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No. _____

CONFIDENTIAL OFFERING MEMORANDUM



Continuous Offering

April 12, 2017

VENATOR FOUNDERS FUND

CLASS A UNITS AND CLASS F UNITS

SUBSCRIPTION PRICE: NET ASSET VALUE PER UNIT

Venator Founders Fund (the “**Fund**”) is a limited partnership formed and organized under the laws of Ontario. The Fund is offering an unlimited number of redeemable limited partnership units of two classes: Class A Limited Partnership Units and Class F Limited Partnership Units (collectively, the “**Units**”), each issuable in series, on a continuous basis pursuant to this confidential offering memorandum (the “**Offering Memorandum**”). The distribution of Units is being made on a private placement basis only and is exempt from the requirement that the Fund prepare and file a prospectus with the relevant Canadian securities regulatory authorities. Prospective investors must be “accredited investors”, as defined under applicable securities laws. Units will be offered at the net asset value (the “**Net Asset Value**”) per Unit.

The investment objective of the Fund is to provide long-term capital growth through fundamental securities selection by taking both long and short investment positions in equity, debt and derivative securities and through strategic trading. The portfolio will consist primarily of securities that generate capital gains, but will also include investments that generate income. The Fund will seek to earn superior returns through a variety of investment strategies, including (i) taking long and short positions in primarily North American exchange-listed and over-the-counter quoted equities, debt, derivatives and commodities to provide the best appreciation potential, and (ii) investing in special situations including event-driven situations such as corporate restructurings, mergers, acquisitions and spin-offs, hostile takeovers or bankruptcies. The allocation of long and short positions will vary depending on the opportunities the Manager believes have the best reward per unit of risk.

Venator Genpar Ltd. (the “**General Partner**”) is the general partner of the Fund and is responsible for the management of the ongoing business, investment and administrative affairs of the Fund, but has delegated most of these responsibilities to Venator Capital Management Ltd. (the “**Manager**”), the investment fund manager and portfolio manager of the Fund. The Manager will perform the management functions, including the day-to-day management of the Fund, and will provide investment advisory and portfolio management services to the Fund. Although the Fund is a “mutual fund” as

defined in the securities legislation applicable in certain provinces, it does not operate in accordance with the requirements of National Instrument 81-102 *Mutual Funds* and other policies and regulations of the securities regulatory authorities that are applicable to mutual funds that have offered securities under a prospectus and are reporting issuers.

Subscriptions received before 4:00 p.m. (Toronto time) on the last business day of any month (a “**Valuation Date**”) will be accepted at the discretion of the Manager. Subscriptions received after that time will be considered on the next Valuation Date. Units may be surrendered for redemption at their Net Asset Value per Unit on any Valuation Date, provided the redemption request is made to the Manager at least 45 days prior to the Valuation Date on which the redemption is to occur, and subject to the Fund’s right to suspend redemptions in certain circumstances.

An investment in Units is speculative. Changes in the Net Asset Value per Unit may be both volatile and rapid with potentially large variations over a short period of time. A subscription for Units should be considered only by persons financially able to maintain their investment and who can bear the risk of loss associated with an investment in the Fund.

There is no market through which the Units may be sold and none is expected to develop. Units may only be transferred with the consent of the Manager and transfers will generally not be permitted. Transfers of the Units are also subject to resale restrictions under applicable securities legislation. Investors who receive this Offering Memorandum must inform themselves of, and observe, all applicable restrictions with respect to the acquisition or disposition of Units under applicable securities legislation. Redemptions will be suspended if there is insufficient liquidity in the Fund. There are certain additional risk factors associated with investing in the Units. See “Risk Factors” and “Resale Restrictions”.

No person is authorized to provide any information or to make any representation not contained in this Offering Memorandum and any information or representation, other than that contained in this Offering Memorandum, must not be relied upon. This Offering Memorandum is a confidential document furnished solely for the use of prospective investors who, by acceptance hereof, agree that they shall not transmit, reproduce or make available this document or any information contained in it.

The Manager, in its capacity as an exempt market dealer, may also offer the Units on a private placement basis. The Fund may be considered to be a connected issuer and related issuer of the Manager under applicable securities laws. See “Conflicts of Interest”.

Investors should carefully review the risk factors outlined in this Offering Memorandum. Investors are urged to consult with their independent legal and tax advisors prior to signing the subscription agreement for the Units and to carefully review the Limited Partnership Agreement of the Fund. This Offering Memorandum was originally issued on March 14, 2007 and was restated on February 1, 2010, November 27, 2012 and April 12, 2017.

