Offering Memorandum

April 29, 2021

ALITIS
ASSET MANAGEMENT

The Issuer

Name	**Alitis Private Mortgage Fund** (the "Fund")
Head Office	c/o Alitis Asset Management, a division of Alitis Investment Counsel Inc. 101 - 909 Island Hwy, Campbell River BC, V9W 2C2 Phone #: 250-287-4933 (local), 1-800-667-2554 (toll-free) E-mail address: info@alitis.ca; Fax #: 250-287-7736
Currently Listed or Quoted?	**No – These securities do not trade on any exchange or market**
Reporting Issuer?	No
SEDAR Filer?	The Fund is not a SEDAR filer as at the date of this Offering Memorandum but will file exempt distribution report(s) and this Offering Memorandum on SEDAR if securities are sold to accredited investors in a jurisdiction where such filings are required to be made through SEDAR.

The Offering

Securities Offered	Class A and Class F trust units of the Fund ("Class A Units" and "Class F Units" respectively or collectively "Offered Units")
Price Per Security	Class Unit Value (as defined herein) of the Class A Units or Class F Units, as applicable
Minimum Offering	**There is no minimum. You may be the only purchaser. Funds available under the offering may not be sufficient to accomplish our proposed objectives.**
Maximum Offering	There is no maximum. The Offered Units may be sold on a continuous basis.
Minimum Subscription Amount	$5,000 (or such lesser amount as the Manager may accept in its discretion)
Payment Terms	Subscription Amount is due on closing by way of electronic fund transfer or other payment method acceptable to the Fund.
Proposed Closing Dates	The Fund intends to offer the Offered Units for sale commencing on the date of this Offering Memorandum and ending at the discretion of the manager of the Fund. Closings are anticipated to occur on the last Friday of each month, unless such date is a holiday, in which case the closing will occur on the prior day. The Fund may vary the closing date(s) in its discretion.
Income Tax Consequences	There are important tax consequences to these securities. See "Item 6: Income Tax Consequences".
Selling Agent?	Yes – See "Item 7: Compensation Paid to Sellers and Finders".

Resale Restrictions

You will be restricted from selling your securities for an indefinite period. See "Item 10: Resale Restrictions".

Purchasers Rights

If you are a resident of British Columbia and purchasing Units pursuant to the offering memorandum exemption contained in Section 2.9 of National Instrument 45-106 – Prospectus Exemptions, you have 2 Business Days to cancel your agreement to purchase these securities. If there is a misrepresentation contained in this Offering Memorandum, you have the right to sue for damages or to cancel the agreement regardless of your jurisdiction of residence or the prospectus exemption under which you are purchasing. See "Item 11: Purchaser's Rights".

No securities regulatory authority or regulator has assessed the merits of these securities or reviewed this Offering Memorandum. Any representation to the contrary is an offence. This is a risky investment. See "Item 8: Risk Factors".

Forward-Looking Statements

Certain statements contained in this Offering Memorandum constitute forward-looking statements. All statements, other than statements of historical fact, that address activities, events or developments that the Fund believes, expects, or anticipates will or may occur in the future (including, without limitation, statements regarding any objectives and strategies of the Fund) are forward-looking statements. The use of any of the words "anticipate", "continue", "estimate", "expect", "may", "will", "project", "should", "believe" and similar expressions are intended to identify forward-looking statements. These statements involve known and unknown risks (including the risks identified under "Item 8: Risk Factors"), uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking statements. The Manager believes that the assumptions reflected in those forward-looking statements are reasonable as at the date of this Offering Memorandum but no assurance can be given that such statements will prove to be correct forward-looking statements included in this Offering Memorandum should not be unduly relied on. These statements speak only as of the date of this Offering Memorandum or as of the date specified in such statements, as the case may be and, except as may be required by applicable securities laws, the Fund, disclaims any obligation to update any forward-looking statements whether as a result of new information, future events, or results or otherwise.

Glossary of Terms

In this Offering Memorandum, capitalized terms have the meanings set forth below:

"**Alitis**" or "**Portfolio Advisor**" or "**Manager**" or "**Portfolio Manager**"	means Alitis Investment Counsel Inc., a corporation incorporated under the laws of British Columbia and its successors and assigns. Alitis Asset Management is a division of Alitis Investment Counsel Inc.;
"**Business Day**"	means any day or partial day on which the principal office of Fundserv Inc., the transaction processing agent of the Manager, is held open for business;
"**Class of Units**" or "**Class**"	means all Units of the Fund created by the Trustee as a separate Class of Units and available for issuance;
"**Class Unit Value**"	means the net asset value per Unit of a given Class of Units of the Fund determined by the Manager or its delegate in accordance with the Trust Agreement;
"**Fund**"	means Alitis Private Mortgage Fund governed by the Trust Agreement;
"**Fund Net Asset Value**"	means the total assets of a Fund as calculated by the Manager or its delegate less the total liabilities of the Fund determined in accordance with the Trust Agreement;
"**Incentive Fee**"	means any management and/or incentive fee that the Manager may charge for management and advisory services directly to the Fund in accordance with the Trust Agreement;
"**Person**"	means an individual, partnership, association, body corporate, trustee, executor, administrator or legal representative;
"**Proper Instructions**"	means any and all instructions received by the Trustee from the Manager, or any Person duly authorized by it. Such instructions shall be in writing signed by the authorized Person (delivered or mailed postage prepaid or transmitted and received by facsimile or electronic mail) or may be in a tested communication or in a communication utilizing access codes effected between electro-mechanical or electronic devices or may be by such other means and utilizing such intermediary systems and utilities as may be agreed to from time to time by the Trustee and the Manager;
"**Redemption Proceeds**"	means an amount payable on the redemption of Units of a Fund equal to the excess of the Class Unit Value of the Units so redeemed less any accrued Incentive Fee (which value shall be calculated by the Manager or its delegate) determined as at the Valuation Date coincident with such effective date of redemption over the amount of any Redemption Distribution payable in respect of the Units of a Fund redeemed;
"**Registered Plan**"	has the meaning set forth in Section 6.1 hereof;
"SIFT Rules"	means the rules applicable to SIFT trusts as set out in the Tax Act;
"SIFT Trust"	means a SIFT trust as defined in the SIFT Rules;
"**Tax Act**"	means the *Income Tax Act* (Canada) and the regulations thereto, as amended;
"**Trust Agreement**"	means the Fifth Amended and Restated Trust Agreement dated September 16, 2020, as may be further amended from time to time, and any and every instrument supplemental or ancillary thereto;

"**Trustee**"	means BNY Trust Company of Canada, in its capacity as trustee of the Fund, or any successor duly appointed as trustee of the Fund in accordance with the provisions of the Trust Agreement;
"**Unit**" or "**Units**"	means a unit or units of a given Class of Units of the Fund into which the beneficial interest in the Fund may be divided from time to time and which are issued and outstanding or are available to be issued hereunder at any particular time;
"**Unitholder**"	means any holder of Units;
"**Unitholders**"	means the holders of Units; and
"**Valuation Date**"	means the last Friday of each month, provided that if such day is not a Business Day, the valuation date shall be the immediately preceding Business Day.

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Item 1 Use of Available Funds

1.1 Net Proceeds

The estimated total available funds to the Fund after giving effect to the Offering are as follows:

		Assuming maximum offering(1)
A.	Amount to be raised by this offering	Undetermined (1)
B.	Selling commissions and fees	Undetermined (2)
C.	Estimated offering costs (e.g., legal, accounting, audit)	Undetermined (3)
D.	Available funds: D = A - (B + C)	Undetermined (4)
E.	Additional sources of funding required	Undetermined (5)
F.	Working capital deficiency	$0
G.	Total: G = (D + E) - F	Undetermined (6)

Notes:

(1) There is no minimum or maximum offering. The Fund intends to offer Units on a continuous basis. The gross proceeds of this Offering are undetermined as at the date of this Offering Memorandum.

(2) The Fund may sell Units through Alitis Investment Counsel Inc. ("**Alitis**") in its capacity as portfolio manager or through third parties. See "Item 7: Compensation Paid to Sellers and Finders".

(3) In connection with the Offering, the Fund estimates that it will incur legal fees of approximately $15,000 (plus applicable taxes), audit fees of approximately $12,500 (plus applicable taxes) and has budgeted miscellaneous expenses of $3,000. The Fund may also be responsible for certain costs and expenses (including reasonable legal fees) of third party dealers, which have not been determined on the date of this Offering Memorandum.

(4) As the gross proceeds, selling commissions and fees and offering costs are undetermined and cannot reasonably be estimated on the date hereof, the amount of the net proceeds of the Offering is also undetermined and cannot be reasonably estimated as at the date of this Offering Memorandum.

(5) The Fund anticipates that debt will be utilized as an additional source of funding by entities in which it invests. The amount of indebtedness incurred will be generally dependent on the amount that the Fund invests in mortgage investments which, in turn, is generally dependent on the net proceeds available to the Fund under this Offering. The Fund may also incur indebtedness directly for investment purposes. Such direct indebtedness may not be incurred if all of the direct indebtedness of the Fund would exceed 25% of the value of the assets of the Fund at the time such indebtedness is incurred. See Section 2.2 – Our Business – Investment Strategies.

(6) As the gross proceeds and net proceeds of the Offering and the amount of indebtedness are undetermined and cannot be reasonably estimated as at the date of this Offering Memorandum, the amount of total available funds is also undetermined and cannot be reasonably estimated as at the date of this Offering Memorandum.

1.2 Use of Available Funds

The following table provides a detailed breakdown of how the Fund will use the available funds.

Description of Intended Use of Available Funds Listed in Order of Priority	Assuming maximum offering[1]
Acquiring underlying investments in accordance with the investment strategies of the Fund [1][2][3]	100% [2][3]

Notes:

(1) There is no minimum or maximum offering. The Fund intends to offer Units on a continuous basis. See Section 1.1 – Net Proceeds.

(2) A portion of the available funds will be used by the Fund to pay its service providers, including the fees of the Trustee and the Manager payable by the Fund pursuant to the Trust Agreement and the fees of other service providers to the Fund.

(3) See Section 1.3 "Reallocation".

1.3 Reallocation

The Fund intends to spend the available funds as stated above and herein. The Fund will reallocate available funds only for sound business reasons. The Units are redeemable in accordance with the provisions of the Trust Agreement. In the event that the Fund is required to redeem Units and the Fund does not have sufficient cash on hand from other resources and/or does not liquidate investments to satisfy such redemption requests, the Fund may use the available funds from this Offering to satisfy such redemption requests, all in accordance with the Trust Agreement. The Fund mitigates the risk of having to use the available funds from this Offering to satisfy redemption requests by maintaining cash and other highly liquid investments.

Item 2 Business of the Fund

2.1 Structure

2.1.1 General

The Fund is an open-end investment trust established under the laws of the Province of British Columbia on January 15, 2014 and is governed by the Trust Agreement.

2.1.2 The Trustee

The Trustee of the Fund is BNY Trust Company of Canada.

2.1.3 The Manager and Portfolio Advisor

The Manager and Portfolio Advisor of the Fund is Alitis. The head office of the Fund and of Alitis is located at 101 - 909 Island Hwy, Campbell River, British Columbia, V9W 2C2, telephone: (250) 287-4933, facsimile: (250) 287-7736; e-mail: info@alitis.ca.

2.1.4 Units

The beneficial interest in the Fund is divided into Units of multiple Classes. There is no limit to the number of Units or the number of Classes of Units that may be issued subject to any determination to the contrary made by the Manager. Each Unit within a particular Class will be of equal value; however the value of a Unit in one Class may differ from the value of a Unit in another Class. There are two Classes of Units (Class A, Class F) being offered for sale by the Fund pursuant to this Offering Memorandum.

Class D and Class E Units are available for purchase only from the Fund through the Manager in its capacity as portfolio manager. Class I Units are available for purchase only from the Fund through the Manager in its capacity as an exempt market dealer.

The attributes and characteristics of each Class of Unit are set forth in the Trust Agreement. See Item 5 – Securities Offered and Section 2.7 – Material Contracts – Trust Agreement.

In addition to the Units described in this Offering Memorandum, the Fund may create additional Classes of Units with such attributes and characteristics as the Manager may determine, and which may be offered for sale to such persons as the Manager may determine.

2.1.5 Custodian

The Manager has appointed Credential Qtrade Securities Inc. (the "**Custodian**") to act as the primary custodian of the assets of the Fund pursuant to the Custodianship Agreement.

The Fund has also opened accounts at the BMO Capital Markets (the "**Secondary Custodian**") for the purpose of purchasing futures contracts for currency hedging as well as for executing other fixed income or equity trades if needed.

Assets of the Fund may be held by other entities or custodians from time-to-time in accordance with the provisions of the Trust Agreement.

2.1.6 Fund Accountant and Record Keeping

The Fund's accounting and record keeping is the responsibility of the Manager. The Manager has contracted with SGGG Fund Services Inc. to provide the Fund with record keeping services.

2.1.7 Auditor

The auditor of the Fund is KPMG LLP. The auditor of the Fund may only be changed in accordance with the provisions of the Trust Agreement.

2.1.8 Fiscal Year

The Fund's financial year end is December 31 in each year. The Fund's tax year is December 31, or, if the Fund so elects under the Tax Act, December 15th in each year.

2.2 Our Business

2.2.1 Investment Objective

The investment objective of the Fund is to generate a high level of income with relatively low volatility.

2.2.2 Investment Strategies

The Fund will generally invest in pooled products rather than individual mortgages or other securities, however the Fund is not restricted from investing in individual mortgages or other securities and may do so if considered appropriate by the Manager and Portfolio Advisor. The underlying investments will be primarily made up of mortgage investment corporations, real estate investment trusts, and other pooled investments, and limited partnerships containing mortgages sourced and managed by third-party managers. To a lesser extent, investments may be made into individual stocks, bonds, T-bills, money market instruments, bank products (e.g. GICs, high-interest savings accounts), mortgages and other individual investments. The Fund may also use derivatives and currency hedging contracts as considered appropriate by the Manager and the Portfolio Advisor.

The Manager and the Portfolio Advisor seek to gain exposure to a diversified range of mortgage types, geographic regions and management expertise, all as considered appropriate by the Manager and the Portfolio Advisor. The ability of the Fund to gain this exposure will be depend in part on the amount of net proceeds from the Offering available to the Fund and the availability of attractive investment opportunities.

The Fund may use borrowed funds to a maximum of 25% of the Fund's assets in order to leverage performance, to pay distributions, to meet redemption requests, or to fund cash calls required by underlying investments. **This maximum 25% debt to asset restriction applies only at the level of the Fund and does not apply at the level of underlying investments. Underlying investments of the Fund may employ leverage by issuing or assuming debt.**

2.2.3 Investment Management Process

Alitis' investment committee uses a multi-step process for selecting and monitoring asset types and investments used in the Fund, which is summarized as follows:

(i) a strategic asset mix is established for the Fund from time to time using various asset types within reasonable constraints;

(ii) the strategic asset mix is modified on a regular basis by making tactical decisions to over-weight or under-weight different asset types within reasonable constraints;

(iii) underlying investments are identified from time to time for inclusion on a list of approved investments for the Fund;

(iv) underlying investments are selected from time to time for the Fund from the list of approved investments;

(v) the Fund's assets are monitored and rebalanced from time to time to align / realign the weighting of the various underlying investments with the tactical asset mix; and

(vi) the Fund's underlying investments are monitored and reviewed from time to time on a regular basis.

2.2.4 Portfolio Management Guidelines

The parameters set forth in this section are general guidelines and targets only and the Manager reserves the right to deviated from such parameters where it considers in to be in the interests of the Fund or where it is impracticable to meet such guidelines or targets for timing reasons or otherwise. As of the date of this Offering Memorandum the portfolio management guidelines (which are subject to change in accordance with the investment management process described above) are as follows:

Maximum Positions

Investment Type	Constraint
Individual Investments	No particular investment shall exceed 15% of the assets of the Fund at the time of investment, except for Canadian or U.S. (hedged) government (federal or provincial/state) issued debt or broad market, exchange-traded funds ("ETFs"), closed-end funds or open-end funds.
Cash & Equivalents	Cash and equivalents may be up to 100% of the Fund if deemed appropriate. As the Fund is not required to hold any minimum amount of cash and cash equivalents and is permitted to incur direct indebtedness in an amount of up to 25% of the value of the Fund, it is possible that the Fund could be in a negative cash position of up to (-25%).

Maximum Term

The maximum allowable time to liquidity for an individual investment of the Fund is targeted not to exceed 10 years.

Liquidity

With respect to liquidity when investing in mortgage investments, the Fund will target the following time frames to liquidity:

Time Frame to Liquidity	Minimum Percentage of Fund NAV
Within 2 business days	0%
Within 5 business days	0%
Within 1 month	10%
Within 6 months	25%
Within 1 year	50%

Property Type

With respect to the allocation of property types when investing in mortgage investments, the Fund will target the following allocation:

Property Type	Minimum	Maximum
Residential	50%	100%
Commercial	0%	50%
Other	0%	25%

Geography

With respect to the geographical exposure when investing in mortgage investments, the Fund will target the following :

Region	Minimum	Maximum

Canada	50%	100%
US	0%	50%
Other	0%	25%

Public/Private

With respect to investment types when investing in mortgage investments, the Fund will target the following:

Investment Type	Minimum	Maximum
Private Investments	70.0%	100.0%
Public Investments	0.0%	30.0%

Construction Mortgages

Mortgage investments allocated to projects that are in the construction phase are targeted not to exceed 40% of the assets of the Fund.

Currency Exposure

It is expected that foreign currency exposure will be hedged back to Canadian dollars as closely as possible, usually through the use of standard futures contracts.

2.2.5 Criteria for Private Mortgage Investments

Due Diligence

The Fund establishes due diligence criteria for all of its investments, but has special requirements that must be satisfied in order for private mortgage investments to be placed on the approved list of investments for the Fund. Such due diligence criteria are subject to change from time to time, but include the following:

- Unless the Manager deems a lesser time to be appropriate, a private mortgage manager must have a minimum track record in mortgage investments.
- Unless waived by the Manager, a private mortgage manager must have a minimum level of assets under management, as established by the Manager.

2.3 Development of Business

The Fund was formed on January 15, 2014. Since its inception, the Fund has invested the net proceeds in accordance with the investment objectives and investment strategies of the Fund in effect from time to time.

For information regarding the investments held in the portfolio of the Fund as at December 31, 2020, see the audited annual financial statements of the Fund for the fiscal year ended December 31, 2020 which are attached to this Offering Memorandum.

The investment portfolio of the Fund is actively managed by the Portfolio Manager and the investment portfolio of certain underlying mortgage investments is managed by the applicable portfolio manager or asset manager. Accordingly, the portfolio of the Fund (and the underlying investments of mortgage entities in which the Fund invests) will change from time to time, all in accordance with the investment objective of the Fund (and the underlying mortgage entity, as applicable) and the investment strategies and individual investment decisions implemented and made by the Portfolio Advisor (and the portfolio advisor or asset manager of the Fund's underlying investments) from time to time.

2.4 Long Term Objectives

The long-term objective of the Fund is to generate a high level of income with relatively low volatility.

In order for the Fund to accomplish its long-term objectives, the Manager and Portfolio Advisor must prudently manage the affairs of the Fund on an ongoing basis. While there is no specific time period at which certain events must occur, generally speaking the Fund must invest its funds (including the net proceeds of this Offering) prudently and reasonably promptly.

2.5 Short Term Objectives and How We Intend to Achieve Them

The Fund's objectives over the next twelve months are to raise funds continuously pursuant to this Offering which will enable the Fund to achieve (or further) the desired diversity of investments as described above under Section 2.2 – Our Business – Investment Strategies. The Fund also seeks to invest prudently and earn attractive returns so as to minimize the number of Unit redemption requests which will enable the Fund to grow its assets.

2.6 Insufficient Funds

The funds raised by the Fund pursuant to the Offering may not be sufficient to accomplish all of the Fund's proposed objectives and there is no assurance that alternative financings will be available.

The Fund has the ability to control the amount and timing of its investments and, as a result, the Fund does not anticipate having insufficient funds to complete any particular investment. The effect of a low or modest amount of net proceeds of the Offering will be to reduce the number and geographical diversification of the Fund's private real estate investments.

2.7 Material Agreements

As at the date of this Offering Memorandum, the Fund is a party to the following material agreements with third parties or with a related party:

(1) the Trust Agreement;

(2) the Custodian Agreement; and

(3) the Services Agreement (collectively, the "**Material Contracts**").

The summaries of the key terms of the material contracts set forth below are general in nature and are qualified entirely by the terms of the material contracts, which are available upon request from the Manager.

2.7.1 Trust Agreement

Date and Parties

The Fund was formed on January 15, 2014 and is governed by the Trust Agreement, which is an agreement between BNY Trust Company of Canada, as trustee, and the Manager, as settlor. The Trust Agreement was most recently amended and restated on September 16, 2020.

Appointment of Trustee

Pursuant to the Trust Agreement, the Manager established the Fund and appointed the Trustee as the trustee of the Fund to deal with the property of the Fund in accordance with the direction of the Manager, subject to the provisions of the Trust Agreement.

