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**Class A Units, Class F Units, Class I and Class O Units of:  
TRIDENT GLOBAL OPPORTUNITIES FUND**

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**Amended and Restated  
Confidential Offering Memorandum**

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**November 21, 2011**

PURSUANT TO AN EXEMPTION FROM THE UNITED STATES COMMODITY FUTURES TRADING COMMISSION IN CONNECTION WITH POOLS WHOSE PARTICIPANTS ARE LIMITED TO QUALIFIED ELIGIBLE PERSONS, AN OFFERING MEMORANDUM FOR THIS POOL IS NOT REQUIRED TO BE, AND HAS NOT BEEN, FILED WITH THE COMMISSION. THE UNITED STATES COMMODITY FUTURES TRADING COMMISSION DOES NOT PASS UPON THE MERITS OF PARTICIPATING IN A POOL OR UPON THE ADEQUACY OR ACCURACY OF AN OFFERING MEMORANDUM. CONSEQUENTLY, THE UNITED STATES COMMODITY FUTURES TRADING COMMISSION HAS NOT REVIEWED OR APPROVED THIS OFFERING OR ANY OFFERING MEMORANDUM FOR THIS POOL.

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## GLOSSARY OF TERMS

**“Accredited Investor”** means a person who meets certain qualifications set out in NI 45-106 that permit the person to make an investment in the Fund under applicable securities laws. For a complete definition of “Accredited Investor”, investors are directed to NI 45-106;

**“Administrator”** means RBC Dexia Investor Services Trust in its capacity as the administrator of the Fund;

**“Advisory Agreement”** means the investment advisory agreement between the Manager and the Investment Manager described under “Material Contracts”, as amended from time to time;

**“CI Mutual Fund”** means the mutual funds managed, administered or marketed by the Manager;

**“Class”** means the Class A Units, Class F Units, Class I Units or Class O Units of the Fund, as applicable;

**“Common Share Portfolio”** means a portfolio of common shares of Canadian public companies;

**“Counterparty”** means one or more financial institutions or organizations with a minimum long-term credit rating of “A” from Standard & Poor’s Corporation (or an equivalent rating agency) with which the Fund will enter into the Forward Agreement;

**“Declaration of Trust”** means the Declaration of Trust described under “Material Contracts” establishing the Fund, as amended from time to time;

**“Deferred Sales Charge Option”** means an option for purchasing Units whereby the entire amount of the subscription is applied to the purchase of Units without deduction of a sales charge but where a deferred sales charge payable by the subscriber will generally apply if the Units are redeemed or redesignated within seven years from the purchase date. See “Investing in the Fund – Purchase Options”;

**“Deferred Sales Charge Units”** means Units purchased under the Deferred Sales Charge Option and includes Units acquired through the automatic reinvestment of distributions paid on Deferred Sales Charge Units;

**“Forward Agreement”** means the Forward Agreement as described under “Investment Objective, Strategy and Restrictions - Investment Strategy”;

**“Fund”** means Trident Global Opportunities Fund;

**“Initial Sales Charge Option”** means an option for purchasing Units whereby a sales charge is deducted from the subscription and paid to the subscriber’s Registered Dealer and the remaining amount is used to purchase Units. See “Investing in the Fund – Purchase Options”;

**“Initial Sales Charge Units”** means Units purchased under the Initial Sales Charge Option;

**“Investment Manager”** means Trident Investment Management, LLC, as investment manager of the Reference Fund and/or the Portfolio, as the context requires;

**“Management Agreement”** means the management agreement between the Fund and the Manager described under “Material Contracts”, as amended from time to time;

**“Manager”** means CI Investments Inc. in its capacity as the manager of the Fund;

**“Net Asset Value”** means the Net Asset Value of the Fund or the Net Asset Value of the Class (as the context requires), calculated in either case in accordance with the Declaration of Trust;

**“Net Asset Value per Unit”** means the price or Net Asset Value per Unit of the relevant Class, calculated in accordance with the Declaration of Trust;

**“NI 45-106”** means National Instrument 45-106 *Prospectus and Registration Exemptions* of the Canadian securities administrators;

**“NI 81-102”** means National Instrument 81-102 *Mutual Funds* of the Canadian securities administrators governing publicly offered mutual funds;

**“Offering Jurisdictions”** means all the provinces and territories of Canada;

**“Order Day”** means the last Valuation Day of each month and such other day or days as the Manager may determine in its sole discretion;

**“Portfolio”** means Vardana Fund Ltd.;

**“Redemption Amount”** means, in respect of a Unit, an amount equal to its Net Asset Value per Unit on the relevant Valuation Day, less an amount equal to the accrued Performance Fee, if any, payable as of such day by the Fund to the Manager in respect of such Unit;

**“Reference Fund”** means Vardana International Ltd., a Cayman Islands exempted company;

**“Registered Dealers”** means dealers or brokers registered under applicable securities laws in the Offering Jurisdictions to sell securities of mutual funds and that are not restricted from selling the Units, and includes exempt market dealers;

**“Servicer”** means another person, company or entity appointed by the Fund or the Manager, as applicable, to provide certain distribution and/or non-regulated services to the Fund;

**“Tax Act”** means the *Income Tax Act* (Canada) and the regulations thereunder, as the same are amended from time to time;

**“Tax Deferred Plan”** means a trust governed by a registered retirement savings plan, registered retirement income fund, deferred profit sharing plan, registered disability savings plans, tax-free savings accounts or registered education savings plan under the Tax Act;

**“Trident”** means Trident Investment Management, LLC;

“**Trustee**” means CI Investments Inc. in its capacity as the trustee of the Fund;

“**Units**” means units of any Class of the Fund and “**Unitholder**” means the registered holder of a Unit; and

“**Valuation Day**” means each day on which the Toronto Stock Exchange is open for business and such other business day or days as the Manager may determine in its sole discretion.

## **THE FUND**

The Fund is an unincorporated open-end mutual fund created under the laws of the Province of Ontario pursuant to the Declaration of Trust. CI Investments Inc. is the Trustee, the promoter and the Manager of the Fund. The address of the Fund’s head office, as well as of the Manager, is 2 Queen Street East, Twentieth Floor, Toronto, Ontario, M5C 3G7.

An investment in the Fund is represented by Units, each of which represents an interest in the net assets of the Fund. See “Units of the Fund”. There is no minimum or maximum number of Units offered or minimum or maximum proceeds from the sale of Units.

### **Investment Objective, Strategy and Restrictions of the Fund**

#### *Investment Objective*

The investment objective of the Fund is to generate superior risk adjusted long-term rates of return by investing with a top-down, macro methodology in global markets. There is no assurance that this objective will be achieved.

#### *Investment Strategy*

*Indirect Investments - The Forward Agreement.* To achieve its investment objective, the Fund intends to obtain exposure to the returns of the Reference Fund by entering into one or more forward purchase and sale agreements (collectively, the “Forward Agreement”) with the Counterparty. The Fund will not invest directly in the Reference Fund. The Fund will invest the proceeds of its offering of Units and an amount borrowed under the Loan Facility in a portfolio of common shares of Canadian public companies (the “Common Share Portfolio”). Pursuant to the Forward Agreement, the Counterparty will agree to purchase the Common Share Portfolio from the Fund on a specified date in the future (the “Forward Maturity Date”) for an amount (the “Forward Price”) equal to 100% of the redemption proceeds of a reference number of shares of the Reference Fund.

Under the terms of the Forward Agreement, the Fund and the Counterparty have agreed that their settlement obligations under the Forward Agreement with respect to the Common Share Portfolio securities will be discharged by physical delivery of the Common Share Portfolio securities by the Fund to the Counterparty against cash payment of the Forward Price or, at the election of the Fund, by the making of cash payments between the parties. The Net Asset Value per Unit will increase or decrease depending on the Forward Price. Prior to the Forward Maturity Date, Common Share Portfolio securities or other acceptable securities will be pledged to and may be held by the Counterparty as security for the obligations of the Fund under the Forward Agreement.

The Fund may partially settle the Forward Agreement prior to the Forward Maturity Date in order to fund redemptions of Units by Unitholders from time to time, as well as expenses of the Fund and any cash distributions paid by the Fund.

The Forward Agreement may be terminated prior to the Forward Maturity Date in certain circumstances including by the Counterparty if an event occurs that the Counterparty determines has had or would reasonably be expected to have an adverse effect on the Counterparty's ability to perform its obligations under the Forward Agreement or hedge its position under the Forward Agreement.

The Fund will enter into the Forward Agreement and have contractual rights against the Counterparty. The Fund will not have any interest in the Reference Fund. The Counterparty is not required to hedge its obligations under the Forward Agreement by purchasing participating shares in the Reference Fund, but it may choose to do so, either directly or through an affiliate of the Counterparty. The Fund is dependent upon the credit of the Counterparty and has no security interest in particular assets of the Counterparty.

The involvement of the Counterparty with the Fund is solely as counterparty to the Forward Agreement. The Counterparty has not been involved in the establishment of the Fund, or the Reference Fund or of any fund of hedge funds in which the Reference Fund may invest. The Counterparty has not passed on the merits of the offering and takes no responsibility for the performance of the Fund or the Reference Fund.

In the future, the Fund may instead enter into one or more forward purchase and sale agreements with counterparties. Pursuant to these forward agreements, the Fund would agree to purchase from, or sell to, the relevant counterparty on a future date a specified portfolio of Canadian securities. The amount paid or delivered by the counterparty on the forward date would be determined by reference to the returns of the Reference Fund. In this way, the Fund's risks and returns would be similar to those of the Reference Fund. During the term of the forward agreements, the Fund would pledge its assets to the counterparties and pay fees to the counterparties. The Fund would partially settle the forward agreements from time to time prior to the forward date in order to fund redemptions of common shares and the payment of expenses and other liabilities of the Fund.

*Direct Investments.* the Fund may invest a portion of its assets in publicly-traded equity and equity-related instruments in the developed and, to a lesser degree, in emerging markets.

Trident, as portfolio advisor to the Fund, uses a top-down analysis of macroeconomic, political and industry-sector information to determine which global equity markets or sectors are likely to exhibit sustained trend moves. Trident then applies traditional, bottom-up valuation measures to select stocks within the identified markets or sectors. Since Trident's approach attempts to identify negative, as well as positive trends, it will include both long and short positions.

The Fund's direct investments will principally be in equities and equity derivatives, including, but not limited to, options, swaps, index futures, synthetic futures and structured notes. In addition, the Fund may use other investment techniques and instruments, including, but not limited to, short sales, leverage, margin transactions, illiquid securities, forward contracts and over-the counter derivatives.

The Fund may also take positions in the fixed income, currency, commodity and other related markets, as well as in derivatives associated with these markets. Such investments may be used for hedging purposes or to exploit more effectively the Fund's investment themes. Positions in these "non-equity" investments may be significant, especially in the developing countries where the stock markets by themselves may lack sufficient liquidity and depth for the expression of macro views.

The Fund may make short-term investments for liquidity or defensive purposes. These short-term investments may include, but are not limited to, interest-earning money market accounts, government obligations, commercial paper, and short-term certificates of deposit.

In addition to holding cash, the Fund may also invest excess cash in (i) any Canadian or U.S. dollar denominated debt security considered investment grade, at the time of investment, by Standard & Poor's, a division of The McGraw-Hill Companies, Inc., or another equivalent credit rating agency, and (ii) cash equivalents.

The Fund may engage in securities lending as described under "Securities Lending" below.

#### *Investment Restrictions*

The Fund is not permitted to:

- (i) invest more than 20% of the total assets of the Fund at the time of the investment in the securities of a single private sector issuer (other than as a counterparty to derivative contracts with the Fund);
- (ii) invest more than 20% of the total assets of the Fund at the time of the investment in equity securities that are neither listed nor traded on an established market;
- (iii) invest any of the Fund's assets directly in land or real estate; or
- (iv) make investments with the explicit intention of exercising control over the issuer.

The Fund will manage its investments and affairs to ensure that it will be a "unit trust" and "mutual fund trust" for purposes of the Tax Act.

The Fund may utilize leverage only to a maximum of 50% (at the time of borrowing) in the aggregate, of the Fund's Net Asset Value. See "Loan Facility" below.

The Fund may take short sale positions only in respect of stocks, which are listed on a recognized Canadian or international stock exchange up to 50% (at the time of investment) of the Fund's Net Asset Value (less the amount of any other leverage of the Fund at the time of investment). Margined short sales must meet minimum margin requirements set by the applicable regulatory authorities. To the extent that the Fund writes uncovered call options: (a) all such options written by the Fund must be traded on recognized options exchanges; (b) the options must be in respect of publicly-listed stocks or bonds, a recognized stock or bond index or currencies; (c) the option written must be sold through a broker and must conform with standardized rules issued by applicable exchanges; and (d) such investments must not exceed 50% (at the time of investment) of the Fund's Net Asset Value (less the amount of any other leverage of the Fund at the time of investment).



Except as identified above, the investments of the Fund will not be subject to restrictions.

### *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 on the Fund may result in losses or a decrease in net cash distributions to Unitholders. 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.

### *Securities Lending*

In order to generate additional returns, the Fund may lend securities, including Common Share Portfolio securities, to securities borrowers acceptable to the Fund pursuant to the terms of a securities lending agreement between the Fund and any such borrower (each, a “Securities Lending Agreement”). Under a Securities Lending Agreement: (i) the borrower will pay to the Fund a negotiated securities lending fee and will make compensation payments to the Fund equal to any distributions received by the borrower on the securities borrowed; (ii) the securities loans must qualify as “securities lending arrangements” for the purposes of the Tax Act; and (iii) the Fund will receive collateral security which it may pledge as security under the Forward Agreement. The minimum level of collateralization in respect of a loan of securities will be 102%.

### *Foreign Currency Exposure*

The return to the Unitholders and the Fund will be dependent upon the return on the shares of the Reference Fund by virtue of the Forward Agreement. However, neither the Fund nor the Unitholders will have any ownership interest in the Reference Fund. The shares of the Reference Fund are denominated in U.S. dollars and, accordingly, the Net Asset Value per Unit will, when measured in Canadian dollars, be affected by fluctuations in the value of the U.S. dollar relative to

the Canadian dollar. However, the Fund may hedge its currency exposure to the Reference Fund using currency forward or future contracts.

## **THE REFERENCE FUND**

The Reference Fund is an exempted company incorporated on September 28, 1998 under the laws of the Cayman Islands. The Reference Fund is currently a shareholder of, and will invest substantially all of its assets in, Vardana Fund Ltd. (the “Portfolio”), another Cayman Islands exempted company incorporated on May 31, 2006. The Portfolio will be a “master” portfolio in a “master-feeder” portfolio structure. Through this mechanism, the Portfolio will sell shares to, and act as a central investing mechanism for, the Reference Fund and other investment vehicles and entities. Other investment vehicles will be structured based upon the needs of various groups of U.S. and non-U.S. investors. Each such vehicle will invest in the Portfolio and thereby will be generally allocated a proportionate share of the Portfolio’s gains, losses and expenses based on its holdings of shares in relation to the other participants.

