversely affect the Net Asset Value of the interest of the Unitholders of the Fund as a whole and/or the Series Net Asset Value of a series of the Fund, other than those changes which receive Unitholder approval pursuant to Unitholder meeting or through a Unitholder resolution, may only take effect upon the giving of not less than 60 days' written notice of the proposed change to the Unitholders in accordance with the Declaration of Trust and each Unitholder is given the opportunity to redeem all of such Unitholder's Units prior to the effective date of the change (in such event the Manager-Trustee shall be deemed to have waived, to the extent necessary, any lock-up and notice periods, and to have waived any redemption deductions for Units that are redeemed in the specified period).

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

Termination of the Fund

The Manager-Trustee may, in its discretion, terminate the Fund or a Series of Units of the Fund by giving notice to Unitholders of the Fund or of the Series, as the case may be, and fixing the date of termination not earlier than 60 days following the mailing or other delivery of such notice.

On the effective date of termination of the Fund, or as soon thereafter as the Manager-Trustee deems advisable, the Manager-Trustee shall sell all non-cash assets of the Fund or such portion as may be necessary, unless the Manager-Trustee determines that it would be in the best interests of the Unitholders to distribute some or all of such assets in specie. If the Manager-Trustee has decided to terminate a Series of the Fund, and has, in its sole discretion, decided not to transfer the Unitholders of that Series into another Series of the same Fund or the Series of another Fund, then, on the effective date of termination of that Series of the Fund, or as soon thereafter as the Manager-Trustee deems advisable, the Manager-Trustee shall sell all non-cash assets of the Series of the Fund or such portion as may be necessary, unless the Manager-Trustee determines that it would be in the best interests of the Unitholders to distribute some or all of such assets in specie. In either case, the Manager-Trustee shall be entitled to retain out of any moneys in its hands

full provision for all costs, charges, expenses, claims and demands incurred, made or reasonably anticipated by the Manager-Trustee in connection with or arising out of the termination of the Fund or Series, as the case may be, and the distribution of the Fund's or Series' assets to Unitholders and out of the moneys so retained to be indemnified and saved harmless against any such costs, charges, expenses, claims and demands. The Manager-Trustee shall distribute from time to time to Unitholders of record as of the effective date of termination their proportionate share of all property and assets of the Fund, as the case may be, attributable to the applicable series of Units and available at that time for the purpose of such distribution. As of and from the effective date of termination of the Fund, or of a series of Units, or as of such other date as the Manager-Trustee may determine, the rights of Unitholders with respect to redemption or redesignation of Units of the affected Fund or series shall cease. If required by the Manager-Trustee, a form of release satisfactory to the Manager-Trustee shall be provided by each Unitholder prior to the distribution of the Unitholder's Proportionate Share of the Fund's assets attributable to the applicable series of Units.

Income tax considerations

The following is a summary of the principal Canadian federal income tax considerations under the Tax Act as of the date hereof generally applicable to the Fund and to a prospective purchaser of Units who is, at all relevant times, a Canadian resident individual (other than a trust) holding Units directly as capital property or in a Registered Plan, dealing at arm's length with the Fund and not affiliated with the Fund, each within the meaning of the Tax Act.

This summary is of a general nature only, is not exhaustive of all possible income tax considerations, and is not intended to be, nor should be construed to be legal or tax advice. Accordingly, prospective purchasers should consult their own tax advisor with respect to their particular circumstances.

This summary is based on the current provisions of the Tax Act in force on the date hereof, the regulations enacted pursuant thereto, all specific proposals to amend the Tax Act and the regulations publicly announced by or on behalf of the Minister of Finance (Canada) prior to the date hereof and our understanding of the current published administrative policies and assessing practices of the CRA. This summary does not otherwise take into account or anticipate any changes in law, whether by legislative or assessing practices of the CRA, nor does it take into account or consider any provincial, territorial or foreign income tax considerations.

This summary assumes that the Fund will at all material times qualify as a mutual fund trust under the Tax Act.

Taxation of the Fund

The Fund will be subject to tax under Part I of the Tax Act on its net income, including net taxable capital gains, as calculated for tax purposes for a taxation year to the extent that it is not paid or payable to Unitholders (after taking into account loss carryforwards and the capital gains refund, if any). For each taxation year, the Fund will distribute to Unitholders enough of its net income and net realized capital gains so that the Fund will not be liable for tax under Part I of the Tax Act for any taxation year.

The Fund is required to calculate its net income, including net taxable capital gains, in Canadian dollars, for each taxation year according to the rules in the Tax Act. The Fund is generally required to include in the calculation of its income, interest as it accrues, dividends when they are received and capital gains and losses when they are realized. Trust income that is paid or payable to the Fund during the trust's taxation year is generally included in the calculation of the Fund's income for the taxation year of the Fund in which the trust's taxation year ends. However, in certain circumstances, the business income and other non-portfolio earnings of an income trust or other Canadian resident publicly traded trust (other than certain Canadian real estate investment trusts) that is paid or payable to the Fund is treated as an eligible dividend received, at that time, from a taxable Canadian corporation. Foreign source income received by the Fund will generally be net of any taxes withheld in the foreign jurisdiction. The foreign taxes so withheld will be included in the calculation of the Fund's income. Gains and losses realized on futures, forward contracts, options and other derivatives may be treated as ordinary income and loss or as capital gains and capital losses, depending on the circumstances. The Fund will make an election under subsection 39(4) of the Tax Act so that its gains and losses on sales of "Canadian securities" under the Tax Act will be treated as capital gains and losses.

The Fund must calculate its ACB and proceeds of disposition of foreign currency denominated securities in Canadian dollars based on the conversion rate on the date the securities were purchased and sold, as applicable. As a result, the Fund may realize capital gains and losses due to changes in the value of foreign currency relative to the Canadian dollar.