Net Income and Net Realized Capital Gains

The Manager or its delegate shall determine and advise the Trustee of the net income and the net realized capital gains of the Fund for each fiscal year of the Fund and the Manager may determine that there shall be due and payable, on or before the last Business Day of the calendar year in which, or coincident with the end of which, such fiscal year-end of the Fund occurs, to Unitholders the amount, if any, by which the net income and net realized capital gains of the Fund exceed:

(a) if the Fund was a "mutual fund trust", as defined in the Tax Act, throughout such fiscal year, such part of the net realized capital gains of the Fund for the fiscal year required to be retained by the Fund to maximize its capital gains refund for the fiscal year (within the meaning of the Tax Act), if any;

(b) the amount determined by the Manager in respect of any non-capital losses (as defined in the Tax Act) for prior years which the Fund is permitted by the Tax Act to deduct in computing its taxable income for such year;

(c) if the Fund was a "mutual fund trust", as defined in the Tax Act, throughout such fiscal year, such portion of the Fund's net capital loss carryforwards as will permit the maximization of the Fund's capital gains refund for such year, if any or, if the Fund was not a "mutual fund trust" throughout the year, such portion of the Fund's net capital loss carryforwards as the Manager may determine; and

(d) any amount previously made payable or distributed on an interim basis during the fiscal year, which for this purpose shall include any amount payable in respect of the year as Management Fee Distributions or Redemption Distributions (each as defined below).

The amount that shall be due and payable to each Unitholder entitled to a distribution pursuant to the foregoing provision in respect of Units of a Class of the Fund shall be equal to such portion of the net income and net realized capital gains of the Fund as may be determined in accordance with the distribution methodology established in respect of the Class of Units of the Fund.

Management Fee Distributions

In the case where management fees are charged directly by the Manager to the Fund, the Manager in its discretion may agree to accept a management fee (including an Incentive Fee) with respect to the Units of a particular Class of the Fund held by a Unitholder which is less than that otherwise payable to the Manager in respect of Units of that particular Class, in which case the Manager shall distribute or advise the Trustee of the amount of any such reduction in the management fee adjusted, if appropriate, for any reduction in GST and equivalent provincial sales tax thereon to such Unitholder (a "**Management Fee Distribution**"). The Manager may also in its discretion agree to reduce the operating expenses incurred by the Fund and borne by a Unitholder through an appropriate reimbursement to the Fund, provided that the benefit of such reduction will be distributed to such Unitholder, in which case such distribution shall also be a Management Fee Distribution. Management Fee Distributions shall be calculated by the Manager and credited on each Business Day and distributed at least quarterly and shall be payable out of net income and net realized capital gains of the Fund to the extent that the Fund earns or realizes such income or gains in the year in which the Management Fee Distributions are made, and otherwise out of capital.

Redemption Distributions

On redemption of a Unit of a Class of the Fund, the Manager shall designate and distribute to the redeeming Unitholder as part of the redemption proceeds of the Unit redeemed such part of the net realized capital gains of the Fund for the year as determined by the Manager, not exceeding the amount of the Unitholder's capital gain arising as a result of the redemption of the Unit determined as if the Unitholder's proceeds of disposition of the Unit were equal to the Class Unit Value and if the Unit were capital property to the Unitholder (a "**Redemption Distribution**"). A Redemption Distribution shall be payable out of the net realized capital gains of the Fund not previously made payable, pro rata based on the number of Units of the Fund to be redeemed as of such Valuation Date and thereafter out of the capital of the Fund.

Net Income

The net income of the Fund for any period or year shall be determined by the Manager in accordance with the provisions of the Tax Act regarding the calculation of income for the purposes of determining the "taxable income" of the Fund under the Tax Act, provided that capital gains and capital losses and such portion of expenses of the Fund allocated by the Manager, in its discretion, against taxable capital gains, shall be excluded and provided further that (i) the portion of the Fund's income comprised of taxable dividends received from corporations resident in Canada shall be calculated on the basis that the amount thereof included in income is not greater than the actual amount received, and (ii) no amount is deductible in respect of amounts payable or deemed payable in the year to Unitholders. The net realized capital gains of the Fund for any year shall equal the amount, if any, by which the capital gains of the Fund in the year, net of the product of such portion of expenses of the Fund allocated by the Manager against taxable capital gains of the Fund and the reciprocal of the relevant capital gains inclusion rate under the Tax Act, exceeds the aggregate of the capital losses of the Fund in the year determined in accordance with the Tax Act.

The Trust Agreement provides that unless a Unitholder requests in writing at least ten Business Days prior to the relevant distribution date, distributions pursuant to sections 6.01(1), (3) and (10) (less any tax required to be withheld therefrom) shall be reinvested by the Manager, who shall advise the Registrar as required, in additional Units or fractions of Units of the same Class of Units of the Fund as those held by the relevant Unitholder in the name and for the benefit of the Unitholder at the Class Unit Value for such Class of Units of that Fund determined in accordance with the provisions of the Trust Agreement.

To the extent possible under the Tax Act, it is intended that the character of the net income and net realized capital gains of the Fund be maintained when such net income and net realized capital gains are distributed to Unitholders. The Trustee shall consequently upon Proper Instructions make all designations, elections, determinations, appropriations and allocations under the Tax Act as may be advisable or appropriate.

It is intended that sufficient net income and sufficient net realized capital gains of a Fund be distributed to Unitholders in each year so that the Fund will not be liable to income tax under Part I of the Tax Act, other than alternative minimum tax or any tax that is immediately recoverable by the Fund by reason of the capital gains refund (if applicable). The Trust Agreement provides that if there is any change in the treatment under the Tax Act of the net income and net realized capital gains of the Fund, or of any other relevant amount, that would frustrate this intention, the Manager, notwithstanding Article 13 and Article 14 of the Trust Agreement, without notice to or the vote or assent of the Unitholders or any amendment to the Trust Agreement, alter the method of distribution or discontinue this distribution policy for the purpose of minimizing taxes payable by the Fund and/or the Unitholders.

The Manager may make interim distributions of net income or net realized capital gains to Unitholders of any Class of Units of a Fund in any fiscal year of the Fund and where such interim distributions are made, the Manager shall (a) advise the Trustee of such interim distribution, and (b) same shall be due and payable on the last Business Day of a month or such other day as the Manager may direct the Trustee upon Proper Instructions, in particular, to preserve equity among Unitholders of a Class if a subscription or redemption request is made immediately prior to an ordinary course interim or quarterly distribution date of a Fund.

The Manager shall withhold from each distribution to a Unitholder any amount required by applicable tax laws or any other applicable law.

The Trustee, upon Proper Instructions, may transfer temporarily from capital to income within the Fund, sufficient cash to facilitate payments of net income or net realized capital gains to the Unitholders. A permanent transfer from capital to income may be effected if payments made by and/or expenses of the Fund in any fiscal year of the Fund exceed the aggregate of the net income and net realized capital gains of the Fund in such fiscal year.

Distributions to Unitholders

Subject to the foregoing provisions of the Trust Agreement, the Fund may make allocations, credit amounts and pay distributions in cash, units or fractions thereof, or otherwise, to Unitholders of each Class or to any Unitholders, whether out of income, capital, earnings, profits, capital gains or surplus, and to make allocations to such Unitholders of costs, expenses, losses and deficits in respect or to any Unitholders, provided that the Fund shall not make any distribution of assets by way of cash payments or otherwise which would, in the opinion of the Manager, impair the ability of the Fund to repay loans or meet its other commitments, as and when the same become due, after giving effect to any subscriptions for Units or redemptions of Units.

The Fund shall determine the distribution methodology to be used in determining the amounts to be credited, allocated, made payable or distributed, as the case may be, to Unitholders of each Class of the Fund.

Redemption of Units

The redemption rights provided in the Trust Agreement relating to the Units are described under “Securities Offered – 5.1 Terms of Securities – Redemption Rights”.

Duties of the Manager

The Trust Agreement provides that the Manager shall be a duly registered and qualified portfolio manager and investment fund manager under applicable laws (if required by its duties under the Trust Agreement).

The Manager is responsible for conducting the day-to-day administration of the Fund, including ensuring that the assets of the Fund are invested and reinvested in accordance with the Trust Agreement and evaluating the investment objectives, restrictions, policies and guidelines of the Fund and effecting changes thereto. The Manager shall exercise its duties in accordance with the following standard and duty of care:

(a) to exercise the powers and discharge the duties of its office honestly, in good faith and in the best interests of the Fund; and

(b) to exercise the degree of care, diligence and skill that a responsibly prudent person (or in the case of the Trustee, a reasonably prudent trustee) would exercise in comparable circumstances, provided that in the case of the Trustee such exercise will not include enquiries with respect to, or the supervision, assessment or continuing monitoring of the Manager, including its compliance with applicable laws, unless the Trustee has knowledge of circumstances which call for enquiry, notwithstanding the delivery to the Trustee by the Manager of any compliance certificate hereunder.

Fees of the Manager

The Trust Agreement provides that the Manager is entitled to charge to each Unitholder management and/or incentive fees for its services in accordance with such fee schedule as the Manager may establish by agreement with such Unitholder for a Class of Units. Alternatively, the Manager may charge the Fund Incentive Fees as set out in the Trust Agreement, as may be amended.

In the case where management fees are charged directly by the Manager to the Fund, the Manager in its discretion may agree to accept a management fee (including an Incentive Fee) with respect to the Units of a particular Class held by a Unitholder which is less than that otherwise payable to the Manager in respect of the Units of that particular Class, in which case the Manager shall distribute or advise the Trustee of the amount of any such redemption in the management fee adjusted, if appropriate, for any reduction in GST and equivalent provincial sales tax thereon to such Unitholder. The Manager may also in its discretion reduce the operating expenses incurred by the Fund and borne by a Unitholder through an appropriate reimbursement to the Fund, provided that the benefit of such reduction will be distributed to such Unitholder, in which case such distribution shall also be a management fee distribution. Management fee distributions described in this paragraph shall be calculated by the Manager and credited on each Business Day and distributed at least quarterly and shall be payable out of net income and net realized capital gains of the Fund to the extent that the Fund earns or realizes such income or gains in the year in which the management fee distributions are made, and otherwise out of capital.

The following is a summary of the management fees payable to the Manager in respect of each Class of Units:

Base Management Fee

Class of Units	Management Fee(1)
Class A Units	1.75%
Class D Units	Nil (2)
Class E Units	1.10%
Class F Units	0.75%
Class I Units	Negotiable (3)

Notes:

(1) The management fee is an annual percentage of the Class Unit Value. Management fees, plus applicable taxes, are calculated and accrued monthly and payable as of the Valuation Date.

(2) Investors in Class D Units will be charged an investment management fee at the client account level as outlined in the fee schedule applicable to Alitis and its clients.

(3) Investors in Class I Units will be charged an investment management fee at a rate negotiated between the investor and Alitis.

Performance Fees

The Manager is entitled to receive a performance fee from each Class of Units. Performance fees will accrue monthly and be paid quarterly, and, if applicable, on a redemption of Units. Performance fees are equal to 17.5% of any gain on units over a specified hurdle rate as outlined in the table below:

Class of Units	Performance Fee Hurdle Rate
Class A Units	5.0%
Class D Units	7.0%
Class E Units	6.0%
Class F Units	6.0%

The gain on Units is calculated as the difference between the Class Unit Value prior to the performance fee on each Class and Unitholder equity in the Class. Unitholder equity is calculated by taking the Class Unit Value of the applicable Class on the last day a performance fee was paid on that Class, plus the value of all contributions made in that Class since a performance fee was paid and subtracting the *pro rata* share of equity on every redemption of Units in the Class. The hurdle amount is calculated on the Unitholder equity, on an annualized basis, and subtracted from the gain as defined above. A percentage of the positive difference in gain, calculated using the appropriate performance fee hurdle rate shown in the table above is accrued to the Manager, plus applicable taxes.

Upon a redemption of Units, a *pro forma* amount of performance fee will be crystallized and a *pro forma* amount of Unitholder equity and calculated hurdle amount will be removed from future calculations of performance fee to reflect the reduction in Units of the Class redeemed

Investors in Class I Units will be charged a performance fee directly at terms negotiated between the investor and Alitis.

Expenses

The Fund is responsible for the payment of all fees and expenses relating to its operations. Each Class of Units will be responsible for a proportionate share of expenses that are common to all Classes of Units.

In addition, the Fund will pay its proportion of any management or other fee at the underlying investment level.

Fees of the Trustee

The Trustee shall be entitled to receive fees as agreed to between the Manager and the Trustee from time to time. As at the date of this Offering Memorandum, the fees of the Trustee are as set forth below (plus other ancillary fees and costs):

Type	Amount
Tier 1	$0.0002 per dollar of assets on the first $25,000,000 of assets plus GST
Tier 2	$0.0001 per dollar of assets above $25,000,000 of assets plus GST

Meetings and Notices

Meeting of Unitholders shall be convened by the Trustee from time to time upon instructions of the Manager.

A quorum for meetings of Unitholders shall be those Unitholders present in person or represented by proxy. All questions posed for the consideration of the Unitholders shall be determined by majority of the votes cast and, in the case of an equality of votes, the chairman presiding at the meeting shall have a casting vote.

Subject to separate Class voting rules described below, each whole Unit entitles the holder thereof to one vote at any meeting of Unitholders.

If a Class of Units is affected by any matter requiring the approval of Unitholders in a manner which is different from Units of another Class, the holder of Units of such Class shall be entitled to vote separately as a Class in respect of such matter and such matter shall not become effective until it has been approved by the holders of each Class entitled to vote thereon.

Amendments to Trust Agreement

Any material amendments to the Trust Agreement may be made by the Trustee upon instructions from the Manager without the approval of the Unitholders, provided ninety (90) days' written notice of such amendment has been provided to affected Unitholders by the Trustee or each affected Unitholder waives the notice period in writing, provided that no such amendment which affects the rights, duties, compensation or responsibilities of the Trustee shall be made without the consent of the Trustee.

Certain amendments to the Trust Agreement may be made by the Trustee upon instructions from the Manager without the approval of or prior notice to Unitholders. Such amendments include, without limitation, amendments necessary to comply with applicable laws, to cure or correct a typographical error, ambiguity, defective or inconsistent provisions, mistakes or manifest errors.

2.7.2 Custodian Agreement

Pursuant to an agreement ("**Custodian Agreement**") dated October 2, 2015 between the Fund and the Custodian, the Custodian acts as the primary custodian of the assets of the Fund and is entitled to receive fees as follows:

Type	Amount
Fixed Charges	$200 per month plus GST
Variable Charges	Trading costs which vary by type of security or the type of transaction

Pursuant to an agreement dated June 28, 2016 between the Fund and BMO Capital Markets (the "Secondary Custodian"), the Secondary Custodian holds on behalf of the Fund any futures contracts for currency hedging as well as certain other fixed income or equity trades, as determined by the Manager, and is entitled to receive fees as follows:

Type	Amount
Fixed Charges	None
Variable Charges	Trading costs which vary by type of security or the type of transaction

2.7.3 Services Agreement

Pursuant to the Services Agreement dated June 1, 2016, SGGG Fund Services provides calculations of net asset value and Unitholder record keeping services to the Manager in respect of its investment funds managed by the Manager, including the Fund. SGGG Fund Services is entitled to receive fees as of the date of this agreement follows:

Type	Amount(1)
NAV Calculations	$1,740 per month plus GST
Financial Statements	$6,280 per year plus GST (Annual) $3,480 per year plus GST (Semi Annual)
Distribution Calculations	$250 per quarter (Q1-3) plus GST $1,255 per year plus GST
Unitholder Recordkeeping	$40 per year per account plus GST on the first 750 accounts $35 per year per account plus GST on accounts from 751 – 2,000 $32 per year per account plus GST on accounts from 2,001 – 4,000 $30 per year per account plus GST on all accounts over 4,001 – 6,000 $25 per year per account plus GST on all accounts over 6,001 (subject to a $9,000 per month minimum)
Mailing & Postage	At cost

Annual Fee Report	$365 per year plus GST
Third-Party Reporting	$150 per month plus GST (paid to Morningstar)
Hourly Rate	Other time billed at hourly rates between $75 and $285 per hour.

Notes:

(1) It is anticipated that rates will increase in January 2022 by 2.5%.

The Material Contracts summarized above are available for review by Unitholders or potential subscribers at the offices of the Manager upon reasonable notice or upon request to the Manager.

2.7.4 Distribution Agreement(s)

The Fund may enter into distribution agreements and/or referral agreements with securities dealers and other third parties from time to time. The terms of such agreement will not provide for compensation to be paid by the Fund to such securities dealers or third parties, as applicable. Any such compensation will be paid by the Manager, as more particularly described in Section 1.1 – Net Proceeds.

Item 3 Interests of Trustees, Management, Promoters and Principal Holders

3.1 Compensation and Securities Held

No Units of the Fund are held by the Trustee. The Fund does not directly employ any officers or employees. The Fund is managed by the Manager and the directors and the officers of the Manager are involved in the management of the Fund.

The following chart discloses the specified information for each director and officer of the Manager and each promoter and principal holder(s) of Units of the Fund.

For a discussion of fees paid or payable to the Manager see Section 2.7 – Material Contracts – Trust Agreement – Fees of the Manager.

Name and Municipality of Residence	Position(s) Held and the Date of Obtaining that Position	Compensation Paid by the Fund or a Related Party Since Inception of the Fund and the Compensation Anticipated to be Paid in the Current Financial Year (1)	Number, Type and Percentage of Securities of the Fund Held as of April 20, 2021	
			Class F Units	Class D Units or Class E Units
Cecil Baldry-White, Nanaimo, B.C.	Director and Chief Executive Officer of the Manager (since October 2009)	Since inception: Nil Anticipated to be Paid in Current Financial Year: Nil	Nil	Nil (2)
Kevin Kirkwood, Burnaby, B.C.	President and Chief Investment Officer of the Manager (since September 2009)	Since inception: Nil Anticipated to be Paid in Current Financial Year: Nil	Nil	6,381.102 (3)
Stacey Blyth, Victoria, B.C.	Chief Compliance Officer, Chief Operating Officer (since August 2017)	Since inception: Nil Anticipated to be Paid in Current Financial Year: Nil	Nil	Nil

Notes:

(1) No fees are payable directly or indirectly by the Fund to the persons identified in the table above. The Fund is responsible for payment of fees to the Manager as more particularly described under Section 2.7 – Material Contracts – Trust Agreement. Mr. Baldry-White is the Chief Executive Officer of the Manager and is compensated directly by the Manager. Mr. Kirkwood is the President and Chief Investment Officer of the Manager and is compensated directly by the Manager. Ms. Blyth is the Chief Compliance Officer, Chief Operating Officer of the Manager and is compensated directly by the Manager.

(2) Mr. Baldry-White's spouse owns 17,934.6827 Class D Units as at April 20, 2021. Mr.Baldry-White's holding company, White Arm Holdings Inc., owns 47,426.9024 Class D Units.

(3) Mr. Kirkwood's spouse owns 12,677.3213 Class D Units as at April 20, 2021. Mr. Kirkwood and his spouse jointly own 3,588.9311 Class D Units within their family registered education savings plan.

3.2 Management Experience

Alitis Investment Counsel Inc. is a corporation incorporated under the laws of the Province of British Columbia and acts as the Manager of the Fund. Alitis Asset Management is a division of Alitis Investment Counsel Inc.

The Fund is managed by the Manager pursuant to the Trust Agreement, under which the Manager reserves and retains full authority and responsibility to manage the business and affairs of the Fund, including without limitation to provide all necessary investment management and all clerical, administrative and operational services as set forth in the Trust Agreement.

The directors and executive officers of the Manager are involved in the affairs of the Fund. The sole director of the Manager is Cecil Baldry-White. The senior management are Cecil Baldry-White, Kevin Kirkwood, and Stacey Blyth. All senior management have broad backgrounds of investment and capital market experience which will be brought to bear on the activities undertaken by the Manager on behalf of the Fund.

The following table discloses the principal occupations of the directors and executive officers of the Manager for the past five years and other related experience:

Name, Municipality of Residence	Principal Occupations and Related Experience
Cecil Baldry-White, Nanaimo, B.C.	Positions held at Alitis: Director and Chief Executive Officer Other Occupations: Director, President, and Chief Executive Officer of Alitis Insurance Services Inc., Director and President of Alitis Private Real Estate G.P. Ltd. Cecil Baldry-White has over 30 years' experience in the financial services industry, almost all of which has been focused on working with retail clients in Campbell River and other areas of British Columbia. Prior to the formation of Alitis in 2009, Mr. Baldry-White was a Branch Manager and Investment Advisor at the Campbell River Branch of Dundee Securities Corporation and its predecessor companies, Cartier Partners Securities Inc. and Great Pacific Management Co. Ltd. During his time with these firms, he has built the business from a one-man operation to a team of 5 fully licensed financial advisors and a support staff of 6 managing approximately $225 million in client assets. Mr. Baldry-White has also served on the board of the Campbell River Community Foundation and the Development Advisory Planning Commission of the city of Campbell River. Mr. Baldry-White's qualifications include the Canadian Investment Manager (CIM) designation, completion of the Branch Managers course, completion of the Options Supervisors course, a Bachelor of Science in Forestry (BSc) degree from the University of British Columbia in Vancouver, B.C., and the attainment of a Level II Life License.
Kevin Kirkwood, CFA, MBA Burnaby, B.C.	Positions held at Alitis: President and Chief Investment Officer Former Occupations: Director and President of Global Portfolio Review Inc. Kevin Kirkwood has over 25 years' experience in the financial services industry primarily in the areas of investment analysis, portfolio design, and compliance. As well, Mr. Kirkwood was formerly the Chief Compliance Officer of Alitis, a Director of Alitis, and Director and Vice-President of Alitis Private Real Estate G.P. Ltd. Until April 2021, Mr. Kirkwood was also the President and part owner of Global Portfolio Review Inc., a consulting firm focused on helping retail brokers design and manage investment portfolios for their clients. Prior to starting Global Portfolio Review Inc. in 2005, Mr. Kirkwood was employed as an Investment Advisor with Dundee Securities Corporation after that company acquired Cartier Partners Securities Inc. ("CPS") in 2004. At CPS, Mr. Kirkwood held the position of Chief Operating Officer and Director, Investment Portfolios with Cartier Partners Portfolio Management. Prior to these positions, Mr. Kirkwood was the Manager, Specialty Investments for CPS and its predecessor firm, Great Pacific Management Co. Ltd.