### **Investment Objective, Strategy and Restrictions of the Reference Fund**

#### *Investment Objective*

Through the Portfolio, the Reference Fund’s investment objective is to achieve superior risk-adjusted long term rates of return by investing with a top-down, macro methodology in global markets. There are no assurances that these objectives will be achieved.

#### *Investment Strategy*

The investment strategy of the Portfolio seeks to exploit the structural mispricings that arise in global markets when important macroeconomic and political changes are underway. Typically, such changes have significant implications for market pricing, but the price adjustments rarely, if at all, occur immediately. The Investment Manager believes that with superior analysis, rapid decision-making and strong risk control, the macro-driven price moves in markets can be exploited successfully to generate excellent, risk-adjusted returns. To this end, the Portfolio will take positions in the currency, fixed-income, commodity, equity and other markets. Such positions may be initiated to express macro views, to exploit inter-market pricing discrepancies, as well as to hedge as needed. The Portfolio may take long and short positions in the markets in which it participates.

The Investment Manager believes that the current global environment is particularly well suited to its macro investment approach. The world has undergone a major transformation starting in the early 1990s with the collapse of Communism and the emergence of China as a significant economic power. Many countries, especially in the developing world, have since adopted capitalist-style policies letting free markets, unfettered global trade and private investment flows, rather than central planning agendas, determine the economic outlook. The changes in economic philosophy have made global trade and capital flows much more important drivers for growth in the developing world, especially since the 1997 Asian crisis. These shifts, however, have resulted in very significant industrial realignments the world over. In the developed countries, the tradable sectors, which are made up primarily of manufactured goods and some outsourced services, have suffered in competition with their emerging markets counterparts and are in a long-term decline. However, many services industries reliant on imports from the developing world have thrived over the same

time. In the developing world, many industries exporting goods and services have done well while several focused on the domestic markets have suffered, despite improving local demand. The Investment Manager believes that such macro-driven industrial shifts are going to continue and that they will have significant economic and market implications.

The global financial imbalances will require significant, coordinated policy intervention to correct. The lack of coordinated and appropriate macro policies could trigger a sequence of economic crises, which, in turn, will require even more policy action. As such, the Investment Manager expects going forward that numerous macro policy shifts that could substantially alter the investment landscape are highly likely.

In sum, the growth patterns of the past few years have forced and continue to generate significant industrial realignments. Moreover, they have created numerous global macroeconomic and political imbalances, which without policy changes are only going to get worse. The environment going forward thus, is one where interventionist industrial and economic policies are going to be the norm rather than the exception. Anticipating the substance and implementation of these policies should provide excellent opportunity in a variety of markets and as such, the Investment Manager believes that its investment approach could prove especially effective and profitable.

The Investment Manager's investment strategy can be broken down as follows:

*Opportunity Analysis.* The aim here is to identify potential macro themes and assess their impact on financial markets. The Investment Manager analyzes macroeconomic and political conditions at the global and country levels to understand the broader forces shaping world markets and to develop potential investment themes. The Investment Manager further tests these themes by constant observation and analysis of various key variables it has determined to be relevant. The Investment Manager then identifies the markets around the world that are most likely to be impacted by its macro themes and assesses the probability of sustained trend moves in these identified sectors or markets.

*Security Selection and Risk-Reward Analysis.* Once a macro theme is identified, the Investment Manager conducts a systematic analysis of the instruments available in the potentially affected markets to determine which provide the best opportunity. The potential upside for the various investment alternatives, as well as the probability of obtaining such upside if the macro theme were to be realized are both very important here. To determine these, the Investment Manager will conduct considerable micro analysis, focusing on relative valuation, historic price movements, earnings changes (to the extent stocks are involved) and other factors as needed. On the risk side, factors considered are liquidity, suitability, volatility etc. The ultimate goal is to create a strategy that results in the maximum profit with the least volatility. To obtain exposure to the macro view, the Investment Manager will consider investments in the currency, fixed income, equity and other markets as long as the expected macro theme is likely to have a significant impact on pricing, and the risks in the markets are quantifiable ex ante.

*Portfolio Construction and Risk Management.* The Investment Manager operates with a risk-management framework that limits the amount of capital at risk in the event that specific investment themes do not materialize. The amount of capital at risk in any one investment theme is determined by careful analysis of risk at the individual instrument, theme and portfolio levels. Instrument-

specific events, liquidity, market and industry-wide changes and correlations across macro themes are all factors the Investment Manager evaluates in assessing the risk of a position in the context of the overall portfolio. The Investment Manager also considers how correlations across portfolio themes might change under different macro scenarios in constructing the portfolio and determining how much to risk on an idea.

The Investment Manager's macro approach works best when the Investment Manager can analyze and react to developing trends very quickly on a global basis. The Investment Manager has developed a number of sophisticated, decision-support tools that facilitate performing the above-described analysis extremely rapidly. The Investment Manager believes that its technology provides the Portfolio with a significant competitive edge. The Investment Manager's decision-support tools include:

- ∞ an integrated global database with macroeconomic and market price information from virtually all of the major countries and markets in the world.
- ∞ software which facilitates ad hoc analysis of macro themes on industry sector prices across the world.
- ∞ a system which allows for the construction of customized baskets of securities and permits analysis of the risk of the basket and the behaviour of the basket against the macroeconomic theme of interest; and
- ∞ a trading and risk management system that allows for the analysis of volatilities and covariance and implements real-time monitoring of investment positions and themes.

The Investment Manager's approach has a strong focus on the developing countries and on commodities, especially energy. As such, a significant proportion of its investment positions will result from macro themes that have their genesis in these areas. A substantial amount of the Portfolio's assets may thus be invested in the emerging markets and/or commodities, including energy, if the Investment Manager determines that the opportunities there so warrant.

#### *Investment Policies*

The Portfolio invests in instruments that are directly and rapidly impacted by global macroeconomic and political events when they occur. As such, it will take positions opportunistically in the currency, commodity, bond, equity and associated derivatives markets. Instruments the Investment Manager expects to invest in include cash bonds, equities and currencies as well as futures, forwards, swaps and options on the same. The Portfolio may use other investment techniques and instruments, including, but not limited to, short sales, leverage, margin transactions, illiquid securities and over-the-counter derivatives.

The Portfolio may make short-term investments for liquidity or defensive purposes. These short-term investments may include, but shall not be limited to, interest-earning money market accounts, government obligations, commercial paper, and short-term certificates of deposit.

The Portfolio is not operated solely as a “commodity pool” -- *i.e.*, it does not primarily trade and obtain an investment return from trading in commodity futures contracts and commodity options (“commodity interests”). However, there are no limitations on the Portfolio’s trading in commodity interests, and such trading may be undertaken by the Portfolio for both hedging and speculative purposes. The Investment Manager was a registered Commodity Pool Operator under the Commodity Exchange Act (the “CEA”) and a member of the National Futures Association (the “NFA”). The Investment Manager claimed the exemption from commodity pool registration available under CFTC Rule 4.13 (a) (4) under the CEA, and deregistered as a Commodity Pool Operator in January 2008.

### *Investment Restrictions*

The Portfolio is not permitted to:

- (i) invest more than 20% of the total assets of the Portfolio at the time of the investment in the securities of a single private sector issuer;
- (ii) invest more than 20% of the total assets of the Portfolio at the time of the investment in equity securities that are neither listed nor traded on an established market;
- (iii) invest any of the Portfolio’s assets directly in land or real estate; or
- (iv) make investments with the explicit intention of exercising control over the issuer.

## **RISK FACTORS**

An investment in the Fund involves significant risks related to the Fund, the Reference Fund and the Portfolio. Because the return of the Fund is dependent upon the return of the Reference Fund and the Portfolio, risk factors relating to the Reference Fund and Portfolio may also affect the Fund. As a consequence of entering into the Forward Agreement, the Fund will forego the benefits of any increase in value of the Common Share Portfolio in excess of the Forward Price. Investors should consider the following risk factors before investing. The risk factors described below are not intended to be an exhaustive listing of all potential risks associated with an investment in the Fund.

### **Risks Related to an Investment in the Fund**

*General Risks of the Fund.* There is not now, and there is not likely to develop, any market for the resale of the Units. The Units have not been qualified for sale by prospectus under the securities laws of any of the Offering Jurisdictions. Accordingly, Units may not be transferred unless appropriate prospectus exemptions from applicable securities laws are available and the transferee is an eligible investor.

The Fund is not a retail mutual fund and therefore is not subject to the restrictions and provisions contained in National Instrument 81-102 *Mutual Funds*. Unitholders are given only limited voting rights.

*Investment Risk.* The value of Units and any income and gains associated with them can fluctuate significantly and may be quite volatile. Subscribers should be aware that they may not achieve their

anticipated returns and may, in fact, suffer significant loss. Substantial redemptions of Units could require the Fund to liquidate the Fund's investments more quickly than would otherwise be desirable which could negatively affect the Net Asset Value of the Fund.

*Leveraged Investing.* 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.

*Foreign Security Risk.* The Fund may invest its assets directly and indirectly in foreign securities including securities in emerging markets. The value of foreign securities may be influenced by foreign government policies, lack of information about foreign companies, political or social instability and the possible levy of foreign withholding tax. There may be lower standards of government supervision and regulation in foreign financial markets. There may be less publicly available information about issuers in emerging market countries which generally are not subject to uniform accounting, auditing and financial reporting standards and other disclosure requirements comparable to those applicable to Canadian and United States issuers. Foreign stock markets may also be less liquid and more volatile. In addition, the securities markets of many countries have at times in the past moved relatively independently of one another due to different economic, financial, political and social factors. This may reduce gains which the Fund has derived from movements in a particular market. The Fund may have difficulty enforcing legal rights in jurisdictions outside Canada.

*Conflicts of Interest.* The Fund may be subject to various conflicts of interest due to the fact that the Manager and Trident are engaged in a wide variety of management, advisory and other business activities. The investment decisions for the Fund will be made independently of those made for the other clients of the Manager and Trident and independently of the personal investments of the Manager or Trident. However, on occasion, the Manager may make the same investment for the Fund and one or more of its other clients or clients of Trident. The Manager and Trident may aggregate orders of securities for accounts they manage when placing orders and allocate the results of such orders among the accounts participating therein in their discretion.

*Broad Authority of the Manager.* The Declaration of Trust and the Management Agreement give the Manager broad discretion over the conduct of the Fund's undertaking, over the specific companies in which the Fund invests and over the types of securities transactions in which the Fund engages. Unitholders will have no right or power to take part in the management or control of the Fund or to

vote on matters in respect of the Fund except as described under “Amendment of the Declaration of Trust and Termination of the Fund”.

*Counterparty Risk.* The Fund will enter into the Forward Agreement with the Counterparty pursuant to which the Fund will be required to deliver to the Counterparty on the Forward Maturity Date the Common Share Portfolio in exchange for a payment in an amount equal to the redemption proceeds for a corresponding number of shares of the Reference Fund. In entering into the Forward Agreement, the Fund will be exposed to the credit risk associated with the Counterparty. Depending on the value of the Common Share Portfolio, the Fund’s exposure to the credit risk of the Counterparty may be significant. In addition, the possibility exists that the Counterparty or any guarantor of the obligations of the Counterparty pursuant to the Forward Agreement will default on its payment obligations under the Forward Agreement or that the proceeds of the Forward Agreement will be used to satisfy other liabilities of the Fund, which liabilities could include obligations to third party creditors in the event the Fund has insufficient assets, excluding the proceeds of the Forward Agreement, to pay its liabilities. Unitholders will have no recourse or rights against the assets of the Reference Fund or the Counterparty and the Counterparty is not responsible for the returns of the Reference Fund. The Fund may also enter into currency forward and futures contracts to hedge its exposure on the Forward Agreement and will have counterparty exposure to the extent that the counterparty owes money to the Fund.

This risk may change if the Fund changes its structure to instead use a forward purchase agreement as described under “Investment Objective, Strategies and Restrictions of the Fund”.

*Foreign Currency Exposure.* Certain amounts of the investments by the Fund, at any time, will consist of securities denominated in currencies other than the Canadian dollar and, accordingly, the Net Asset Value will, when measured in Canadian dollars, be affected by fluctuations in the value of such currencies relative to the Canadian dollar. The Fund may also invest in currency forward and futures contracts.

*Securities Lending.* The Fund may engage in securities lending as described under “Investment Objective, Strategies and Restrictions of the Fund”. Although the Fund will receive collateral for the loans and such collateral is marked to market, the Fund will be exposed to the risk of loss should the borrower default on its obligation to return the borrowed securities and the collateral is insufficient to reconstitute the portfolio of loaned securities.

*Short Sale Equity Positions.* The Fund may take short sale positions without maintaining an equivalent quantity, or a right to acquire an equivalent quantity, of the underlying securities in its portfolio. There can be no assurance that the security will experience declines in market value. A short sale involves the risk of an unlimited increase in the market price of securities sold short, potentially resulting in a corresponding unlimited loss to the Fund. The Fund may selectively engage in transactions which limit its potential liability for unanticipated shifts in the market value of these securities, and will limit the short sale equity position to 50% (at the time of investment) of the Net Asset Value of the Fund (less the amount of any other leverage of the Fund at the time of investment).

*Treatment of Proceeds of Disposition.* In determining its income for tax purposes, the Fund will treat gains or losses on the disposition of securities in the Common Share Portfolio under the

Forward Agreement as capital gains and losses. The Canada Revenue Agency's practice is not to grant advance income tax rulings on the characterization of items as capital gains or income and no advance income tax ruling has been requested or obtained.

If, contrary to the advice of counsel to the Fund or as a result of a change of law, upon physical settlement of the Forward Agreement the character and timing of the gain under the Forward Agreement were other than a capital gain on the sale of the securities thereunder, after-tax returns to Unitholders could be reduced and the Fund could be subject to non-refundable income tax from such transactions.

*Changes in Applicable Law.* There can be no assurance that tax, securities and other laws or the interpretation or application of such laws by courts or governmental authorities will not be changed in a way that adversely affects the Fund or the Unitholders.

*Unitholder Liability.* The Declaration of Trust provides that no Unitholder or annuitant or beneficiary under a plan of which a Unitholder acts as trustee or carrier, in his or her capacity as a holder of Units or a fraction of a Unit, shall be subject to any liability whatsoever, in tort, contract or otherwise, to any person for, and no resort shall be had to his or her property for satisfaction of, any obligation, liability or claim arising out of or in connection with the obligations, affairs or assets of the Fund, the Manager or the Trustee or out of or in connection with any obligation which such Unitholder, annuitant or beneficiary would otherwise have to indemnify the Trustee for any liability incurred by it in its capacity as trustee under the Declaration of Trust, but rather the assets of the Fund exclusively are intended to be liable and subject to levy or execution for such satisfaction. Notwithstanding the foregoing statement in the Declaration of Trust, because of uncertainties in the law relating to trusts such as the Fund, there is a risk in certain jurisdictions that an investor could be held personally liable for obligations of the Fund to the extent that claims are not satisfied out of the assets of the Fund, although trust law in Ontario allows for limited liability in most instances. It is intended that the Fund's operation will be conducted in such a way as to minimize any such risk. In particular, the Manager will follow the investment restrictions of the Fund and will use its reasonable efforts to cause every written contract or commitment of the Fund, including any agreement related to the borrowing of money, to contain an express disavowal of liability upon the Unitholders, annuitants and beneficiaries. Based upon these measures being adhered to by the Fund, it is considered by the Manager that the risk of Unitholder liability is remote in the circumstances. The risk of personal liability of Unitholders is minimal in view of the large anticipated equity of the Fund relative to their anticipated indebtedness and liabilities, the Fund's investment strategies and the intention of the Manager to use its reasonable efforts to cause any agreement which is related to the borrowing of money by the Fund or the creation of potential liabilities of the Fund include an express disavowal of liability of Unitholders. In the event that a Unitholder should be required to satisfy any obligation of the Fund, such Unitholder will be entitled to reimbursement from any available assets of the Fund.