Capital gains realized by the Fund during a taxation year are reduced by capital losses realized during the year. In certain circumstances, a capital loss realized by the Fund may be denied or suspended and, therefore, may not be available to offset capital gains. For example, a cap-

ital loss realized by the Fund will be suspended if, during the period that begins 30 days before and ends 30 days after the date on which the capital loss was realized, the Fund (or a person affiliated with the Fund for the purposes of the Tax Act) acquires a property that is, or is identical to, the particular property on which the loss was realized and owns that property at the end of that period. There are other loss restriction rules that may prevent the Fund from deducting losses.

Taxation of Unitholders

Generally, an individual who holds Units directly (not in a Registered Plan) will be required to include in computing his or her income the amount of the net income and the taxable portion of the net realized capital gains that is paid or payable to him or her by the Fund in the year, whether or not such amount has been reinvested in additional Units. A Unitholder may ultimately be paid and thus taxed on income, realized capital gains, and accrued capital gains that are in a Fund at the time the Units are purchased.

Distributions of ROC to a Unitholder by the Fund are not included in income, but will reduce the ACB to the Unitholder of the Units on which the distribution was paid. To the extent that the ACB of a Unitholder's Units is reduced to less than zero, the Unitholder will be deemed to realize a capital gain and subsequently the ACB will be increased to nil.

Provided the appropriate designations are made by the Fund, the amount, if any, of net realized taxable capital gains and taxable dividends from taxable Canadian corporations of the Fund that is paid or payable to Unitholders (including such amounts reinvested in additional Units) will, effectively, retain its character for tax purposes and be treated as taxable capital gains and taxable dividends of the Unitholders. Amounts that retain their character as taxable dividends on shares of taxable Canadian corporations will be eligible for the gross up and dividend credit rules under the Tax Act. An enhanced gross up and dividend tax credit is available for eligible dividends from Canadian corporations. Similarly, the Fund may make a designation of its foreign source income so that Unitholders are able to claim a foreign tax credit for foreign taxes paid and not deducted by the Fund.

Upon the disposition or deemed disposition of a Unit by a Unitholder, whether by redemption, sale, transfer or otherwise, the Unitholder will realize a capital gain (or capital loss) to the extent that the proceeds of disposition for the Unit, less any expenses of disposition, are greater (or less) than the Unitholder's ACB of the Unit as determined for the purposes of the Tax Act.

One-half of any capital gain realized by a Unitholder will generally be included in the Unitholder's income as a taxable capital gain and one-half of any capital loss realized by a Unitholder may generally be deducted from taxable capital gains in accordance with the provisions of the Tax Act.

Taxation of Registered Plans

A Registered Plan that holds Units and the planholder of that Registered Plan will generally not be subject to tax on the value of the Units or the income or capital gains distributed by the Fund or a gain realized on the disposition of the Units provided the securities are: (i) a qualified investment under the Tax Act for the Registered Plan; (ii) in the case of an RRSP, RRIF and TFSA, not a prohibited investment under the Tax Act for the Registered Plan and not used in a transaction that constitutes an advantage under the Tax Act in relation to the Registered Plan; and (iii) not used as security for a loan.

The Units are expected to be a qualified investment for Registered Plans at all material times.

Units may be a prohibited investment under the Tax Act for an RRSP, RRIF or TFSA even when the Units are a qualified investment. However, under a safe harbour for newly established mutual funds, the Units will not be a prohibited investment for an RRSP, RRIF or TFSA at any time during the first 24 months of existence if the Fund is a mutual fund trust under the Tax Act and follows a reasonable policy of investment diversification throughout that period. When this safe harbour does not apply, Units will generally not be a prohibited investment for an RRSP, RRIF or TFSA of a planholder if the planholder and persons (and partnerships) who do not deal at arm's length with the planholder do not, in total, own directly or indirectly 10% or more of the fair market value of the Fund.

Unitholders should consult their own tax advisor for advice regarding the implications of acquiring, holding or disposing of Units in their Registered Plan, including whether or not Units are at risk of being or becoming a prohibited investment or whether a particular transaction would constitute a prohibited advantage under the Tax Act for their Registered Plans.

Exchange of tax information

Unitholders may be requested to provide information to their dealers to determine whether they are U.S. persons. If a Unitholder is a U.S. person (including a U.S. citizen) or if a Unitholder does not provide the requested information, generally, information about investments held in the financial account maintained by the Unitholder's dealer will be reported to the CRA, unless the

investments are held within a registered plan. The CRA is expected to provide that information to the U.S. Internal Revenue Service.

Reporting to investors

Each year, Unitholders will receive tax slips with detailed information about the distributions paid on Units held directly (not in a Registered Plan), on or before the date prescribed by law for such reporting.

The fiscal year end of the Fund is December 31. The audited annual and unaudited semi-annual financial statements of the Fund will be prepared and provided to those Unitholders who have requested to receive the financial statements.

Investors' rights of action for damages or rescission

In addition to and without derogation from any right or remedy that an investor of the Units may have at law, securities legislation in certain of the provinces and territories of Canada provides that an investor has or must be granted rights of rescission or damages, or both, where this Offering Memorandum and any amendment hereto contains a Misrepresentation. However, such rights and remedies, or notice with respect thereto, must be exercised by the investor within the time limits prescribed by the applicable securities legislation. Notwithstanding that the securities legislation of each of British Columbia and Québec does not require the Fund to provide Unitholders resident in these provinces with such rights, the Fund is providing contractual rights of rescission or damages, or both, where this Offering Memorandum and any amendment hereto contains a Misrepresentation, to Unitholders resident in British Columbia and Québec.