	Mr. Kirkwood's qualifications include the Chartered Financial Analyst (CFA) designation, a Master of Business Administration (MBA) degree from McMaster University in Hamilton, Ontario, and a Bachelor of Arts (BA) degree from the University of British Columbia in Vancouver, B.C.
Stacey Blyth, MBA, CAMS Victoria, B.C.	Positions held at Alitis: Chief Compliance Officer, Chief Operating Officer Other Occupations: Chief Compliance Officer, Chief Operating Officer of Alitis Insurance Services Inc. Ms. Blyth is the Chief Compliance Officer and in her role as Chief Operations Officer she provides important oversight of Alitis' operations and its client service administration team. She has over 20 years' experience in the financial services industry in the areas of Regulatory and Anti-Money Laundering Compliance, Privacy and Operations. Her specialty is working with firms through periods of strategic growth and change. She has worked across a broad spectrum of financial industries including Securities, Insurance, Asset Management, Retail and Commercial Banking, Alternative Lending and Internet Commerce. Prior to joining Alitis Ms. Blyth worked regionally, nationally and internationally based out of Vancouver, Toronto and the Caribbean, respectively. As an Investment Industry Professional, Ms. Blyth has completed multiple securities industry courses including CSC, BMQE, PDO and number of others. She is a Certified Anti-Money Laundering Specialist (CAMS) and associate member of the Association of Certified Fraud Examiners. Ms. Blyth completed a Master of Business Administration (MBA) at Queens University in Kingston, Ontario.

3.3 Management of the Fund

3.3.1 The Manager

The Manager was incorporated under the *Business Corporation Act* (British Columbia) on March 2, 2009. Its head office is located at 101-909 Island Hwy., Campbell River BC, V9W 2C2. The Manager is principally owned by Cecil Baldry-White directly and through related family trusts and holding companies. Cecil Baldry-White is a director and officer of the Manager. The Manager is registered as a portfolio manager with the securities commissions in the provinces of British Columbia, Alberta, Saskatchewan, Manitoba and Ontario. The Manager is also registered as an investment fund manager and exempt market dealer with the securities commissions in the provinces of British Columbia, Ontario, and Quebec.

Pursuant to the terms of the Trust Agreement, the Manager is responsible for managing the overall business of the Fund as well as investing the Fund's assets in accordance with the stated business objectives of the Fund. See Section 2 – Business of the Fund.

The Manager may, subject to any limitation or delegation imposed by any applicable law or the Trustee, appoint or retain any Persons as agents, representatives, advisers, custodians, registrars, etc. which the Manager considers advisable and may delegate, upon such terms and conditions as it may determine any of the powers and duties of the Manager under the Trust Agreement to any persons appointed or retained by it under the Trust Agreement.

The Manager is entitled to receive the fees and compensation set forth above under Section 2.7 – Material Contracts – Trust Agreement.

3.3.2 Investment Committee

The investment decisions of Alitis and, by extension, the Fund are directed by Alitis' Investment Committee. The Investment Committee is comprised of certain investment personnel of the Manager and may include other Persons who may bring expertise to Alitis' Investment Committee from time to time. The purpose of the Investment Committee is to analyze relevant information and to make decisions on the following matters:

- defining the investment objectives and guidelines of the Fund (see "Business of The Fund – Our Business");

- setting the overall targeted asset allocation of the Fund;
- approval of investments for inclusion on Alitis' Approved List, being a list of permitted investments for the Fund;
- approval of investment transactions of the Fund;
- determining the effectiveness of the investment strategies used by Alitis; and
- such other matters as may be determined by Alitis' Investment Committee.

3.3.3 Investment Oversight Committee

The oversight of the investment decisions of Alitis and, by extension, the Fund are directed by Alitis' Investment Oversight Committee. The Investment Oversight Committee is comprised of Alitis' Chief Compliance Officer, Chief Executive Officer, and may include other persons who may bring expertise from time to time. The purpose of the Investment Oversight Committee is to make decisions on the following matters:

- monitoring and maintaining compliance with the investment objectives, strategies and guidelines of the Fund (see "Business of The Fund – Our Business");
- resolving conflict of interest issues which may arise from time-to-time; and
- such other matters as may be determined by Alitis' Investment Oversight Committee.

3.4 Penalties, Sanctions and Bankruptcies

As at the date hereof, or within the ten years prior to the date of this Offering Memorandum, no trustee, executive officer or control person of the Fund (and no director, executive officer or control person of the Manager), and no issuer of which any such person was a director, executive officer or control person during such time:

(a) was subject to:

 (i) a cease trade (including any management cease trade order which applied to directors or executive officers of a company, whether or not the person is named in the order);

 (ii) an order similar to a cease trade order; or

 (iii) an order that denied the relevant company access to any exemption under securities legislation;

 that was in effect for a period of more than 30 consecutive days (an "**Order**"); or

(b) was subject to an Order that was issued after the director, executive officer or control person ceased to be a director, executive officer or control person and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or control person.

As at the date hereof, no trustee, executive officer or control person of the Fund (and no director, executive officer or control person of the Manager) within the ten years prior to the date of this Offering Memorandum has:

(a) become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver manager or trustee appointed to hold the assets of the director, executive officer or control person; or

(b) has been a director, executive officer or control person of any entity that while that person was acting in that capacity or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets.

3.5 Loans

As at the date of this Offering Memorandum, the Fund does not have any debentures or loans due to or from the directors, management, promoters or its principal security holders of the Fund.

The Manager has incurred certain set-up costs in connection with the formation of the Fund which is the responsibility of the Fund and will be amortized over time.

Item 4 Capital Structure

4.1 Unit Capital

The equity securities of the Fund as of the date of this Offering Memorandum are set forth below:

Description of Security(1)	Number Authorized to be Issued	Price per Unit(2)	Number Outstanding as at April 20, 2021	Number Outstanding After Offering(3)
Class A Units (4)	Unlimited	Class Unit Value	0.0000	Undetermined
Class D Units (5)	Unlimited	Class Unit Value	2,570,242.7240	Undetermined
Class E Units (6)	Unlimited	Class Unit Value	4,210,901.3657	Undetermined
Class F Units (4)	Unlimited	Class Unit Value	186,713.6715	Undetermined
Class I Units (7)	Unlimited	Class Unit Value	0.0000	Undetermined

Notes:

(1) The beneficial interests in the Fund are divided into Units of multiple Classes. There is no limit to the number of Units or the number of Classes of Units that may be issued subject to any determination to the contrary made by the Manager. Units are issuable in series.

(2) The price per Unit will be determined by the Fund from time to time in accordance with the Trust Agreement. Each Unit within a particular Class will be of equal value; however the value of a Unit in one Class may differ from the value of a Unit in another Class.

(3) There is no minimum offering or maximum offering. The Fund is authorized to issue an unlimited number of Units and intends to offer the Offered Units on a continuous basis. See Section 1 – Net Proceeds.

(4) Investors in Class A Units and Class F Units will be charged management fees at the Fund level and may be charged performance fees at the Fund level if certain thresholds are satisfied.

(5) Class D Units are issued exclusively to clients of Alitis. Investors in Class D Units will be charged an investment management fee by Alitis at the client account level as outlined in the fee schedule applicable to Alitis and its clients and may be charged performance fees at the Fund level if certain thresholds are satisfied.

(6) Class E Units are issued exclusively to clients of Alitis. Investors in Class E Units will be charged management fees at the Fund level and may be charged performance fees at the Fund level if certain thresholds are satisfied.

(7) Class I Units are issued exclusively to clients of Alitis. Investors in Class I Units will be charged an investment management fee by Alitis at the client account level as outlined in the fee schedule applicable to Alitis and its clients and may be charged performance fees as negotiated between the client and Alitis.

The Trust Agreement provides that the Fund may create additional Classes of Units with such attributes and characteristics as the Manager may determine, and which may be offered for sale to such persons as the Manager may determine.

4.2 Long Term Debt

As at the date of this Offering Memorandum, the Fund does not have any direct long term indebtedness outstanding. The Fund may incur direct indebtedness in a maximum amount of 25% of its assets.

The Fund also holds underlying investments which may incur long-term indebtedness, usually for the purpose of leverage to increase returns.

4.3 Prior Sales

The following table sets forth the securities of the Fund that were issued within the last 12 months to the date of this Offering Memorandum:

Date of Issuance	Class of Units	Number of Units Issued	Price Per Unit	Total Funds Received
24-Apr-20	Class D	384.3641	10.4068	$4,000.00
24-Apr-20	Class E	5,322.5917	10.1657	$54,107.87
29-May-20	Class D	1,617.2456	10.5859	$17,120.00
29-May-20	Class E	40,593.5403	10.3307	$419,359.69
26-Jun-20	Class D	788.8741	10.5222	$8,300.69
26-Jun-20	Class E	4,210.8231	10.2892	$43,326.00
31-Jul-20	Class D	1,426.0384	10.6028	$15,120.00
31-Jul-20	Class E	11,275.4872	10.3582	$116,793.75
31-Jul-20	Class F	49,786.9120	10.0428	$500,000.00
28-Aug-20	Class D	11.2570	10.66	$120.00
28-Aug-20	Class E	14,271.7761	10.4062	$148,514.96
25-Sep-20	Class D	374.7019	10.483	$3,928.00
25-Sep-20	Class E	16,714.4752	10.2517	$171,351.79
30-Oct-20	Class D	2,154.5115	10.4989	$22,620.00
30-Oct-20	Class E	84,077.1379	10.2571	$862,387.61
30-Oct-20	Class F	5,271.6136	9.959	$52,500.00
27-Nov-20	Class D	64,801.9342	10.8257	$701,526.30
27-Nov-20	Class E	29,118.8209	10.5662	$307,675.29
24-Dec-20	Class D	385.8281	10.8285	$4,177.94
24-Dec-20	Class E	23,257.0889	10.5608	$245,613.46
29-Jan-21	Class D	30,609.0941	10.6423	$325,751.16
29-Jan-21	Class E	41,722.6297	10.3968	$433,781.83
26-Feb-21	Class D	47,687.2531	10.7618	$513,200.68
26-Feb-21	Class E	31,859.7587	10.5045	$334,670.83
26-Mar-21	Class D	31,077.9217	10.6169	$329,951.20
26-Mar-21	Class E	29,828.7323	10.383	$309,711.73

The foregoing summary of Units issued does not factor in any redemptions of Units which have occurred. All redemptions of Units have occurred at the applicable Class Unit Value.

Item 5 Securities Offered

5.1 Terms of Securities

The following is a description of the material terms of the Offered Units:

5.1.1 Voting Rights

Subject to separate Class voting rules described below, each whole Unit entitles the holder thereof to one vote at any meeting of Unitholders.

See Section 2.7 – Material Contracts – Trust Agreement – Meetings and Notices.

5.1.2 Redemption Rights

General

Units may be redeemed on a monthly basis on the last Friday of each month, unless such day is not a Business Day, in which case the redemption date will be the preceding Business Day. Orders to redeem must be received by the Manager at least 30 days prior to the date on which the Unitholder wishes to redeem Units. Orders exceeding 5% of the assets of the Fund may require a longer period in which to process the redemption. This longer period is determined in the sole discretion of the Manager, who will communicate such longer period within ten (10) Business Days to the investor and to the Trustee. If a redemption application is received after such cut-off time, unless the Manager in its discretion decides otherwise, the Class Unit Value for the redemption of such Units will be that which is determined on the subsequent Valuation Date. Redemption orders are processed in the order in which they are received.

In the event that a redemption request is made by a Unitholder with respect to Units having an aggregate Class Unit Value of less than the minimum amount determined by the Manager from time to time, the Unitholder shall be deemed to have requested redemption of Units in such minimum amount.

Notwithstanding the right of redemption described above, any redemption or payment may be delayed, suspended or postponed by the Manager for:

(a) a period not exceeding eight (8) Business Days immediately following the redemption date which would apply to the request, if such request (and concurrent redemption requests) represent more than 15% of the outstanding Units of the Fund and, in the opinion of the Manager, such time period is required by the Manager to avoid an adverse effect on the remaining Unitholders of the Fund and to provide for the orderly sale of assets of the Fund;

(b) any period where normal trading is suspended on any stock exchange, options exchange or futures exchange on which securities which constitute more than 25% of the book value of the Fund are listed for trading or otherwise traded, or while a securities regulatory authority has requested a suspension of trading, plus five Business Days thereafter.

In such event, the redemption price will be adjusted by changes in the Fund Net Asset Value during the suspension period and calculated on the Valuation Date on which the redemption occurs. Any suspension will apply to all requests for redemption received prior to the suspension but as to which payment has not been made, as well as to all requests received while the suspension is in effect. Where a request for redemption is received by the Fund during the suspension period, the Unitholder may withdraw the request up to the close of business two days before the next Valuation Date following the termination of the suspension.

If the aggregate Class Unit Value of Units of the Fund held by a Unitholder is at any time less than the minimum amount as the Manager may determine, the Manager may redeem such Units.

The Fund may redeem all or a portion of a Unitholder's Units by giving thirty days' written notice to the Unitholder.

Payment of Redemption Proceeds

Payments of redemption proceeds may be made by way of cash or, if approved by the Manager, property of the Fund. The Manager seeks to settle redemptions no later than four (4) Business Days following the Valuation Date used for the determination of the Class Unit Value for the redemption pursuant to the Trust Agreement. Settlement can only occur once the Manager has all relevant pricing information and it is possible that the Manager may not receive all relevant information due to factors beyond the control of the Manager.

If the Fund is not a "mutual fund trust" as defined in the Tax Act on a redemption date, the Fund considers that the Units are, or may be "taxable Canadian property" for the purposes of the Tax Act and the Unitholder does not provide evidence satisfactory to the Manager that the Unitholder is a resident of Canada or is a "Canadian partnership" for the purposes of the Tax Act, the Unitholder shall provide the Manager with an appropriate certificate under section 116 of the Tax Act and under the analogous provisions of equivalent provincial legislation with respect to the redemption of such Units, failing which the Manager shall withhold the required percentage of the redemption price and deal with same as contemplated by section 116 of the Tax Act and under analogous provisions of equivalent provincial legislation.

5.1.3 Limitation on Non-Resident Ownership

If persons who are non-residents for the purposes of the Tax Act or are partnerships that are not "Canadian partnerships" for the purposes of the Tax Act (each a "non-resident") become the beneficial owners of (i) an aggregate of 40% of the Units of the Fund then outstanding (the "**Number Threshold**") or (ii) Units of the Fund having an aggregate Class Unit Value equal to 40% of the Fund Net Asset Value (the "**Value Threshold**"), and more than 10% of the fair market value property of the Fund consists of, has consisted of, or, in the reasonable opinion of the Manager, may in the future consist of, property that is "taxable Canadian property" as defined in subsection 248(1) of the Tax Act (determined without reference to paragraph (b) of such definition) or, if such Act is amended as proposed by legislation released on September 16, 2004, "specified property" as that term is defined in such proposed legislation, the Manager may refuse to accept a subscription for Units from, or issue or register a transfer of Units to, a person, unless the person provides a declaration that the beneficial owner of the Units held by such person is not, and will not be, a non-resident. If, notwithstanding the foregoing, the Units held by non-residents at any time exceeds either the Number Threshold or the Value Threshold or both, the Manager may redeem on the following Valuation Date for a redemption price per Unit equal to the Class Unit Value calculated at the close of business on such date that number of Units held by non-residents such that, after giving effect to the redemption, the Units held by non-residents do not exceed either or both of the Number Threshold or the Value Threshold, the Units to be redeemed to be determined on the basis of the most recent acquisition or registration of Units or in such other manner as the Manager may consider equitable and practicable. Upon such redemption, the affected Unitholders shall cease to be holders of Units and their rights shall be limited to receiving the net proceeds of redemption from such Units.

5.1.4 Early Redemption Charge

The Fund may impose an early redemption charge equal to three percent (3%) of the Redemption Proceeds if a redemption request in respect of Units is submitted by a Unitholder within six (6) months of the date of the purchase of such Units.

5.1.5 Restrictions on Transfers

Units are not transferable except by operation of law or succession or pursuant to the right of the Manager described under "Limitation on Non-Resident Ownership". Units shall be transferable only on the register of transfers by the registered Unitholder or such person's legal representative or attorney duly appointed by an instrument in writing in form and execution satisfactory to the Manager, the Trustee and the appointed transfer agent and registrar of the Fund.

5.1.6 Distributions

The right of Unitholders to receive distributions is described above under "Material Contracts – Trust Agreement". Currently, distributions are paid quarterly.

5.2 Subscription Procedure

This Offering Memorandum constitutes an offering of the securities described herein: (i) only in jurisdictions where the securities may lawfully be offered and sold in reliance on the exemptions from the applicable prospectus requirements which are expressly in the subscription agreement in the form approved by the Manager; (ii) only to those persons to whom they may be lawfully offered for sale; and (iii) only by persons permitted to sell these securities.

Applicable securities laws prescribe certain of the documentation that must be completed in order to subscribe for Offered Units. The documentation that you must complete will depend on the jurisdiction in which you are resident and the prospectus exemption on which you are relying. The subscription agreement for the Offering sets forth the required documentation.

Persons wishing to subscribe for Units must complete and submit a subscription agreement in the form approved by the Manager. Where the subscriber is resident in the province of British Columbia and the Units are being issued in reliance on the offering memorandum exemption in Section 2.9 of National Instrument 45-106 – Prospectus Exemptions, the consideration will be held in trust pending the closing of the Offering (and in any event until midnight on the date that is four Business Days following the date your completed and signed subscription documentation and funds are received by the Fund), which will occur on a date determined by the Fund. In the event that a closing does not occur in respect of a subscription, the Fund will return the subscription funds to the subscriber, without interest or deduction.

Item 6 Income Tax Consequences

The following summary is not and is not to be construed as legal advice to any Unitholder or potential Unitholder. You should consult your own professional advisers to obtain advice on the income tax consequences that apply to you.

6.1 Eligibility for Investment

In the opinion of MLT Aikins LLP, counsel to the Fund, based on the current provisions of the Tax Act, provided that the Fund at all times continues to qualify as a "mutual fund trust" as defined in the Tax Act, the Units will be qualified investments under the Tax Act for trusts governed by registered retirement savings plans ("RRSPs"), registered retirement income funds ("RRIFs"), registered education savings plans ("RESPs"), registered disability savings plans ("RDSPs"), tax-free savings accounts ("TFSAs") and deferred profit sharing plans ("DPSPs") (collectively, "Registered Plans").

Notwithstanding that the Units may be qualified investments for a trust governed by a TFSA, RDSP, RRSP, RRIF or RESP, the holder of a TFSA or RDSP, the annuitant of an RRSP or RRIF, or the subscriber of an RESP as the case may be, will be subject to a penalty tax if such Units are a "prohibited investment" (as defined in the Tax Act) for the TFSA, RDSP, RRSP, RRIF or RESP. Generally, Units will not be a "prohibited investment" for a TFSA, RDSP, RRSP, RRIF or RESP provided that the holder of the TFSA or RDSP, the annuitant of the RRSP or RRIF or the subscriber of the RESP, as applicable, (i) deals at arm's length with the Fund for purposes of the Tax Act and (ii) does not have a "significant interest" (as defined in the Tax Act) in the Fund. In addition, Units will not be a "prohibited investment" if such Units are "excluded property" (as defined in the Tax Act) for trusts governed by a TFSA, RDSP, RRSP, RRIF or RESP.

Unitholders who intend to hold Units through a Registered Plan should consult their own tax advisors in regard to the application of these rules in their particular circumstances, including with respect to whether the Units would be "excluded property" (as defined in the Tax Act).

6.2 Certain Canadian Federal Income Tax Considerations

In the opinion of MLT Aikins LLP, counsel to the Fund, the following is, as of the date hereof, a summary of the principal Canadian federal income tax considerations generally applicable to the holding and disposition of Units by a Unitholder.

This summary is applicable 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 as capital property and is not exempt from tax under Part I of the Tax Act. Generally, Units will be considered to be capital property to a Unitholder provided that the Unitholder does not hold the Units in the course of carrying on a business of trading or dealing in securities and has not acquired them in one or more transactions considered to be an adventure or concern in the nature of trade. Certain Unitholders who might not otherwise be considered to hold their Units as capital property may, in certain circumstances, be entitled to have them and every other "Canadian security" (within the meaning of the Tax Act) owned or subsequently owned by them treated as capital property by making an irrevocable election in accordance with the Tax Act. This summary is not applicable to a Unitholder (i) that is a partnership, (ii) that is a "financial institution" (as defined in the Tax Act for purposes of the mark-to-market rules), (iii) that is a "specified financial institution" (as defined in the Tax Act), (iv) an interest in which is a "tax shelter investment" (as defined in the Tax Act), (v) who has elected to have the "functional currency" reporting rules under the Tax Act apply; or (vi) who has entered or enters into a "derivative forward agreement" (as defined in the Tax Act) with respect to the Units. In addition, this summary does not address the deductibility of interest by a Unitholder who has borrowed money to acquire Units.