## **Risks Related to the Reference Fund and the Portfolio**

*Investment and Trading Risks.* All investments in securities and other financial instruments risk the loss of invested capital. The Investment Manager believes that its investment program and research techniques will moderate this risk through the careful selection of securities and other financial instruments. No guarantee or representation is made that the program will be successful. The



investment program may utilize such investment techniques including, but not limited to, leverage, futures, illiquid securities, option transactions, margin transactions, short sales, forward contracts, foreign exchanges, and over-the-counter derivative transactions, including swaps, caps, floors and collars. These techniques can, in certain circumstances, increase significantly the adverse consequences to which the Portfolio may be subject. See “Risks Associated with Investment Strategies” below and “Investment Objective, Strategy and Restrictions of the Reference Fund” above.

*Risks Associated with Investment Strategies.* The Portfolio’s investment strategies involve substantial risks, including, but not limited to, the following:

*Emerging Markets Risks:* The Portfolio’s investments in emerging-market securities involve certain risk factors not typically associated with investing in U.S. securities, including risks relating to: (i) currency exchange matters, including blocking of currency conversions, fluctuations in the rate of exchange between the U.S. Dollar and various non-U.S. currencies to the extent portfolio securities are denominated in local currencies, and the costs associated with conversion of investment principal and income from one currency into another; (ii) differences between the nature of the markets for emerging-market securities and for U.S. securities, including significantly greater price volatility in and relative illiquidity of some non-U.S. securities markets, the absence of uniform accounting, auditing and financial reporting standards, principles, practices and disclosure requirements and less government supervision and regulation; and (iii) certain economic and political risks, including exchange-control regulations, expropriation or nationalization of assets, restrictions on foreign investment and repatriation of investment income and capital, and labour and facility shortages.

Countries such as those in which the Portfolio may invest have historically experienced, and may continue to experience, high rates of inflation, high interest rates, exchange rate fluctuations and currency depreciation, large amounts of external debt, balance of payments and trade difficulties, political uncertainty and instability and extreme poverty and unemployment, each of which may have a negative impact on the Portfolio’s performance.

*Suspensions of Trading:* For all securities traded on public exchanges, each exchange typically has the right to suspend or limit trading in all securities that it lists. Such a suspension could render it impossible to liquidate its positions and thereby expose the Portfolio to losses. In addition, there is no guarantee that non-exchange markets will remain liquid enough to close out positions.

*Derivatives Generally:* Derivative instruments, or “derivatives,” include options, swaps, futures, structured securities and other instruments and contracts that are derived from or the value of which is related to one or more underlying securities, financial benchmarks, currencies or indices. Derivatives allow an investor to hedge or speculate upon the price movements of a particular security, financial benchmark currency or index at a fraction of the cost of investing in the underlying asset. There is no assurance that derivatives that the Investment Manager wishes to acquire will be available at any particular times upon satisfactory terms or at all.

The value of a derivative is frequently difficult to determine and depends largely upon price movements in the underlying asset. Therefore, many of the risks applicable to trading the

underlying asset are also applicable to derivatives of such asset. However, there are a number of other risks associated with derivatives trading. For example, because many derivatives are “leveraged,” and thus provide significantly more market exposure than the money paid or deposited when the transaction is entered into, a relatively small adverse market movement cannot only result in the loss of the entire investment, but may also expose the Portfolio to the possibility of a loss exceeding the original amount invested. Over-the-counter derivatives generally are not assignable except by agreement between the parties concerned, and no party or purchaser has any obligation to permit such assignments. The over-the-counter market for derivatives is relatively illiquid.

*Commodity Trading:* The prices of commodities contracts and all derivative instruments, including futures and options prices, are highly volatile. Price movements of commodities, futures and option contracts are influenced by, among other things, changing supply and demand relationships, domestic and foreign governmental programs and policies, national and international political and economic events, interest rates, and monetary and exchange control programs and policies of governments.

Moreover, commodity exchanges limit fluctuations in commodity futures contract prices during a single day by regulations referred to as “daily price fluctuation limits” or “daily limits.” During a single trading day no trades may be executed at prices beyond the daily limit. Commodity futures prices have occasionally moved the daily limit for several consecutive days with little or no trading. Similar occurrences could prevent the Portfolio from promptly liquidating unfavourable positions and subject the Portfolio to substantial losses.

*Forward Trading:* Forward contracts (including foreign exchange) and options thereon, unlike futures contracts, are not traded on exchanges and are not standardized; rather banks and dealers act as principals in these markets, negotiating each transaction on an individual basis. Forward and “cash” trading is substantially unregulated; there is no limitation on daily price movements and speculative position limits are not applicable. The principals who deal in the forward market are not required to continue to make markets in the currencies or commodities they trade and these markets can experience periods of illiquidity, sometimes of significant duration. Disruptions can occur in any market traded by the Portfolio due to unusually high trading volume, political intervention or other factors. Market illiquidity or disruption could result in major losses to the Portfolio.

*Leverage; Interest Rate Risk:* The Investment Manager may borrow substantial amounts of money in the course of its investment operations, using as collateral the securities that it owns from time to time. Leverage may also be obtained through other means, including the use of forwards and futures and, in effect, through the entry into repurchase agreements. Thus, the Portfolio may be in a highly leveraged position and the amount of borrowing that the Portfolio may have outstanding at any one time may be large in relation to its capital. Consequently, the level of interest rates generally, and the rates at which the Portfolio, in particular, is able to borrow, may strongly affect the Portfolio’s operating results. As in the case of other leveraged investments, losses may result that exceed the amount of the capital or assets of the Portfolio.

The Investment Manager’s anticipated use of short-term margin borrowings may result in certain additional risks to the Reference Fund. For example, should the securities pledged to brokers to

secure the Portfolio's margin accounts decline in value, the Portfolio could be subject to a "margin call" pursuant to which the Portfolio would either have to deposit additional funds with the broker or suffer mandatory liquidation of the pledged securities to compensate for the decline in value. In the event of a sudden precipitous drop in the value of the Portfolio's assets, the Investment Manager might not be able to liquidate assets quickly enough to pay off its margin debt and may therefore also suffer additional significant losses as a result of its default.

*Financial Failure of Intermediaries:* There is always the possibility that the institutions, including brokerage firms, banks and futures commission merchants, with which the Reference Fund or the Portfolio does business, or to which securities have been entrusted for custodial purposes, will encounter financial difficulties that may impair their operational capabilities or result in losses to the Reference Fund.

*Short Sales:* A short sale involves the sale of a security that the Portfolio does not own in the expectation of purchasing the same security (or a security exchangeable therefor) at a later date at a lower price. A short sale involves the risk of a theoretically unlimited increase in the market price of the security. In addition, a short sale involves the risk that borrowed securities will have to be returned to the lender at a time when such securities cannot be borrowed from other sources, potentially requiring the Portfolio to close a short sale transaction at an inopportune time or under disadvantageous circumstances.

*Illiquid Securities:* A portion of the Portfolio's capital may be invested in private claims and other illiquid securities and instruments. In the case of emerging markets, it is common to have illiquid markets where securities are not publicly traded and where the market for these securities (i.e., the difference between the bid and the ask price) may fluctuate greatly. In addition, in certain cases, such as during the delay in the settlement or registration of a security where actual physical delivery is involved, an illiquidity risk may be created.

*Sovereign Risk:* The Portfolio may invest in sovereign debt, and may invest in securities and instruments of developing or emerging market issuers which are or may become non-performing and/or where the issuer is in default, at the time of purchase, of principal repayment obligations. The foreign debt securities in which the Portfolio may invest may be subject to restructuring arrangements, which may adversely affect the value of such investments. If a foreign sovereign defaults on its foreign debt, the Portfolio may have limited legal recourse against the issuer and/or guarantor.

*Possible Adverse Effects of Substantial Redemptions.* In the event that there are substantial redemptions of shares of the Reference Fund and/or the Portfolio within a limited period of time, the Investment Manager may find it difficult to adjust its asset allocation and trading strategies to the suddenly reduced amount of assets under management. Under such circumstances, in order to provide funds to pay redemptions, the Investment Manager may be required to liquidate positions at an inappropriate time or on unfavourable terms, resulting in a lower Net Asset Value for the remaining shareholders of the Reference Fund and a lower redemption price for the withdrawing shareholders. On an ongoing basis, irrespective of the period over which substantial redemptions occur, as a result of liquidating assets to fund redemptions, the Portfolio may be left with a much less liquid portfolio.

*Restrictions on Liquidity of Interests.* There is no market for the Reference Fund’s shares, and none ever is expected to develop. Shareholders must be prepared to hold their shares of the Reference Fund and bear the risk of their investment for a substantial period of time. The Reference Fund’s directors must consent in writing to any transfer of shares, which consent may be withheld in their sole discretion. The shares will not be registered under the U.S. Securities Act of 1933, as amended, any Canadian securities laws, or under the laws of any state of the United States. In addition, a transfer of shares is subject to certain restrictions on transfer.

*Dependence on the Investment Manager.* The Reference Fund and the Portfolio rely exclusively upon the Investment Manager for the management of their investment portfolios. There could be adverse consequences to the Reference Fund and the Portfolio in the event that Krishnamurthy Narayanan, the principal owner of the Investment Manager, ceases to be available to devote his services to the Investment Manager or the Portfolio. The success of the Reference Fund and the Portfolio is therefore expected to be significantly dependent upon the expertise of Krishnamurthy Narayanan.

*Investment Manager’s Compensation.* The payment of a performance fee may constitute a higher compensation level to the Investment Manager than is found in many other investment entities (including other investment entities managed by the Investment Manager).

The payment to the Investment Manager of a performance-based fee may create an incentive for the Investment Manager to cause the Portfolio to make investments that are riskier or more speculative than would be the case if the Investment Manager were paid only a fixed fee. In addition, because the performance fee payable to the Investment Manager is calculated on a basis that includes unrealized appreciation of the Portfolio’s assets, the amount of such fees may be greater than if the performance fee were based solely on realized gains. See “Conflicts of Interest”.

*Indemnification.* The Articles of Association of the Reference Fund and the Portfolio contain broad indemnification provisions that require the Reference Fund and the Portfolio, as applicable, to hold their respective directors harmless from any losses or costs incurred by any such director except to the extent that such losses arise from such director’s bad faith or wilful neglect or default. Similarly, the Administration Agreement between the Reference Fund, the Portfolio and the Administrator, contains broad indemnification provisions that require the Reference Fund and the Portfolio, to hold the Administrator harmless from any losses or costs incurred by the Administrator and certain other persons as a result of the Administrator’s service in such capacity except for cases of the Administrator’s negligence, wilful misconduct or reckless disregard for its duties.

*Absence of Oversight.* The Reference Fund and the Portfolio are not required and do not intend to register as investment companies under the U.S. Investment Company Act of 1940, as amended (the “Investment Company Act”). Accordingly, the provisions of the Investment Company Act (which, among other things, requires investment companies that are subject to these provisions to have a majority of disinterested directors, requires securities held in custody at all times to be individually segregated from the securities of any other person and marked to clearly identify such securities as the property of such investment company, and regulates the relationship between the adviser and the investment company) will not be applicable to the Reference Fund or the Portfolio. In addition, the Reference Fund shares are not required to be and have not been registered under the Securities Act or the U.S. Securities Exchange Act of 1934, as amended. Because of such lack of registration, the

protections provided by such statutes and certain regulations of the various regulatory agencies thereunder will not be available to shareholders of the Reference Fund.

The Reference Fund is registered as a “regulated mutual fund” in the Cayman Islands, a fact that does not in any way mean or imply that its activities are supervised or guaranteed by the Cayman Islands Government. The Portfolio will likely be exempt from registration as a mutual fund due to certain exemptions provided by the Cayman Islands Monetary Authority.

*Valuation.* To the extent that the Reference Fund directly or indirectly invests in securities or instruments for which market quotations are not readily available, the valuation of such securities and instruments will be determined by the Investment Manager, whose determination will be final and conclusive as to all parties.

*Conflicts of Interest.* The Investment Manager Agreement does not require the Investment Manager or its principals to devote all or any specified portion of their time to managing the Reference Fund’s or the Portfolio’s affairs, but only to devote so much of their time to the Reference Fund’s or the Portfolio’s affairs as the Investment Manager reasonably believes is necessary in good faith. The Investment Manager and its principals and affiliates are not prohibited from engaging in any other existing or future business, nor are any of them prohibited from investing on their own behalf or for the account of others as long as each of them acts in good faith with respect to the Reference Fund and the Portfolio, as applicable, at all times.

Participation in specific investment opportunities may be appropriate, at times, to the Portfolio and one or more affiliated entities or accounts with similar investment objectives. In such cases, participation in such opportunities will be allocated fairly and equitably on bases that include, without limitation, the relative amounts of capital available for new investments, established guidelines for the allocated account, and applicable tax and regulatory considerations.

The Investment Manager and its principals and affiliates may determine, in their discretion, to participate in investments with persons not affiliated with the Reference Fund or the Portfolio.

The Investment Manager and its principals and affiliates may manage other accounts and advise other entities and take positions for such other accounts or entities that are different from positions taken for the Portfolio. Certain of these funds may have similar investment objectives to those of the Reference Fund. The Investment Manager and its principals and affiliates, through their actions, may be required to allocate their time, as well as trading and investment opportunities, among the Reference Fund, the Portfolio and other investment entities or accounts.

The compensation earned by the Investment Manager and its principals and affiliates from such other accounts or entities may differ from the compensation earned from the Reference Fund.

To the extent legally permissible, the Investment Manager and its principals and affiliates are authorized to combine purchase or sale orders on behalf of the Portfolio together with orders for other accounts managed by the Investment Manager and its principals and affiliates and allocate the securities or other assets so purchased or sold, on an average price basis, among such accounts.

To the extent that the Reference Fund directly or indirectly invests in securities or instruments for which market quotations are not readily available, the valuation of such securities and instruments will be determined by the Investment Manager, whose determination will be final and conclusive as to all parties.

*Other Risks.* Adverse changes in market and economic conditions, tax, securities or other laws or regulations or accounting standards may have an adverse effect on the Portfolio's investments and on the value of and consequences of holding shares. However, it cannot not be predicted whether such changes will occur and to what extent these changes may adversely affect the business of the Fund and the Reference Fund.