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

A summary of these rights of rescission or damages is provided below. The summary contained in this Offering Memorandum is subject to the express provisions of the securities legislation in each of the jurisdictions, and the regulations, rules and policy statements under such legislation, and reference is made to such legislation, regulations, rules and policies for the complete text of such

provisions. Unitholders should consult with their legal advisers to determine whether and the extent to which they may have a right of rescission or damages in their jurisdiction of residence. The rights discussed below are in addition to and without derogation from any other rights or remedies available at law to a Unitholder.

Rights for investors in Ontario

If this Offering Memorandum, together with any amendment hereto, is delivered to an investor resident in Ontario and contains a Misrepresentation, without regard to whether the Misrepresentation was relied upon by the investor, the investor will have a right of action against the Fund for damages or, alternatively, while still the owner of the purchased Units, for rescission, provided that:

1. no action may be commenced to enforce a right of action:
 - (a) for rescission more than 180 days after the date of the purchase; or
 - (b) for damages more than the earlier of (i) 180 days after the investor first had knowledge of the facts giving rise to the cause of action, or (ii) three years after the date of purchase;
2. the rights conferred here are in addition to and without derogation from any other rights or remedies available at law to the investor;
3. the Fund will not be liable if it proves that the investor purchased the Units with knowledge of the Misrepresentation;
4. the Fund will not be liable for a Misrepresentation in forward-looking information if the Fund proves that:
 - (i) this Offering Memorandum contains, proximate to the forward-looking information, reasonable cautionary language identifying the forward-looking information as such, and identifying material factors that could cause actual results to differ materially from a conclusion, forecast or projection in the forward-looking information, and a statement of material factors or assumptions that were applied in drawing a conclusion or making a forecast or projection set out in the forward-looking information; and
 - (ii) the Fund had a reasonable basis for drawing the conclusions or making the forecasts and projections set out in the forward-looking information;
5. the Fund is not liable if the Fund does not receive any proceeds from the distribution of the Units and the Misrepresentation was not based on information provided by the Fund, unless the Misrepresentation:
 - (i) was based on information previously publicly disclosed by the Fund;
 - (ii) was a Misrepresentation at the time of its previous public disclosure; and
 - (iii) was not subsequently publicly corrected or superseded by the Fund before completion of the distribution of the Units being distributed;
6. in an action for damages, the Fund will not be liable for all or any portion of the damages that it proves do not represent the depreciation in value of the Units as a result of the Misrepresentation relied upon;
7. in no case shall the amount recoverable exceed the price at which the Units were sold to the investor; and
8. all persons or companies referred to above 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.

The foregoing rights do not apply if the investor is:

- (a) a Canadian financial institution (as defined in National Instrument 45-106) or a Schedule III bank;
- (b) the Business Development Bank of Canada incorporated under the *Business Development Bank of Canada Act* (Canada); or
- (c) a subsidiary of any person referred to in paragraphs (a) and (b), if the person owns all of the voting securities of the subsidiary, except the voting securities required by law to be owned by directors of that subsidiary.

Rights for investors in Alberta

If this Offering Memorandum, together with any amendment hereto, is delivered to an investor resident in Alberta and contains a Misrepresentation and it was a Misrepresentation at the time of purchase, the investor will be deemed to have relied upon the Misrepresentation and will have a right of action against the Fund and

every director of the Fund (if applicable) at the date of this Offering Memorandum for damages or, alternatively, while still the owner of the purchased Units, for rescission against the Fund, provided that:

1. no action may be commenced to enforce a right of action:
 - (a) for rescission more than 180 days after the date of the purchase; or
 - (b) for damages more than the earlier of (i) 180 days after the investor first had knowledge of the facts giving rise to the cause of action, or (ii) three years after the date of purchase;
2. no person or company will be liable if the person or company proves that the investor purchased the Units with knowledge of the Misrepresentation;
3. no person or company (but excluding the Fund) will be liable if the person or company proves that:
 - (i) this Offering Memorandum was delivered to the investor without the person's or company's knowledge or consent and that, on becoming aware of its being sent, the person or company promptly gave reasonable notice to the Fund that it was delivered without the person's or company's knowledge or consent; or
 - (ii) on becoming aware of any Misrepresentation in this Offering Memorandum, the person or company withdrew the person's or company's consent to this Offering Memorandum and gave reasonable notice to the Fund of the withdrawal and the reason for it; or
 - (iii) with respect to any part of this Offering Memorandum purporting to be made on the authority of an expert or to be a copy of, or an extract from, 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 there had been a Misrepresentation, or the relevant part of this 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;
4. no person or company (but excluding the Fund) will be liable with respect to any part of this Offering Memorandum not purporting to be made on the authority of an expert, or to be a copy of, or an extract from, a report, opinion or statement of an expert unless the person or company failed to conduct an investigation to provide reasonable grounds for a belief that there had been no Misrepresentation, or believed that there had been a Misrepresentation;
5. the Fund will not be liable for a Misrepresentation in forward-looking information if the Fund proves that:
 - (i) this Offering Memorandum contains, proximate to the forward-looking information, reasonable cautionary language identifying the forward-looking information as such, and identifying material factors that could cause actual results to differ materially from a conclusion, forecast or projection in the forward-looking information, and a statement of material factors or assumptions that were applied in drawing a conclusion or making a forecast or projection set out in the forward-looking information; and
 - (ii) the Fund had a reasonable basis for drawing the conclusions or making the forecasts and projections set out in the forward-looking information;
6. in an action for damages, the defendant will not be liable for all or any portion of the damages that the defendant proves does not represent the depreciation in value of the Units as a result of the Misrepresentation;
7. in no case shall the amount recoverable exceed the price at which the Units were sold to the investor;
8. if the Misrepresentation is contained in a record incorporated by reference in, or is deemed to be incorporated into, this Offering Memorandum, the Misrepresentation is deemed to be contained in this Offering Memorandum; and
9. all persons or companies referred to above 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.