This summary is based on the current provisions of the Tax Act, counsel's understanding of the current published administrative policies and assessing practices of the CRA and certificates of the Asset Manager as to certain factual matters.

This summary is of a general nature only and is not intended to be, nor should it be construed to be, legal or tax advice to any particular Unitholder, and no representations with respect to the income tax consequences to any particular Unitholder are made. Accordingly, Unitholders should consult their own tax advisors for advice with respect to the income tax consequences of holding and disposing of Units based on their particular circumstances. This summary does not address any Canadian federal income tax considerations applicable to Non-Residents, and Non-Residents should consult their own tax advisors regarding the tax consequences of acquiring, holding and disposing of Units. All payments to Non-Residents of distributions on the Units will be net of any applicable withholding taxes.

6.3 Status and Taxation of the Fund

This summary is based on the assumption that the Fund is and will continue to qualify, at all times, as a "mutual fund trust" within the meaning of the Tax Act. In order to qualify as a mutual fund trust, the Fund must, among other things, comply on a continuous basis with certain minimum requirements respecting the ownership and dispersal of Units. If the Fund were not to qualify as a mutual fund trust, the income tax considerations described below would, in some respects, be materially different.

This summary is also based on the assumption that the Fund will at no time be a SIFT Trust. Provided that the Units are not listed or traded on a stock exchange or other "public market", as defined in the Tax Act, the Fund will not be subject to the SIFT Rules. See "Item 8: Risk Factors – Tax-Related Risks".

The Fund will be subject to tax in each taxation year under Part I of the Tax Act on the amount of its income for the taxation year less the portion thereof that it deducts in respect of the amount paid or payable to Unitholders in the taxation year. The Fund intends to deduct, in computing its income in each taxation year, the full amount available for deduction in each taxation year and therefore, the Fund does not generally expect to be liable in such taxation year for income tax under Part I of the Tax Act.

The Fund will be required to include in its income for a taxation year with respect to debt obligations held by the Fund all interest that accrues or is deemed to accrue to the Fund to the end of that taxation year, or that becomes receivable or is received by it before the end of that year, except to the extent that such interest was included in the Fund's income for a preceding taxation year. Upon the actual or deemed disposition of a debt obligation, the Fund will be required to include in computing its income for the year of disposition all interest that accrued on such debt obligation from the last interest payment date to the date of disposition, except to the extent such interest was included in computing the Fund's income for that or another taxation year and such income inclusion will be excluded in computing the proceeds of disposition for purposes of computing any capital gain or capital loss.

One-half of the amount of any capital gain (a "**taxable capital gain**") realized by the Fund in a taxation must be included in computing the Fund's income for the year, and one-half of the amount of any capital loss (an "**allowable capital loss**") realized by the Fund in a taxation year is required to be deducted against any taxable capital gains realized by the Fund in the year. Any excess of allowable capital losses over taxable capital gains for a taxation year may be deducted against taxable capital gains realized by the Fund in any of the three preceding taxation years or in any subsequent taxation year to the extent and under the circumstances described in the Tax Act.

In computing its income for tax purposes, the Fund may deduct reasonable administrative and other expenses incurred to earn income in accordance with the detailed rules in 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 taxation year (a "**capital gains refund**"). In certain circumstances, the capital gains refund in a particular taxation year may not completely offset the tax liability of the Fund for such taxation year.

Pursuant to certain proposed legislative amendments, for taxation years of the Fund that commence on or after March 19, 2019, the Fund generally will not be entitled to a deduction in computing its income in respect of amounts allocated to redeeming Unitholders to the extent of (i) the portion of any such amount that would be paid out of the income (other than taxable capital gains) of the Fund, and (ii) the portion of any such amount that is a capital gain to the extent that the amount so allocated, generally, exceeds the gain that would otherwise be realized by the redeeming Unitholder from the redemption of the Units. As a result, the taxable component of distributions by the Fund to non-redeeming Unitholders may be adversely affected.

6.4 Taxation of Unitholders

6.4.1 Distributions

A Unitholder will generally be required to include, in computing income for a taxation year, the amount of the Fund's net income for the taxation year, including net realized taxable capital gains, paid or payable to the Unitholder in the taxation year, whether paid in cash or additional Units. The non-taxable portion of the Fund's net realized capital gains paid or payable (whether in cash or in Units) to a Unitholder in a taxation year will not be included in the Unitholder's income for the taxation year. Any other amount in excess of the Fund's net income for a taxation year paid or payable to a Unitholder in the taxation year will generally not be included in the Unitholder's income. Such amount, however, will generally 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 and his or her adjusted cost base will be increased by the amount of such deemed gain. Any losses of the Fund for purposes of the Tax Act cannot be allocated to, and cannot be treated as a loss of, a Unitholder.

Provided that appropriate designations are made by the Fund, such portion of: (i) the net realized taxable capital gains of the Fund; and (ii) the taxable dividends, if any, received or deemed to be received by the Fund on shares of taxable Canadian corporations, as is paid or payable to a Unitholder will effectively retain its character and be treated as such in the hands of the Unitholder for purposes of the Tax Act. To the extent that amounts are designated as taxable dividends from taxable Canadian corporations, the gross-up and dividend tax credit rules will apply, including the enhanced gross-up and dividend tax credit rules in respect of eligible dividends paid by taxable Canadian corporations.

6.4.2 Disposition of Units

On the disposition or deemed disposition of a Unit, the Unitholder will realize a capital gain (or capital loss) to the extent that the Unitholder's proceeds of disposition exceed (or are less than) the aggregate of the adjusted cost base of the Unit to the Unitholder immediately before the disposition and any reasonable costs of disposition.

In general terms, the adjusted cost base to a Unitholder of newly acquired Units will be averaged with the adjusted cost base of all identical Units held by the Unitholder as capital property immediately before that time. The cost of Units acquired as a distribution or as a reinvestment of a distribution of income or capital gains from the Fund will generally be equal to the amount of the distribution. If a Unitholder participates in a distribution reinvestment plan and acquires a Unit from the Fund at a price that is less than the fair market value of the Unit, it is the CRA's administrative position that the Unitholder must include the difference in income and increase the cost of such Unit by a corresponding amount. A consolidation of Units following a distribution paid in the form of additional Units will not be regarded as a disposition of Units.

Any taxable capital gain realized on the disposition of Units in a taxation year will be included in the Unitholder's income and any allowable capital loss realized will be required to be deducted from taxable capital gains of the Unitholder for that taxation year. Allowable capital losses for a taxation year in excess of taxable capital gains may be carried back and deducted in any of the three preceding taxation years or carried forward and deducted in any subsequent taxation year against taxable capital gains in accordance with the provisions of the Tax Act.

6.4.3 Alternative Minimum Tax

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

6.4.4 Tax Implications of Cash Distribution Policy

The fair market value per Unit will reflect any income and gains of the Fund that have accrued or have been realized but have not been made payable at the time Units are acquired. A Unitholder who acquires Units may become taxable on the Unitholder's share of income and gains of the Fund that accrued before the Units were acquired notwithstanding that such amounts may have been reflected in the price paid by the Unitholder for the Units. Since the Fund intends on making quarterly cash distributions, the consequences of acquiring Units late in a calendar year will generally depend on the amount of quarterly distributions throughout the year and whether distributions to Unitholders late in the calendar year ensure that the Fund will not be liable for non-refundable income tax on such amounts under the Tax Act.

6.4.5 Taxation of Registered Plans

Amounts of income and capital gains included in a Registered Plan's income are generally not taxable under Part I of the Tax Act, provided that the Units are qualified investments for the Registered Plan. See "Item 6: Income Tax Consequences and RRSP Eligibility – Eligibility for Investment". **Unitholders should consult their own advisors regarding the tax implications of establishing, amending, terminating or withdrawing amounts from a Registered Plan.**

Item 7 Compensation Paid to Sellers and Finders

7.1 Class A Units

A 1% trailing commission may be payable by the Manager to third-parties, including securities dealers, in respect of the holding of Class A Units. No sales commissions or fees are payable by the Fund in respect of the purchase of Class A Units.

7.2 Class F Units

No sales commissions or fees are payable by the Fund in respect of the purchase or holding of Class F Units.

7.3 Referral Arrangements

Any compensation payable to securities dealers or under referral arrangements will be paid by the Manager.

Item 8 Risk Factors

There are certain risk factors inherent in an investment in the Units and in the activities of the Fund, including the risks summarized below. Subscribers should carefully consider before subscribing for the Units.

8.1 Risks relating to Investment Funds

8.1.1 Determination of Subscription Price

Although the subscription price for the Offered Units is determined by the Class Unit Value as of the Valuation Date in accordance with the Trust Agreement, there can be no assurance that the subscription price for the Offered Units reflects the actual value of the Offered Units.

8.1.2 No Market for the Units

There is currently no market for any Class of Units and it is not expected that a market will develop. There are also resale restrictions imposed under applicable securities laws as more particularly described in this Offering Memorandum. The primary means of liquidating an investment in the Fund is through the redemption feature associated with the Class of Units and a redemption of Units will not be prohibited under applicable securities laws.

8.1.3 Potential Dilution

The Fund is authorized to issue an unlimited number of Units of each Class. The issuance of additional Units of a Class will have a dilutive effect on the holders of Units.

8.1.4 Valuation Risk

The value of an investment fund changes as the value of its underlying investments change. As a result, the value of a Unitholder's investment upon redemption may be less than the amount originally invested. There may not always be available suitable investments in which the investment fund may invest to meet its investment objectives. In addition to general risks of investments in real property, the value of the investment fund may change due to the following investment risks, which are not listed or ranked by order of importance.

8.1.5 Multi-Class Risk

The Fund offers different Classes of Units. Each Class will have its own fees and expenses that are specifically attributable to it. Those expenses will be deductible in calculating the Unit price only for that Class, thereby reducing the value of the Fund's assets attributable to that Class. Those expenses, however, continue to be liabilities of the Fund as a whole. Accordingly, the investment performance, expenses or liabilities of one Class may affect the value of the securities of another Class.

8.1.6 Redemption Risk

There are some limitations on investors' ability to redeem their investment and some limitations on investors' ability to receive redemption proceeds in cash as more particularly described in this Offering Memorandum.

8.1.7 Large Order Risk

If large single or related investors make significant purchases or redemptions of Units, the Fund might have to buy or sell a significant portion of its assets. This could result in the Fund being forced to sell investments at unfavourable prices or keep a larger amount of its assets in cash than would otherwise be the case. These conditions could impact its performance.

8.1.8 Leverage

Leverage involves financing the acquisition or development of property or assets through debt financing. Leverage increases the potential for capital gains and increased income, but at the same time increases the possibility of sustaining losses. Leverage should be utilized with due consideration for the volatility of interest rates. Other factors that should be considered are the relative liquidity or illiquidity of the Fund and the cash flow requirements for the Fund. The Fund's policy as with respect to leverage is set forth in this Offering Memorandum.

8.1.9 Availability of Cash for Distributions

There can be no assurance that the Fund will have distributable cash and distributions are not assured. The Fund may also declare and pay a distribution in additional Units as more particularly described in this Offering Memorandum.

8.1.10 Nature of Units

The Units are not traditional equity investments and are not the same as shares of a corporation. As a result, Unitholders will not have the statutory rights and remedies normally associated with share ownership, including, for example, the right to bring "oppression" or "derivative" actions. The Units are not "deposits" within the meaning of the *Canada Deposit Insurance Corporation Act* and are not insured under the provisions of that act or any other legislation. Each Unit represents an undivided beneficial interest in the Fund with the attributes described in this Offering Memorandum.

8.2 Risks Relating to the Fund

8.2.1 Use of Proceeds

The net proceeds available to the Fund cannot be determined as at the date of this Offering Memorandum. Although the Fund expects the available net proceeds of the Offering to be applied as set forth in the Offering Memorandum under Item 1 – Net Proceeds, the net proceeds of the Offering may be reallocated for sound business reasons.

8.2.2 Reliance on Management

Investors in the Fund rely on the expertise, skill, judgment, integrity and good faith of the management of the Manager with respect to the Fund's underlying investments, operations and administration. In particular, investors in the Fund will rely on the discretion and ability of the Manager in determining the composition of the portfolio of mortgages and in negotiating the pricing and other terms of the agreements leading to the acquisition of mortgages. The ability of the Manager to successfully implement the investment strategies of the Fund and to successfully achieve the investment objectives of the Fund will depend in large part on the continued services of key management personnel. If the services of key management personnel were lost, the Fund may be materially adversely affected.

The Fund also relies on the expertise, skill, judgement, integrity and good faith of the management of the Fund's underlying investments in respect of the operation and administration of the Fund's underlying investments.

8.2.3 Capitalization

There can be no assurance that the Fund or an underlying investment will be sufficiently capitalized to carry out its objectives.

8.2.4 Litigation Risk

The Fund or its underlying investments may, from time to time, become involved in legal proceedings in the course of their respective businesses. The costs of litigation and settlement can be substantial and there is no assurance that such costs will be recovered in whole or in part. The unfavourable resolution of any legal proceedings could have a material adverse effect on the Fund or its underlying investments and the value of the Units.

8.2.5 Potential Conflicts of Interest

The Fund is a connected issuer of Alitis. For further information about the relationship between Alitis and the Fund and how conflicts of interest are managed, please see the Alitis Conflict Disclosure attached hereto as Appendix B. Alitis' full disclosure of conflicts of interest which contains information on the relationships between Alitis, its investment pools and Alitis client accounts and is updated regularly and can be found at info.alitis.ca/conflict_disclosure or provided upon request.

While the Fund does not currently invest in any other investment funds managed by Alitis, the Fund may do so in the future, subject to compliance with applicable securities laws or, if required, an exemption therefrom and provided that: (i) the investment in such underlying fund is compatible with the investment objectives of the Fund; (ii) the investment in such underlying fund represents the business judgement of a responsible person uninfluenced by considerations other than the best interests of the Fund; (iii) no sales or redemption fees are payable by the Fund in relation to its purchases or redemptions of securities of the underlying fund.

8.2.6 Tax Related Risks

There can be no assurance that income tax laws and the treatment of mutual fund trusts will not be changed in a manner which adversely affects the Fund or the Unitholders.

If the Fund fails or ceases to qualify as a mutual fund trust for the purposes of the Tax Act, the tax consequences described under "Item 6: Tax Consequences – Certain Canadian Federal Income Tax Considerations" and "Item 6: Income Tax Consequences – Eligibility for Investment" would in some respects be materially and adversely different. In addition, Unitholders may become subject to provincial taxes, such as Ontario land transfer tax, in respect of their Units.

If investments in the Fund become publicly listed or traded for the purpose of the Tax Act, there can be no assurances that the Fund will not be subject to the rules applicable to "specified investment flow through" ("**SIFTs**") at that time. If the Fund were subject to pay tax under such rules, the value of the Units could be reduced and the tax consequences to the Fund and its Unitholders could be materially different.

8.2.7 Potential Unitholder Liability

The Trust Agreement provides that no Unitholder will be subject to any liability whatsoever to any person in connection with the holding of a Unit. However, because of uncertainties in the law relating to investment trusts, there is a risk, which is considered by the Fund to be remote in the circumstance, that a Unitholder could be held personally liable for obligations of the Fund (to the extent that claims are not satisfied by the Fund) in respect of contracts which the Fund enters into and for certain liabilities arising other than out of contracts including claims in tort, claims for taxes and possibly certain other statutory liabilities.

8.3 Risks relating to Investing in Mortgages, Entities which Invest in Mortgages and the Real Estate Industry

8.3.1 Mortgage Investments

The Fund will own mortgages and underlying investments which own mortgages. Mortgage investments are secured against real property. Real estate investments are subject to elements of risk and are affected by factors such as general economic conditions, local real estate markets, the nature and quality of the property, tenant quality and creditworthiness, competition from other available properties and other factors, including risks relating to pandemics which may impact or exacerbate some of all of the above risk factors. The value of a mortgage investment and real property may fluctuate.

8.3.2 General Risk relating to Debt Investments

Mortgage loans are debt securities. The value of the underlying mortgages of the Fund or of an underlying investment of the Fund will be affected by changes in the general level of interest rates. Generally, mortgage securities will decrease in value when interest rates rise and increase in value when interest rates decline. The Class Unit Value changes in the event of a fluctuation of interest rate and also changes with corresponding changes in the value of the securities held by the Fund.

Distributions on Units may depend upon the ongoing payment of coupon interest payable on the underlying debt securities and there can be no assurance that bond issuers will continue to pay coupon interest. The Fund may be affected by a general decline in the mortgage securities market. The value of the mortgage loans held by the Fund will be affected by the risk of default in the payment of interest and principal and price changes due to such factors as general economic conditions and the borrower's creditworthiness.

8.3.3 Interest Rate Risk

The value of the Units will be impacted by changes in the general level of interest rates. If interest rates fall, the value of the Units will tend to rise. If interest rates rise, the value of the Units will tend to fall. Depending on the Fund's holdings, short-term interest rates can have a different influence on the Fund's value than long-term interest rates. If the Fund is invested primarily in mortgages with longer-term maturities, the biggest influence on the value of the Units will be changes in the general level of long-term interest rates. If the Fund invests primarily in mortgages with shorter-term maturities, the biggest influence on value of the Units will be changes in the general level of shorter-term interest rates.

8.3.4 Liquidity Risk

Liquidity refers to the speed and ease with which a security can be sold and converted into cash. In highly volatile markets, such as in periods of sudden interest rate changes, certain securities may become less liquid, which means they cannot be sold as quickly or easily. Some securities may be illiquid because of legal restrictions, the nature of the investment, certain features, like guarantees or a lack of purchasers interested in the particular security or market. Difficulty in selling securities may result in a loss or reduced return for the Fund.

8.3.5 Diversification

Although the Fund strives for some diversity in its portfolio, the composition of the Fund's investment portfolio may vary widely from time to time and may be concentrated by type of security, industry or geography, resulting in the Fund's investment portfolio being less diversified than at other times. As a result, the returns generated by the portfolio may change as its composition changes.

Given the concentration of the Fund's exposure to mortgages and the mortgage lending sector, the Fund will be more susceptible to adverse economic or regulatory occurrences affecting that sector than an investment fund that is not concentrated in a single sector. Investments in mortgages are relatively illiquid. Such illiquidity will tend to limit the ability of the Fund or an underlying investment in the Fund to vary its portfolio of mortgage investments promptly in response to changing economic or investment conditions.

8.3.6 Subordination of Cash Distributions to Loan Repayments

The Fund has the right to borrow funds to provide additional funds for investment. In determining the Fund's cash flow priorities, loan payments will take priority over the payment of cash distributions.

8.3.7 Subordinated Mortgages

Some of the mortgages in which the Fund or an underlying investment of the Fund invests may be considered to be riskier than senior debt financing because the Fund or underlying investment, as the case may be, will not have a first-ranking charge on the real property security in the mortgage loan. When a charge on real property is in a position other than first-ranking, it is possible for the holder of a senior-ranking charge on the real property, if the borrower is in default under the terms of its obligations to such holder, to take a number of actions against the borrower and ultimately against the real property to realize on the security given for the loan. Such actions may include a foreclosure action, the exercising of a giving-in-payment clause or an action forcing the property to be sold. A foreclosure action or the exercise of a giving-in-payment clause may have the ultimate effect of depriving any other holding security against the same real property. If an action is taken to sell the real property and sufficient proceeds are not realized from such sale to pay off creditors who have subordinated charges on the real property, the holder of a subordinated charge may lose its investment or part thereof to the extent of such deficiency unless the holder can otherwise recover such deficiency from other property owned by the debtor.

8.3.8 Sensitivity to Interest Rates

It is anticipated that the value of the Fund's portfolio of investments at any given time may be affected by the level of interest rates prevailing at such time. The Fund's income will consist primarily of interest payments on mortgage loans (or distributions or dividends from underlying entities which invest in mortgage loans). If there is a decline in interest rates, the Fund (or an underlying investment of the Fund) may find it difficult to purchase or acquire additional mortgage loans bearing interest rates sufficient to maintain an appropriate level of return. There is no assurance that an interest rate environment in which there is a significant decline in interest rates would not adversely affect Fund's ability to make cash distributions at a consistent level. As well, if interest rates increase, the value of the Fund's portfolio of investments will be negatively impacted.

8.3.9 Risks Related To Mortgage Defaults

The Fund or an underlying investment of the Fund may from time to time deem it appropriate to extend or renew the term of a mortgage past its maturity, or to accrue the interest on a mortgage. In such circumstances, however, the Fund or the underlying investment is subject to the risk that the principal and/or accrued interest may not be repaid in a timely manner or at all, which could impact the cash flows of the Fund during the period in which it is exercising or forebearing its legal remedies or rights. Further, in the event that the valuation of the real property underlying a mortgage has fluctuated due to market conditions, there is a risk that the Fund or an underlying investment of the Fund may not recover all or substantially all of the principal and interest owed to it in respect of such mortgage loan.

When a mortgage loan is extended past its maturity, the loan can either be held over on a month to month basis, or renewed for an additional term at the time of its maturity. Notwithstanding any such extension or renewal, if the borrower subsequently defaults under any terms of the loan, the lender has the ability to exercise its mortgage enforcement remedies in respect of the extended or renewed loan. Exercising mortgage enforcement remedies is a process that requires a significant amount of time to complete, which could adversely impact the cash flows of the Fund or the applicable underlying investment of the Fund during the period of enforcement. In addition, as a result of potential declines in real estate values, there is no assurance that the Fund or the underlying investment of the Fund will be able to recover all or substantially all of the outstanding principal and interest owed to it in respect of such loans by exercising its mortgage enforcement remedies. Should it be unable to recover all or substantially all of the principal and interest owed to it in respect of such loans, the returns, financial condition and results of operations of the Fund and/or the applicable underlying investment of the Fund would be adversely impacted.