The foregoing list of risk factors does not purport to be a complete enumeration or explanation of all the risks and significant considerations involved in an investment in the Fund. Prospective investors should read this entire Offering Memorandum and consult with their own legal, financial, tax and other advisors before deciding to make an investment in the Fund.

## **MANAGEMENT OF THE FUND**

### **The Manager**

The Fund is managed by CI Investments Inc. (the "Manager") pursuant to a Management Agreement. The Manager is responsible for the day-to-day activities of the Fund, including management of the Fund's investment portfolio, and is also the Trustee of the Fund. The Manager is an investment management company. The Manager is a wholly-owned subsidiary of CI Financial Corp., an independent, Canadian-owned wealth management firm. CI Financial offers a broad range of investment products and services, including an industry-leading selection of investment funds. The Manager carries on business at 2 Queen Street East, Twentieth Floor, Toronto, Ontario M5C 3G7.

The Management Agreement of the Fund may be terminated by the Trustee with the consent of Unitholders of the Fund on 90 days' written notice to the Manager if the Manager commits fraud, fails to perform its duties or if the Manager becomes bankrupt or is insolvent. The Management Agreement may be assigned by the Manager at any time, and the Manager may resign at any time on not less than 90 days' written notice to the Trustee. In the event that the Manager gives notice of its intention to resign in respect of the Fund, the Trustee shall call a meeting of Unitholders of the Fund to appoint a new Manager and the Trustee may nominate a person to assume the duties of the Manager. If no new manager is appointed prior to the resignation of the Manager, the Fund will be terminated. The Management Agreement, unless terminated as described above, will continue in effect until the termination of the Fund.

The services of the Manager under the Management Agreement are not exclusive, and nothing in the Management Agreement will prevent the Manager or any affiliate thereof from providing similar services to other investment funds and other clients (whether their investment objectives and policies are similar to those of the Fund) or from engaging in other activities. See "Conflicts of Interest" and "Broad Authority of the Manager" under "Risk Factors".

## **The Trustee**

CI Investments Inc. acts as the Trustee of the Fund pursuant to the provisions of the Declaration of Trust. Similarly, the Manager acts as trustee for each CI Mutual Fund that is a trust.

The Trustee may transfer, sell or assign the powers vested in it under the Declaration of Trust. The Trustee or any successor appointed pursuant to the terms of the Declaration of Trust may resign in respect of the Fund upon 90 days' written notice to Unitholders of the Fund during which period the Manager shall use its reasonable best efforts to arrange for a successor trustee. If the Manager is unable to arrange for a successor Trustee, the Unitholders of the Fund may appoint a successor to the Trustee at a meeting called to obtain their consent. If no successor trustee is appointed prior to the resignation of the Trustee, the Fund shall be terminated.

The Declaration of Trust provides that the Trustee has a right of indemnification in carrying out its duties under the Declaration of Trust except in cases of wilful misconduct, bad faith or negligence or in cases where the Trustee fails to act honestly and in good faith with a view to the best interests of Unitholders of the Fund or to exercise the degree of care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances. In addition, the Declaration of Trust contains provisions limiting the liability of the Trustee and indemnifying the Trustee in respect of certain liabilities incurred by it in carrying out its duties.

## **Trident Investment Management, LLC**

### *Services to the Fund*

The Manager has retained Trident to provide investment advisory and discretionary portfolio management services in respect of the investment portfolios of the Fund pursuant to an Advisory Agreement. Trident is located in New York, New York.

Investment decisions as to the purchase or sale of the portfolio securities of the Fund, including the Common Share Portfolio, are made by Trident, subject to the Fund's investment objectives, strategies and restrictions. The Advisory Agreement is subject to termination by either the Manager or Trident upon 60 days' written notice to the other party, or immediately in the event of the bankruptcy or insolvency of either party or in the event of any fraud or material wrongdoing by either party in the conduct of its business. The Manager is responsible for all investment advisory and portfolio management services provided to the Fund, including those provided by Trident. Trident is paid a fee by the Manager for providing investment advisory services.

### *Services to the Reference Fund*

Trident also serves as the Investment Manager to the Reference Fund and the Portfolio. The Investment Manager makes the investment decisions for the Portfolio and, on behalf of the Portfolio, enters into all transactions and other undertakings that the Investment Manager may in its discretion deem necessary or advisable to carry out such investment decisions. The Investment Manager advises the Portfolio as to all matters involving all of the types of securities and other transactions described above, and the amount of the Portfolio's assets that should be committed to such securities and other transactions from time to time. The Investment Manager selects counterparties, including itself or its affiliates, to effect transactions with the Portfolio. In connection with the selection of

counterparties, the Investment Manager considers their financial condition, credit rating, reputation and experience in the market. The principal owner of the Investment Manager is Krishnamurthy Narayanan.

**Krishnamurthy Narayanan** leads Trident's portfolio strategy and serves as Lead Portfolio Manager. Before forming Trident, Mr. Narayanan was an Independent Investment Consultant on emerging markets to Credit Suisse Asset Management and served on its behalf as Portfolio Manager of the CI Emerging Markets Fund, a Canadian mutual fund. Previously, he was Chief Equity and Emerging Markets Strategist and Director for Macro Trading at Caxton Corporation. Prior to working at Caxton Corporation, he was an Investment Analyst at Tiger Management. Mr. Narayanan holds a Ph.D. in Economics from the Massachusetts Institute of Technology with concentrations in Finance and International Economics, an M.S. in Management from MIT's Sloan School of Management and a B.S. (summa cum laude) with a double major in Economics and Computer Science from Yale.

## **FEES AND EXPENSES**

### **Management Fees**

For providing its services pursuant to the Management Agreement, the Manager receives from the Fund a management fee equal to 2.25% per annum of the Net Asset Value of the Class A Units of the Fund and 1.25% per annum of the Net Asset Value of the Class F Units of the Fund, calculated daily and payable monthly. Unitholders of Class I Units are charged a management fee directly by the Manager that is negotiated directly between the Unitholder and the Manager. Unitholders of Class O Units are charged a management fee directly by the Manager, which is equal to 1.10% per annum of the Net Asset Value of the Class O Units of the Fund, calculated daily and payable monthly.

The Manager has engaged Trident to provide investment advice to the Fund; the Manager is responsible for any fees payable to Trident as in respect of such advice. No fees are payable by the Fund to the Reference Fund or the Portfolio in respect of any exposure the Fund may have to the Reference Fund or the Portfolio.

From time to time to encourage very large holdings by investors of Class A and F Units of the Fund, the Manager may reduce the management fee that it otherwise would be entitled to receive from the Fund with respect to a Unitholder's investment in the Fund provided that the amount of this reduction is distributed to such Unitholder. The reduction of management fees is negotiable between the Manager and the Unitholder and is based on the size of holdings of such Unitholder, among other factors. Management fee distributions will be made monthly by the Fund to the relevant Unitholder, first out of net investment income and capital gains (net of applicable losses) and thereafter out of capital. All management fee distributions of the Fund will be automatically reinvested in additional Units unless otherwise requested. See "Distributions/Allocations". Similar reductions of management fees may be negotiated between the Manager and Unitholders of Class O Units, based on the size of holdings of such Unitholders, among other factors, and the management fees charged directly by the Manager will be reduced accordingly.



## **Performance Fees**

The Manager also is entitled to receive from the Fund an annual performance fee (the “Performance Fee”) equal to 20% of the increase during the year in the Net Asset Value of each individual investment made by each Unitholder in the Fund. To the extent that the Performance Fee in respect of an individual investment in any year is negative, the negative amount will be carried forward and deducted from any positive Performance Fee in respect of the same investment in future years. In other words, the Performance Fee is based on a “high water mark” for each individual investment in Units of the Fund. The Performance Fee is calculated and payable as of the last Valuation Day of each calendar year. Though the Performance Fee is charged to and paid by the Fund, through annual distributions of capital gains (the “Capital Gain Distributions”), the Performance Fee effectively borne by each Unitholder is adjusted to reflect the actual performance of the Unitholder’s investment in the Fund during the year. The foregoing is subject to the more detailed calculations of the Performance Fee and the Capital Gains Distributions contained in the Management Agreement and the Declaration of Trust, respectively, copies of which are available from the Manager upon request.

## **Administration Fees and Expenses**

With respect to all Classes of Units of the Fund, other than Class O Units, the Fund is responsible for the payment of all fees and expenses relating to its operation, including registrar and transfer agent fees and expenses, audit, accounting, administration (other than advertising and promotional expenses which are paid for by the Manager), record keeping and legal fees and expenses, custody and safekeeping charges, all costs and expenses associated with the qualification for sale of the Units in the Offering Jurisdictions, providing financial and other reports to Unitholders and convening and conducting meetings of Unitholders, all taxes, assessments or other governmental charges levied against the Fund, interest and all brokerage and other fees relating to the purchase and sale of the assets of the Fund including expenses related to the Forward Agreement. The Fund is generally required to pay GST or HST on the management fee, the Performance Fee and most administration fees and expenses paid by the Fund. The Manager may from time to time pay for certain operating expenses of the Fund to maintain the Fund’s management expense ratio at a competitive level. Generally speaking, the management expense ratio is the fees and operating expenses paid by the Fund expressed as a percentage of its average net assets during the year.

In relation to Class O Units of the Fund, the Manager will bear some of the above-mentioned fees and expenses (the “Covered Operating Expenses”) in return for a fixed annual administration fee (the “Fixed Administration Fee”) to be paid directly by Unitholders of Class O Units. Not included in the Covered Operating Expenses are (a) taxes of any kind charged directly to the Fund (principally income tax and G.S.T or H.S.T. on its management and administration fees), (b) borrowing costs incurred by the Fund from time to time, (c) any new fees that may be introduced by a securities regulator or other governmental authority in the future that is calculated based on the assets or other criteria of the Fund, and (d) costs associated with the Forward Agreement, if any. The purchase price of all securities and other property acquired by or on behalf of the Fund (including brokerage fees, commissions and service charges paid to purchase and sell such securities and other property) are considered capital costs and therefore not included in the Covered Operating Expenses. For greater certainty, the Manager will bear all taxes (such as G.S.T., H.S.T. and provincial sales taxes) charged to the Manager for providing the goods, services and facilities included in the Covered Operating Expenses. The Fixed Administration Fee applies only in respect

of Class O Units and is equal to 0.15% per annum of the Net Asset Value of the Class O Units of the Fund. No Fixed Administration Fee applies in respect of any other Classes of Units of the Fund.

### **Forward Fee**

The Fund will pay to the Counterparty a fee under the Forward Agreement equal to 0.50% per annum of the net asset value of the reference number of shares of the Reference Fund that will determine the purchase price of the Common Share Portfolio under the Forward Agreement, plus a fee which may vary based on hedging costs incurred in connection with the Common Share Portfolio, calculated and payable monthly in arrears.

## **INVESTING IN THE FUND**

The Fund offers Class A Units, Class F Units, Class I Units and Class O Units. Class A Units are available to all investors. Class F Units are available to investors who participate in certain programs or are members of certain groups, including:

- ∞ investors who participate in fee-based programs through their financial adviser. These investors pay their financial adviser an annual fee for ongoing financial planning advice. The Manager pays no commissions or service fees to their financial adviser.
- ∞ certain other groups of investors in the sole discretion of the Manager, provided the Manager incurs no distribution costs.

The Manager charges a lower management fee on Class F Units because distribution and servicing costs are reduced. An investor may purchase Class F Units only with the approval of the investor's financial adviser and the Manager. Each financial adviser's participation in a Class F Units program is subject to the Manager's terms and conditions.

Class I Units are only available to institutional clients and investors who have been approved by the Manager and have entered into a Class I Account Agreement with the Manager. The criteria for approval may include the size of the investment, the expected level of account activity and the investor's total investment with the Manager. No management fees are charged to the Fund with respect to the Class I Units; each investor will negotiate a separate fee which is payable directly to the Manager. Service fees payable to Registered Dealers will be negotiated and disclosed in the Class I Account Agreement. Class I Units also are available to directors and employees of the Manager and its affiliates.

Class O Units are only available to investors through Private Investment Management ("PIM"), a program that offers qualified investors or investors approved by the Manager a comprehensive range of tax-effective, professional money management investment solutions with preferred pricing and distinct services. No management fees are charged to the Fund with respect to Class O Units; each Unitholder will be charged a management fee and a Fixed Administration Fee, as previously described, which are payable directly to the Manager. A default service fee equal to 1.00% annually will be automatically charged to each Unitholder of Class O Units and payable to the Manager directly, and a different service fee rate may be negotiated between the Unitholder and his or her Registered Dealer.

If the Manager becomes aware that an investor no longer qualifies to hold Class F, Class I or Class O Units, the Manager may change the investor's Units to Class A Units after giving 30 days' notice. Any change of Units from one Class to another will trigger the payment of any redemption charges and accrued Performance Fees in respect of the Units changed and will be treated for Performance Fee purposes as a new investment in Units of the new Class.

Units are offered for sale on a continuous basis and are distributed by Registered Dealers in each province and territory of Canada at an offering price equal to their Net Asset Value per Unit at the time of purchase. (See "Portfolio Valuation and Net Asset Value"). The Manager may discontinue the offering of any Class of Units of any Fund at any time and end or restrict purchases under the Deferred Sales Charge Option at any time. **This offering of Units is not subject to any minimum offering size for the Fund and therefore any subscriptions received from an investor are available to the Fund, subject to applicable securities laws.**

### **Purchase of Units**

Investors may purchase Units through Registered Dealers in the Offering Jurisdictions. Registered Dealers will send orders to the Manager at its principal office on the day such orders are placed by courier or telecommunications facilities without charge to the investor. Investors who wish to subscribe for Units must complete, execute and deliver to a Registered Dealer the Investment Application which accompanies this Amended and Restated Confidential Offering Memorandum, together with a cheque or bank draft in an amount equal to the purchase price (together, if applicable, with the amount of any commission payable by the investor to the Registered Dealer). The purchase price of a Unit is an amount equal to its Net Asset Value per Unit. The Net Asset Value per Unit for subscriptions which are received and accepted by the Manager prior to 4:00 p.m. (Toronto time) on an Order Day will be calculated as of that Order Day. The Net Asset Value per Unit for subscriptions received and accepted after 4:00 p.m. (Toronto time) on an Order Day will be calculated on the next Order Day. See "Portfolio Valuation and Net Asset Value". The Manager reserves the right to accept or reject orders, provided that any decision to reject an order must be made promptly and any monies received with a rejected order will be refunded immediately after such determination has been made by the Manager. If the Manager does not receive by the fifth business day following the relevant Order Day payment for the Units purchased, together with a fully and correctly completed Investment Application (if applicable), the Manager may redeem the Units so purchased. If the proceeds of redemption exceed the cost of the Units purchased, the Fund will retain the excess. However, if the proceeds of redemption are less than the cost of the Units purchased, the investor and his or her Registered Dealer will be responsible for paying the difference to the relevant Fund and any associated costs.

Following each purchase of Units, Unitholders will receive a written confirmation indicating details of the purchase transaction including the dollar amount of the purchase order, the Net Asset Value per Unit and the number of Units purchased. For additional investments, the written confirmation will indicate the cumulative total of all Units held by the Unitholder.