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SUMMARY OF TERMS

Prospective investors are encouraged to consult their own professional advisors as to the tax and legal consequences of investing in the Fund. This summary is qualified in its entirety by the more detailed information appearing elsewhere in this Offering Memorandum and the Limited Partnership Agreement. Capitalized terms used but not defined in this summary are defined elsewhere in this Offering Memorandum.

The Fund: Venator Founders Fund (the “**Fund**”) is a limited partnership formed and organized under the laws of the Province of Ontario.

The Offering: The Fund is offering an unlimited number of redeemable, retractable limited partnership units collectively (the “**Units**”), issuable in classes and series.

The Units: The Fund is offering Class A and Class F Units. Class A units are available to all investors, including those investors that purchase their Units after being referred by a registered financial advisor that requests payment of a service fee from the Fund. Class F units are only available to investors that have or arrange to have fee-based accounts with a registered dealer.

See “Fees and Expenses.”

Each Unit represents an undivided interest in the Fund. The Fund is authorized to issue an unlimited number of Units, issuable in classes and series, and may issue fractional Units so that subscription funds may be fully invested. Each Unit has equal rights with respect to voting, rights to receive distributions, liquidation and other events in respect of the Fund. See “Limited Partnership Agreement – The Units”.

Subscription Price: Units will be issued at the Net Asset Value per Unit as of the applicable Valuation Date, payable in full at such time.

Minimum Initial Subscription: The minimum subscription amount is \$150,000 or such lesser amount as the Manager may accept. Investors who have invested in Units may subsequently subscribe for additional amounts of at least \$25,000. See “Purchase of Units”.

Purchases: Units may be purchased as at the close of business on the last business day of each month, or on any other day as the Manager, in its discretion, determines (each a “**Valuation Date**”), provided a duly completed subscription agreement and the required payment has been delivered to and accepted by the Manager no later than 4:00 p.m. (Toronto time) on such Valuation Date. Units will be deemed to be issued on the next business day based on the closing Net Asset Value per Unit on such Valuation Date. Subscription agreements received or accepted after such time will be considered on the following Valuation Date. See “Purchase of Units”.

General Partner: Venator Genpar Ltd. (the “**General Partner**”), a corporation incorporated under the laws of the Province of Ontario, is the general partner of the Fund. The General Partner is responsible for the management of the ongoing business, investment and administrative affairs of the Fund, but has delegated most of these responsibilities to the Manager. The General

Partner will be entitled to 0.01% of the profits or losses of the Fund, net of the Profit Account, in each fiscal year, and upon dissolution of the Fund to 0.01% of the net assets of the Fund in accordance with the terms of the Limited Partnership Agreement. See “Management of the Fund – The General Partner”.

Manager:

The General Partner has retained Venator Capital Management Ltd. (the “**Manager**”) as the investment fund manager and portfolio manager of the Fund. The Manager will perform the management functions, including the day-to-day management of the Fund, and will provide investment advisory and portfolio management services to the Fund. The Manager will be entitled to the Management Fee. The General Partner may, in its discretion, terminate and replace the Manager where it deems it to be in the best interests of the Fund. The Manager also serves as the investment fund manager, trustee and/or portfolio manager, of the Venator Investment Trust, Venator Select Fund, Venator Offshore Fund Inc., Venator Income Fund, Venator Partners US Fund LP and Venator Partners Master Fund LP. See “Management of the Fund—The Manager”.

Investment Objective of the Fund:

The investment objective of the Fund is to provide long-term capital growth through fundamental securities selection by taking both long and short investment positions in equity, debt and derivative securities and through strategic trading. The portfolio will consist primarily of securities that generate capital gains, but will also include investments that generate income. The allocation of long and short positions will vary depending on the opportunities the Manager believes have the best reward per unit of risk. See “Investment Objective, Strategies and Restrictions”.

Investment Strategies of the Fund:

The Manager intends to focus on, but is not limited to, long positions in the following general areas: (i) issuers that are not well followed by the investment community and are trading at price to earnings ratios, price to sales ratios and/or price to cash flow ratios that do not reflect their earnings and/or cash flow growth rates; (ii) issuers that are showing profitability ratios well below their potential and where a plan to increase efficiencies exist or is expected to be implemented in the near future; (iii) issuers with track records of profitable operations and strong balance sheets, and which are trading below their intrinsic or fair values; (iv) securities of companies involved in corporate restructurings, mergers, acquisitions and spin-offs; (v) securities of distressed and bankrupt companies; (vi) high yield instruments; and (vii) option derivatives.