Rights for investors in British Columbia

If this Offering Memorandum, together with any amendment hereto, is delivered to an investor resident in British Columbia and contains a Misrepresentation and it was a Misrepresentation at the time of purchase, the investor will be deemed to have relied upon the Misrepresentation and will have a right of action against the Fund and every director of the Fund (if applicable) at the date of this Offering

Memorandum for damages or, alternatively, while still the owner of the purchased Units, for rescission against the Fund, provided that:

1. no action may be commenced to enforce a right of action:
 - (a) for rescission more than 180 days after the date of the purchase; or
 - (b) for damages more than the earlier of (i) 180 days after the investor first had knowledge of the facts giving rise to the cause of action, or (ii) three years after the date of purchase;
2. the rights conferred here are in addition to and without derogation from any other rights or remedies available at law to the investor;
3. no person or company will be liable if the person or company proves that the investor purchased the Units with knowledge of the Misrepresentation;
4. no person or company (but excluding the Fund) will be liable if the person or company proves that:
 - (i) this Offering Memorandum was delivered to the investor without the person's or company's knowledge or consent and that, on becoming aware of its delivery, the person or company gave written notice to the Fund that it was delivered without the person's or company's knowledge or consent; or
 - (ii) on becoming aware of any Misrepresentation in this Offering Memorandum, the person or company withdrew the person's or company's consent to this Offering Memorandum and gave written notice to the Fund of the withdrawal and the reason for it; or
 - (iii) with respect to any part of this Offering Memorandum purporting to be made on the authority of an expert or to be a copy of, or an extract from, 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 there had been a Misrepresentation, or the relevant part of this 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;
5. no person or company (but excluding the Fund) will be liable with respect to any part of this Offering Memorandum not purporting to be made on the authority of an expert, or to be a copy of, or an extract from, a report, opinion or statement of an expert unless the person or company failed to conduct a reasonable investigation to provide reasonable grounds for a belief that there had been no Misrepresentation, or believed that there had been a Misrepresentation;
6. the Fund will not be liable for a Misrepresentation in forward-looking information if the Fund proves that:
 - (i) this Offering Memorandum contains, proximate to the forward-looking information, reasonable cautionary language identifying the forward-looking information as such, and identifying material factors that could cause actual results to differ materially from a conclusion, forecast or projection in the forward-looking information, and a statement of material factors or assumptions that were applied in drawing a conclusion or making a forecast or projection set out in the forward-looking information; and
 - (ii) the Fund had a reasonable basis for drawing the conclusions or making the forecasts and projections set out in the forward-looking information;
7. in an action for damages, the defendant will not be liable for all or any portion of the damages that the defendant proves does not represent the depreciation in value of the Units as a result of the Misrepresentation;
8. in no case shall the amount recoverable exceed the price at which the Units were sold to the investor;
9. if the Misrepresentation is contained in a record incorporated by reference in, or is deemed to be incorporated into, this Offering Memorandum, the Misrepresentation is deemed to be contained in this Offering Memorandum; and
10. all persons or companies referred to above 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.

Rights for investors in Saskatchewan

If this Offering Memorandum, together with any amendment hereto, is delivered to an investor resident in Saskatchewan and contains a Misrepresentation at the time of purchase, the investor is deemed to have relied upon that Misrepresentation and will have a right for damages

against the Fund, every promoter and director of the Fund (as the case may be) and every person or company who sells Units on behalf of the Fund, or alternatively, while still the owner of the purchased Units, for rescission against the Fund, provided that:

1. no action shall be commenced to enforce a right of action:
 - (a) in the case of an action for rescission, more than 180 days after the date of the transaction that gave rise to the cause of action; or
 - (b) in the case of any action, other than an action for rescission, the earlier of (i) one year after the investor 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 the action;
2. no person or company will be liable if the person or company proves that the investor purchased the Units with knowledge of the Misrepresentation;
3. no person or company (excluding the Fund) will be liable if the person or company proves that:
 - (i) this Offering Memorandum was delivered without the person's or company's knowledge or consent and that, on becoming aware of its delivery, the person or company immediately gave reasonable general notice that it was delivered without the person's or company's knowledge; or
 - (ii) after the filing of this Offering Memorandum or amendment to this Offering Memorandum, and before the purchase of securities by the investor, on becoming aware of any Misrepresentation, the person or company withdrew the person's or company's consent to this Offering Memorandum and gave reasonable general notice of the withdrawal and the reason for it; or
 - (iii) with respect to any part of this Offering Memorandum purporting to be made on the authority of an expert or to be a copy of, or an extract from, 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 there had been a Misrepresentation, or the relevant part of this Offering Memorandum did not fairly represent the report, opinion or statement of the expert, or was not a fair copy of or extract from the report, opinion or statement of the expert;
4. no person or company (but excluding the Fund) will be liable with respect to any part of this Offering Memorandum not purporting to be made on the authority of an expert, or to be a copy of, or an extract from a report, 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;
5. the Fund will not be liable for a Misrepresentation in forward-looking information if the Fund proves that:
 - (i) this Offering Memorandum contains, proximate to the forward-looking information, reasonable cautionary language identifying the forward-looking information as such, and identifying material factors that could cause actual results to differ materially from a conclusion, forecast or projection in the forward-looking information, and a statement of material factors or assumptions that were applied in drawing a conclusion or making a forecast or projection set out in the forward-looking information; and
 - (ii) the Fund had a reasonable basis for drawing the conclusions or making the forecasts and projections set out in the forward-looking information;
6. no person or company, other than the Fund or distributor of Units, is liable if the person or company proves that with respect to any part of this Offering Memorandum or of the amendment to this Offering Memorandum purporting to be made on the person's or company's own authority as an expert or purporting to be a copy of or an extract from the person's or company's own report, opinion or statement as an expert that contains a Misrepresentation attributable to failure to represent fairly his, her or its report, opinion or statement as an expert:
 - (i) the person or company had, after reasonable investigation, reasonable grounds to believe and did believe that the part of this Offering Memorandum or of the amendment to this Offering Memorandum fairly represented the person's or company's report, opinion or statement; or
 - (ii) on becoming aware that the part of this Offering Memorandum did not fairly represent the person's or company's report, opinion or statement as an expert, the person or company immediately advised the Commission and gave reasonable general notice that such use had

been made of it and that the person or company would not be responsible for that part of this Offering Memorandum or the amendment to this Offering Memorandum;