### **Securities Laws Exemptions**

This offering is being made pursuant to exemptions from the prospectus requirements of applicable securities laws and regulations in the Offering Jurisdictions. Purchasers of Units will be required to

establish their qualifications to invest in the Fund in accordance with the requirements of the securities laws of their Province or Territory of residence.

## **Minimum Investment**

### *Minimum Initial Investment*

The minimum initial investment for Accredited Investors who are investing in Class A or Class F Units is \$25,000. The minimum initial investment for Accredited Investors who are investing in Class O Units is \$100,000. For investors who are not Accredited Investors, the minimum initial investment in Class A, Class F or Class O Units is \$150,000. The minimum investment for Class I Units is determined when an investor enters into a Class I Account Agreement with the Manager, subject to applicable securities laws.

The Manager reserves the right to change the minimum amounts for investments in the Fund at any time and from time to time subject to regulatory requirements.

### *Additional Investments*

Each additional investment by an investor must be not less than the amount specified by the Manager (which is currently \$5,000). This amount may be higher for investors in Class I Units.

For Accredited Investors, in addition to the requirement that each additional investment be for an amount not less than \$5,000, the Manager requires that immediately following the additional investment, the Accredited Investor will hold Units of the Fund with an aggregate acquisition cost or Net Asset Value of not less than the amount specified by the Manager (currently \$25,000 for Class A, Class F and Class I Units and \$100,000 for Class O Units).

For investors who do not qualify as Accredited Investors, in addition to the requirement that each additional investment be for an amount not less than \$5,000, the investor must have previously purchased and continue to hold Units with an aggregate acquisition cost or current Net Asset Value not less than \$150,000 for Class A, Class F, Class I and Class O Units.

At the time of making each additional investment, each Unitholder will be deemed to have repeated to the Fund the representations, warranties and certifications contained in the Investment Application documents delivered by the investor to the Fund at the time of the initial investment.

### *Accredited Investors*

An investor resident in Canada will qualify as an Accredited Investor if he or she satisfies certain criteria. Please see the Investment Application for details.

Investors should consult their Registered Dealer and other advisors and refer to the representations, warranties and certifications contained in the Investment Application which accompanies this Amended and Restated Confidential Offering Memorandum to determine whether they qualify as an Accredited Investor.

## **Purchase Options**

There is usually a charge for investing in Class A Units of the Fund. There are two options: the Initial Sales Charge Option and the Deferred Sales Charge Option. There are no sales charges for purchases of Class F, Class I or Class O Units.

### *Purchases Under the Initial Sales Charge Option*

Under the Initial Sales Charge Option, a sales charge is deducted from the amount of the subscription and paid to the investor's Registered Dealer. The remaining amount is divided by the relevant Net Asset Value per Unit, as described under "Purchase of Units", to determine the number of Initial Sales Charge Units purchased. Initial sales charges are negotiable between investors and their Registered Dealers. The maximum initial sales charge for the Fund is 5% of the total amount invested. No initial sales charge applies to additional Units issued through the automatic reinvestment of distributions paid on Initial Sales Charge Units.

### *Purchases Under the Deferred Sales Charge Option*

Under the Deferred Sales Charge Option, the entire amount of an investor's subscription is applied to the purchase of Deferred Sales Charge Units at a price per Unit equal to their Net Asset Value per Unit, as described under "Purchase of Units", without deduction of a sales charge. The Manager or a Servicer will pay a selling commission of 5% to the investor's Registered Dealer in respect of Deferred Sales Charge Units purchased on this basis. (No selling commission is paid for additional Units issued through the automatic reinvestment of distributions paid on Deferred Sales Charge Units.)

The following redemption charge payable by the investor will apply if the investor redeems Deferred Sales Charge Units (excluding Units issued through the automatic reinvestment of distributions paid on Deferred Sales Charge Units). If you bought your Units under the Deferred Sales Charge Option, you will pay a reclassification fee at the time you change to a different Class equal to the redemption fee you would pay if you redeemed your Units. No other fees apply, other than the short-term trading fee, if applicable.

<b><u>Year(s) Since Purchased</u></b>	<b><u>Deferred Sales Charge as a Percentage of the Cost of Units Redeemed/Redesignated</u></b>
Year 1	5.5%
Year 2	5.0%
Year 3	4.5%
Year 4	4.0%
Year 5	3.0%
Year 6	2.0%
Year 7	1.0%
Thereafter	nil

The Deferred Sales Charge Option may be modified or cancelled by the Manager at any time.

For purposes of calculating the deferred sales charge, the cost of a redeemed or redesignated Unit is the Net Asset Value per Unit at which the Unit was originally acquired. However, the cost of each Unit is adjusted downwards when additional Units of the Fund are issued through the automatic reinvestment of distributions paid on Deferred Sales Charge Units. As well, if an investor redeems a portion of his or her Units without paying the deferred sales charge, as described below, the cost of the remaining Units of that Fund will increase. Specifically, each Unitholder may, during each calendar year, redeem a portion of his or her Deferred Sales Charge Units of the Fund without paying the deferred sales charge described in the table above. The maximum number of Deferred Sales Charge Units which may be so redeemed is determined at the time of the redemption using the following formula:

- (a) 10% of the number of Deferred Sales Charge Units of the Fund purchased by the Unitholder in the current calendar year, **multiplied by**
- (b) the number of months remaining in the calendar year (including the month of purchase), divided by 12, **plus**
- (c) 10% of the number of Deferred Sales Charge Units of the Fund held by the Unitholder on December 31 of the preceding year.

If Deferred Sales Charge Units are redeemed without paying the deferred sales charge as described above, the cost attributable to the remaining Deferred Sales Charge Units of such Unitholder in the Fund will be increased pro rata by the cost of the Deferred Sales Charge Units so redeemed. This will have the effect of increasing the cost of each remaining Deferred Sales Charge Unit for purposes of computing future deferred sales charges. As a result, a Unitholder will pay a deferred sales charge in respect of any Deferred Sales Charge Units redeemed in a calendar year in excess of those permitted to be redeemed with a deferred sales charge as described above. Those Deferred Sales Charge Units will have a higher cost per Unit for purposes of calculating the deferred sales charge payable as a result of the redemptions effected in previous years using the feature described above.

The Manager may, in its discretion, from time to time permit a Unitholder to exchange Deferred Sales Charge Units for securities of a CI Mutual Fund while carrying over the Unitholder's deferred sales charge subject to the stated investment limits.

#### *U.S. Dollar Option*

Investors may elect to purchase Units in Canadian or U.S. dollars. Any distributions or redemptions from the Fund will be in the currency selected by the Unitholder at the time of purchase. All purchase and redemption amounts in U.S. dollars and the amount of any redemption charge applicable will be based upon the Net Asset Value per Unit expressed in Canadian dollars, and all cash distributions in U.S. dollars will be based upon the applicable distribution in Canadian dollars, in each case converted to their U.S. dollar equivalent using such reasonable exchange rate as the Manager may from time to time determine. This exchange rate may differ from that used, from time to time, in calculating the Net Asset Value of the Fund. Units cannot be purchased in U.S. dollars through a CI Tax Deferred Plan. The U.S. dollar option may be discontinued by the Manager at any time in its sole discretion.

## **DEALER COMPENSATION**

Units are distributed by Registered Dealers in the Offering Jurisdictions. The Manager provides the compensation programs described below to Registered Dealers placing orders, whose clients purchase Units, to assist them in their distribution efforts.

### **Sales Commissions on Class A Units**

Where purchases are made under the Initial Sales Charge Option, a sales commission of up to 5% will be deducted from the purchase order for Class A Units of the Fund and paid by the investor to the Registered Dealer. The remaining amount is invested in the relevant Fund. Sales commissions may be negotiated between the investor and his or her Registered Dealer.

Where purchases are made under the Deferred Sales Charge Option, no amount is deducted from the purchase order for Class A Units and the Manager or a Servicer will pay the Registered Dealer a fixed commission of 5%. This purchase option may be cancelled at any time by the Manager. A redemption charge will generally apply to Deferred Sales Charge Units if they are redeemed within seven years from the date of issue. See “Investing in the Fund – Purchase Options”.

### **Servicing Commissions on Class A Units**

A servicing commission is a portion of the Manager’s management fee shared with a Unitholder’s Registered Dealer. The servicing commissions pay for ongoing advice and service which a Unitholder is entitled to receive from his or her Registered Dealer for so long as the Unitholder’s investment remains in the Fund.

Servicing commissions are calculated monthly and payable monthly or quarterly to Registered Dealers with client assets invested in the Fund. Servicing commissions are based on the total client assets invested in Class A Units of the Fund at an annual rate of 1.00% for Initial Sales Charge Units and 0.50% for Deferred Sales Charge Units. Servicing commissions may be modified or discontinued by the Manager at any time.

In addition, the Manager may from time to time elect to share up to 10% of its Performance Fee with Registered Dealers with client assets invested in the Fund. This portion of the Performance Fee would be paid at least annually on or before January 31.

### **Service Fees on Class I and Class O Units**

Unitholders of Class I and O Units may be charged a service fee by the Unitholders’ Registered Dealers for ongoing advice and service which Unitholders are entitled to receive from their Registered Dealers for so long as the Unitholders’ investments remain in the Fund.

Service fees may be negotiated for Class I Units, up to a maximum of 1.00%, which will be set out in a separate agreement between the Unitholder and the Manager, if applicable.

For Class O Units, a default service fee of 1.00% will be automatically charged to the Unitholder and payable to the Manager directly (as Units redeemed from the Unitholder’s holdings on a quarterly basis). Unitholders may negotiate a different service fee with their Registered Dealers, which can

range from 0% to a maximum of 1.25%. Note that if the Manager does not receive the relevant documentation from the Registered Dealer evidencing a different service fee rate, the applicable service fee payable will be defaulted to 1.00%. The default service fee may be changed by the Manager at any time.

## **Sales Incentives**

*Co-Operative Marketing Programs.* The Manager may from time to time fund on a co-operative basis with Registered Dealers up to 50% of the direct costs of certain sales communications and investor seminars to provide educational information concerning the Fund, the CI Mutual Fund or mutual funds generally. Investors will be given written notice in the sales communication or seminar that the Manager has paid in part for the sales communication or investor seminar.

*Conferences and Other Educational Program.* The Manager may financially participate in or provide product support at Registered Dealer conferences, the primary purpose of which is the provision of educational information about financial planning, investing in securities, mutual fund industry matters or the CI Mutual Fund, but will not subsidize more than 10% of the total direct cost (excluding travel and accommodation costs) of such conferences. The Manager may reimburse Registered Dealers for up to the total cost of the fees for educational courses, the primary purpose of which is the provision of educational information about financial planning, investing in securities, mutual fund industry matters or the CI Mutual Fund, taken by salespersons. The Manager may also host seminars or conferences for salespersons or Registered Dealers, the primary purpose of which is the provision of educational information about financial planning, investing in securities, mutual fund industry matters or the CI Mutual Fund, although the Manager will not pay or subsidize Registered Dealer travel and accommodation costs to attend such seminars or conferences.

*Promotional and Other Items.* The Manager may give promotional items of minimal value to Registered Dealers and salespersons and may engage in reasonable business promotional activities with Registered Dealers and salespersons.

## **DISTRIBUTIONS**

It is the Fund's policy to annually make payable to Unitholders sufficient investment income and capital gains (net of applicable losses) so that it effectively will not pay any Canadian federal income tax under Part I of the Tax Act. Capital Gains Distributions will be made annually, or as determined by the Manager.

In the sole discretion of the Manager, the Fund may allocate income and net realized capital gains to individual Unitholders and utilize its loss carryforwards (if any) in a manner that effectively reflects the actual performance of each investment by each Unitholder in the Fund. This will include Capital Gains Distributions to individual Unitholders to adjust the Performance Fee effectively borne by each Unitholder to reflect the actual performance of the Unitholder's investments in the Fund.

Distributions generally are paid on the last business day of each year in the currency selected at the time of purchase. All distributions will be automatically reinvested in additional Units of the same Class of the Fund, without charge, at their Net Asset Value per Unit determined as of the date of distribution. No sales charge is payable with respect to any purchase of Units made under the reinvestment program. Certain management fee distributions may be made first out of net



investment income and capital gains (net of applicable losses) and thereafter of capital. Such distributions will be distributed monthly. See “Fees and Expenses – Management Fees”.

Distributions may include distributions out of capital. A distribution of capital is a non-taxable return of part of the investor’s original capital investment.

A record of distributions paid by the Fund since the Fund’s inception will be contained in its financial statements.

## **VALUATION AND NET ASSET VALUE**

The Manager will determine the Net Asset Value of the Fund and of each Unit as of every Valuation Day. The Net Asset Value of the Fund is determined in accordance with the provisions of the Declaration of Trust by valuing the assets of the Fund and deducting all its liabilities. A separate Net Asset Value per Unit is calculated for each Class by taking the fair value of the assets attributable to that Class, subtracting fair value of any liabilities attributable to that Class, and dividing the balance by the number of outstanding Units of that Class (before redemptions and subscriptions). The Net Asset Value of the Fund is reported in Canadian and U.S. currency and may also be reported in such other currencies as the Manager may from time to time determine, based on the rate or rates of exchange, as the case may be, reported by any report in common use.

The material provisions of the basis for calculating the Net Asset Value per Unit from time to time of the Fund are as follows:

- (a) liquid assets (which term includes cash on hand or on deposit, bills and demand notes, accounts receivable, prepaid expenses, cash dividends (including unpaid but declared dividends provided that the record date for such dividends is on or before the date of determination of the Net Asset Value) and interest accrued and not yet received) will be valued at their full face amount unless the Manager determines that any such deposit, bill, demand note, account receivable, prepaid expense, cash dividend or interest amount is not worth the full face value, in which event the value shall be the fair value as determined by the Manager;
- (b) securities listed on a stock exchange or traded on an over-the-counter market will be valued at the closing sale price or, if there is no closing sale price, the average of the closing bid and closing asked price or lacking any recent sales or any record thereof, the latest available sale price or latest available bid price all as reported by any report in common use. If the securities are listed or traded on more than one exchange, the fund will calculate the value in a manner that the Manager believes accurately reflects fair value. If the Manager believes stock exchange quotations do not accurately reflect the price the fund would receive from selling a security, the Manager will value the security at a price that reflects fair value;
- (c) securities and other assets for which market quotations are not readily available will be valued at the lesser of their fair market value (determined on the basis of such price or yield equivalent quotations or arm’s length transaction or on such other appropriate basis), as determined by the Manager, and their historical cost, provided that if a higher price is established for such securities and other assets as a result of

an arm's length transaction, the value of such securities and other assets held by the Fund may be revalued to reflect such price;

- (d) the value of any security, the resale of which is restricted or limited by reason of a representation, undertaking or agreement by the Fund or by the Fund's predecessor in title or by law shall be the lesser of: (i) the value thereof based on reported quotations in common use; and (ii) that percentage of the market value of securities of the same Class, the trading of which is not restricted or limited by reason of any representation, undertaking or agreement or by law, equal to the percentage that the Fund's acquisition cost was of the market value of such securities at the time of acquisition, provided that a gradual taking into account of the actual value of the securities may be made where the date on which the restrictions will be lifted is known;
- (e) the fair value of any security which is a debt obligation and which, at the time of acquisition, had a remaining term to maturity of one year or less, shall be the amount paid to acquire the obligation plus the amount of any interest accrued on such obligation since the time of acquisition. For the purposes of the foregoing, interest accrued will include amortization over the remaining term to maturity of any discount or premium from face value of an obligation at the time of its acquisition;
- (f) long positions in clearing corporation options, over-the-counter options, debt-like securities (as defined in NI 81-102) and listed warrants shall be valued at the current market value thereof;
- (g) where a clearing corporation option or over-the-counter option is written, the premium received by the Fund shall be reflected as a deferred credit which shall be valued at an amount equal to the current market value of the clearing corporation option or over-the-counter option that would have the effect of closing the position. Any difference resulting from revaluation shall be treated as an unrealized gain or loss on investment. The deferred credit shall be deducted in arriving at the Net Asset Value of the Fund. The securities, if any, which are the subject of a written clearing corporation option or over-the-counter option shall be valued at their current market value;
- (h) the value of a forward contract shall be the gain or loss with respect thereto that would be realized if, on the Valuation Day, the position in the forward contract were to be closed out unless "daily limits" are in effect, in which case the fair value shall be based on the current market value of the underlying interest; and
- (i) margin paid or deposited in respect of a forward contract shall be reflected as an account receivable and margin consisting of assets other than cash shall be noted as held as margin.