In selecting short sale candidates, the Manager expects to focus on, but is not limited to, companies that are experiencing deteriorating business and industry conditions, have leveraged and/or cash poor balance sheets and/or are facing capital expenditure requirements in excess of their internal cash generation abilities and/or companies that are trading above their intrinsic or fair value.

Certain short sales may be initiated solely to hedge market exposure or currency exposure. This may include securities in issuers such as borrowers of foreign currencies, index-tracking securities or large capitalization stocks that serve as a barometer to sectors where the

Manager is looking to decrease the Fund's overall and/or net market exposure.

The Manager may engage in special situations trading from time to time, including investing in event-driven situations such as private placements, initial public offerings, convertible debt and equity offerings, corporate restructurings, mergers, acquisitions and spin-offs, hostile takeovers or bankruptcies.

Redemptions:

An investment in Units is intended to be a long-term investment. Units may be redeemed at their Net Asset Value per Unit (determined in accordance with the Limited Partnership Agreement) on any Valuation Date provided that the request for redemption is submitted at least 45 days prior to such Valuation Date. The Manager has the sole discretion to accept or reject redemption requests and intends to accept redemption requests in circumstances where it would not be prejudicial to the Fund.

The Fund may suspend redemption rights in certain circumstances, including when the Fund has received requests to redeem Units representing 10% or more of the Net Asset Value of the Fund. The Manager also reserves the right to hold back up to 20% of the aggregate redemption price if liquidity issues arise. The Manager may require a Limited Partner to surrender their Units for redemption in certain circumstances. See "Redemption of Units".

Risk Factors:

Investors should consider a number of factors in assessing the risks associated with investing in Units, including those generally associated with the investment strategies used by the Manager, and certain tax matters. See "Risk Factors".

**Certain Canadian
Federal Income Tax
Considerations:**

Each Limited Partner will generally be required to include, in computing income or loss for tax purposes for a taxation year, his or her share of the income or loss allocated to such Limited Partner for each fiscal year of the Fund ending in or coincidentally with the Limited Partner's taxation year, whether or not he or she has received a distribution from the Fund. Income and loss of the Fund for tax purposes will be allocated in accordance with the provisions of the Limited Partnership Agreement. See "Certain Canadian Federal Income Tax Considerations".

**Not Eligible for
Registered Plans:**

The Units do not constitute qualified investments under the Income Tax Act (Canada) (the "Tax Act") for trusts governed by registered retirement savings plans, registered retirement income funds, tax-free savings accounts, registered education savings plans, deferred profit sharing plans or registered disability savings plans for the purposes of the Tax Act.

FEES

- Management Fee:** The Fund pays the Manager a monthly fee equal to: (i) 1/12 of 2% of the Net Asset Value (determined in accordance with the Limited Partnership Agreement) attributable to the Class A Units and (ii) 1/12 of 1% of the Net Asset Value attributable to the Class F Units, plus any applicable HST in each case, calculated and payable at the beginning of each month based on the Net Asset Value as at the end of the immediately preceding month. The Manager has the discretion to enter into agreements with one or more Limited Partners that will have the effect of reducing the Management Fee for such Limited Partners. See “Summary of Terms—Side Letters”.
- Profit Account:** A portion of the net profits of the Fund for a fiscal year are allocated to the General Partner to the extent of a positive balance in a running account (the “**Profit Account**”), and the Limited Partners are entitled to the remainder. The Profit Account is computed on a Valuation Date as (i) the positive or negative balance in the account carried forward from the immediately preceding Valuation Date; plus (ii) 20% of net profits of the Fund for the period following the previous Valuation Date; minus (iii) 20% of net losses of the Fund during such period; and (iv) any distribution of income made to the General Partner after the previous Valuation Date. Thus, assuming there is no balance in the Profit Account to carry forward from a previous fiscal year, the net profits of the Fund for a fiscal year will be allocated as to 20% to the General Partner and as to 80% to the Limited Partners.
- Through the mechanism of the Profit Account, to the extent that the Fund incurs net losses in any fiscal year, such losses will be carried forward to effectively offset profits on which the General Partner’s share of income would otherwise be calculated in any subsequent year. See “Distributions and Computation and Allocation of Net Profits or Losses”.
- Sales Commission:** There is no commission payable to the Manager in respect of Units purchased directly by an investor. An investor may pay a negotiated fee if purchasing through a dealer. Subject to applicable law, the Manager may pay a negotiated referral fee or trailing commission to dealers or other persons in connection with a sale of Units, provided investors are advised in writing by the selling dealer of any such fee at the time of investment.
- Service Fee and Commissions:** The Manager currently pays an annual service fee (the “**Service Fee**”) with respect to the Class A Units only, to participating registered dealers of up to 1% of the Net Asset Value per Class A Unit calculated as of the quarterly valuation date multiplied by the number of Class A Units held by the clients of such registered dealer, agent or broker during such quarter. Payments are calculated and paid quarterly. The Fund shall not reimburse the Manager for any service fees.
- No service fee is payable in respect of the Class F Units.
- Expenses:** The Fund is responsible for the payment of all fees and expenses relating to its establishment and operation, including registrar and transfer agent fees and expenses, audit, accounting, administration, record keeping and