7. no person or company, other than the Fund or distributor of Units, is liable for any part of this Offering Memorandum or the amendment to this Offering Memorandum purporting to be made on the person's or company's own authority as an expert or purporting to be a copy of or an extract from the person's or company's own report, opinion or statement as an expert, unless the person or company:
 - (i) failed to conduct a reasonable investigation sufficient to provide reasonable grounds for a belief that there had been no Misrepresentation; or
 - (ii) believe there had been a Misrepresentation;
8. no person or company, other than the Fund or distributor of Units, is liable if the person or company proves 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 extract from a public official document, the statement was a correct and fair representation of the statement or copy of or extract from the document and the person or company had reasonable grounds to believe, and did believe, that the statement was true;
9. no person or company responsible for selling Units on behalf of the Fund, or alternatively, while still the owner of the purchased Units, is liable if that person or company can establish that he, she or it cannot reasonably be expected to have had knowledge of any Misrepresentation in this Offering Memorandum or the amendment to this Offering Memorandum;
10. in an action for damages, the Fund will not be liable for all or any portion of the damages that it proves do not represent the depreciation in value of the Units as a result of the Misrepresentation relied upon;
11. in no case shall the amount recoverable exceed the price at which the Units were sold to the investor; and
12. all persons or companies referred to above 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.

An investor resident in Saskatchewan who has entered into an agreement for the purchase of Units, which has not yet been completed, and who receives an amendment to this Offering Memorandum that discloses (i) a material change in the affairs of the Fund, (ii) a change in the terms or conditions of the offering as described in this Offering Memorandum or (iii) securities to be distributed that are in addition to the Units described herein, that occurred or arose before the investor entered into the agreement for the purchase of the Units, may within two business days of receiving the amendment deliver a notice to the Manager or agent through whom the Units are being purchased indicating the investor's intention not to be bound by the purchase agreement.

Rights for investors in Manitoba

In the event that this Offering Memorandum or any amendment hereto is delivered to an investor resident in Manitoba and contains a Misrepresentation, an investor is deemed to have relied on the Misrepresentation and has a right of action for damages against the Fund and every director of the Fund at the date of this Offering Memorandum, or alternatively, while still the owner of the purchased Units, a right of rescission against the Fund, provided that:

1. no action may be commenced to enforce a right of action:
 - (a) for rescission more than 180 days after the date of the purchase; or
 - (b) for damages, the earlier of (i) 180 days after the investor first had knowledge of the facts giving rise to the cause of action, or (ii) two years after the date of the purchase;
2. no person or company will be liable if the person or company proves that the investor purchased the Units with knowledge of the Misrepresentation;
3. no person or company (but excluding the Fund) will be liable if the person or company proves that:
 - (i) this Offering Memorandum was sent to the investor without the person's or company's knowledge or consent, and that, after becoming aware that it was sent, the person or company promptly gave reasonable notice to the Fund that it was sent without the person's or company's knowledge and consent; or
 - (ii) on becoming aware of the Misrepresentation, the person or company withdrew their respective consent to this Offering Memorandum and gave reasonable notice to the Fund of the withdrawal and the reason for it; or

- (iii) with respect to any part of this Offering Memorandum purporting to be made on the authority of an expert or to be a copy of, or an extract from, an expert's report, opinion or statement, the person or company proves that they had no reasonable grounds to believe and did not believe that there had been a Misrepresentation, or the relevant part of this Offering Memorandum did not fairly represent the expert's report, opinion or statement, or was not a fair copy of, or an extract from, the expert's report or statement;
4. no person or company (excluding the Fund) will be liable with respect to any part of this Offering Memorandum not purporting to be made on the authority of an expert and not purporting to be a copy of, or an extract from, an expert's report, opinion or statement, unless the person or company did not conduct an investigation sufficient to provide reasonable grounds for a belief that there had been no Misrepresentation, or believed that there had been a Misrepresentation;
 5. the Fund will not be liable for a Misrepresentation in forward-looking information if the Fund proves that:
 - (i) this Offering Memorandum contains, proximate to the forward-looking information, reasonable cautionary language identifying the forward-looking information as such, and identifying material factors that could cause actual results to differ materially from a conclusion, forecast or projection in the forward-looking information, and a statement of material factors or assumptions that were applied in drawing a conclusion or making a forecast or projection set out in the forward-looking information; and
 - (ii) the Fund had a reasonable basis for drawing the conclusions or making the forecasts and projections set out in the forward-looking information;
 6. in an action for damages, the defendant will not be liable for all or any portion of the damages that the defendant proves does not represent the depreciation in value of the Units as a result of the Misrepresentation;
 7. in no case shall the amount recoverable exceed the price at which the Units were sold to the investor;
 8. if the Misrepresentation is contained in a record incorporated by reference in, or is deemed to be incorporated into, this Offering Memorandum, the Misrepresentation is deemed to be contained in this Offering Memorandum; and
 9. all persons or companies referred to above 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.