For the purpose of all necessary conversion of funds from another currency to Canadian currency, such reasonable conversion rate as the Manager may from time to time determine will be applied on a consistent basis by the Fund.

For the purposes of determining the Net Asset Value of the Fund, the liabilities of the Fund shall be deemed to include all liabilities of the Fund of whatsoever kind and nature except liabilities represented by outstanding Units and, for greater certainty but without limitation, include:

- (a) all bills, notes and accounts payable;
- (b) all administrative expenses payable or accrued (including fees payable pursuant to its Management Agreement);
- (c) all obligations for the payment of money or property, including distributions of net income and net realized capital gains, if any, declared, accrued or credited to the Unitholders but not yet paid on the day on which the Net Asset Value per Unit is being determined; and
- (d) all allowances authorized or approved by the Manager for taxes (if any) or contingencies.

In calculating the Net Asset Value per Unit of the Fund, the issue of Units shall be reflected in the computation of the Net Asset Value of the Fund no later than the next Valuation Day after the time at which the Net Asset Value per Unit is determined for the purpose of the issue of the Units. Each portfolio transaction will be reflected in the computation of Net Asset Value per Unit no later than the Valuation Day after the date on which the transaction becomes binding.

The Manager may declare a suspension of the determination of the Net Asset Value of the Fund for the whole or part of any period in which the right of redemption has been suspended by the Fund. See “Redemption of Units”.

## **UNITS OF THE FUND**

There is no limit on the number of Units that may be issued by the Fund. In the sole discretion of the Manager, the Fund may allocate or distribute income and net realized capital gains to individual Unitholders and utilize its loss carryforwards (if any) in a manner that effectively reflects the actual performance of each investment by each Unitholder in the Fund. This will include Capital Gains Distributions to individual Unitholders to adjust the Performance Fee effectively borne by each Unitholder to reflect the actual performance of the Unitholder’s investments in the Fund. Units may only be issued as fully-paid and non-assessable upon receipt of the full consideration for which they are to be issued and are not subject to further call or assessment and no pre-emptive rights attach to them. The Manager may, at any time, direct the registrar and transfer agent to sub-divide or consolidate all Units outstanding. Fractions of Units may be issued. No certificates representing Units shall be issued by the Manager or the Trustee. The rights of Unitholders of the Fund are contained in the Fund’s Declaration of Trust and may be modified, amended or varied only in accordance with the provisions contained in the Declaration of Trust. Units are transferable on the register of the Fund only by a registered Unitholder or his or her legal representative, subject to compliance with securities laws. Unitholders are entitled to redeem their Units, subject to the Manager’s right to suspend the right of redemption. See “Redemption of Units”.

## **REDEMPTION OF UNITS**

A Unitholder may redeem his or her Units on an Order Day at their Net Asset Value per Unit in the currency selected at the time of purchase. Redemption orders must be in writing and the Unitholder's signature must be guaranteed by a Registered Dealer, Canadian chartered bank, trust company, a member of a stock exchange in Canada or otherwise guaranteed to the satisfaction of the Manager. Redemption orders may be made directly to the Fund or through the Unitholder's Registered Dealer. If Units are registered in the name of an intermediary such as a Registered Dealer, clearing agency or its nominee, redemption orders must be made through such intermediary. If the redemption order is received by the Manager prior to 4:00 p.m. (Toronto time) on an Order Day, Units will be redeemed based on their Net Asset Value per Unit calculated on that date and orders received after that time will be effective on the next Order Day. The effective day of the redemption order is called the "Redemption Trade Date". The amount payable to a Unitholder from the Fund for each Unit redeemed (the "Redemption Amount") will be an amount equal to its Net Asset Value per Unit on the redemption trade date, less an amount equal to the Performance Fee payable by the Fund to the Manager in respect of such Unit.

Payment for Units which are redeemed will be made by the Fund either by cheque or, if the Units are to be redeemed in Canadian dollars and the Unitholder provides a void personal cheque with the Unitholder's redemption order, by direct deposit to the Unitholder's bank account.

A Fund may suspend the redemption of Units for any period when normal trading is suspended on any stock, options or other exchange or market, within or outside of Canada on which securities are listed and traded, or on which derivatives are traded which represent more than 50% by value or underlying market exposure of the total assets of the Fund, without allowance for liabilities, and at such other times as the Manager is of the opinion that the Fund's Net Asset Value cannot reasonably be determined.

Any redemption request of a Unitholder which has been deferred because of a suspension of redemptions of the Fund will be completed by the Trustee on the first Valuation Day following the termination of the suspension unless earlier withdrawn by the Unitholder.

Unitholders will have the right to redeem Units no less frequently than monthly. The rights of Unitholders to redeem their Units are contained in the Declaration of Trust. See "Units of the Fund".

No redemption charges apply to Sales Charge Units. A redemption charge as described under "Investing in the Fund – Purchase Options" will apply if Deferred Sales Charge Units are redeemed within seven years of the date of purchase. Any redemption of Units by a Unitholder will first be applied to the Units of the Fund which are not subject to redemption charges. In order to minimize redemption charges, Units of the Fund subject to redemption charges are redeemed on a "first in, first out" basis.

## **CERTAIN INCOME TAX CONSIDERATIONS**

The following is, as of the date hereof, a summary of the principal Canadian federal income tax considerations generally applicable to the acquisition, holding and disposition of Units by a Unitholder who acquires Units pursuant to this Amended and Restated Confidential Offering Memorandum. This summary only applies to a Unitholder who is an individual (other than a trust)

and who, for the purposes of the Tax Act is resident in Canada, deals at arm's length, and is not affiliated, with the Fund and holds Units of the Fund as capital property.

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

This summary is based upon the current provisions of the Tax Act and the regulations thereunder and an understanding of the current publicly available published administrative policies and assessing practices of the Canada Revenue Agency and all specific proposals to amend the Tax Act and regulations thereunder publicly announced by or on behalf of the Minister of Finance prior to the date hereof (collectively the "Tax Proposals"). This summary does not otherwise take into account or anticipate any changes in law, whether by legislative, governmental or judicial decision or action, nor does it take into account provincial or foreign income tax legislation or considerations. There is no certainty that the Tax Proposals will be enacted in the form proposed or at all.

This summary assumes that the Fund will not invest in shares of a corporation that is a foreign affiliate of the Fund.

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

### **Status of the Fund**

This summary assumes that the Fund qualifies as a "mutual fund trust" as defined in the Tax Act at all relevant times.

To qualify as a mutual fund trust: (i) the Fund must be a Canadian resident "unit trust" for purposes of the Tax Act; (ii) the only undertaking of the Fund must be the investing of its funds in property (other than real property or interests in real property); (iii) the Fund must comply with certain minimum requirements respecting the ownership and dispersal of Units (the "minimum distribution requirements"), and (iv) the Fund must not be established or maintained primarily for the benefit of non-residents unless certain conditions regarding the composition of its portfolio are adhered to. In this regard: (i) the Fund's undertaking is restricted to the investing of its funds in property (other than real property or interests in real property); (ii) the Manager has no reason to believe at the date hereof that the Fund will not comply with the minimum distribution requirements throughout the life of the Fund and (iii) the Fund has not been established and is not maintained primarily for the benefit of non-residents of Canada.

If the Fund were not to qualify as a mutual fund trust, the income tax considerations as described below would in some respects be materially and adversely different.

Since no investments in the trust are listed or traded on a stock exchange or other public market, the Fund is not a “SIFT trust” within the meaning of the Tax Act with the result that the Fund will not be subject to the generally adverse tax rules that apply to a “SIFT trust” under the Tax Act.

### **Taxation of the Fund**

In each taxation year, the Fund will be subject to tax under Part I of the Tax Act on the amount of its income for the year less the portion thereof that it claims in respect of amounts paid or payable to Unitholders in the year. An amount will be considered to be payable to a Unitholder in a taxation year if it is paid in the year by the Fund or the Unitholder is entitled in that year to enforce payment of the amount.

In computing its income the Fund will include interest that accrues to it to the end of the year, or becomes receivable or is received by it before the end of the year (except to the extent such interest was included in completing its income for a prior year), and dividends received in the year.

The Fund will not realize any income, gain or loss as a result of entering into the Forward Agreement. The Fund has elected for purposes of the Tax Act to have each of its “Canadian securities” as defined in the Tax Act treated as capital property. Provided that the Fund maintains its status as a mutual fund trust under the Tax Act, gains or losses realized by the Fund on the sale of “Canadian securities” as defined in the Tax Act (including the Common Share Portfolio) will be taxed as capital gains or capital losses. If the obligations of the Fund and the Counterparty under the Forward Agreement are settled by making cash payments, a payment made or received by the Fund may be treated as an income outlay or receipt, as applicable.

Gains realized by the Fund from the use of derivative securities (other than the Forward Agreement) generally will result in the Fund realizing ordinary income rather than capital gains.

The portfolio will include securities that are not denominated in Canadian dollars. Cost, proceeds of disposition of securities, distributions, interest and all other amounts will be determined for the purposes of the Tax Act in Canadian dollars at the exchange rate determined in accordance with the detailed rules in the Tax Act in that regard. The Fund may realize gains or losses by virtue of the fluctuation in the value of foreign currencies relative to Canadian dollars. The Fund will derive income (including gains) from investments in countries other than Canada and, as a result, may be liable to pay income or profits tax to such countries. To the extent that such foreign tax paid does not exceed 15% of such income and has not been deducted in computing the Fund’s income, the Fund may designate a portion of its foreign source income in respect of a Unitholder so that such income and a portion of the foreign tax paid by the Fund may be regarded as foreign source income of, and foreign tax paid by, the Unitholder for the purposes of the foreign tax credit provisions of the Tax Act. To the extent that such foreign tax paid by the Fund exceeds 15% of the amount included in the Fund’s income from such investments, such excess may generally be deducted by the Fund in computing its income for the purposes of the Tax Act.

The Fund will be entitled for each taxation year throughout which it is a mutual fund trust to reduce (or receive a refund in respect of) its liability, if any, for tax on its net realized capital gains by an amount determined under the Tax Act based on the redemptions of Units during the year.

In computing its income for tax purposes, the Fund may deduct reasonable administrative and other expenses incurred to earn income, including interest on the Loan Facility generally to the extent borrowed funds are used to purchase portfolio securities. The Fund may not deduct interest on the Loan Facility to the extent that borrowed funds are used to fund redemptions of Units.

Losses incurred by the Fund cannot be allocated to Unitholders but may be carried forward and deducted by the fund in future years.

The “suspended loss” rules in the Tax Act may prevent the Fund from recognizing capital losses on the disposition of securities in certain circumstances which may increase the amount of net realized capital gains of the Fund to be paid to the Unitholders.

On October 31, 2003, the Department of Finance (Canada) released a proposed amendment (the “Proposed Amendment”) relating to the deductibility of losses under the Tax Act, which is proposed to apply to taxation years beginning after 2004. Under such Proposed Amendment, a taxpayer will be considered to have a loss from a business or property for a taxation year only if, in that year, it is reasonable to assume that the taxpayer will realize a cumulative profit from the business or property during the time that the taxpayer has carried on, or can reasonably be expected to carry on, the business or has held, or can reasonably be expected to hold, the property. “Profit”, for this purpose, does not include capital gains or capital losses. If such Proposed Amendment were to apply to the Fund, certain losses of the Fund may be limited with after-tax returns to Unitholders reduced as a result. On February 23, 2005, the Minister of Finance announced that an alternative proposal to replace this Proposed Amendment would be released. No such alternative proposal has been released to date. There can be no assurance that such alternative proposal will not adversely affect the Fund.

### **Taxation of Unitholders**

Unitholders who are not exempt from income tax must include in their income all net income and the net taxable capital gains of the Fund, if any, payable to them, including distributions that are reinvested in additional Units of the Fund. To the extent applicable, the Fund intends to make designations to ensure that the maximum portion of its taxable dividends from taxable Canadian corporations (including “eligible dividends”), foreign income, net realized capital gains and foreign creditable tax will be received by Unitholders as taxable dividends from taxable Canadian corporations (including “eligible dividends”), foreign income or taxable capital gains, as the case may be, or paid by Unitholders in the case of foreign creditable tax. If a Unitholder is exempt from tax under the Tax Act, distributions by the Fund to that Unitholder will not be subject to tax under the Tax Act.

The non-taxable portion of net realized capital gains of the Fund paid or payable to a Unitholder in a taxation year will not be included in the Unitholder’s income for the year. Any amount in excess of the Fund’s net income and the non-taxable portion of net realized capital gains designated to the Unitholder for a taxation year that is paid or payable to the Unitholder in such year will generally not

be included in the Unitholder's income, but will reduce the adjusted cost base of the Unitholder's Units. To the extent that the adjusted cost base of a Unit would otherwise be less than zero, the negative amount will be deemed to be a capital gain realized by the Unitholder from the disposition of the Unit.

The Net Asset Value per Unit will reflect any income and gains of the Fund that have accrued at the time Units are acquired. Accordingly, a Unitholder who acquires Units may be taxed on the Unitholder's share of income and gains of the Fund that accrued before the Units were acquired. The purchase price for the Common Share Portfolio under the Forward Agreement from time to time may significantly exceed the aggregate adjusted cost base of the securities comprising the Common Share Portfolio. Therefore, there may be significant accrued gains in the Fund prior to the final settlement of a Forward Agreement.