legal fees and expenses, custody and safekeeping charges, all costs and expenses associated with offering securities of the Fund for sale, providing financial and other reports to Limited Partners and convening and conducting meetings of Limited Partners, all taxes, assessments or other governmental charges levied against the Fund, interest and all brokerage and other fees relating to the purchase and sale of the assets of the Fund. The Fund is generally required to pay HST on the fees and expenses that it pays.

The Manager may from time to time pay for certain operating expenses of the Fund to maintain the Fund's management expense ratio at a competitive level. The management expense ratio represents the fees and operating expenses (including HST) paid by a fund expressed as a percentage of its average net assets during the year.

Year End: December 31

Side Letters: The Partnership may permit certain Limited Partners (including, but not limited to, the affiliates and employees of the Manager or the General Partner) to acquire Units on different economic terms than other Limited Partners.

The General Partner and the Manager anticipate that they will from time to time enter into written agreements with certain Limited Partners that may provide for terms of investment that are more favorable to the terms described in this Offering Memorandum and have the effect of amending the Limited Partnership Agreement solely with respect to each such Limited Partner. Such terms may include, but are not limited to, the waiver, reduction or rebate of the Management Fees and the provision of additional information or reports.

PROFESSIONAL ADVISORS

Auditors to the Fund:	KPMG LLP Toronto, Ontario
Legal Counsel to the Fund:	Stikeman Elliott LLP Toronto, Ontario
Custodian and Prime Broker to the Fund:	CIBC World Markets Inc. Toronto, Ontario
Administrator to the Fund:	SGGG Fund Services Inc. Toronto, Ontario

VENATOR FOUNDERS FUND

Venator Founders Fund (the “**Fund**”) is a limited partnership formed and organized under the laws of the Province of Ontario pursuant to the *Limited Partnerships Act* (Ontario) by declaration dated January 13, 2006. The Fund is governed by the provisions of a limited partnership agreement (as amended and restated from time to time, the “**Limited Partnership Agreement**”), a copy of which is available from the General Partner. The offices of the General Partner are located at 2 Bloor Street West, Suite 901, Toronto, Ontario, M4W 3E2. Effective December 30, 2016, Venator Partners Fund merged with the Fund and units of Venator Partners Fund were exchanged on a NAV-for-NAV basis for units of the Fund.

The beneficial interests in the Fund are divided into an unlimited number of redeemable, retractable limited partnership units issuable in classes and series. The Fund is offering Class A and Class F Units (the “**Units**”). The only difference between the Class A Units and the Class F Units is the Service Fee (as defined herein) payable in respect of the Units of each class as described under “Fees and Expenses”. Accordingly, the Net Asset Value per Unit of each class of Units will not be the same as a result of different fees and expenses allocable to each class of Units. Class A Units are available to all investors, including those investors that purchase their Class A Units after being referred by a registered financial advisor that requests payment of a service fee from the Fund. Class F Units are only available to investors that have or arrange to have fee-based accounts with a registered dealer. See “Fees and Expenses”. Each issued and outstanding Unit is equal to each other Unit of the same class with respect to all matters. If the Manager becomes aware that a holder of Units (each, a “**Limited Partner**”) no longer qualifies to hold Class F Units, the Manager may convert those Class F Units into Class A Units on at least 10 days prior notice.

Except as set out above, the Units of each class have equal rights and privileges, and each Unit of a series is equal to each other Unit of the same series with respect to all matters. The respective rights of Limited Partners of each class and/or series will be proportionate to the net asset value (the “**Net Asset Value**”) of such class and/or series relative to the Net Asset Value of each other class and/or series, as applicable. See “Description of Units” and “Valuation of Assets and Computation of Net Asset Value”. Net profits of the Fund will be allocated as set forth under “Distributions and Computation and Allocation of Net Profits or Losses”.

A subscriber for Units will become a Limited Partner of the Fund upon the acceptance by the Manager of a duly completed Subscription Agreement and the recording of the subscriber as a Limited Partner of the Fund in the register of Limited Partners maintained by the General Partner pursuant to the *Limited Partnerships Act* (Ontario). Holders of Units are hereinafter referred to as “Limited Partners”.