8.3.10 Foreclosure And Related Costs

One or more borrowers could fail to make payments according to the terms of the loan made to them by the Fund or the underlying investment of the Fund, which could therefore be forced to exercise its rights as mortgagee. The recovery of a portion of a mortgage investment may not be possible for an extended period of time during this process and there are circumstances where there may be complications in the enforcement of the mortgagee's rights. Legal fees and expenses and other costs incurred by a mortgagee in enforcing its rights against a defaulting borrower are usually recoverable from the borrower directly or through the sale of the mortgaged property by power of sale or otherwise, although there is no assurance that they will actually be recovered. In the event that these expenses are not recoverable, they will be borne by the Fund or the applicable underlying investment of the Fund.

Furthermore, certain significant expenditures, including property taxes, capital repair and replacement costs, maintenance costs, mortgage payments, insurance costs and related charges must be made through the period of ownership of real property regardless of whether the property is producing income. The Fund or applicable underlying investment of the Fund may therefore be required to incur such expenditures to protect its investments, even if the borrower is not honouring its contractual obligations.

8.3.11 Construction Mortgages

Construction mortgages generally require more active and ongoing management oversight than that required for non-construction mortgages that are secured by mature income-producing properties. The rules under the Tax Act governing mortgage investment corporations prohibit a mortgage investment corporation from managing or developing real or immovable property, and therefore there are restrictions on a mortgage investment corporation being able to complete the development of properties that the mortgage investment corporation assumes ownership or control of by taking enforcement steps against defaulting borrowers. Accordingly, construction mortgages generally involve a higher degree of risk for a lender that is a mortgage investment corporation than non-construction mortgages.

8.3.12 Investment not insured

An investment in the Fund is not insured against loss through the Canada Deposit Insurance Corporation. Moreover, mortgages held by the Fund, or an underlying investment of the Fund, are not insured through the Canada Mortgage and Housing Corporation or otherwise.

8.3.13 Renewal of Mortgage Loans

There can be no assurances that any of the mortgage loans held by the Fund (or an underlying investment of the Fund) can or will be renewed at the same interest rates and terms, or in the same amounts as are currently in effect. With respect to each mortgage held, it is possible that either the mortgagor, the mortgagee (i.e. the Fund or the underlying investment of the Fund), or both, will elect not to renew such mortgage. In addition, if a mortgage in the portfolio is renewed, the principal balance, the interest rate and the other terms and conditions of such mortgage will be subject to negotiations between the mortgagor and the mortgagee (i.e. the Fund or the underlying investment of the Fund) at the time of renewal and the terms of a refinancing may therefore not be as favourable as the terms of existing indebtedness which could result in an adverse effect on the expected returns to Unitholders.

8.3.14 Nature of Mortgage Investments

Investments in mortgages are relatively illiquid. Such illiquidity will tend to limit the ability of the Fund (or an underlying investment in the Fund) to vary its direct mortgage portfolio promptly in response to changing economic or investment conditions. Furthermore, certain significant expenditures, including property taxes, capital repair and replacement costs, maintenance costs, mortgage payments, insurance costs and related charges must be made throughout the period of ownership of real property regardless of whether the property is producing income or whether mortgage payments are being made. The Fund (or an underlying investment in the Fund) may be required to incur such expenditures to protect its investment, even if the borrower is not fulfilling its contractual obligations

The Fund owns mortgages and/or securities in underlying real estate entities. Entities which own mortgages or real estate are subject to numerous risks associated with real estate, including the highly competitive nature of the real estate industry, changes in general or local economic or conditions, failure of tenants to pay rent, changes in property values, interest rates, capitalization rates, illiquidity risk, availability of mortgage funds or other debt financing, increases in real estate tax rates and other operating expenses, uninsured losses, real estate valuation risk, the possibility of competitive overbuilding and the inability to obtain full occupancy of the properties, government rules and fiscal policies, including rent control legislation which limit potential rent increases, and other events and factors which are beyond the control of the Fund.

8.3.15 Market Risk

With respect to the investments of the Fund which are publicly traded, the market value of such investments will rise and fall based on specific company developments and broader market conditions. Market value will also vary based on a number of factors relevant to the investment. Such factors may include, without limitation, risks relating to general economic conditions, financial markets, industry-specific risks and issuer-specific risks. Risks include and may be exacerbated by a pandemic, such as the COVID-19 pandemic.

8.3.16 Pandemic Risk

The Fund's business could be adversely affected by the effects of a widespread global outbreak of contagious disease, including the recent outbreak of novel coronavirus disease, an infection disease caused by severe acute respiratory syndrome coronavirus 2 (SARS-CoV-2) ("**COVID-19**"). These types of outbreaks may also cause staff shortages, reduced tenant demand, increased government regulations or interventions, all of which may negatively impact the business, financial condition, and results of operations of the Fund. In December 2019, COVID-19 emerged in Wuhan, China. Since then, it has spread and territories and infections have been reported around the world. The World Health Organization has declared the outbreak of COVID-19 a global pandemic. In response to the outbreak, governmental authorities in Canada and internationally have introduced various recommendations and measures to try to limit the pandemic, including travel restrictions, border closures, non-essential business closures, quarantines, self-isolations, shelters-in-place and social distancing. The COVID-19 pandemic and the response of governmental authorities to try to limit it are having a significant impact on the private sector and individuals, including unprecedented business, employment and economic disruptions. The Fund is faced with numerous risks related to

COVID-19 which include the determination of fair value of its underlying investments. As of the date hereof, the full extent of the effects of COVID-19 are unknown. The continued spread of COVID-19, and emerging new strains thereof, and the measures taken by the governments of countries affected could adversely impact the Fund's underlying investments.

8.3.17 Credit Risk

Credit risk is the possibility that a borrower or the counterparty to a contract, including a derivatives contract, is unable or unwilling to repay the obligation, either on time or at all. Entities that borrow money, and the debt securities they issue, are sometimes rated by specialized rating agencies. A downgrade in an issuer's credit rating or other adverse news regarding an issuer can influence a debt security's market value. Other factors can also influence a debt security's market value such the level of liquidity of the security or a change in the market perception of the creditworthiness of the security, the parties involved in structuring the security and the underlying assets, if any. Lower rated and unrated debt instruments generally offer higher rates of interest than higher grade debt instruments but have the potential for substantial loss. An investment in an entity or a market with higher credit risk tends to be more volatile. Such investments may offer the potential of higher returns over the long term.

8.3.18 Derivative Risk

A derivative is a type of investment whose value is derived from the performance of other investments or from the movement of interest rates, exchange rates or market indices. The Fund may use derivatives as long as its use is consistent with the Fund's investment objective. Derivatives have their own special risks, including:

- the use of derivatives for hedging may not always work as intended and may limit the Fund's potential to make a gain;
- the use of derivatives for non-hedging purposes does not protect the Fund from a decline in the value of the underlying security, market or other factor for which the derivative is a substitute;
- the price of a derivative may not accurately reflect the value of the underlying security, market or other factor;
- there is no guarantee that the Fund will be able to close out a derivative contract when it wants to. If, for example, a stock exchange imposes trading limits, it could affect the ability of the Fund to close out its position in a derivative. This type of event could prevent the Fund from making a profit or limiting its losses; and
- the other party to a derivative contract may not be able to meet its obligation to complete the transaction.

8.3.19 General Real Estate Industry Risks

There are also risks faced by the Fund related to the industry in which it and its underlying investments operates. Real estate values are subject to fluctuation owing to a variety of supply and demand factors impacting real estate markets. These risks could result in a material adverse effect on the business, financial condition and results of the operations of the Fund or an underlying investment of the Fund which in turn would result in a material adverse effect on cash available for distribution to Unitholders. In addition, prospective investors should take note of the following:

Competition

The Fund and underlying investments of the Fund are competing with many third parties, including other lenders and financial institutions, seeking investment opportunities similar to those sought by them. There is no assurance that the number of mortgages required to maintain an optimal level of investment will be funded, and this could have an adverse effect on the ultimate return to Unitholders. Such third parties may have greater name recognition and greater financial, managerial and technical resources or offer superior terms to borrowers than the Fund or its underlying investments. This in turn may result in an adverse effect on the returns to Unitholders.

Sensitivity to Interest Rates

It is anticipated that the value of the investment portfolio at any given time may be affected by the level of interest rates prevailing at such time. The Fund's income will consist primarily of interest payments on the mortgages. If there is a decline in interest rates, the Fund or the applicable underlying investment of the Fund may find it difficult to make a mortgage loan bearing rates sufficient to ultimately achieve an appropriate return. There can be no assurance that an interest rate environment in which there is a significant decline in interest rates would not adversely affect the Fund’s business, financial condition and results of its operations which in turn would result in an adverse effect on the cash available for distribution to Unitholders.

Changes in Property Values

Mortgage loan are secured by real estate, the value of which can fluctuate. The value of real estate is affected by general economic conditions, local real estate markets, the attractiveness of the property to tenants where applicable, competition from other available properties, fluctuations in occupancy rates, operating expenses and other factors. The value of income-producing real property may also depend on the credit worthiness and financial stability of the borrowers and/or the tenants. Although independent appraisals may be obtained prior to the Fund or an underlying investment in the Fund making a mortgage investment, the appraised values, even where reported on an "as is" basis, are not necessarily reflective of the actual or future market value of the underlying real property, which may fluctuate. In addition, the appraised values reported in independent appraisals may be subject to certain conditions, including the completion, rehabilitation or making of leasehold improvements on the real property providing security for the loan. There can be no assurance that these conditions will be satisfied and, if and to the extent they are not satisfied, the loan amount may prove to exceed the value of the underlying real property thus resulting in a loan loss if the property must be sold to remedy a mortgage default and thereby affecting adversely the return to the Fund and cash available for distributions to Unitholders. Even if such conditions are satisfied, the appraised value may not necessarily reflect the market value of the real property at the time the conditions are satisfied.

Environmental Risk

Real estate entities are subject to various federal, provincial and municipal laws relating to environmental matters. Such laws provide that the property owner could be liable for the costs of removal of certain hazardous substances and remediation of certain hazardous locations. The failure to remove or remediate such substances or locations, if any, could adversely affect the ability of the property owner to sell such real estate or to borrow using such real estate as collateral and could potentially also result in claims against the property owner.

Item 9 Reporting Obligations

The Fund is not a "reporting issuer" under securities legislation of any jurisdiction. Accordingly, the Fund is not subject to the continuous disclosure obligations of reporting issuers.

The Fund will provide Unitholders audited annual financial statements for the Fund and other reports and information as the Manager may determine, including to the extent required by applicable law.

9.1 Language of Documents

Upon receipt of this document, each Canadian investor hereby confirms that it has expressly requested that all documents evidencing or relating in any way to the sale of the securities described herein (including for greater certainty any purchase confirmation or any notice) be drawn up in the English language only. *Par la réception de ce document, chaque investisseur canadien confirme par les présentes qu'il a expressément exigé que tous les documents faisant foi ou se rapportant de quelque manière que ce soit à la vente des valeurs mobilières décrites aux présentes (incluant, pour plus de certitude, toute confirmation d'achat ou tout avis) soient rédigés en anglais seulement.*

9.2 Auditor and Unitholder Recordkeeper

The auditor of the Fund is KPMG LLP. SGGG Fund Services Inc. provides record-keeping services for the Fund.

Item 10 Resale Restrictions

The Units will be subject to a number of resale restrictions, including a restriction on trading. Until the restriction on trading expires, you will not be able to trade the Units unless you comply with an exemption from the prospectus and, if applicable, registration requirements under applicable securities legislation. Unless permitted under securities legislation, you cannot trade the Units before the date that is 4 months and a day after the date the Fund becomes a reporting issuer in any province or territory of Canada.

For purchasers in Manitoba, unless permitted under securities legislation, you must not trade the Units without the prior written consent of the regulator in Manitoba unless:

(a) the Fund has filed a prospectus with the regulator in Manitoba with respect to the Units and the regulator in Manitoba has issued a receipt for that prospectus, or

(b) you have held the Units for at least 12 months.

The regulator in Manitoba will consent to your trade if the regulator is of the opinion that to do so is not prejudicial to the public interest.

The Fund is not a "reporting issuer", as such term is defined under applicable Canadian securities laws, in any province or territory of Canada. Investors are advised that the Fund currently does not intend to file a prospectus or similar document with any securities regulatory authority in Canada qualifying the resale of the Units to the public in any province or territory of Canada in connection with this Offering, nor does the Fund otherwise intend on becoming a reporting issuer. As it is not anticipated that the Fund will become a reporting issuer, the hold period for the Units may never expire and you will not be able to trade or re-sell your Units unless you comply with an exemption from the prospectus and registration requirements under applicable securities legislation. Accordingly, it is expected that the sole method of liquidation of an investment in Units will be by way of redemption of the Units.

Item 11 Purchaser's Rights

If you purchase these securities you will have certain rights, some of which are described below. For information about your rights you should consult a lawyer.

Appendix A contains a summary of the statutory or contractual rights of action for damages or rescission which may be available to a purchaser of Units. Applicable securities laws in certain jurisdictions provide purchasers, or require purchasers be provided, with remedies for rescission or damages, or both, if this Offering Memorandum or any amendment to it or any information or documents incorporated or deemed to be incorporated herein by reference contains a misrepresentation. However, these remedies must be exercised within the time limits prescribed. Purchasers should refer to the applicable legislative provisions for the complete text of these rights and/or consult with a legal advisor.

Any Offering Memorandum marketing materials related to the Offering and which are delivered or made reasonably available to a purchaser before the closing of that purchaser's subscription for Units are deemed to be incorporated by reference in this Offering Memorandum.

11.1 Two Day Cancellation Right

If you are purchasing Units pursuant to the offering memorandum exemption contained in Section 2.9 of National Instrument 45-106 - Prospectus Exemptions, you can cancel your agreement to purchase the Units offered pursuant to this Offering Memorandum. To do so, you must send a notice to the Asset Manager by midnight on the 2nd Business Day after you sign the subscription agreement to buy the Units.

See "Appendix A Rights of Action for Damages or Rescission".

Item 12 Financial Statements

The financial statements of the Fund as at and for the fiscal year ended December 31, 2020 are attached and start on the next page.

Financial Statements of

ALITIS PRIVATE MORTGAGE FUND

And Independent Auditors' Report thereon

Year ended December 31, 2020

KPMG LLP
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INDEPENDENT AUDITORS' REPORT

To the Unitholders of Alitis Private Mortgage Fund

Opinion

We have audited the accompanying financial statements of Alitis Private Mortgage Fund (the "Entity"), which comprise the statement of financial position as at December 31, 2020, the statements of comprehensive income, changes in net assets attributable to holders of redeemable units and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies (hereinafter referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Entity as at December 31, 2020 and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the "***Auditors' Responsibilities for the Audit of the Financial Statements***" section of our auditors' report.

We are independent of the Entity in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Entity's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Entity's financial reporting process.

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Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

  The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Entity to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

KPMG LLP

Chartered Professional Accountants

Winnipeg, Canada

April 15, 2021

ALITIS PRIVATE MORTGAGE FUND

Statement of Financial Position

As at December 31, 2020, with comparative information for 2019

	2020	2019
Assets		
Investments	$ 69,493,271	$ 67,652,585
Future contracts	–	150,847
Cash	1,600,207	1,712,261
Interest and dividends receivable	823,928	845,185
Fee rebate - investments owned	5,040	14,997
Subscriptions receivable	–	760,701
Prepaid expenses	74,634	114,505
	$ 71,997,080	$ 71,251,081
Liabilities		
Future contracts	$ 35,371	$ –
Accounts payable and accrued liabilities	38,546	42,784
Management fees payable (note 5)	43,614	43,120
Subscriptions received in advance	236,184	–
Distributions payable	10,837	24,899
Redemptions payable	252,936	497,393
Performance fees payable (note 5)	567	85,000
	618,055	693,196
Net assets attributable to holders of redeemable units	$ 71,379,025	$ 70,557,885
Net assets attributable to holders of redeemable units per class:		
Class D	$ 25,919,994	$ 25,294,823
Class E	43,589,662	43,001,792
Class F	1,869,369	2,261,270
Number of redeemable units outstanding (note 6):		
Class D	2,444,268	2,367,201
Class E	4,216,565	4,116,302
Class F	184,649	222,752
Net assets attributable to holders of redeemable units per unit:		
Class D	$ 10.60	$ 10.69
Class E	10.34	10.45
Class F	10.12	10.15

The accompanying notes form an integral part of these financial statements.

Approved on behalf of the Trust, ______________ Manager
Alitis Investment Counsel Inc.

ALITIS PRIVATE MORTGAGE FUND

Statement of Comprehensive Income

Year ended December 31, 2020, with comparative information for 2019

	2020	2019
Investment income:		
Interest income for distribution purposes	$ 4,459,385	$ 4,692,655
Other income	3,307	–
Fee rebate - investments owned	49,852	74,828
Net changes in fair value on financial assets at fair value through profit or loss:		
Net realized gain on sale of investments	467,111	655,244
Net change in unrealized appreciation (depreciation) in value of investments	(422,402)	1,247,125
	4,557,253	6,669,852
Expenses:		
Management fees (note 5)	508,664	509,703
Operating costs	112,908	130,197
Audit fee	11,831	11,899
Offering costs	5,600	–
Custodian fees	2,520	2,520
Commissions and other portfolio transaction costs	2,367	1,496
Performance fees (note 5)	567	142,683
Legal fees	–	12,662
	644,457	811,160
Increase in net assets attributable to holders of redeemable units	$ 3,912,796	$ 5,858,692
Increase in net assets per class:		
Class D	$ 1,588,535	$ 2,161,103
Class E	2,246,845	3,575,663
Class F	77,416	121,926
	$ 3,912,796	$ 5,858,692
Increase in net assets attributable to holders of redeemable units per unit:		
Class D	$ 0.68	$ 1.01
Class E	0.55	0.87
Class F	0.43	0.80

The accompanying notes form an integral part of these financial statements.

ALITIS PRIVATE MORTGAGE FUND

Statement of Changes in Net Assets Attributable to Holders of Redeemable Units

Year ended December 31, 2020, with comparative information for 2019

	2020	2019
Net assets attributable to holders of redeemable units, beginning of year:		
Class D	$ 25,294,823	$ 21,678,152
Class E	43,001,792	42,068,801
Class F	2,261,270	627,908
	70,557,885	64,374,861
Increase in net assets from operations:		
Class D	1,588,535	2,161,103
Class E	2,246,845	3,575,663
Class F	77,416	121,926
	3,912,796	5,858,692
Capital transactions:		
Proceeds from redeemable units issued:		
Class D	1,131,010	3,495,782
Class E	3,284,677	4,933,019
Class F	552,500	1,551,896
	4,968,187	9,980,697
Redemption of redeemable units:		
Class D	(2,094,374)	(2,039,623)
Class E	(4,942,801)	(7,573,465)
Class F	(977,840)	–
	(8,015,015)	(9,613,088)
Distribution to unitholders of redeemable units:		
Class D	(1,779,408)	(1,715,632)
Class E	(2,534,740)	(2,707,760)
Class F	(101,609)	(107,175)
	(4,415,757)	(4,530,567)
Re-investments of distributions to holders of redeemable units:		
Class D	1,779,408	1,715,041
Class E	2,533,889	2,705,534
Class F	57,632	66,715
	4,370,929	4,487,290
Net assets attributable to holders of redeemable units, end of year:		
Class D	25,919,994	25,294,823
Class E	43,589,662	43,001,792
Class F	1,869,369	2,261,270
	$ 71,379,025	$ 70,557,885

The accompanying notes form an integral part of these financial statements.

ALITIS PRIVATE MORTGAGE FUND

Statement of Cash Flows

Year ended December 31, 2020, with comparative information for 2019

	2020	2019
Cash flow from (used in) operating activities:		
Increase in net assets attributable to holders of redeemable units	$ 3,912,796	$ 5,858,692
Adjustments for non-cash items:		
Net realized gain on sale of investments	(467,111)	(655,244)
Net change in unrealized (appreciation) depreciation in value of investments	422,402	(1,247,125)
Change in non-cash balances:		
Interest and dividends receivable	21,257	363,030
Fee rebate - investments owned	9,957	–
Prepaid expenses	39,871	(112,378)
Accounts payable and accrued liabilities	(4,238)	9,162
Management fees payable	494	2,108
Performance fees payable	(84,433)	85,000
Proceeds from sale of investments	10,515,531	16,381,961
Purchase of investments	(12,077,328)	(17,813,758)
Net cash flow from operating activities	2,289,198	2,871,448
Cash flow from (used in) financing activities:		
Proceeds from issuances of redeemable units	5,965,072	9,596,500
Amount paid on redemption of redeemable units	(8,259,472)	(9,347,348)
Distributions paid to holders of redeemable units, net of reinvested distributions	(58,890)	(19,456)
Net cash flow from (used in) financing activities	(2,353,290)	229,696
Increase (decrease) in cash during the year	(64,092)	3,101,144
Foreign exchange gain (loss) on cash	(47,962)	1,844
Cash (bank indebtedness), beginning of year	1,712,261	(1,390,727)
Cash, end of year	$ 1,600,207	$ 1,712,261
Supplemental information*:		
Interest paid	$ 1,811	$ 8,885
Interest received	4,518,579	5,047,494
Dividends received, net of withholding taxes	37,937	6,855

*Included as part of “cash flow from operating activities”.