On the disposition or deemed disposition of a Unit, the Unitholder will realize a capital gain (or capital loss) equal to the amount by which the Unitholder's proceeds of disposition exceed (or are less than) the aggregate of the adjusted cost base of the Unit and any reasonable costs of disposition. Proceeds of disposition will not include an amount that is otherwise required to be included in the Unitholder's income. For the purpose of determining the adjusted cost base to a Unitholder of Units, when a Unit is acquired, the cost of the newly-acquired Unit will be averaged with the adjusted cost base of all the Units of the same Class owned by the Unitholder as capital property immediately before that time. The cost to a Unitholder of Units received on the reinvestment of a distribution of the Fund will be equal to the amount reinvested.

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

In the case a Unitholder who purchases Units of a Class of the Fund in U.S. dollars, for purposes of the Tax Act, such Unitholder must compute the cost of such Units in the Canadian dollar equivalent at the time of payment of the subscription price. Such Unitholder must also report the redemption proceeds of a Unit in the Canadian dollar equivalent at the time of redemption. Accordingly, if a Unitholder subscribes for Units of a Class of the Fund in U.S. dollars, the Unitholder may realize a foreign exchange gain or loss if the exchange rate between the Canadian and U.S. dollar at the time of purchase of such Units differs from the exchange rate at the time such Units are redeemed.

If a Unitholder disposes of Units of the Fund and the Unitholder, the Unitholder's spouse or another person affiliated with the Unitholder (including a corporation controlled by the Unitholder) has acquired Units of the Fund within 30 days before or after the Unitholder disposes of the Unitholder's Units (such newly acquired Units being considered "substituted property"), the Unitholder's capital loss may be deemed to be a "superficial loss". If so, the Unitholder will not be able to recognize the loss and it would be added to the adjusted cost base to the owner of the Units which are "substituted property".

A reclassification of Units from one Class of the Fund to another Class of the Fund is not considered to be a disposition for tax purposes and, accordingly, a Unitholder will not realize a gain or loss on such reclassification.



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

Investors who purchase Class F Units should consult their own tax advisors with respect to the deductibility of fees paid by them to financial advisers. Investors who purchase Class I and O Units should also consult their own tax advisors with respect to the deductibility of fees paid by them to the Manager.

## **ELIGIBILITY FOR INVESTMENT**

The Units of the Fund will be qualified investments for Tax Deferred Plans provided the Fund qualifies and continues at all times to qualify as a mutual fund trust within the meaning of the Tax Act.

If Units are held in a Tax Deferred Plan, neither the Unitholder nor the Tax Deferred Plan will pay tax under the Tax Act on any distributions paid or payable to the Tax Deferred Plan by the Fund in a particular year or on any capital gains realized by the Tax Deferred Plan from redeeming or otherwise disposing of the Units. However, withdrawals from such Tax Deferred Plans (other than a tax-free savings account ("TFSA")) generally are taxable to Unitholders.

Units of the Fund will not be a "prohibited investment" for a trust governed by a TFSA provided the holder of the TFSA deals at arm's length with the Fund for purposes of the Tax Act and does not have a significant interest (within the meaning of the Tax Act) in the Fund or in any person or partnership with which the Fund does not deal at arm's length for purposes of the Tax Act. The 2011 federal budget proposes to introduce similar rules regarding "prohibited investments" for annuitants of registered retirement saving plans and registered retirement income funds.

U.S. or other foreign withholding taxes may apply to investments made by the Fund. Such taxes are not recoverable by Tax Deferred Plans.

## **REPORTING TO UNITHOLDERS**

Unitholders will receive an annual and semi-annual statement showing the Units held by the Unitholders and any transactions for the preceding period.

Unitholders holding Units in a CI Tax Deferred Plan will receive the applicable tax form(s) identifying contributions to or withdrawals from the CI Tax Deferred Plan. In addition, Unitholders holding Units outside a Tax Deferred Plan will receive the applicable tax form(s) identifying the Unitholder's distributions (including dividends from taxable Canadian corporations, interest, taxable capital gains, capital gains dividends and foreign source dividend and interest income) and, if applicable, the Unitholder's share of the Fund's foreign taxes paid for such year.

The fiscal year end of the Fund is December 31. Unaudited interim financial statements will be available to Unitholders upon request, as required by securities laws. The Fund intends to rely on relief from the Ontario Securities Commission from the filing deadline, and the delivery requirement, for the audited annual financial statements, in order to accommodate audit completion

for the audited financial statements of the Reference Fund. These will be available within 180 days of the Fund's fiscal year end.

### **AMENDMENT OF THE DECLARATION OF TRUST AND TERMINATION OF THE FUND**

The Manager and the Trustee may amend the Declaration of Trust of the Fund at any time, without notice to its Unitholders, provided that an amendment which adversely affects the pecuniary value of the interest of any Unitholder of the Fund or restricts any protection provided to the Trustee or increases the responsibility of the Trustee thereunder may be made by the Manager and the Trustee on not less than 60 days' written notice of such amendment to the Unitholders of the Fund, or with the consent of Unitholders of the Fund given by a majority of the votes cast at a meeting of Unitholders of the Fund or by the written consent of holders of a majority of the outstanding Units of the Fund.

A Fund may be terminated on the occurrence of certain events stipulated in the Declaration of Trust. Both the Trustee and the Manager may resign in respect of the Fund on 90 days' notice and if no successor is appointed prior to the effective date of the resignation the Fund will be terminated. The Trustee, with the consent of the Manager and the Unitholders of the Fund as described above, may terminate the Fund at any time. On termination of the Fund, the Trustee will distribute the assets of the Fund in cash or in kind in accordance with the Declaration of Trust. See also "Management of the Fund – The Manager" and "Management of the Fund - The Trustee".

### **MATERIAL CONTRACTS**

The Fund was established by the Declaration of Trust made by the Trustee and governed by the laws of the Province of Ontario dated February 21, 2001, as amended.

The Fund has entered into a Management Agreement with the Manager dated February 21, 2001, as amended.

The Manager has entered into an Advisory Agreement with Trident dated February 21, 2001 with respect to the Fund, as amended.

The Fund has entered into the Forward Agreement as described under "Investment Objective, Strategy and Restrictions - Investment Strategy".

The Manager has entered into a Third Amended and Restated Custodian Agreement with the Administrator dated July 1, 2011 with respect to the Fund.

The Fund may, from time to time, enter into distribution and administration agreements with Servicers in order to facilitate the distribution of Units. Except for these distribution agreements, the Declaration of Trust, the Management Agreement, the Advisory Agreement, the Forward Agreement, the Third Amended and Restated Custodian Agreement and the agreements referred to in this Amended and Restated Confidential Offering Memorandum under "Custodian" (collectively, the "Material Contracts"), no material contract has been entered into by or on behalf of the Fund.

A copy of the Material Contracts may be inspected at the office of the Manager during normal business hours. To the extent there is any inconsistency or conflict between any of the Material Contracts and this Amended and Restated Confidential Offering Memorandum, the provisions of the Material Contracts shall prevail.

### **PROMOTER**

The Manager may be said to be the promoter of the Fund, having taken the initiative in its establishment.

### **REGISTRAR AND TRANSFER AGENT**

The registrar and transfer agent of the Units is the Manager, 2 Queen Street East, Twentieth Floor, Toronto, Ontario, M5C 3G7. The Unit transfer registers of the Fund will be kept by the Manager at its principal office in Toronto.

### **CUSTODIAN**

The Trustee has appointed RBC Dexia Investor Services Trust, Royal Trust Tower, 155 Wellington Street West, 2nd Floor, Toronto, Ontario, Canada M5V 3L3 as the custodian for the assets of the Fund pursuant to a Third Amended and Restated Custodian Agreement dated July 2, 2006. However, a substantial portion of the assets of the Fund may be held at one or more Prime Brokers as described below. The Trustee may appoint another custodian from time to time.

### **PRIME BROKER**

To the extent that the Fund may hold direct investments or other assets, a prime broker may be appointed from time to time. The Trustee has appointed Goldman Sachs & Co., One New York Plaza, New York, New York, 10004 as the prime broker of the Fund pursuant to an agreement dated July 22, 2003. The Trustee may appoint another or additional prime brokers from time to time.

### **ADMINISTRATOR**

The Administrator of the Fund is RBC Dexia Investor Services Trust, Royal Trust Tower, 155 Wellington Street West, 2nd Floor, Toronto, Ontario, Canada M5V 3L3. The administrator will perform administration services for the Fund.

### **AUDITORS**

The auditor of the Fund is PricewaterhouseCoopers LLP, Suite 3000, Royal Trust Tower, Toronto-Dominion Centre, Toronto, Ontario, M5K 1G8.

### **RIGHTS OF ACTION**

Securities legislation in the Offering Jurisdictions provides that purchasers of Units pursuant to this Amended and Restated Confidential Offering Memorandum have or must be granted a right of action for rescission or damages if this Amended and Restated Confidential Offering Memorandum and any amendment to it and, in certain Offering Jurisdictions, any advertising or sales literature

contains a misrepresentation. These remedies must be exercised within the prescribed time limits. Statutory or contractual rights of action for each of the Offering Jurisdictions are described in Schedule “A” hereto.

Each purchaser of Units should be aware that his or her rights as an investor in the Fund is determined solely by the terms of the Declaration of Trust of the Fund, which rights may be changed without the investor’s consent. See “Amendment of the Declaration of Trust and Termination of the Fund”. The terms upon which Units are purchased by an investor are as set out in the Investment Application completed by the investor and accepted by the Manager. This Amended and Restated Confidential Offering Memorandum is provided to investors for information only and investors are entitled to the remedies described above and in Schedule “A” hereto if this Amended and Restated Confidential Offering Memorandum contains a misrepresentation. This Amended and Restated Confidential Offering Memorandum does not otherwise affect the rights and obligations between the Fund and holders of Units nor form part of the terms of the agreement by which an investor purchases Units, except to the extent that the Declaration of Trust or the investor’s Investment Application, respectively, expressly so state.

**CERTIFICATE OF THE TRUSTEE, MANAGER AND PROMOTER  
FOR ALBERTA PURPOSES ONLY**

This offering memorandum does not contain a misrepresentation.

DATED: November 21, 2011

(Signed) Derek J. Green  
Chief Executive Officer

(Signed) Douglas J. Jamieson  
Chief Financial Officer

On behalf of the Board of Directors of CI Investments Inc.  
as trustee, manager and promoter

(Signed) Peter W. Anderson  
Director

(Signed) A. Winn Oughtred  
Director

## **SCHEDULE “A” - PURCHASERS’ RIGHTS OF ACTION FOR DAMAGES OR RESCISSION**

Securities legislation in certain Offering Jurisdictions provides that every purchaser that purchases or receives Units pursuant to, under or through this Amended and Restated Confidential Offering Memorandum have, in addition to any other right they may have at law, rights of rescission or damages, or both, where this Amended and Restated Confidential Offering Memorandum, any amendment thereto and, in some cases, advertising and sales literature used in connection with the offering of Units, contains a misrepresentation. For these purposes, “misrepresentation” generally means:

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

These rights must be exercised by purchasers of Units of a Class within the prescribed time limits under applicable securities legislation. Purchasers should refer to the applicable provisions of the securities legislation of their province or territory for the full particulars of these rights or consult with their legal advisor.

Each purchaser of Units should be aware that his or her rights as an investor in the Fund is determined solely by the terms of the Declaration of Trust of the Fund, which rights may be changed without the investor’s consent. See “Amendment of the Declaration of Trust and Termination of the Fund”. The terms upon which Units are purchased by an investor are set out in the Investment Application completed by the investor and accepted by the Manager. This Amended and Restated Confidential Offering Memorandum is provided to investors for information only.

Below is a summary description of the rights of rescission or damages, or both, that investors are entitled to if this Amended and Restated Confidential Offering Memorandum contains a misrepresentation. These rights depend, in part, upon the Offering Jurisdiction in which the investor resides. In the event of any discrepancy between the summary below and the securities legislation of the relevant Offering Jurisdiction, such securities legislation prevails. This Amended and Restated Confidential Offering Memorandum does not otherwise affect the rights and obligations between the Fund and holders of Units nor form a part of the terms of the agreement by which an investor purchases Units, except to the extent that the Declaration of Trust or the investor’s Investment Application respectively, expressly so state.

### **Alberta**

If this Amended and Restated Confidential Offering Memorandum contains a misrepresentation, securities legislation in Alberta provides that every purchaser resident in Alberta who buys Units shall be deemed to have relied on the misrepresentation, if it was a misrepresentation at the time of purchase, and has a right of action for damages against the Fund and every person or company who signed this Amended and Restated Confidential Offering Memorandum, but may elect (while still the owner of any of the Units that they purchased) to exercise a right of rescission against the Fund,

in which case the purchaser shall have no right of action for damages against that person or company.

Where a misrepresentation is contained in this Amended and Restated Confidential Offering Memorandum, no person or company is liable if the person or company proves that the purchaser had knowledge of the misrepresentation. No person or company, other than the Fund, is liable:

- (a) if the person or company proves that this Amended and Restated Confidential Offering Memorandum was sent to the purchaser without the person's or company's knowledge or consent and that, on becoming aware of its being sent, the person or company promptly gave reasonable notice to the Fund that it was sent without the knowledge and consent of the person or company;
- (b) if the person or company proves that the person or company, on becoming aware of the misrepresentation in this Amended and Restated Confidential Offering Memorandum, withdrew the person's or company's consent to the Amended and Restated Confidential Offering Memorandum and gave reasonable notice to the Fund of the withdrawal and the reason for it; or
- (c) with respect to any part of this Amended and Restated Confidential Offering Memorandum not purporting to be made on the authority of an expert and not purporting to be a copy of, or an extract from, a report, opinion or statement of an expert, unless the person or company (i) did not conduct an investigation sufficient to provide reasonable grounds for a belief that there had been no misrepresentation, or (ii) believed there had been a misrepresentation.

The amount recoverable under this right of action shall not exceed the price at which the securities were offered under this Amended and Restated Confidential Offering Memorandum.

In an action for damages, neither the Fund nor anyone signing this Amended and Restated Confidential Offering Memorandum will be liable for all or any part of the damages that the Fund or anyone signing this Amended and Restated Confidential Offering Memorandum proves do not represent the depreciation in value of the Units as a result of the misrepresentation.

No action may be commenced to enforce such right of action described above unless the right is exercised:

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

## **Manitoba**

If this Amended and Restated Confidential Offering Memorandum contains a misrepresentation, a purchaser who purchases Units under the Amended and Restated Confidential Offering Memorandum is deemed to have relied on the representation if it was a misrepresentation at the time of purchase and has (a) a right of action for damages against (i) the Fund and (ii) every person or company who signed this Amended and Restated Confidential Offering Memorandum; and (b) a right of rescission against the Fund. If the purchaser chooses to exercise a right of rescission against the Fund, the purchaser has no right of action for damages.

No person or company is liable if the person or company proves that the purchaser had knowledge of the misrepresentation. No person or company, other than the Fund, is liable:

- (a) if the person or company proves that this Amended and Restated Confidential Offering Memorandum was sent to the purchaser 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;
- (b) if the person or company proves that, after becoming aware of the misrepresentation, the person or company withdrew the person's or company's consent to this Amended and Restated Confidential Offering Memorandum and gave reasonable notice to the issuer of the withdrawal and the reason for it; or
- (c) with respect to any part of this Amended and Restated Confidential Offering Memorandum not purporting to be made on an expert's authority and not purporting to be a copy of, or an extract from, an expert's report, opinion or statement, unless the person or company (i) did not conduct an investigation sufficient to provide reasonable grounds for a belief that there had been no misrepresentation, or (ii) believed there had been a misrepresentation.