INVESTMENT OBJECTIVE, STRATEGIES AND RESTRICTIONS

Investment Objective

The investment objective of the Fund is to provide long-term capital growth through fundamental securities selection by taking both long and short investment positions in equity, debt and derivative securities and through strategic trading strategies which include techniques such as technical analysis of securities. The portfolio will consist primarily of securities that generate capital gains, but will also include investments that generate income. The Manager intends to invest long and short in stocks, bonds and commodities, directly or indirectly, to provide the best appreciation potential. The allocation of long and short positions will vary depending on the opportunities the Manager believes have the best reward per unit of risk.

Investment Strategies

To achieve its investment objective the Fund will primarily invest long in undervalued securities including stocks, derivatives, bonds and commodities that the Manager believes are undervalued, and will short sell those that are overvalued and which suffer from deteriorating fundamentals or other risks. The relative weightings of long and short positions in the Fund will be optimized to provide the best absolute return in changing market conditions.

The Manager intends to focus on, but not be limited to, long positions in the following general areas: (i) issuers that are not well followed by the investment community and are trading at price to earnings ratios, price to sales ratios and/or price to cash flow ratios that do not reflect their earnings and/or cash flow growth rates; (ii) issuers that are showing profitability ratios well below their potential and where a plan to increase efficiencies exists or is expected to be implemented in the near future; (iii) issuers with track records of profitable operations and strong balance sheets, and which are trading below their intrinsic or fair values; (iv) securities of companies involved in corporate restructurings, mergers, acquisitions and spin-offs; (v) securities of distressed and bankrupt companies; (vi) high yield instruments; and (vii) option derivatives.

The Manager may engage in special situations trading from time to time, including investing in event-driven situations such as private placements, initial public offerings, convertible debt and equity offerings, corporate restructurings, mergers, acquisitions and spin-offs, hostile takeovers or bankruptcies.

Short selling and hedging strategies will be focused on companies with market capitalizations in excess of \$200 million. It is currently anticipated that a significant percentage of short selling will involve a combination of companies with poor to average fundamentals trading at high valuations, and companies in respect of which the Manager believes that current estimates exceed likely future results. In selecting short sale candidates, the Manager expects to focus on, but is not limited to, companies that are experiencing deteriorating business and industry conditions, have leveraged and/or cash poor balance sheets and/or are facing capital expenditure requirements in excess of their internal cash generation abilities and/or companies that are trading above their intrinsic or fair value.

Certain short sales may be initiated solely to hedge market exposure or currency exposure. This may include securities in issuers such as borrowers of foreign currencies, index-tracking securities or large capitalization stocks that serve as a barometer to sectors where the Manager is looking to decrease the Fund's overall and/or net market exposure.

Furthermore, the Fund may buy put options on securities where the Manager believes that the volatility of the underlying security could expose the Fund to excessive risk. It is also anticipated that the Fund will engage in the short-selling of index-tracking securities (including exchange traded funds) to reduce market exposure.

In order to generate additional returns, the Fund may lend its securities to borrowers acceptable to the Manager pursuant to the terms of a securities lending agreement between the Fund and any such borrower (each, a "**Securities Lending Agreement**"). Under a Securities Lending Agreement: (i) the borrower will pay to the Fund a negotiated securities lending fee and will make compensation payments to the Fund equal to any distributions received by the borrower on the securities borrowed; (ii) the securities loans must qualify as "securities lending arrangements" for the purposes of the Tax Act (as defined herein); and (iii) the Fund will receive collateral security prescribed by the Securities Lending Agreement.

The Manager may make use of options and other derivatives in order to mitigate risk. For

example, the Manager may purchase put options rather than short sell a highly volatile security so as to limit the Fund's exposure and enhance returns (e.g. the Fund may acquire warrants as part of a public financing of special warrants). In addition, the Fund may participate in "covered" option selling strategies, or synthesize returns where direct investments are unavailable or are not tax-efficient.

As the Fund's goal is to maximize returns in Canadian dollar terms, it is anticipated that the Fund will borrow foreign funds to hedge its "net long" exposure to foreign investments, rather than buying them with Canadian dollars which could result in currency fluctuation risk.