The accompanying notes form an integral part of these financial statements.

ALITIS PRIVATE MORTGAGE FUND

Schedule of Investment Portfolio

December 31, 2020

Number of share/units/ par value	Investments owned	Average cost	Fair value	% of net assets
Canadian fixed income:				
5,200,000	Antrim Balance Mortgage Fund	$ 5,200,000	$ 5,200,000	7.29
166,800	Atrium Mortgage Investment Corp.	1,871,963	2,110,020	2.96
8,700,000	Cambridge Mortgage Investment Corporation Class B	8,700,000	8,700,000	12.19
157,733	Cameron Stephens High Yield Mortgage Trust	1,577,331	1,577,331	2.21
3,442,623	Kingsett High Yield Fund LP	3,442,623	3,442,623	4.82
4,500,000	KingSett Senior Mortgage Fund LP	4,500,000	4,500,000	6.30
595,000	KV Mortgage Fund Inc.	5,950,000	5,950,000	8.34
325,000	Magenta III Mortgage Investment Corp. PFD	3,250,000	3,250,000	4.55
305,500	MCAN Mortgage Corp.	4,002,944	4,817,735	6.75
2,500,000	Neighbourhood Holdings Limited Partnership Class F	2,500,000	2,500,000	3.50
685,000	Romspen Mortgage Investment Fund	6,850,000	6,698,615	9.38
8,100,000	Ryan Mortgage Income Fund	8,100,000	8,100,000	11.35
421,400	Timbercreek Financial Corp.	3,418,194	3,645,110	5.11
		59,363,055	60,491,434	84.75
U.S. mortgage:				
6,876	Timbercreek Real Estate Finance US LP	8,878,472	9,001,837	12.61
Total investments owned		68,241,527	69,493,271	97.36
Commissions and other portfolio transaction costs		(4,786)	–	–
Net investments owned		$ 68,236,741	69,493,271	97.36
Unrealized loss, U.S. future currency contracts, notional amount $9,700,000, matures March 16, 2021, average contract rate of 0.7863			(35,371)	(0.05)
Other net assets			1,921,125	2.69
Net assets attributable to holders of redeemable units			$ 71,379,025	100.00

The accompanying notes form an integral part of these financial statements.

1. Fund organization and nature of operations:

Alitis Private Mortgage Fund (formerly Alitis Mortgage Plus Fund) (the "Fund") is an open-ended investment trust which was created under the laws of the Province of British Columbia pursuant to a Trust Indenture dated January 15, 2014. BNY Trust Company of Canada, a company constituted under laws of Canada, is the trustee of the Fund (the "Trustee") pursuant to a master trust agreement dated January 15, 2014 and amended on April 2, 2014, March 10, 2017, April 13, 2018, April 30, 2020 and September 16, 2020 (the "Trust Agreement"). Alitis Investment Counsel Inc., a corporation incorporated under laws of British Columbia, is the manager of the Fund (the "Manager") pursuant to the Trust Agreement. The Fund commenced active operations on February 1, 2014.

The address of the Fund's registered office is c/o Alitis Investment Counsel Inc., 909 Island Hwy, Suite 101, Campbell River, British Columbia, V9W 2C2.

The investment objective of the Fund is to generate a high level of monthly income with relatively low volatility. The Fund invests in mortgages through equity investments in Mortgage Investment Corporations (MICs) and other managed investments including: mutual fund trusts, exchange-traded funds (ETFs), closed-end funds, limited partnerships, real estate investment trusts (REITs) and other pooled investments.

The success of the Fund depends on the continued services of the Manager and will be influenced by a number of risk factors associated with investments in mortgage pools and other pooled products and the use of leverage, including derivative hedge risk, market liquidity, short sales, portfolio turnover, foreign currency exposure, foreign market exposure, and interest rate fluctuations.

2. Basis of presentation:

(a) Basis of accounting:

These annual financial statements have been prepared in compliance with International Financial Reporting Standards (IFRS). The Fund reports under this basis of accounting as required by Canadian Securities Legislation and the Canadian Accounting Standards Board.

The policies applied in these annual financial statements are based on IFRS issued and outstanding as of April 15, 2021, which is the date on which the annual financial statements were authorized for issue by the Manager.

2. Basis of presentation (continued):

(b) Basis of measurement:

These financial statements have been prepared on the historical cost basis except for financial instruments at fair value through profit or loss, which are measured at fair value.

(c) Functional and presentation currency:

These financial statements are presented in Canadian dollars, which is the Fund's functional currency.

3. Significant accounting policies:

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

(a) Financial instruments:

(i) Classification and measurement:

Financial assets are required to be classified into one of the following categories: fair value through profit or loss (FVTPL), amortized cost or fair value through other comprehensive income (FVOCI) based on the entity's business model for managing financial assets and the contractual cash flow characteristics of the financial assets. Financial liabilities are measured at amortized cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is derivative, or it is designated as such on initial recognition.

Assessment and decision on the business model approach used is an accounting judgement.

All financial instruments are measured at fair value on initial recognition. Measurement in subsequent periods depends on the classification of the financial instrument. Transaction costs are included in the initial carrying amount of financial instruments except for financial instruments classified as FVTPL, in which case transaction costs are expensed as incurred.

Financial instruments at FVTPL are recognized initially on the trade date, which is the date on which the Fund becomes a party to the contractual provisions of the instrument. Other financial assets and financial liabilities are recognized on the date on which they are originated. The Fund derecognizes a financial liability when its contractual obligations are discharged, cancelled or expire.

3. Significant accounting policies (continued):

Financial assets and liabilities are offset and the net amount presented in the statement of financial position only when the Fund has a legal right to offset the amounts and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously. At December 31, 2020 and 2019, no amounts have been offset in the statement of financial position.

(ii) FVTPL:

Financial instruments classified as FVTPL are subsequently measured at fair value at each reporting period with changes in fair value recognized in the statement of comprehensive income in the year in which they occur. The Fund has classified its investments, derivative financial assets and derivative financial liabilities as FVTPL.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value of financial assets and liabilities traded in active markets (such as publicly traded derivatives and marketable securities) are based on quoted market prices at the close of trading on the reporting date. The Fund uses the last traded market price for both financial assets and financial liabilities where the last traded price falls within that day's bid-ask spread. In circumstances where the last traded price is not within the bid-ask spread, the Manager determines the point within the bid-ask spread that is most representative of fair value based on the specific facts and circumstances. The Fund's policy is to recognize transfers into and out of the fair value hierarchy levels as of the date of the event or change in circumstances giving rise to the transfer.

The fair value of financial assets and liabilities that are not traded in an active market, including derivative instruments, is determined using valuation techniques. Valuation techniques also include the use of comparable recent arm's length transactions, reference to other instruments that are substantially the same, discounted cash flow analysis, option pricing models and other valuation techniques commonly used by market participants and which make the maximum use of observable inputs. Should the value of the financial asset or liability, in the opinion of the Manager, be inaccurate, unreliable or not readily available, the fair value is estimated on the basis of the most recently reported information of a similar financial asset or liability. These valuation techniques require assumptions that are based on market conditions existing at each statement of financial position date.

3. Significant accounting policies (continued):

Investments in private companies and other assets for which no published market exists are initially valued at cost and adjusted each reporting period, when appropriate, to reflect the most recent value at which such securities have been exchanged in an arm's length transaction which approximates a trade effected in a published market, unless a different fair market value is otherwise determined to be appropriate by the Manager.

The Fund invests in privately held mortgages through equity investments in Corporations, operating as Mortgage Investment Corporations (MIC), and similar entities. These mortgage investments are valued at their fair value according to the value prescribed in their annual financial statements.

The Fund's accounting policies for measuring the fair value of investments are consistent with those used for measuring its net asset value (Trading NAV) for transactions with unitholders.

(iii) Amortized cost:

Financial instruments classified as amortized cost include financial assets that are held to collect contractual cash flows and are expected to give rise to cash flows representing solely payments of principal and interest and financial liabilities not classified as FVTPL. Such financial assets and liabilities are recognized initially at fair value plus any directly attributable transaction costs. Subsequent measurement of these financial assets and financial liabilities is at amortized cost using the effective interest method, less any impairment losses. Interest income is recognized by applying the effective interest rate. The Fund classifies cash, interest and dividends receivable, fee rebate - investments owned, subscriptions receivable, accounts payable and accrued liabilities, management fees payable, subscriptions received in advance, distributions payable, redemptions payable and performance fees payable, as amortized cost. Cash includes cash on deposit with the custodian.

The effective interest method is a method of calculating the amortized cost of a financial asset or liability and of allocating interest income or expense over the relevant period. The effective interest rate is the rate that discounts estimated future cash payments through the expected life of the financial asset or liability, or where appropriate, a shorter period.

(iv) Impairment:

For financial assets measured at amortized cost, the Fund uses an expected credit loss (ECL) impairment model. The ECL model uses an allowance for expected credit losses being recorded regardless of whether or not there has been an actual loss event.

3. Significant accounting policies (continued):

The Fund measures the loss allowance at an amount equal to lifetime ECL for trade and other receivables. Lifetime ECL's are the ECL's that result from all possible default events over the expected life of the trade and other receivables. ECL's are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (that being the difference between the cash flows due to the Fund in accordance with the contract and the cash flows that the Fund expects to receive). ECL's are discounted at the effective interest rate of the financial asset.

(v) Redeemable units:

The Fund classifies financial instruments issued as financial liabilities or equity instruments in accordance with the substance of the contractual terms of the instruments. The Fund has multiple classes of redeemable units that do not have identical features and therefore, does not qualify as equity under International Accounting Standard (IAS) 32, *Financial Instruments - presentation* (IAS 32). The redeemable units, which are measured at the redemption amounts and are considered a residual amount of the net assets attributable to holders of redeemable units, provide investors with the right to require redemption, subject to available liquidity, for cash at a unit price based on the Fund's valuation policies at each redemption date.

(b) Fair value measurements:

The Fund classifies fair value measurements within a hierarchy which gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1) and the lowest priority to unobservable inputs (level 3). Investments measured at fair value are classified into one of three fair value hierarchy levels, based on the lowest level input that is significant to the fair value measurement in its entirety. The inputs or methodologies used for valuing securities are not necessarily an indication of the risk associated with investing in those securities. The Fund recognizes transfers between levels of the fair value hierarchy as at the end of the reporting period during which the change has occurred.

The three fair value hierarchy levels are as follows:

Level 1: Inputs that reflect unadjusted quoted prices in active markets for identical assets or liabilities.

Level 2: Inputs other than quoted prices that are observable for the asset or liability, either directly or indirectly including inputs in markets that are not considered to be active.

Level 3: Inputs for the asset or liability that are not based on observable market data.

3. Significant accounting policies (continued):

Refer to note 8 for fair value measurements analysis.

(c) Investment transactions and revenue recognition:

Investment transactions are accounted for on the trade date. Interest income is accrued daily and dividend income is recognized on the ex-dividend date. Realized gains and losses from investment transactions are calculated on an average cost basis.

The interest for distribution purposes shown in the statement of comprehensive income represents the coupon interest received by the Fund and is accounted for on an accrual basis.

Realized gain/loss on sale of investments and unrealized appreciation/depreciation in investments are determined on an average cost basis. Average cost does not include amortization of premiums or discounts on fixed income securities with the exception of zero coupon bonds which are amortized on a straight line basis.

(d) Income tax:

The Fund qualifies as a mutual fund trust or unit trust under the *Income Tax Act (Canada)* (the “Tax Act”), and accordingly, is not subject to tax on its net taxable income for the tax year which ends in December, including net realized capital gains, which is paid or payable to its unitholders as at the end of the tax year. The Fund is required to make distributions each year of its net income and net realized capital gains, and therefore will not generally be liable for income tax. It is the intention of the Fund to distribute all net income and net realized capital gains on an annual basis. Accordingly, no tax provision has been recorded. The Fund may be subject to alternative minimum tax, which is potentially recoverable.

Non-capital losses are available to be carried forward for twenty years and applied against future taxable income. Capital losses for income tax purposes may be carried forward indefinitely and applied against future capital gains.

(e) Translation of foreign currency:

Transactions in currencies other than the Canadian dollar are translated at the rate of exchange prevailing at the transaction date. Assets and liabilities denominated in currencies other than the Canadian dollar are translated at the applicable exchange rates prevailing at the reporting date. Foreign exchange gains are presented as Net realized gain (loss) on foreign exchange in the statement of comprehensive income except those arising from financial instruments at fair value through profit or loss which are recognized as a component within net realized gain (loss) on sale of investments, including foreign exchange adjustments and net change in unrealized appreciation (depreciation) in value of investments in the statement of comprehensive income.

3. Significant accounting policies (continued):

(f) Net assets attributable to holders of redeemable units per unit:

The net assets attributable to holders of redeemable units per unit is calculated by dividing the net assets attributable to holders of redeemable units of a particular class of units by the total number of units of that particular class outstanding at the end of the year.

(g) Increase in net assets attributable to holders of redeemable units per unit:

Increase in net assets attributable to holders of redeemable units per unit is based on the increase in net assets attributable to holders of redeemable units attributed to each class of units, divided by the weighted average number of units outstanding of that class during the year. Refer to note 12 for the calculation.

(h) Due from/to broker:

The Fund has a prime brokerage agreement with their broker to carry their accounts as a customer. The broker has custody of the Fund's securities and, from time to time, cash balances which may be due from/due to the broker.

Financial instruments and/or cash positions serve as collateral for any amounts due to broker or as collateral for any securities sold, not yet purchased or securities purchased on margin. The securities and/or cash positions also serve as collateral for potential defaults of the Fund.

The Fund is subject to credit risk if the broker is unable to repay balances due or deliver securities in their custody.

(i) Investment entity:

The Fund has determined that it is an investment entity as defined by IFRS 10, *Consolidated Financial Statements and the Amendments to IFRS 10*, as the following conditions exist:

(i) The Fund has obtained funds from one or more investors for the purpose of providing those investors with investment management services;

(ii) The Fund has committed to its investors that its business purpose is to invest funds solely for returns from capital appreciation and investment income; and

(iii) The Fund measures and evaluates the performance of substantially all of its investments on a fair value basis.

3. Significant accounting policies (continued):

As an investment entity, the Fund is exempted from consolidating particular subsidiaries and instead is required to measure its investments in these particular subsidiaries at fair value through profit and loss.

4. Critical accounting estimates and judgments:

The preparation of financial statements in accordance with IFRS requires management to use accounting estimates. It also requires management to exercise its judgment in the process of applying the Fund’s accounting policies. Estimates are continually evaluated and based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Actual results could differ from those estimates. The following discusses the most significant accounting judgments and estimates that the Fund has made in preparing the financial statements:

Classification and measurement of investments and application of the fair value option:

In classifying and measuring financial instruments held by the Fund, the Investment Manager is required to make significant judgments about whether or not the business of the Fund is to manage its portfolio of investments and evaluate performance on a fair value basis and that the portfolio of investments is neither held to collect contractual cash flows nor held both to collect contractual cash flows and to sell financial assets. The most significant judgments made include assessing and determining the appropriate business model that enables the decision that the Fund’s investments are classified as FVTPL under IFRS 9.

Fair value measurement of investments not quoted in an active market:

The Fund may, from time to time, hold financial instruments that are not quoted in active markets, such as unlisted securities, private securities or derivatives. The valuation methods for these financial instruments are described in note 3(a)(ii). The values of these securities are independently assessed by the Manager to ensure they are reasonable. However, because of the inherent uncertainty of valuation, the estimated fair value for these securities may be materially different from the values that would have been used had a ready market for the investment existed. The fair values of private securities are affected by the perceived credit risks of the issuer, predictability of cash flows and the length of time to maturity. Valuation models use observable data, to the extent practicable. However, areas such as credits risk (both own and counterparty); volatilities and correlations require the Manager to make estimates. Changes in assumption about these factors could affect the reporting of fair values of financial instruments.

5. Related party transactions:

Related party transactions are incurred for management and incentive allocations. Balances are unsecured, interest free and to be settled in cash.

Management fees:

The Fund pays the Manager a monthly management fee equal to 1/12th of 1.10 percent of the Net Asset Value of the class E units and 1/12th of 0.75 percent of the Net Asset Value of the class F units. The management fee is calculated and accrued monthly, in arrears, on the last Friday of each month (or preceding business day if the last Friday is a holiday) based on each Fund's Net Asset Value on such day and is paid on the last valuation date of each month, plus applicable taxes. Management fees in respect of the class D units of the Fund are charged to each individual account by the manager.

For the year ended December 31, 2020, management fees of $508,664 (2019 - $509,703) were incurred by the Fund and $43,614 (2019 - $43,120) was payable at December 31, 2020.

Performance fees:

The Manager also receives a performance fee from each Class of Units of the Fund. Performance fees accrue monthly and are paid quarterly, as well as on redemption of a Unit. Upon the redemption of units of a particular class, the accrued portion of the Performance Fee allocated to the redeemed units will be payable by the Fund. Performance fees are calculated as a 17.5 percentage of any gain on units over a specific hurdle rate being 7 percent of the class D units, 6 percent of the class E units, and 6 percent of the class F units, plus applicable taxes.

The gain is calculated as the difference between the Net Asset Value before performance fees on each class and the unitholder equity in the class. Unitholder equity is calculated by taking the net asset value of the class on the last day a performance fee was paid on that class, plus the value of all contributions made in that class since a performance fee was paid and subtracting a pro-rata share of equity on every redemption of units in the class. The hurdle amount is calculated on the unitholder equity, on an annualized basis, and subtracted from the gain. A percentage of the positive difference in gain is accrued to the manager, plus applicable taxes.

For the year ended December 31, 2020, performance fees of $567 (2019 - $142,683) was incurred by the Fund and $567 (2019 - $85,000) was payable at December 31, 2020.

6. Net assets attributable to holders of redeemable units:

The Fund is authorized to issue an unlimited number of redeemable units, issuable in an unlimited number of classes, each of which represents an equal, undivided, beneficial interest in the net assets attributable to holders of redeemable units of the Fund. The Fund currently offers class D, class E and class F units. Each unit of each class entitles the holder to vote, with one vote for each unit and to participate equally with respect to any and all distributions made by the Fund. Units of a class may be consolidated and/or redesignated by the Manager.

Units of the Fund surrendered for redemption may be redeemed monthly on the last Friday in each month (the “Valuation Date”), or preceding business day if the last Friday is a holiday, by giving the manager written notice 30 business days prior to such Redemption Date. The redemption proceeds will be equal to the Net Asset Value per unit of such Units being redeemed on the Redemption Date. Redemptions exceeding 5 percent of the assets of the Fund may require a longer period in which to process the redemption. This longer period will be at the sole discretion of the Manager. Redemption of units which were purchased within the last 180 days may be subject to a short-term trading fee equal to 3 percent of the value of the units redeemed. With units being redeemed at the option of the holder and quarterly distributions of realized income being paid units have been classified as a liability.

The unit activity during the year ended December 31, 2020 and 2019 is as follows:

	2020	2019
Redeemable units, beginning of year:		
Class D	2,367,201	2,071,064
Class E	4,116,302	4,109,110
Class F	222,752	63,243
Redeemable units issued:		
Class D	104,960	326,176
Class E	316,376	470,925
Class F	55,059	152,927
Redeemable units redeemed:		
Class D	(197,250)	(190,792)
Class E	(475,449)	(723,069)
Class F	(98,931)	–
Redeemable units issued on re-investments:		
Class D	169,357	160,753
Class E	259,336	259,336
Class F	5,769	6,582
Redeemable units, end of year:		
Class D	2,444,268	2,367,201
Class E	4,216,565	4,116,302
Class F	184,649	222,752

6. Net assets attributable to holders of redeemable units (continued):

Capital disclosure:

The capital of the Fund is represented by issued and redeemable units. The redeemable units are entitled to distributions, if any, and to payment of a proportionate share based on the Fund's Net Asset Value per unit upon redemption. The Fund has no restrictions or specific capital requirements on the subscriptions and redemptions of units. The relevant movements are shown on the statement of changes in financial position. In accordance with its investment objectives and strategies, and the risk management practices outlined in note 7, the Fund endeavors to invest the subscriptions received in appropriate investments while maintaining sufficient liquidity to meet redemptions, such liquidity being augmented by short-term borrowings or disposal of investments where necessary.

7. Financial instruments risk:

Management of financial instrument risks:

The Fund's activities expose it to a variety of financial risks: interest rate risk, foreign currency risk, price risk, credit risk, liquidity risk and capital risk. An investment in the Fund is speculative and involves a high degree of risk due to the nature of the portfolio of investments and the strategies employed.

There can be no assurance that the investment objectives of the Fund will be achieved. Use of short sales may create special risks and substantially increase the impact of adverse price movements on the portfolio of investments.

Asset allocation is determined by the Manager who manages the distribution of the assets to achieve the investment objectives. Divergence from target asset allocations and the composition of the portfolio is monitored by the Manager.

The nature and extent of the financial instruments outstanding at the reporting date and the risk management policies employed by the Fund are discussed below.

Interest rate risk:

Interest rate risk arises from the possibility that changes in interest rates will affect future cash flows or fair values of financial instruments.

Interest rate risk arises when the Fund invests in interest-bearing financial instruments. The Fund is exposed to the risk that the value of such financial instruments will fluctuate due to changes in the prevailing levels of market interest rates. There is minimal sensitivity to interest rate fluctuations on any cash and cash equivalents invested at short-term market interest rates.