Rights for investors in Québec

Under legislation adopted but not yet in force in Québec, if this Offering Memorandum, together with any amendment hereto, as delivered to an investor resident in Québec, contains a Misrepresentation, the investor will have (i) a right of action for damages against the Fund, every officer and director of the Fund, the dealer (if any) under contract to the Fund, any person who is required to sign an attestation in this Offering Memorandum and any expert whose opinion, containing a Misrepresentation, appeared, with the expert's consent in this Offering Memorandum, or (ii) a right of action against the Fund for rescission of the purchase contract or revision of the price at which the Units were sold to the investor, provided that:

1. no action may be commenced to enforce such a right of action:
 - (a) for rescission or revision of price more than three years after the date of the purchase; or
 - (b) for damages later than the earlier of (i) three years after the investor first had knowledge of the facts giving rise to the cause of action, except on proof of tardy knowledge imputable to the negligence of the investor, or (ii) five years from the filing of this Offering Memorandum with the Autorité des marchés financiers;
2. no person or company will be liable if the person or company proves that the investor purchased the Units with knowledge of the Misrepresentation; or
3. no person or company (other than the Fund) will be liable in an action for damages if the person or company proves that it acted prudently and diligently;
4. the Fund will not be liable for a Misrepresentation in forward-looking information if the Fund proves that:
 - (i) this Offering Memorandum contains, proximate to the forward-looking information, (i) reasonable cautionary language identifying the forward-information as such, and identifying material factors that could cause actual results to differ materially from a conclusion, forecast

- or project in the forward-looking information, and (ii) a statement of the material factors or assumptions that were applied in drawing a conclusion or making a forecast or projection; and
- (ii) the Fund had a reasonable basis for drawing the conclusions or making the forecasts and projections set out in the forward-looking information.

Rights for investors in New Brunswick

If this Offering Memorandum, together with any amendment hereto, delivered to an investor resident in New Brunswick contains a Misrepresentation that was a Misrepresentation at the time of purchase, the investor will be deemed to have relied on the Misrepresentation and will have a right of action against the Fund for damages or, alternatively, while still the owner of the purchased Units, for rescission, provided that:

1. no action may be commenced to enforce a right of action:
 - (a) for rescission more than 180 days after the date of the purchase; or
 - (b) for damages more than the earlier of (i) one year after the investor first had knowledge of the facts giving rise to the cause of action, and (ii) six years after the date of purchase;
2. the rights conferred here are in addition to and without derogation from any other rights or remedies available at law to the investor;
3. the Fund will not be liable if it proves that the investor purchased the Units with knowledge of the Misrepresentation;
4. the Fund will not be liable for a Misrepresentation in forward-looking information if the Fund proves that:
 - (i) this Offering Memorandum contains, proximate to the forward-looking information, reasonable cautionary language identifying the forward-looking information as such, and identifying material factors that could cause actual results to differ materially from a conclusion, forecast or projection in the forward-looking information, and a statement of material factors or assumptions that were applied in drawing a conclusion or making a forecast or projection set out in the forward-looking information; and
 - (ii) the Fund had a reasonable basis for drawing the conclusions or making the forecasts and projections set out in the forward-looking information; and
5. the Fund is not liable if the Fund does not receive any proceeds from the distribution of the Units and the Misrepresentation was not based on information provided by the Fund, unless the Misrepresentation:
 - (i) was based on information previously publicly disclosed by the Fund;
 - (ii) was a Misrepresentation at the time of its previous public disclosure; and
 - (iii) was not subsequently publicly corrected or superseded by the Fund before completion of the distribution of the Units being distributed;
6. in an action for damages, the Fund will not be liable for all or any portion of the damages that it proves do not represent the depreciation in value of the Units as a result of the Misrepresentation relied upon;
7. in no case shall the amount recoverable exceed the price at which the Units were sold to the investor; and
8. all persons or companies referred to above 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.

Rights for investors in Nova Scotia

In Nova Scotia, in the event that this Offering Memorandum, together with any amendment hereto or any advertising or sales literature (as defined in the *Securities Act* (Nova Scotia) (the "Nova Scotia Act")), contains a Misrepresentation and it was a Misrepresentation at the time of purchase, the investor resident in Nova Scotia will be deemed to have relied upon the Misrepresentation and will have a right of action against the Fund and every director of the Fund (if applicable) at the date of this Offering Memorandum for damages or, alternatively, while still the owner of the purchased Units, for rescission against the Fund, provided that:

1. no action may be commenced to enforce a right of action more than 120 days:
 - (a) after the date on which payment was made for the Units or;
 - (b) after the date on which the initial payment was made;

2. the rights conferred here are in addition to and without derogation from any other rights or remedies available at law to the investor;
3. no person or company will be liable if the person or company proves that the investor purchased the Units with knowledge of the Misrepresentation;
4. no person or company (but excluding the Fund) will be liable if the person or company proves that:
 - (i) this Offering Memorandum was delivered to the investor 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;
 - (ii) after delivery of this Offering Memorandum and before the purchase of the Units by the investor, on becoming aware of any Misrepresentation in this Offering Memorandum, the person or company withdrew the person's or company's consent to this Offering Memorandum and gave reasonable general notice of the withdrawal and the reason for it; or
 - (iii) with respect to any part of this Offering Memorandum purporting to be made on the authority of an expert or to be a copy of, or an extract from, 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 there had been a Misrepresentation, or the relevant part of this 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; or
5. no person or company (but excluding the Fund) will be liable with respect to any part of this Offering Memorandum not purporting to be made on the authority of an expert, or to be a copy, or an extract from, a report, opinion or statement of an expert unless the person or company failed to conduct a reasonable investigation to provide reasonable grounds for a belief that there had been no Misrepresentation, or believed that there had been a Misrepresentation;
6. the Fund will not be liable for a Misrepresentation in forward-looking information if the Fund proves that:
 - (i) this Offering Memorandum contains, proximate to the forward-looking information, reasonable cautionary language identifying the forward-looking information as such, and identifying material factors that could cause actual results to differ materially from a conclusion, forecast or projection in the forward-looking information, and a statement of material factors or assumptions that were applied in drawing a conclusion or making a forecast or projection set out in the forward-looking information; and
 - (ii) the Fund had a reasonable basis for drawing the conclusions or making the forecasts and projections set out in the forward-looking information;
7. in an action for damages, the defendant will not be liable for all or any portion of the damages that the defendant proves does not represent the depreciation in value of the Units as a result of the Misrepresentation relied upon;
8. in no case will the amount recoverable in any action exceed the price at which the Units were sold to the investor;
9. if the Misrepresentation is contained in a record incorporated by reference in, or is deemed to be incorporated into, this Offering Memorandum, the Misrepresentation is deemed to be contained in this Offering Memorandum; and
10. all persons or companies referred to above 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.