Investment Restrictions

Investments made by the Fund shall be subject to the investment restrictions ("**Investment Restrictions**") set out in the Limited Partnership Agreement and as subject to certain restrictions including those described in paragraphs 1 to 10 below. The Investment Restrictions may be changed by the agreement of the General Partner and the Manager without notice to Limited Partners provided that such change is in accordance with the investment objective of the Fund. All amounts and percentage limitations apply only immediately after a transaction, and any subsequent change in any applicable percentage resulting from changing values will not require the disposition of any security from the Fund's portfolio. The Investment Restrictions of the Fund include:

1. *Leverage Restrictions* - The proportion of long positions versus short positions will be a function of the Manager's ability to find attractive situations and the strategy being employed. In any event, the aggregate market exposure of the Fund's short positions will not, at any time, exceed 150% of the Net Asset Value, and the Fund's long positions will not exceed 150% of the Net Asset Value, provided that the net exposure of the Fund (to both long and short positions) will not exceed 110% of the Net Asset Value.
2. *Illiquid Securities* - The Fund will generally not engage in "private equity" activities such as the purchase of non-publicly traded equity of private companies. The Fund may own selected non-public securities including but not limited to special warrants, debt obligations, and private investments in public equity (PIPEs), as well as selected securities of private companies including but not limited to publicly traded debt of private companies.
3. *Cash* - The amount of cash and cash equivalents held by the Fund will fluctuate and may at times be significant.
4. *Purchasing Securities* - The Fund will not purchase securities other than through normal market facilities unless the purchase price thereof approximates or is less than the prevailing market price or is negotiated or established on an arm's length basis by the Manager.
5. *Concentration - Long Positions* - The Fund may not invest more than 25% of the Net Asset Value in any single long position (as measured at market) with the exception of cash and equivalent instruments, as well as exchange traded funds.
6. *Concentration - Short Positions* - The Fund may not hold more than 15% of the Net Asset Value in any single short position (as measured at market) with the exception of cash and equivalent instruments, exchange-traded funds and index-tracking securities.
7. *Concentration - Individual Issuers* - Position sizes in any one issuer will be limited to a maximum of 20% of that issuer's equity. In the case of convertible hedges, the net debt balance in any one issuer will be limited to a maximum of 20% of the Fund's fully diluted equity.

8. *Securities Lending* – In order to generate additional returns, the Fund may lend securities to borrowers acceptable to the Fund pursuant to the terms of a securities lending agreement between the Fund and any such borrower. Under any securities lending arrangement: (i) the borrower will pay a negotiated securities lending fee and will make compensation payments equal to any distributions received by the borrower on the securities borrowed; (ii) the securities loans must qualify as “securities lending arrangements” for the purposes of the Tax Act; and (iii) the Fund will receive prescribed collateral security.
9. *Sole Undertaking* - The Fund will not engage in any undertaking other than the investment of the Fund’s assets in accordance with the investment objective and investment strategies of the Fund.

MANAGEMENT OF THE FUND

The General Partner

Venator Genpar Ltd. (the “**General Partner**”), a corporation incorporated on January 9, 2006 under the laws of Ontario, was formed for the purpose of acting as the general partner of one or more investment funds. The General Partner also acts as the general partner for the Venator Select Fund. The General Partner is responsible for the management of the ongoing business, investment and administrative affairs of the Fund, but has delegated most of these responsibilities to the Manager.

The name, municipality of residence, position with the General Partner and principal occupation of the sole director and officer of the General Partner are as follows:

Name and Municipality of Residence	Position with General Partner	Principal Occupation
Brandon Osten, CFA..... Toronto, Ontario	Director and President	CEO, Director and Portfolio Manager of Venator Capital Management Ltd.

Profits and losses of the Fund, net of the Profit Account, for any fiscal year will be allocated as to 99.99% to the Limited Partners and as to 0.01% to the General Partner. Upon the dissolution of the Fund, the remaining net assets of the Fund will be allocated as to 99.99% to the Limited Partners and as to 0.01% to the General Partner.

Net profits of the Fund for a fiscal year are allocated to the General Partner to the extent of a positive balance in a running account, the Profit Account, and the Limited Partners are entitled to the remainder. The Profit Account is computed on a Valuation Date as (i) the positive or negative balance in the account carried forward from the immediately preceding Valuation Date; plus (ii) 20% of net profits of the Fund for the period following the previous Valuation Date; minus (iii) 20% of net losses of the Fund during such period; and (iv) any distribution of income made to the General Partner after the previous Valuation Date. Thus, assuming there is no balance in the Profit Account to carry forward from a previous fiscal year, the net profits of the Fund for a fiscal year will be allocated as to 20% to the General Partner and as to 80% to the Limited Partners. Through the mechanism of the Profit Account, to the extent that the Fund incurs net losses in any fiscal year, such losses will be carried forward to effectively offset profits on which the General Partners’ share of income would otherwise be calculated in any subsequent year. See “Distributions and Computation and Allocation of Net Profits or Losses”.