The amount recoverable under the right of action for damages may not exceed the price at which the Units were offered under the Amended and Restated Confidential Offering Memorandum.

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

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

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



## **New Brunswick**

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

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

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

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

Neither the Fund nor any promoter, person or company referred to above will be liable, whether for misrepresentations in this Amended and Restated Confidential Offering Memorandum, any advertising or sales literature or in a verbal statement:

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

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

- (a) that the advertising or sales literature was disseminated without the person's knowledge or consent and that, on becoming aware of its dissemination, the person gave reasonable general notice that it was so disseminated;
- (b) that, after the dissemination of the advertising or sales literature and before the purchase of the Units by the purchaser, on becoming aware of any misrepresentation in the advertising or sales literature the person withdrew the person's consent to it

and gave reasonable general notice of the withdrawal and the reason for the withdrawal; or

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

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

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

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

In no case will the amount recoverable by a purchaser exceed the price at which Units were offered in this Amended and Restated Confidential Offering Memorandum.

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

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

### **Newfoundland and Labrador**

In the event that this Amended and Restated Confidential Offering Memorandum and any amendment thereto contains a misrepresentation, an investor who purchases the Units of the Fund, has without regard to whether the investor relied on the misrepresented, a right of action for damages against the Fund and every each person or company who signed this Amended and Restated Confidential Offering Memorandum and a right of action for rescission against the Fund.

Neither the Fund nor any other person or company will be liable when the Fund or such person or company proves that the purchaser had knowledge of the misrepresentation.

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

- (a) where the person or company proves that this Amended and Restated Confidential Offering Memorandum was sent to the purchaser without the person's or company's knowledge or consent, and that, on becoming aware of its being sent, the person or company promptly gave reasonable notice to the Fund that it was sent without the person's or company's knowledge and consent;
- (b) if the person or company proves that, on becoming aware of the misrepresentation, the person or company withdrew the person's or company's consent to this Amended and Restated Confidential Offering Memorandum and gave reasonable notice to the Fund of the withdrawal and the reason for it; or
- (c) with respect to any part of this Amended and Restated Confidential Offering Memorandum not purporting to be made on the authority of an expert and not purporting to be a copy of, or an extract from, a report, opinion or statement of an expert, unless such person or company (i) did not conduct an investigation sufficient to provide reasonable grounds for a belief that there had been no misrepresentation, or (ii) believed there had been a misrepresentation.

In an action for damages, neither the Fund nor any other person or company will be liable for all or any portion of the damages that it proves do not represent the depreciation in value of the Units of the Fund as a result of the misrepresentation.

In no case shall the amount recoverable under the right of action described herein exceed the price at which Units of the Fund were offered in this Amended and Restated Confidential Offering Memorandum.

No action shall be commenced to enforce such right of action more than:

- (a) in the case of an action for rescission, 180 days after the date the purchaser purchased the Units of the Fund; and
- (b) in the case of any action, other than an action for rescission, the earlier of (i) 180 days after the purchaser first had knowledge of the facts giving rise to the cause of action or (ii) three (3) years after the date the purchaser purchased the Units of the Fund.

### **Nova Scotia**

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

- (a) neither the Fund nor anyone signing this Amended and Restated Confidential Offering Memorandum will be liable if the Fund or such person or company proves that the purchaser purchased Units with knowledge of the misrepresentation;
- (b) no person or company signing this Amended and Restated Confidential Offering Memorandum will be liable with respect to any part of this Amended and Restated Confidential Offering Memorandum not purporting to be made on the authority of an expert and not purporting to be a copy of, or an extract from, a report, opinion or statement of an expert, unless such person or company:
  - (i) did not conduct an investigation sufficient to provide reasonable grounds for a belief that there had been no misrepresentation; or
  - (ii) believed there had been a misrepresentation;
- (c) if the person or company proves that this Amended and Restated Confidential Offering Memorandum was sent or delivered to the purchaser without the person's or company's knowledge or consent, and that, on becoming aware of its delivery, the person or company promptly gave reasonable general notice that it was delivered without the person's or company's knowledge and consent;
- (d) if the person or company proves that after delivery of this Amended and Restated Confidential Offering Memorandum, and before the purchase of the Units by the purchaser, on becoming aware of any misrepresentation, the person or company withdrew the person's or company's consent to this Amended and Restated Confidential Offering Memorandum and gave reasonable general notice of the withdrawal and the reason for it.

In an action for damages, neither the Fund nor anyone signing this Amended and Restated Confidential Offering Memorandum will be liable for all or any portion of the damages that it proves do not represent the depreciation in value of Units as a result of the misrepresentation relied upon.

In no case shall the amount recoverable under the right of action described herein exceed the price at which Units were offered in this Amended and Restated Confidential Offering Memorandum.

No action shall be commenced to enforce these rights more than 120 days after the date on which payment was made for Units.

### **Ontario**

In the event that this Amended and Restated Confidential Offering Memorandum contains a misrepresentation, a purchaser who purchases Units offered under the offering during the period of distribution has, without regard to whether the purchaser relied upon the misrepresentation, a right of action for damages or, alternatively, while still the owner of Units, for rescission against the Fund provided that:

- (a) if the purchaser exercises its right of rescission, it shall cease to have a right of action for damages as against Fund;

- (b) the Fund will not be liable if it proves that the purchaser purchased Units with knowledge of the misrepresentation;
- (c) the Fund will not be liable for all or any portion of damages that it proves do not represent the depreciation in value of Units as a result of the misrepresentation relied upon; and
- (d) in no case shall the amount recoverable exceed the price at which Units were offered.

No action shall be commenced to enforce these rights more than:

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

This Amended and Restated Confidential Offering Memorandum is being delivered in reliance on the exemption from the prospectus requirements contained under section 2.3 of NI 45-106 (the “**accredited investor exemption**”). The rights referred to in section 130.1 of the *Securities Act* (Ontario) do not apply if this Amended and Restated Confidential Offering Memorandum is delivered to a prospective purchaser in Ontario in connection with a distribution made in Ontario in reliance on the accredited investor exemption if the prospective purchaser is:

- (a) a Canadian financial institution or a Schedule III bank (each as defined in OSC Rule 45 501 *Ontario Prospectus and Registration Exemptions*);
- (b) the Business Development Bank of Canada incorporated under the *Business Development Bank of Canada Act* (Canada); or
- (c) a subsidiary of any person referred to in paragraphs (a) and (b), if the person owns all of the voting securities of the subsidiary, except the voting securities required by law to be owned by directors of that subsidiary.

### **Prince Edward Island**

If this Amended and Restated Confidential Offering Memorandum contains a misrepresentation, a purchaser resident in Prince Edward Island who buys Units of the Fund during the period of distribution has, without regard to whether the purchaser relied on the misrepresentation, a right of action for damages against the Fund and every person or company who signed this Amended and Restated Confidential Offering Memorandum, but may elect (while still the owner of any of the Units that they purchased) to exercise a right of rescission against the Fund, in which case the purchaser shall have no right of action for damages, provided that:

- (a) neither the Fund nor anyone signing this Amended and Restated Confidential Offering Memorandum will be liable if the Fund or such person or company proves that the purchaser purchased Units with knowledge of the misrepresentation;
- (b) in an action for damages, neither the Fund nor anyone signing this Amended and Restated Confidential Offering Memorandum will be liable for all or any portion of such damages if the Fund or such person or company proves that they do not represent the depreciation in value of Units as a result of the misrepresentation relied on; and
- (c) the amount recoverable under this right of action must not exceed the price at which Units purchased by the purchaser were offered.

In an action for damages, no person or company, other than the Fund, is liable:

- (a) if the person or company proves that this Amended and Restated Confidential Offering Memorandum was sent to the purchaser without the person's or company's knowledge or consent, and that, on becoming aware that it was sent, the person or company had promptly given reasonable notice to the Fund that it was sent without the person's or company's knowledge and consent;
- (b) if the person or company proves that on becoming aware of the misrepresentation, the person or company had withdrawn the person's or company's consent to this Amended and Restated Confidential Offering Memorandum and had given reasonable notice to the Fund of the withdrawal and the reason for it; or
- (c) with respect to any part of this Amended and Restated Confidential Offering Memorandum not purporting to be made on the authority of an expert and not purporting to be a copy of, or an extract from, a report, opinion or statement of an expert, unless the person or company (i) failed to conduct a reasonable investigation to provide reasonable grounds for a belief that there had been no misrepresentation, or (ii) believed there had been a misrepresentation.

No action may be commenced to enforce such right of action described above unless the right is exercised:

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

## **Saskatchewan**

If this Amended and Restated Confidential Offering Memorandum or any amendment thereto or any advertising or sales literature used in connection therewith contains a misrepresentation, every

purchaser of Units that is resident in Saskatchewan shall be deemed to have relied on the representation, if it was a misrepresentation at the time of purchase, and will have a right of action, in addition to any other rights they may have at law, for damages against:

- (a) the Fund;
- (b) the promoter of the Fund;
- (c) every person or company that signed this Amended and Restated Confidential Offering Memorandum or any amendments thereto; and
- (d) every person or company that sells Units on behalf of the Fund under this Amended and Restated Confidential Offering Memorandum or amendment thereto.

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

No promoter, or person or company that signed this Amended and Restated Confidential Offering Memorandum will be liable for any part of this Amended and Restated Confidential Offering Memorandum or the amendment to this Amended and Restated Confidential 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 promoter, person or company:

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

No person or company other than the Fund is liable

- (a) if the person or company proves that this Amended and Restated Confidential Offering Memorandum, or any advertising, or sales literature was sent or delivered, or disseminated, as the case may be, to the purchaser without the person's or company's knowledge or consent, and that, on becoming aware that it was sent and delivered or disseminated, the person or company promptly gave reasonable general notice that it was so sent and delivered or disseminated; or
- (b) if the person or company proves that after the filing of this Amended and Restated Confidential Offering Memorandum, or after the dissemination of the advertising or sales literature, and before the purchase of the Units by the purchaser, on becoming aware of any misrepresentations, the person or company withdrew the person's or company's consent to this Amended and Restated Confidential Offering Memorandum, or to the advertising or sales literature and gave reasonable general notice of the withdrawal and the reason for it.

In addition, where an individual makes a verbal statement to a prospective purchaser that contains a misrepresentation relating to Units and the verbal statement is made either before or

contemporaneously with the purchase of Units, the purchaser has a right of action for damages against the individual who made the verbal statement. No such individual will be liable if:

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

Neither the Fund nor any promoter, person or company referred to above will be liable, whether for misrepresentations in this Amended and Restated Confidential Offering Memorandum:

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

In no case will the amount recoverable by a purchaser exceed the price at which Units were offered in this Amended and Restated Confidential Offering Memorandum. In Saskatchewan, no action may be commenced to enforce such right of action unless the right is exercised:

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

### **British Columbia, the Northwest Territories, Yukon and Nunavut**

If this Amended and Restated Confidential Offering Memorandum contains a misrepresentation, a purchaser resident in British Columbia, Québec, the Northwest Territories, Yukon or Nunavut who buys Units of the Fund during the period of distribution, has, without regard to whether the purchaser relied on the misrepresentation, a right of action for damages against (i) the Fund and (ii) every person or company who signed this Amended and Restated Confidential Offering Memorandum, but may elect (while still the owner of any of the Units of the Fund that they purchased) to exercise a right of rescission against the Fund, in which case the purchaser shall have no right of action for damages, provided that:

- (a) neither the Fund nor any other person will be liable if the Fund or such person proves that the purchaser purchased the Units of the Fund with knowledge of the misrepresentation;
- (b) in an action for damages, neither the Fund nor any other person will be liable for all or any portion of such damages if the Fund or such person proves that they do not



represent the depreciation in value of the Units of the Fund as a result of the misrepresentation relied on; and

- (c) the amount recoverable under this right of action must not exceed the price at which the Units of the Fund purchased by the purchaser were offered.

In an action for damages, no person, other than the Fund, is liable:

- (a) if the person proves that this Amended and Restated Confidential Offering Memorandum was sent to the purchaser without the person's or company's knowledge or consent, and that, on becoming aware of its being sent, the person had promptly given reasonable notice to the Company that it was sent without the person's knowledge and consent;
- (b) if the person proves that, on becoming aware of the misrepresentation, the person had withdrawn the person's consent to this Amended and Restated Confidential Offering Memorandum and had given reasonable notice to the Fund of the withdrawal and the reason for it; or
- (c) with respect to any part of this Amended and Restated Confidential 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 (i) failed to conduct a reasonable investigation to provide reasonable grounds for a belief that there had been no misrepresentation, or (ii) believed there had been a misrepresentation.

No action may be commenced to enforce such right of action described above more than:

- (a) in the case of action for rescission, 180 days from the date the purchaser purchased the Units of the Fund; or
- (b) in the case of any action, other than an action for rescission: (i) 180 days from the day that the purchaser first had knowledge of the facts giving rise to the cause of action, or (ii) three (3) years from the day the purchaser purchased the Units of the Fund, whichever period expires first.

## **Québec**

Legislation providing purchasers resident in Québec with statutory rights of action for damages or rescission has been adopted in Québec, but it has not yet come into force. Until such time as this legislation is proclaimed in force, in addition to any other right or remedy available to purchasers under ordinary civil liability rules, purchasers resident in Québec are granted the same rights of action for damages or rescission as purchasers resident in Ontario.

If and when the legislation comes into force, purchasers of Units resident in Québec will no longer have the rights granted to purchasers resident in Ontario and the following will apply:

“If this Amended and Restated Confidential Offering Memorandum contains a misrepresentation, a purchaser resident in Québec who purchases Units under this Amended and Restated Confidential Offering Memorandum during the period of distribution may, without regard to whether the purchaser relied upon the misrepresentation, apply to have the contract to buy Units rescinded or to revise the price at which the Units were sold to the purchaser, without prejudice to its claim for damages.

The purchaser has a right of action for damages against (i) the Fund, (ii) a dealer under contract to the Fund whose Units were distributed and (iii) every person or company who signed this Amended and Restated Confidential Offering Memorandum.

In an action for damages:

- (a) neither the Fund nor any other person or company will be liable if the Fund or such person or company proves that the purchaser knew, at the time of the transaction, of the alleged misrepresentation, and
- (b) no person or company, other than the Fund, will be liable if such person or company proves that he or it acted with prudence and diligence.

The purchaser will have to commence an action to rescind the contract or to revise the price within three years from the date of purchase. The purchaser will have to commence an action for damages within the earlier of: (i) three years after it first had knowledge of the facts giving rise to the action (except on proof that tardy knowledge is imputable to the negligence of the purchaser); or (ii) five years after the filing of this Amended and Restated Confidential Offering Memorandum with the *Autorité des marchés financiers*.”

## **General**

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



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