These rights are intended to correspond with the rights against a seller of securities provided in the Nova Scotia Act and the securities regulations thereto and are subject to defences contained therein.

Rights for investors in Prince Edward Island

If this Offering Memorandum, together with any amendment hereto, delivered to an investor resident in Prince Edward Island contains a Misrepresentation and it was a Misrepresentation at the time of purchase, the investor will be deemed to have relied upon the Misrepresentation and will have a right of action against the Fund and every director of the Fund (if applicable) at the date of this Offering Memorandum for damages or, alternatively, while still the owner of the purchased Units, for rescission against the Fund, provided that:

1. no action shall be commenced to enforce a right of action:
 - (a) in the case of an action for rescission, more than 180 days after the date of the transaction that gave rise to the cause of action; or
 - (b) in the case of any action, other than an action for rescission, the earlier of (i) 180 days after the investor first had knowledge of the facts giving rise to the cause of the action, or (ii) three years after the date of the transaction that gave rise to the cause of the action;
2. the rights conferred here are in addition to and without derogation from any other rights or remedies available at law to the investor;
3. no person or company will be liable if the person or company proves that the investor purchased the Units with knowledge of the Misrepresentation;
4. no person or company (but excluding the Fund) will be liable if it proves that:
 - (i) this Offering Memorandum was delivered to the investor without the person's or company's knowledge or consent and that, on becoming aware of its delivery, the person or company gave reasonable notice to the Fund that it was delivered without the person's or company's knowledge or consent;
 - (ii) the person or company, on becoming aware of any Misrepresentation in this Offering Memorandum, withdrew the person's or company's consent to this Offering Memorandum and gave reasonable notice of the withdrawal and the reason for it; or
 - (iii) with respect to any part of this Offering Memorandum purporting to be made on the authority of an expert or to be a copy of, or an extract from, a report, an opinion or a statement of an expert, the person or company had no reasonable grounds to believe and did not believe that (i) there had been a Misrepresentation, or (ii) the relevant part of this Offering Memorandum did not fairly represent the report, a statement or opinion of the expert, or was not a fair copy of, or an extract from, the report, statement or opinion of the expert;
5. no person or company (but excluding the Fund) will be liable with respect to any part of this Offering Memorandum not purporting to be made on the authority of an expert or to be a copy of, or an extract from, a report, an opinion or a statement of an expert unless the person or company (i) failed to conduct a reasonable investigation to provide reasonable grounds for a belief that there had been no Misrepresentation or, (ii) believed that there had been a Misrepresentation;
6. no person or company will be liable for a Misrepresentation in forward-looking information if:
 - (i) this Offering Memorandum contains, proximate to the forward-looking information, reasonable cautionary language identifying the forward-looking information as such, and identifying material factors that could cause actual results to differ materially from a conclusion, forecast or projection in the forward-looking information, and a statement of material factors or assumptions that were applied in drawing a conclusion or making a forecast or projection set out in the forward-looking information; and
 - (ii) 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;
7. the Fund, and every director of the Fund (if applicable) at the date of this Offering Memorandum who is not a selling security holder, is not liable if the Fund does not receive any proceeds from the distribution of the Units and the Misrepresentation was not based on information provided by the Fund, unless the Misrepresentation:
 - (i) was based on information previously publicly disclosed by the Fund;
 - (ii) was a Misrepresentation at the time of its previous public disclosure; and
 - (iii) was not subsequently publicly corrected or superseded by the Fund before completion of the distribution of the Units being distributed;
8. in an action for damages, the defendant will not be liable for all or any portion of the damages that it proves do not represent the depreciation in value of the Units as a result of the Misrepresentation relied upon;
9. in no case shall the amount recoverable exceed the price at which the Units were sold to the investor;
10. if the Misrepresentation is contained in a record incorporated by reference in, or is deemed to be incorporated into, this Offering Memorandum, the Misrepresentation is deemed to be contained in this Offering Memorandum; and

11. all persons or companies referred to above 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.