The Manager

The General Partner, on behalf of the Fund, has retained Venator Capital Management Ltd. (the “**Manager**”) to provide investment fund management, investment advisory and portfolio management services to the Fund.

The Manager was incorporated under the laws of Ontario on October 21, 2005. The Manager's principal office is at 2 Bloor Street West, Suite 901, Toronto, Ontario, M4W 3E2. In its capacity as manager of the Fund, Venator Capital Management Ltd. provides day-to-day management of the Fund's business operations and affairs and manages the Fund's trading activities in accordance with the Fund's investment objective pursuant to a management agreement (the "**Management Agreement**") amended and restated as of April 12, 2017, between the General Partner, on behalf of the Fund, and the Manager. Under the Management Agreement, the Manager is solely responsible for all investment decisions of the Fund. The Manager shall exercise its powers and discharge its duties under the Management Agreement honestly, in good faith and in a manner believed to be in the best interests of the Fund and shall exercise the degree of care, diligence and skill that a reasonably prudent investment fund manager of an investment fund, with investment objectives similar to those of the Fund, would exercise in the circumstances.

The Fund pays the Manager a monthly fee (the "**Management Fee**") equal to: (i) 1/12 of 2% of the Net Asset Value attributable to the Class A Units and (ii) 1/12 of 1% of the Net Asset Value attributable to the Class F Units, plus any applicable HST in each case, based on the Net Asset Value as at the end of the immediately preceding month, calculated and payable at the beginning of each month. The Manager has the discretion to enter into arrangements with one or more Limited Partners that will have the effect of reducing the Management Fee for such Limited Partners.

Management Agreement

Pursuant to the Management Agreement, the Manager, its principals, shareholders, officers, directors, agents and employees (each a "**Potential Indemnitee**") shall at all times be indemnified and saved harmless by the Fund from and against all claims whatsoever, including costs (including legal costs on a substantial indemnity basis), charges and expenses in connection therewith, brought, commenced or prosecuted against it for or in respect of any act, deed, matter or thing whatsoever made, done, acquiesced in or omitted in or about or in relation to the execution of its duties as Manager; with the exception of liabilities and expenses resulting from the Potential Indemnitee's gross negligence, fraud, willful misconduct, or breach of its standard of care.

The Management Agreement provides no Potential Indemnitee shall be liable to the Fund for any loss or damage relating to any matter regarding the Fund, including any loss or diminution in the value of the assets of the Partnership if it has acted in a manner consistent with the standard of care set out in the Management Agreement.

The Manager will select brokers to transact trades on behalf of the Fund. The assets of the Fund will be held by such brokers including any assets that are required to satisfy the broker's margin requirements.

The Management Agreement provides for a continuing term with no provision for an expiry date, and may be terminated by either party giving to the other not less than 60 days' notice in writing. Either party may immediately terminate the Management Agreement: (i) if an order is made or a resolution passed or other proceedings taken for the dissolution and commencement of winding-up of the other party; (ii) if the other party consents to or makes a general assignment for the benefit of creditors, or makes a proposal to creditors under any insolvency law, or is declared bankrupt or insolvent or if a liquidator, trustee in bankruptcy, custodian or receiver is appointed in respect of the other party or a substantial portion of its assets; or (iii) the assets of the other party become subject to seizure or confiscation by any public or governmental organization. The Fund may immediately terminate the Management Agreement if (i) the Manager has lost any registration, licence or other authorization required by it to perform the services delegated to it thereunder; or (ii) the Manager has

acted with wilful misconduct or negligence and as a result of such action there has been a material adverse effect on the Fund.

Officers and Directors of the Manager

The name, municipality of residence, position with the Manager and principal occupation of the directors and officers of the Manager is as follows:

Name and Municipality of Residence	Position with the Manager	Principal Occupation
BRANDON OSTEN Toronto, Ontario	CEO, Director and Portfolio Manager	CEO, Director, and Portfolio Manager, Venator Capital Management Ltd.
STEPHEN ANDERSONS Toronto, Ontario	President, Director and Portfolio Manager	President, Director and Portfolio Manager, Venator Capital Management Ltd.
SUSAN NAYLOR..... Burlington, Ontario	Chief Financial Officer and Chief Compliance Officer	Chief Financial Officer, Venator Capital Management Ltd.

Brandon Osten, CFA

The portfolio manager of the Manager that has primary responsibility for providing investment advice to the Fund is Brandon Osten, CFA. Prior to founding Venator Capital Management Ltd., Brandon Osten was an equity analyst and Director of Sprott Securities Inc., specializing in High Technology, Health Care and U.S. Special Situations. Brandon got his start in the investment business after graduating from the Ivey School of Business at the University of Western Ontario, continuing his education with the completion of the CFA program in 1999.