7. Financial instruments risk (continued):

The majority of the Fund's direct financial assets and liabilities are interest bearing. Accordingly, the Fund is subject to significant amounts of risk due to fluctuations in the prevailing levels of market interest rates. The Fund is indirectly exposed to the risk from the securities held by the Underlying Funds through their investments in mortgages and other debt instruments and/or derivatives and may be affected by changes in market interest rates and the effect could be material. As the holdings in the underlying investments have high yields and are shorter term in nature, net assets attributable to holders of redeemable units may be affected more by changes in overall economic growth rather than changes in interest rates.

As at December 31, 2020, the underlying investments estimated exposure to debt instruments by maturity is as follows:

Debt instruments** by maturity date	
Less than 1 year	$ 56,403,297
1 - 5 years	9,620,254
5 - 10 years	1,518,991
Greater than 10 years	–
	$ 67,542,542

*** Excludes cash and cash equivalents and preferred shares, as applicable*.

As at December 31, 2019, the underlying investments estimated exposure to debt instruments by maturity is as follows:

Debt instruments** by maturity date	
Less than 1 year	$ 52,563,591
1 - 5 years	12,106,171
5 - 10 years	877,152
Greater than 10 years	–
	$ 65,546,914

*** Excludes cash and cash equivalents and preferred shares, as applicable*.

7. Financial instruments risk (continued):

Foreign currency risk:

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates.

Currency risk arises from financial instruments (including cash and cash equivalents) that are denominated in a currency other than Canadian dollars, which represents the functional currency of the Fund. The Fund may enter into foreign exchange future or forward contracts for hedging purposes to reduce its foreign currency exposure, or to establish exposure to foreign currencies.

The Fund may invest in financial instruments denominated in currencies other than its measurement currency. Consequently, the Fund is exposed to risks that the exchange rate of its currency relative to other currencies may change in a manner that has an adverse effect on the value of the portion of the Fund's assets or liabilities denominated in currencies other than Canadian dollars.

As at December 31, 2020, the Fund had direct investments denominated in United States dollars of $9,001,837 or 12.9 percent of net assets attributable to holders of redeemable units (2019 - $9,151,927 or 13.0 percent).

Although investments owned by the Fund are denominated in Canadian or United States dollars, the currency risk of the investment owned may be different than the currency in which it trades. For example, an investment denominated in United States dollars may hold assets that trade in Euros or Pounds. The currency risk for the Fund in this example is to the underlying currency of the investment owned, referred to as the indirect currency, being Euros or Pounds. When calculating the currency risk for the Fund, when an investment's indirect currency is different than its direct currency, the indirect currency is used as this reflects the true currency risk of the Fund.

Currencies to which the Fund had exposure as at December 31, 2020, are approximately as follows:

	% Net assets attributable to holders of redeemable units
United States dollars	1.0%
European currencies	–
Asia-Pacific (developed) currencies	–
Emerging market currencies	–

7. Financial instruments risk (continued):

Currencies to which the Fund had exposure as at December 31, 2019, are approximately as follows:

	% Net assets attributable to holders of redeemable units
United States dollars	–
European currencies	–
Asia-Pacific (developed) currencies	–
Emerging market currencies	–

The amounts in the above table are based on a fair estimate of the Fund's underlying investments and financial instruments (including cash and cash equivalents) as well as the underlying principal amounts of future or forward currency contracts, as applicable. Other financial assets (including dividends and interest receivable and receivable for investments sold) and financial liabilities (including payable for investments purchased) that are denominated in foreign currencies do not expose the Fund to significant currency risk.

As at December 31, 2020, if the Canadian dollar had strengthened or weakened by 1 percent in relation to all currencies, with all other variables held constant, net assets attributable to holders of redeemable units would have increased or decreased, respectively, by approximately $7,000 (2019 - nil). In practice, the actual trading results may differ from this sensitivity analysis and the difference could be material.

Price risk:

Price risk is the risk that the fair value or future cash flows of financial instruments will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk).

As at December 31, 2020, 15.1 percent (2019 - 12.5 percent) of the Fund's net assets attributable to holders of redeemable units were invested in securities traded on North American stock exchanges. If security prices on the North American stock exchanges had increased or decreased by 10 percent as at the year end, with all other factors remaining constant, net assets attributable to holders of redeemable units could possibly have increased or decreased by approximately $1,057,000 (2019 - $866,000) respectively. In practice, the actual results may differ from this sensitivity analysis and the difference could be material. There was no significant indirect exposure to price risk from securities held by the underlying funds.

7. Financial instruments risk (continued):

Credit risk:

Credit risk is the risk that the counterparty to a financial instrument will fail to discharge an obligation or commitment that it has entered into with the Fund.

Where the Fund invests in debt instruments and derivatives, this represents the main concentration of credit risk. The fair value of debt instruments and derivatives includes consideration of the credit worthiness of the issuer, and accordingly, represents the maximum credit risk exposure of the Fund.

All transactions executed by the Fund in listed securities are settled/paid for upon delivery using approved brokers. The risk of default is considered minimal, as delivery of securities sold is only made once the broker has received payment. Payment is made on a purchase once the securities have been received by the broker. The trade will fail if either party fails to meet its obligation.

As at December 31, 2020, the Fund has no significant investments directly in debt instruments and/or derivatives. The Fund is indirectly exposed to the risk from the investments held by the Underlying Funds in debt instruments and/or derivatives where there is a concentration of credit risk that may arise. As at December 31, 2020, it is estimated that the underlying investments had exposure to debt instruments and derivatives, as applicable, with the following credit ratings:

Debt instruments* by credit rating	Percentage of net assets attributable to holders of redeemable units (%)
AAA	–
AA	–
A	–
BBB	–
BB and below	–
Not rated	–
Mortgages	100%

** Excludes cash and cash equivalents.*

7. Financial instruments risk (continued):

As at December 31, 2019, the Fund had no significant investments directly in debt instruments (does not include cash and cash equivalents) and/or derivatives. The Fund is indirectly exposed to the risk from the investments held by the Underlying Funds in debt instruments and/or derivatives where there is a concentration of credit risk that may arise. As at December 31, 2019, it is estimated that the underlying investments had exposure to debt instruments and derivatives, as applicable, with the following credit ratings:

Debt instruments* by credit rating	Percentage of net assets attributable to holders of redeemable units (%)
AAA	–
AA	–
A	–
BBB	–
BB and below	–
Not rated	2.2%
Mortgages	97.8%

** Excludes cash and cash equivalents.*

Liquidity risk:

Liquidity risk is defined as the risk that the Fund may not be able to settle or meet its obligation on time or at a reasonable price.

The Fund's exposure to liquidity risk is concentrated in the periodic cash redemptions of units. The Fund generally retains sufficient cash positions to maintain liquidity.

The Fund may employ the use of derivatives to moderate certain risk exposures. There is no guarantee that a market will exist for some derivatives and it is possible that the exchanges may impose limits on trading of derivatives.

All investments represent a risk of loss of capital. The Manager aims to moderate this risk through careful selection and diversification of securities and other financial instruments in accordance with the Fund's investment objective and strategy. The maximum risk resulting from financial instruments is determined by the fair value of the financial instruments. The Fund's overall market positions are monitored on a regular basis by the Manager. Financial instruments held by the Fund is susceptible to market price risk arising from uncertainties about future prices of the instruments.

7. Financial instruments risk (continued):

Capital risk management:

The Manager manages the capital of the Fund in accordance with the Fund's investment objectives, policies and restrictions, as outlined in the Fund's offering memorandum, while maintaining sufficient liquidity to meet Unitholders' withdrawals. The Fund does not have externally imposed capital requirements.

Other risk:

The global pandemic related to an outbreak of COVID-19 has cast additional uncertainty on the assumptions used by management in making its judgements and estimates. Governments and central banks have reacted with significant monetary and fiscal interventions designed to stabilize economic conditions. The duration and impact of the COVID-19 outbreak is unknown at this time, as is the efficacy of the government and central bank interventions. It is not possible to reliably estimate the length and severity of these developments and the impact on the financial results and condition of the Fund in future periods.

8. Fair value measurements:

The following table summarizes the levels in the fair value hierarchy in which the Fund's investments are categorized as of December 31, 2020:

Assets	Level 1	Level 2	Level 3	Total
Fixed income securities	$ 10,572,865	$ –	$ 58,920,406	$ 69,493,271

During the year ended December 31, 2020, $6,698,615 of Romspen Mortgage Investment Fund was transferred from Level 2 to Level 3 due to reduced liquidity as the Fund is unable to redeem its investments in Romspen Mortgage Investment Fund until January 15, 2022.

During the year ended December 31, 2020, the reconciliation of investments measured at fair value using unobservable inputs (Level 3) is presented as follows:

Balance, beginning of year	$ 52,205,206
Purchases	9,216,675
Sales	(9,373,347)
Net transfers into Level 3	6,698,615
Realized losses included in net income	(51)
Change in unrealized appreciation included in net income	173,308
Balance, end of year	$ 58,920,406

8. Fair value measurements (continued):

The following table summarizes the levels in the fair value hierarchy in which the Fund's investments are categorized as of December 31, 2019:

Assets	Level 1	Level 2	Level 3	Total
Fixed income securities	$ 8,657,659	$ 6,789,720	$ 52,205,206	$ 67,652,585

During the year ended December 31, 2019, the reconciliation of investments measured at fair value using unobservable inputs (Level 3) is presented as follows:

Balance, beginning of year	$ 40,365,571
Purchases	17,284,549
Sales	(5,488,535)
Realized gains included in net income	359,066
Change in unrealized depreciation included in net income	(315,445)
Balance, end of year	$ 52,205,206

Significant unobservable inputs in measuring fair value:

The table below sets out information about significant unobservable inputs used in measuring financial instruments categorized as Level 3 in the fair value hierarchy.

Description	Held as of December 31, 2020	Held as of December 31, 2019	Valuation technique	Unobservable input	Range (weighted average)	Sensitivity to changes in significant unobservable inputs
Unlisted Mortgage Investment Corporation	$ 5,200,000	$ 5,200,000	Net asset value	N/A	N/A	N/A
Unlisted Mortgage Investment Corporation	8,700,000	9,700,000	Net asset value	N/A	N/A	N/A
Unlisted Mortgage Investment Corporation	5,950,000	5,950,000	Net asset value	N/A	N/A	N/A
Unlisted Mortgage Investment Corporation	8,100,000	8,100,000	Net asset value	N/A	N/A	N/A
Unlisted Mortgage Investment Corporation	3,250,000	7,000,000	Net asset value	N/A	N/A	N/A
Unlisted Mortgage Investment Corporation	2,500,000	1,000,000	Net asset value	N/A	N/A	N/A
Unlisted Mortgage Investment Corporation	9,001,837	9,151,927	Net asset value	N/A	N/A	N/A
Unlisted Mortgage Investment Corporation	4,500,000	–	Net asset value	N/A	N/A	N/A
Unlisted Mortgage Investment Corporation	6,698,615	–	Net asset value	N/A	N/A	N/A
Investment Trust	3,442,623	1,803,279	Net asset value	N/A	N/A	N/A
Investment Trust	1,577,331	–	Net asset value	N/A	N/A	N/A
Investment Trust	–	4,300,000	Net asset value	N/A	N/A	N/A

9. Investment in Underlying Funds:

The table below describes the types of structured entities that the Fund does not consolidate, but in which it holds an interest.

Type of structured entity	Nature and purpose	Interest held by the Fund
Investments funds and mortgage investments, corporations	To manage assets on behalf of third party investors and generate fees for the investment manager. These vehicles are financed through the issue of units to or shares to investors.	Investment in units issued by the funds or limited partnerships or shares issued by corporations.

The table below sets out interests held by the Fund in unconsolidated structured entities. The maximum exposure to loss is the carrying amount of the financial assets held.

December 31, 2020	Number of investments	Average cost	Carrying amount included in investments at FVTPL
Investments in structured entities:			
Canadian mortgage	13	$ 59,363,055	$ 60,491,434
U.S. mortgage	1	8,878,472	9,001,837

December 31, 2019	Number of investments	Average cost	Carrying amount included in investments at FVTPL
Investments in structured entities:			
Canadian mortgage	12	$ 56,961,489	$ 58,500,658
U.S. mortgage	1	9,201,819	9,151,927

During the year the Fund did not provide financial support to unconsolidated structured entities and has no intention of providing financial or other support.

9. Investment in Underlying Funds (continued):

It is estimated that the Fund could redeem between $5,300,000 and $7,300,000 in the above structured entities per month.

The Fund has determined that all of the other funds (“Investee Funds”) in which it invests are unconsolidated structured entities. This represents a significant judgment by the Fund and generally because decision making about the Investee Funds’ investing activities is not governed by voting rights held by the Fund and other investors.

The Investee Funds are managed by asset managers who are unrelated to the Fund and apply various investment strategies to accomplish their respective investment objectives.

The change in fair value of each Investee Fund is included in the statement of comprehensive income in ‘Net changes in fair value on financial assets at fair value through profit or loss’.

10. Expenses:

The Manager has the power to incur and make payment out of the Fund’s property for any charges or expenses which, in the opinion of the Manager, are necessary or incidental to, or proper for, carrying out any of the purposes of the Trust Agreement, including without limitation all fees and expenses relating to the management and administration of each Fund. Each Fund is responsible for any income or excise taxes and brokerage commissions on portfolio transactions.

11. Unitholders deposits:

Unitholders deposits relate to cash received in advance of the issuance of the Fund redeemable units.

12. Increase in net assets attributable to holders of redeemable units per unit:

The increase in net assets attributable to holders of redeemable units per unit for the years ended December 31, 2020 is calculated as follows:

	Increase in net assets attributable to holders of redeemable units	Weighted average of redeemable units outstanding during the year	Increase in net assets attributable to holders of redeemable units per unit
2020:			
Class D	$ 1,588,535	2,352,228	$ 0.68
Class E	2,246,845	4,116,165	0.55
Class F	77,416	179,618	0.43

12. Increase in net assets attributable to holders of redeemable units per unit (continued):

The increase in net assets attributable to holders of redeemable units per unit for the years ended December 31, 2019 is calculated as follows:

	Increase in net assets attributable to holders of redeemable units	Weighted average of redeemable units outstanding during the year	Increase in net assets attributable to holders of redeemable units per unit
2019:			
Class D	$ 2,161,103	2,141,874	$ 1.01
Class E	3,575,663	4,091,578	0.87
Class F	121,926	151,546	0.80

13. Indemnification of the Manager:

The Fund under the terms of their Trust Agreement, shall indemnify the Manager, their principals and their respective affiliates from all claims that may arise for mistakes of judgment or for action or inaction or for losses due to such mistakes, action or inaction so long as they acted honestly and not in bad faith and reasonably believed that their conduct was in the best interests of the Fund.

14. Filing exemption:

The Fund is relying on the exemption pursuant to Section 2.11 of National Instrument 81-106 not to file its financial statements with the applicable Provincial Securities Commission.

15. Income taxes:

The Fund qualifies as a Mutual Fund Trust under the provisions of the *Income Tax Act (Canada)* (the “Tax Act”), and accordingly, is not subject to tax on their net taxable income for the tax year which ends in December, including net realized capital gains, which is paid or payable to its Unitholders as at the end of the tax year. However, such part of the Fund’s net income and net realized capital gains that is not paid or payable, is subject to income tax in the Fund. It is the intention of the Fund to distribute all of its income and sufficient net realized capital gains so that the Fund will not be subject to income tax. The Fund may be subject to alternative minimum tax, potentially recoverable.

15. Income taxes (continued):

Non-capital losses are available to be carried forward for twenty years and applied against future taxable income. Capital losses for income tax purposes may be carried forward indefinitely and applied against future capital gains.

As at the tax year ended December 31, 2020 and 2019, the Fund does not have any capital or non-capital losses available for carry-forward.

Appendix A Rights of Action for Damages or Rescission

Securities legislation in certain of the Canadian provinces provides purchasers of securities pursuant to and offering memorandum (such as this Offering Memorandum) with a remedy for damages or rescission, or both, in addition to any other rights they may have at law, where the offering memorandum and any amendment to it contains a “Misrepresentation”. Where used herein, “**Misrepresentation**” means an untrue statement of a material fact or an omission to state a material fact that is required to be stated or that is necessary to make any statement not misleading in light of the circumstances in which it was made. A "**material fact**" means a fact that significantly affects or would reasonably be expected to have a significant effect on the market price of value of the Units. These remedies, or notice with respect to these remedies, must be exercised or delivered, as the case may be, by the purchaser within the time limits prescribed by applicable securities legislation.

British Columbia

Purchasers who are resident in British Columbia and who purchase Units under the “accredited investor” exemption in section 2.3 of National Instrument 45-106 – Prospectus Exemptions have no statutory rights of action against the Fund or any other person if there is a Misrepresentation in this Offering Memorandum. Notwithstanding that, where this Offering Memorandum or an amendment hereto contains a Misrepresentation, the Fund hereby grants to such purchasers contractual rights of action that are equivalent to the statutory rights of action set forth above with respect to purchasers resident in Ontario.

Purchasers who are resident in British Columba and who purchase Units under the “offering memorandum exemption” in section 2.9 of National Instrument 45-106 – Prospectus Exemptions are conferred the following rights of action for damages or rescission described below pursuant to section 132.1 of the *Securities Act* (British Columbia). Section 132.1 of the *Securities Act* (British Columbia) provides, in relevant part, that in the event that an offering memorandum (such as this Offering Memorandum), contains a Misrepresentation, the purchaser will be deemed to have relied on the Misrepresentation if it was a Misrepresentation at the time of purchase, and the purchaser has, subject to certain limitations and defences, a statutory right of action for damages against the issuer and, subject to certain additional defences, every director of the issuer at the date of the offering memorandum and every person who signed the offering memorandum or, alternatively, may elect instead to exercise a statutory right of rescission against the issuer, in which case the purchaser shall have no right of action for damages against the issuer, provided that, among other limitations:

(a) no person will be liable if it proves that the purchaser purchased the securities with knowledge of the Misrepresentation;

(b) in the case of an action for damages, no person will be liable for all or any portion of the damages that it proves do not represent the depreciation in value of the securities as a result of the Misrepresentation relied upon; and

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

In addition, a person or company, other than the issuer, will not be liable if that person or company proves that:

(a) the offering memorandum was delivered to the purchasers without the person’s knowledge or consent and that, on becoming aware of its delivery, the person gave written notice to the issuer that it was delivered without the person’s knowledge or consent;

(b) on becoming aware of the Misrepresentation, the person withdrew the person’s consent to the offering memorandum and gave written notice to the issuer of the withdrawal and the reason for it; or

(c) with respect to any part of the offering memorandum purporting (i) to be made on the authority of an expert, or (ii) to be a copy of, or an extract from, a report, an opinion or a statement of an expert, the person proves that the person or company had no reasonable grounds to believe and did not believe that (A) there had been a Misrepresentation, or (B) the relevant part of the offering memorandum did not fairly represent the report, opinion or statement of the expert, or was not a fair copy of, or an extract from, an expert’s report, opinion or statement.

(d) not with respect to any part of the offering memorandum 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 failed to conduct a reasonable investigation to provide reasonable grounds for a belief that there had been no Misrepresentation, or believed there had been a Misrepresentation.

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

If a Misrepresentation is contained in a record incorporated by reference into, or deemed incorporated by reference into, the offering memorandum, the Misrepresentation is deemed to be contained in the offering memorandum.

Section 140 of the *Securities Act* (British Columbia) provides that no action shall be commenced to enforce these rights more than:

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

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

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

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

Alberta

Section 204 of the *Securities Act* (Alberta) provides that if an offering memorandum contains a Misrepresentation, a purchaser who purchases a security offered by the offering memorandum is deemed to have relied on the representation, if it was a Misrepresentation at the time of the purchase, and has a right of action (a) for damages against (i) the issuer, (ii) every director of the issuer at the date of the offering memorandum, and (iii) every person or company who signed the offering memorandum, and (b) for rescission against the issuer, provided that:

(a) if the purchaser elects to exercise its right of rescission, it shall cease to have a right of action for damages against the person or company referred to above;

(b) no person or company referred to above will be liable if it proves that the purchaser had knowledge of the Misrepresentation;

(c) no person or company (other than the issuer) referred to above will be liable if it proves that the offering memorandum was sent to the purchaser without the person's or company's knowledge or consent and that, on becoming aware of its being sent, the person or company promptly gave reasonable notice to the Executive Director (as defined in the Securities Act (Alberta)) and issuer that it was sent without the knowledge and consent of the person or company;

(d) no person or company (other than the issuer) referred to above will be liable if it proves that the person or company, on becoming aware of the Misrepresentation in the offering memorandum, withdrew the person's or company's consent to the offering memorandum and gave reasonable notice to the Executive Director (as defined in the Securities Act (Alberta)) and issuer of the withdrawal and the reason for it;

(e) no person or company (other than the issuer) referred to above will be liable if, with respect to any part of the offering memorandum purporting to be made on the authority of an expert or purporting to be a copy of, or an extract from, a report, opinion or statement of an expert, the person or company proves that the person or company did not have any reasonable grounds to believe and did not believe that:

  (i) there had been a Misrepresentation; or

  (ii) the relevant part of the offering memorandum did not fairly represent the report, opinion or statement of the expert, or was not a fair copy of, or an extract from, the report, opinion or statement of the expert.

(f) the person or company (other than the issuer) will not be liable if with respect to any part of the offering memorandum not purporting to be made on the authority of an expert and not purporting to be a copy of, or an extract from, a report, opinion or statement of an expert, after conducting a reasonable investigation the person or company had no reasonable grounds to believe, and did not believe, that there was a misrepresentation.