Rights for investors in Newfoundland and Labrador

If this Offering Memorandum, together with any amendment hereto, delivered to an investor resident in Newfoundland and Labrador contains a Misrepresentation and it was a Misrepresentation at the time of purchase, the investor will be deemed to have relied upon the Misrepresentation and will have a right of action for damages against the Fund, a director of the Fund (if applicable) at the date of this Offering Memorandum, a person or company whose consent has been filed with respect to reports, opinions or statements that have been made by them and a person or company who signed this Offering Memorandum, or alternatively, while still the owner of the purchased Units, a right for rescission against the Fund, provided that:

1. no action shall be commenced to enforce a right of action:
 - (a) in the case of an action for rescission, more than 180 days after the date of the transaction that gave rise to the cause of action; or
 - (b) in the case of any action, other than an action for rescission, the earlier of: (i) 180 days after the investor first had knowledge of the facts giving rise to the cause of the action; or (ii) three years after the date of the transaction that gave rise to the cause of the action;
2. no person or company will be liable if the person or company proves that the investor purchased the Units with knowledge of the Misrepresentation;
3. no person or company (but excluding the Fund) will be liable if:
 - (i) the person or company proves that this Offering Memorandum was sent to the investor without the person's or company's knowledge or consent and that, on becoming aware of its being sent, the person or company promptly gave reasonable notice to the Fund that it was sent without the knowledge and consent of the person or company;
 - (ii) the person or company proves that the person or company, on becoming aware of any Misrepresentation in this Offering Memorandum, withdrew the person's or company's consent to this Offering Memorandum and gave reasonable notice of the withdrawal to the Fund and the reason for it; and
 - (iii) with respect to any part of this Offering Memorandum purporting to be made on the authority of an expert or to be a copy of, or an extract from, a report, an opinion or statement of an expert, the person or company proves that they did not have any reasonable grounds to believe and did not believe that: (i) there had been a Misrepresentation; or (ii) the relevant part of this Offering Memorandum 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;
4. no person or company (but excluding the Fund) will be liable with respect to any part of this Offering Memorandum not purporting to be made on the authority of an expert and not purporting to be a copy of, or an extract from, a report, opinion or statement of an expert, unless the person or company (i) failed to conduct a reasonable investigation to provide reasonable grounds for a belief that there had been no Misrepresentation; or (ii) believed that there had been a Misrepresentation;
5. in an action for damages, the defendant will not be liable for all or any part of the damages that it proves do not represent the depreciation in value of the Units as a result of the Misrepresentation;
6. in no case shall the amount recoverable exceed the price at which the Units were sold to the investor;
7. if the Misrepresentation is contained in a record incorporated by reference in, or is deemed to be incorporated into, this Offering Memorandum, the Misrepresentation is deemed to be contained in this Offering Memorandum; and
8. all persons or companies referred to above 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.

Rights for investors in the Northwest Territories, Nunavut and the Yukon Territories

If this Offering Memorandum, together with any amendment hereto, delivered to an investor resident in the Northwest Territories, Nunavut or the Yukon Territories contains a Misrepresentation and it was a Misrepresentation at the time of purchase, the investor will be deemed to have relied upon the Misrepresentation and will have a right of action against the Fund and every director of the Fund (if applicable) at the date of this Offering Memorandum for damages or, alternatively, while still the owner of the purchased Units, for rescission against the Fund, provided that:

1. no action shall be commenced to enforce a right of action:
 - (a) in the case of an action for rescission, more than 180 days after the date of the transaction that gave rise to the cause of action; or
 - (b) in the case of any action, other than an action for rescission, the earlier of (i) 180 days after the investor first had knowledge of the facts giving rise to the cause of the action, or (ii) three years after the date of the transaction that gave rise to the cause of the action;
2. the rights conferred here are in addition to and without derogation from any other rights or remedies available at law to the investor;
3. no person or company will be liable if the person or company proves that the investor purchased the Units with knowledge of the Misrepresentation;
4. no person or company (but excluding the Fund) will be liable if it proves that:
 - (i) this Offering Memorandum was delivered to the investor without the person's or company's knowledge or consent and that, on becoming aware of its being sent, the person or company gave reasonable notice to the Fund that it was sent without the person's or company's knowledge or consent; or
 - (ii) the person or company, on becoming aware of any Misrepresentation in this Offering Memorandum, withdrew the person's or company's consent to this Offering Memorandum and gave reasonable general notice to the Fund of the withdrawal and the reason for it; or
 - (iii) with respect to any part of this Offering Memorandum purporting to be made on the authority of an expert or to be a copy of, or an extract from, a report, an opinion or a statement of an expert, the person or company had no reasonable grounds to believe and did not believe that (i) there had been a Misrepresentation, or (ii) the relevant part of this Offering Memorandum 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;
5. no person or company (but excluding the Fund) will be liable with respect to any part of this Offering Memorandum not purporting to be made on the authority of an expert or to be a copy of, or an extract from, a report, an opinion or a statement of an expert unless the person or company (i) failed to conduct a reasonable investigation to provide reasonable grounds for a belief that there had been no Misrepresentation or, (ii) believed that there had been a Misrepresentation;
6. no person or company will be liable for a Misrepresentation in forward-looking information if:
 - (i) this Offering Memorandum contains, proximate to the forward-looking information, reasonable cautionary language identifying the forward-looking information as such, and identifying material factors that could cause actual results to differ materially from a conclusion, forecast or projection in the forward-looking information, and a statement of material factors or assumptions that were applied in drawing a conclusion or making a forecast or projection set out in the forward-looking information; and
 - (ii) 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;
7. the Fund, and every director of the Fund (if applicable) at the date of this Offering Memorandum who is not a selling security holder, is not liable if the Fund does not receive any proceeds from the distribution of the Units and the Misrepresentation was not based on information provided by the Fund, unless the Misrepresentation:
 - (i) was based on information previously publicly disclosed by the Fund;
 - (ii) was a Misrepresentation at the time of its previous public disclosure; and
 - (iii) was not subsequently publicly corrected or superseded by the Fund before completion of the distribution of the funds being distributed;



8. in an action for damages, the defendant will not be liable for all or any portion of the damages that it proves do not represent the depreciation in value of the Units as a result of the Misrepresentation relied upon;
9. in no case shall the amount recoverable exceed the price at which the Units were sold to the investor;
10. if the Misrepresentation is contained in a record incorporated by reference in, or is deemed to be incorporated into, an offering memorandum, the Misrepresentation is deemed to be contained in this Offering Memorandum; and
11. all persons or companies referred to above 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.

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