(g) in no case shall the amount recoverable exceed the price at which the securities were offered under the offering memorandum;

(h) the defendant will not be liable for all or any part of the damages that the defendant proves do not represent the depreciation in value of the security as a result of the Misrepresentation;

Section 211 of the *Securities Act* (Alberta) provides that no action may be commenced to enforce these rights more than:

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

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

(i) 180 days from the day that the plaintiff first had knowledge of the facts giving rise to the cause of action, or

(ii) 3 years from the day of the transaction that gave rise to the cause of action.

The foregoing summary is subject to the express provisions of the securities legislation referred to above and the rules, regulations and other instruments thereunder, and reference is made to the complete text of such provisions. Such provisions may contain limitations and statutory defences on which the REIT may rely.

The rights of action for damages or rescission discussed above are in addition to, and without derogation from, any other right or remedy which purchasers may have at law.

Saskatchewan

Section 138 of The *Securities Act*, 1988 (Saskatchewan), as amended (the "**Saskatchewan Act**") provides that where an offering memorandum (such as this Offering Memorandum) or any amendment to it is sent or delivered to a purchaser and it contains a Misrepresentation (as defined in the Saskatchewan Act), a purchaser who purchases a security covered by the offering memorandum or any amendment to it is deemed to have relied upon that Misrepresentation, if it was a Misrepresentation at the time of purchase, and has a right of action for rescission against the issuer or a selling security holder on whose behalf the distribution is made or has a right of action for damages against:

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

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

(c) every person or company whose consent has been filed respecting the offering, but only with respect to reports, opinions or statements that have been made by them;

(d) every person who or company that, in addition to the persons or companies mentioned in (a) to (c) above, signed the offering memorandum or the amendment to the offering memorandum; and

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

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

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

(b) in an action for damages, a defendant will not be liable for all or any portion of the damages that he, she or it proves do not represent the depreciation in value of the securities resulting from the Misrepresentation relied on;

(c) no person or company, other than the issuer or a selling security holder, will be liable for any part of the offering memorandum or any amendment to it not purporting to be made on the authority of an expert and not purporting to be a copy of, or an extract from, a report, opinion or statement of an expert, unless the person or company failed to conduct a reasonable investigation sufficient to provide reasonable grounds for a belief that there had been no Misrepresentation or believed that there had been a Misrepresentation;

(d) in no case shall the amount recoverable exceed the price at which the securities were offered; and

(e) no person or company is liable in an action for rescission or damages if that person or company proves that the purchaser purchased the securities with knowledge of the Misrepresentation.

In addition, no person or company, other than the issuer or selling security holder, will be liable if the person or company proves that:

(a) the offering memorandum or any amendment to it was sent or delivered without the person's or company's knowledge or consent and that, on becoming aware of it being sent or delivered, that person or company gave reasonable general notice that it was so sent or delivered; or

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

(c) with respect to any part of the offering memorandum or any amendment to it purporting to be made on the authority of an expert, or purporting to be a copy of, or an extract from, a report, an opinion or a statement of an expert, that person or company had no reasonable grounds to believe and did not believe that there had been a Misrepresentation, the part of the offering memorandum or any amendment to it did not fairly represent the report, opinion or statement of the expert, or was not a fair copy of, or an extract from, the report, opinion or statement of the expert.

A person or company that sells securities on behalf of the issuer or selling security holder under the offering memorandum or amendment to the offering memorandum is not liable for damages or rescission as provided in 138(1) or 138(2) of the Saskatchewan Act if that person can establish that he, she or it cannot reasonably be expected to have had knowledge of any Misrepresentation in the offering memorandum or the amendment or the offering memorandum.

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

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

Section 138.2 of the Saskatchewan Act also provides that where an individual makes a verbal statement to a prospective purchaser that contains a Misrepresentation relating to the security purchased and the verbal statement is made either before or contemporaneously with the purchase of the security, the purchaser is 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 individual who made the verbal statement.

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

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

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

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

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

(b) in the case of any other action, other than an action for rescission, the earlier of:

    (i) one year after the plaintiff first had knowledge of the facts giving rise to the cause of action; or

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

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

Manitoba

The right of action for damages or rescission described herein is conferred by section 141.1 of *The Securities Act* (Manitoba). Section 141.1 of *The Securities Act* (Manitoba) provides, in relevant part, that in the event that an offering memorandum (such as this Offering Memorandum), contains a Misrepresentation, the purchaser will be deemed to have relied upon such Misrepresentation if it was a Misrepresentation at the time of purchase and has, subject to certain limitations and defences, a statutory right of action for damages against the issuer and, subject to certain additional defences, every director of the issuer at the date of the offering memorandum and every person who signed the offering memorandum or, alternatively, may elect instead to exercise a statutory right of rescission against the issuer, in which case the purchaser shall have no right of action for damages against the issuer, directors of the issuer or persons who have signed the offering memorandum, provided that, among other limitations:

(a) no person or company will be liable if it proves that the purchaser purchased the securities with knowledge of the Misrepresentation;

(b) in the case of an action for damages, no person will be liable for all or any portion of the damages that it proves do not represent the depreciation in value of the securities as a result of the Misrepresentation relied upon; and

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

In addition, a person or company, other than the issuer, will not be liable if that person or company proves that:

(a) the offering memorandum was sent to the purchaser without the person's or company's knowledge or consent and that, after becoming aware that is was sent, the person or company promptly gave reasonable notice to the issuer that it was sent without the person's or company's knowledge or consent;

(b) after becoming aware of the Misrepresentation, the person or company withdrew the person's or company's consent to the offering memorandum and gave reasonable notice to the issuer of the withdrawal and the reason for it;

(c) with respect to any part of the offering memorandum purporting (i) to be made on the authority of an expert, or (ii) to be a copy of, or an extract from, an expert's report, opinion or statement, the person or company proves that the person or company had no reasonable grounds to believe and did not believe that (A) there had been a Misrepresentation, or (B) the relevant part of the offering memorandum did not fairly represent the expert's report, opinion or statement, or was not a fair copy of, or an extract from, an expert's report, opinion or statement; or

(d) with respect to any part of the offering memorandum not purporting to be made on the authority of an expert and not purporting to be a copy of, or an extract from, a report, opinion or statement of an expert, unless the person or company did not conduct an investigation sufficient to provide reasonable grounds for a belief that there had been no Misrepresentation, or believed there had been a Misrepresentation.

If a Misrepresentation is contained in a record incorporated by reference into, or deemed incorporated by reference into, the offering memorandum, the Misrepresentation is deemed to be contained in the offering memorandum.

Section 141.4(2) of *The Securities Act* (Manitoba) provides that no action shall be commenced to enforce these rights more than:

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

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

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

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

Ontario

Section 130.1 of the *Securities Act* (Ontario) provides that every purchaser of securities pursuant to an offering memorandum (such as this Offering Memorandum) shall have a statutory right of action for damages or rescission against the issuer and any selling security holder on whose behalf the distribution is made in the event that the offering memorandum contains a Misrepresentation. A purchaser who purchases securities offered by the offering memorandum during the period of distribution has, without regard to whether the purchaser relied upon the Misrepresentation, a right of action for damages or, alternatively, for rescission against the issuer and any selling security holder on whose behalf the distribution is made provided that:

(a) if the purchaser exercises its right of rescission, it shall cease to have a right of action for damages as against the issuer and the selling security holders, if any;

(b) the issuer and the selling security holders on whose behalf the distribution is made, if any, will not be liable if they prove that the purchaser purchased the securities with knowledge of the Misrepresentation;

(c) the issuer and the selling security holders, if any, will not be liable for all or any portion of damages that it proves do not represent the depreciation in value of the securities as a result of the Misrepresentation;

(d) in no case shall the amount recoverable exceed the price at which the securities were offered; and

(e) the issuer and the selling security holder on whose behalf the distribution is made will not be liable for a Misrepresentation in forward-looking information if the issuer proves:

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

    (ii) the issuer and the selling security holder on whose behalf the distribution had a reasonable basis for drawing the conclusion or making the forecasts and projections set out in the forward-looking information.

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

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

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

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

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

This Offering Memorandum may be delivered in reliance on the exemption from the prospectus requirements contained under section 2.3 of National Instrument 45-106 – *Prospectus Exemptions* (the "**accredited investor exemption**"). The rights referred to in section 130.1 of the *Securities Act* (Ontario) do not apply in respect of an offering memorandum (such as this Offering Memorandum) delivered to a prospective purchaser in connection with a distribution made 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 National Instrument 45-106 – *Prospectus 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.

Québec

Notwithstanding that the *Securities Act* (Québec) does not provide, or require the REIT to provide, to purchasers resident in Québec any statutory rights of action in circumstances where this Offering Memorandum or an amendment hereto contains a

Misrepresentation, the REIT hereby grants to such purchasers contractual rights of action that are equivalent to the statutory rights of action set forth above with respect to purchasers resident in Ontario.

New Brunswick

Section 150 of the *Securities Act* (New Brunswick) provides that where an offering memorandum (such as this Offering Memorandum) contains a Misrepresentation, a purchaser who purchases securities shall be deemed to have relied on the Misrepresentation if it was a Misrepresentation at the time of purchase and:

(a) the purchaser has a right of action for damages against (i) the issuer, (ii) any selling security holder(s) on whose behalf the distribution is made, (iii) every person who was a director of the issuer at the date of the offering memorandum; or (iv) every person who signed the offering memorandum; or

(b) where the purchaser purchased the securities from a person referred to in paragraph (a)(i) or (ii), the purchaser may elect to exercise a right of rescission against the person, in which case the purchaser shall have no right of action for damages against the person.

This statutory right of action is available to New Brunswick purchasers whether or not such purchaser relied on the Misrepresentation. However, there are various defences available to the issuer and the selling security holder(s). In particular, no person will be liable for a Misrepresentation:

(i) if such person proves that the purchaser purchased the securities with knowledge of the Misrepresentation when the purchaser purchased the securities;

(ii) the offering memorandum was delivered to purchasers without the person's knowledge or consent and that, on becoming aware of its delivery, the person gave written notice to the issuer that it was delivered without the person's knowledge or consent;

(iii) that, on becoming aware of any Misrepresentation in the offering memorandum, the person withdrew the person's consent to the offering memorandum and gave written notice to the issuer of the withdrawal and the reason for the withdrawal; or

(iv) that, with respect to any part of the offering memorandum purporting to be made on the authority of an expert or purporting to be a copy of, or an extract from, a report, opinion or statement of an expert, the person had no reasonable grounds to believe and did not believe that (A) there had been a misrepresentation; or (B) that the part of the offering memorandum did not fairly represent the report, opinion or statement of the expert or was not a fair copy of, or extract from, the report, opinion or statement of the expert.

Moreover, in an action for damages, the amount recoverable will not exceed the price at which the securities were offered under the offering memorandum and any defendant will not be liable for all or any part of the damages that the defendant proves do not represent the depreciation in value of the security as a result of the Misrepresentation.

If the purchaser intends to rely on the rights described in (a) or (b) above, such purchaser must do so within strict time limitations. The purchaser must commence on its action to cancel the agreement within 180 days after the date of the transaction that gave rise to the cause of action. The purchaser must commence its action for damages within the earlier of:

(a) one year after the purchaser first had knowledge of the facts giving rise to the cause of action; or

(b) six years after the date of the transaction that gave rise to the cause of action.

Nova Scotia

The right of action for damages or rescission described herein is conferred by section 138 of the *Securities Act* (Nova Scotia). Section 138 of the *Securities Act* (Nova Scotia) provides, in relevant part, that in the event that an offering memorandum (such as this Offering Memorandum), together with any amendment thereto, or any advertising or sales literature (as defined in the *Securities Act* (Nova Scotia)) contains a Misrepresentation, the purchaser will be deemed to have relied upon such Misrepresentation if it was a Misrepresentation at the time of purchase and has, subject to certain limitations and defences, a statutory right of action for damages against the issuer and, subject to certain additional defences, every director of the issuer at the date of the offering memorandum and every person who signed the offering memorandum or, alternatively, while still the owner of the securities purchased by the purchaser, may elect instead to exercise a statutory right of rescission against the issuer, in which case the purchaser shall have no right of action for damages against the issuer, directors of the issuer or persons who have signed the offering memorandum, provided that, among other limitations:

(a) no action shall be commenced to enforce the right of action for rescission or damages by a purchaser resident in Nova Scotia later than 120 days after the date on which the initial payment was made for the securities;

(b) no person or company will be liable if it proves that the purchaser purchased the securities with knowledge of the Misrepresentation;

(c) in the case of an action for damages, no person will be liable for all or any portion of the damages that it proves do not represent the depreciation in value of the securities as a result of the Misrepresentation relied upon; and

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

In addition, a person or company, other than the issuer, will not be liable if that person or company proves that:

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

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

(c) with respect to any part of the offering memorandum or amendment to the offering memorandum purporting (i) to be made on the authority of an expert, or (ii) to be a copy of, or an extract from, a report, an opinion or a statement of an expert, the person or company had no reasonable grounds to believe and did not believe that (A) there had been a Misrepresentation, or (B) the relevant part of the offering memorandum or amendment to offering memorandum did not fairly represent the report, opinion or statement of the expert, or was not a fair copy of, or an extract from, the report, opinion or statement of the expert; or

(d) with respect to any part of the offering memorandum or amendment to the offering memorandum not purporting (i) to be made on the authority of an expert or (ii) to be a copy of, or an extract from, a report, opinion or statement of an expert, unless the person or company (A) failed to conduct a reasonable investigation to provide reasonable grounds for a belief that there had been no Misrepresentation or (B) believed that there had been a Misrepresentation.

If a Misrepresentation is contained in a record incorporated by reference into, or deemed incorporated by reference into, the offering memorandum or amendment to the offering memorandum, the Misrepresentation is deemed to be contained in the offering memorandum or an amendment to the offering memorandum.

Newfoundland and Labrador

The right of action for damages or rescission described herein is conferred by section 130.1 of the *Securities Act* (Newfoundland and Labrador). Section 130.1 of the *Securities Act* (Newfoundland and Labrador) provides, in relevant part, that in the event that an offering memorandum (such as this Offering Memorandum), contains a Misrepresentation, without regard to whether the purchaser relied upon the Misrepresentation, the purchaser has, subject to certain limitations and defences, a statutory right of action for damages against the issuer and, subject to certain additional defences, every director of the issuer at the date of the offering memorandum and every person who signed the offering memorandum or, alternatively, may elect instead to exercise a statutory right of rescission against the issuer, in which case the purchaser shall have no right of action for damages against the issuer, directors of the issuer or persons who have signed the offering memorandum, provided that, among other limitations:

(a) no person or company will be liable if it proves that the purchaser purchased the securities with knowledge of the Misrepresentation;

(b) in the case of an action for damages, no person will be liable for all or any portion of the damages that it proves do not represent the depreciation in value of the securities as a result of the Misrepresentation relied upon; and

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

In addition, a person or company, other than the issuer, will not be liable if that person or company proves that:

(a) the offering memorandum was sent to the purchaser without the person's or company's knowledge or consent and that, on becoming aware of its delivery, the person or company promptly gave reasonable notice to the issuer that it was delivered without the person's or company's knowledge or consent;

(b) on becoming aware of the Misrepresentation in the offering memorandum, the person or company withdrew the person's or company's consent to the offering memorandum and gave reasonable notice to the issuer of the withdrawal and the reason for it;

(c) with respect to any part of the offering memorandum purporting (i) to be made on the authority of an expert, or (ii) to be a copy of, or an extract from, an expert's report, opinion or statement, the person or company proves that the person or company had no reasonable grounds to believe and did not believe that (A) there had been a Misrepresentation, or (B) the relevant part of the offering memorandum did not fairly represent the expert's report, opinion or statement, or was not a fair copy of, or an extract from, an expert's report, opinion or statement; or

(d) with respect to any part of the offering memorandum not purporting (i) to be made on the authority of an expert; or (ii) to be a copy of, or an extract from, a report, opinion or statement of an expert, unless the person or company did not conduct an investigation sufficient to provide reasonable grounds for a belief that there had been no Misrepresentation, or believed there had been a Misrepresentation.

If a Misrepresentation is contained in a record incorporated by reference into, or deemed incorporated by reference into, the offering memorandum, the Misrepresentation is deemed to be contained in the offering memorandum.

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

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

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

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

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

Prince Edward Island, Yukon, Nunavut and the Northwest Territories

In Prince Edward Island the *Securities Act* (PEI), in Yukon, the *Securities Act* (Yukon), in Nunavut, the *Securities Act* (Nunavut) and in the Northwest Territories, the *Securities Act* (Northwest Territories) provide a statutory right of action for damages or rescission to purchasers resident in PEI, Yukon, Nunavut and the Northwest Territories respectively, in circumstances where this Offering Memorandum or an amendment hereto contains a misrepresentation, which rights are substantially similar, but not identical, to the rights available to Ontario purchasers.

Appendix B Alitis Conflict Disclosure

Although Alitis, as Manager, has various legal obligations to the Fund, situations may arise where the interests of Alitis, and its directors, officers, employees and shareholders could conflict with the interests of the Fund.

The Fund is a connected issuer of Alitis under applicable securities laws. A person is connected to another person if, due to its relationships with such person, a prospective purchaser of securities of the person might question the other person's independence from the first person or company. The Fund is sponsored and managed by Alitis and Alitis, as consideration for such sponsorship and management services, receives management and performance fees as disclosed in this Offering Memorandum. Potential investors in the Fund should be aware of this relationship between Alitis and the Fund.

Performance fees received by Alitis from the Fund may create an incentive for Alitis to engage in investment strategies and select investments on behalf of the Fund that are more speculative and riskier than would be the case in the absence of such performance based fees. To control this conflict, Alitis has adopted constraints on the types and amounts of asset classes and investments that can be used in the Fund in order to minimize the potential for adopting riskier investment approaches.

Because Alitis handles many accounts for many clients and a number of investment products managed by Alitis ("Alitis Pools"), there is the possibility that a particular client or Alitis Pool could receive preferential treatment and get access to investment opportunities ahead of other clients or Alitis Pools. The Fund does not have an independent review committee or any other form of independent oversight and will rely exclusively upon Alitis to manage their business and to provide managerial skill. To mitigate this concern, Alitis allocates investment opportunities based on policies that are designed to achieve fair and equitable results for all clients and Alitis Pools based on each client's and Alitis Pool's investment objectives and policies. No individual or Alitis Pool shall be given preferential treatment in trade executions that represent the interests of more than one client or pool. However, an investment in the Fund does not carry with it the right of the Fund or of any Unitholder to invest in any other venture of Alitis or its affiliates or associates or to any profit therefrom or to any interest therein. In determining which accounts or Alitis Pools should participate in a given investment opportunity, and in what amounts, Alitis acts at all times in good faith in accordance with the governing documents of each Alitis Pool and client relationship and each of their applicable investment objectives, strategies, current portfolio allocation and other relevant investment factors.

There is the possibility that an employee, director or officer at Alitis may trade in securities in such a way as to gain an advantage over the Fund or may invest in the same investments that the Fund invests in. All employees, directors and officers are subject to our personal trading policies which require trades in certain securities or other investments where potential conflicts of interest could arise to be reviewed and approved by Alitis' compliance department prior to execution. If any proposed trades or investments could potentially be a conflict with the Fund, the Fund's interest will take priority.

Alitis' employees, directors and officers may have involvement in other activities which could take time and attention away Alitis' operations. To mitigate this concern, Alitis' employees, directors and officers shall devote as much time as is required for the effective management of Alitis' business, including management of the Fund. If an employee, director or officer wishes to undertake other activities, these must be approved by Alitis and disclosed to appropriate regulatory authorities before such activities are undertaken to ensure that there are no conflicts of interest.

Some firms with which an employee, director or officer of Alitis has an ownership interest may also create their own investment products directly or through a related entity. These products may be appropriate for use in the Fund, but it could appear that their inclusion is a result of the ownership interest rather than because of the investment merits of the product. To mitigate this risk, all investments in this situation will go through the same due diligence process as all other investments prior to approval or rejection by Alitis' Investment Committee. As well, Alitis' Chief Compliance Officer will review and approve or reject the investment based on an assessment of the whole relationship between Alitis, the firm in which the employee has an ownership interest, and the investment product. In addition, there are strict regulatory requirements that Alitis must comply with for these types of investments, which may include prior disclosure and consent of the investors in the Fund.

By subscribing for Units, the subscriber acknowledges the foregoing conflict of interest disclosure appended to this Offering Memorandum and consents to an investment in Units sold by Alitis and to investments by the Fund in accordance with its investment objectives, trajectories and process described herein and the most recent conflict of interest disclosure document available at info.alitis.ca/conflict_disclosure.

Item 13 Offering Memorandum Certificate

Date: April 29, 2021

This Certificate is provided solely to those purchasers purchasing Units of the Fund pursuant to the exemption contained in section 2.9 of National Instrument 45-106 - *Prospectus Exemptions.*

This Offering Memorandum does not contain a misrepresentation.

On behalf of ALITIS PRIVATE MORTGAGE FUND

(Signed) Cecil Baldry-White	*(Signed) Kevin Kirkwood*
Cecil Baldry-White Chief Executive Officer	Kevin Kirkwood President and Chief Investment Officer

ALITIS INVESTMENT COUNSEL

As Manager and on behalf of

ALITIS PRIVATE MORTGAGE FUND

(Signed) Cecil Baldry-White

Cecil Baldry-White
Chief Executive Officer

(Signed) Cecil Baldry-White

Director