After spending time as a research associate in the fields of Energy Services and Market Forecasting, Brandon was promoted to Research Analyst in 1999. Brandon quickly made a name for himself with several prominent negative recommendations while discovering several promising companies, offering both long and short opportunities to institutional clients. As an integral member of the group that bought Sprott Securities Inc. from its founder Eric Sprott in 2000, Brandon became a Director of Sprott Securities Inc.

Brandon was the top-ranked software analyst in Canada among non-tier 1 banks in 2001 (#5 overall) and 2002 (#2 overall) according to Brendan Woods International, as well as a Zacks All-Star (top quintile in North America) in those same years. In 2003, Brandon was recognized as “The Best on the Street” by the Wall Street Journal ranking as #1 in software in North America and #5 among all sectors. In 2004, Brandon intensified his research efforts in the United States with coverage of technology and special situations, with a goal of uncovering the “hidden gems” that had become his calling card in Canada. In 2005, Brandon branched out into the healthcare field before leaving Sprott Securities Inc. in June.

Stephen Andersons, CFA

Stephen joined Venator in January 2008 and has been in the investment industry since 1994 in various capacities including trading, analyst and management roles. Most recently, Stephen was the Co-

Head of Research and a Director at Cormark Securities Inc., where he followed Healthcare, Aerospace and Special Situations. Stephen started his career at Sceptre Investment Counsel working in various junior positions. In 1997 he moved to Newcrest Capital Inc. (now part of TD Securities Inc.) as part of the trading desk. After a year and a half on the trading desk Stephen became an associate analyst covering chemicals and fertilizer companies at Newcrest Capital Inc. In 2000 Stephen was hired by Orion Securities (now a part of Macquarie Capital Markets) as an analyst covering Canadian technology companies and was ranked as the top Canadian hardware technology analyst by StarMine in 2002. That same year Stephen was offered the opportunity to search for undiscovered, undervalued U.S. companies at Sprott Securities Ltd. (now Cormark Securities Inc.), where Stephen and Brandon worked together building the foundation of the current strategies of the Manager. Stephen obtained his CFA designation in 2001.

Susan Naylor, CPA, CA

Susan joined Venator in April, 2012. She has been in the investment industry since 1992 in various financial management roles. Most recently, Susan was Vice President, Finance with Northwater Capital Management Ltd. She is a Chartered Accountant and spent the first 10 years of her career with KPMG.

FEES AND EXPENSES

Fees and Expenses

The Fund will pay the Manager a monthly fee equal to: (i) 1/12 of 2% of the Net Asset Value (determined in accordance with the Limited Partnership Agreement) attributable to the Class A Units and (ii) 1/12 of 1% of the Net Asset Value attributable to the Class F Units, plus any applicable HST in each case, calculated and payable at the beginning of each month based on the Net Asset Value as at the end of the preceding month. The Manager has the discretion to enter into arrangements with one or more Limited Partners that will have the effect of reducing the Management Fee for such Limited Partners. In addition, the General Partner will be entitled to share in the profits of the Fund. See “**Contributions, Allocations and Distributions**”.

The Fund is responsible for the payment of all fees and expenses relating to its establishment and operation, including registrar and transfer agent fees and expenses, audit, accounting, administration, record keeping and legal fees and expenses, custody and safekeeping charges, all costs and expenses associated with offering securities of the Fund for sale, providing financial and other reports to Limited Partners and convening and conducting meetings of Limited Partners, all taxes, assessments or other governmental charges levied against the Fund, interest and all brokerage and other fees relating to the purchase and sale of the assets of the Fund. The Fund is generally required to pay HST on the fees and expenses that it pays.

The Manager may from time to time pay for certain operating expenses of the Fund to maintain the Fund’s management expense ratio at a competitive level. The management expense ratio represents the fees and operating expenses (including HST) paid by a fund expressed as a percentage of its average net assets during the year.

Series A Service Fee

The Manager may pay a quarterly service fee (the “**Service Fee**”) to participating dealers equal to 1% per annum of the Net Asset Value of the Series A Units held by clients of such dealers during the relevant period. The Service Fee will be paid each calendar quarter on the total Net Asset Value of the Class A Units held by clients of such registered dealer, agent or broker. Payments are calculated and paid quarterly. The Fund shall not reimburse the Manager for any service fees.

No service fee is payable in respect of the Class F Units.

Participating dealers may, at their discretion, charge a commission of up to 2% of the Net Asset Value of any Units purchased. Any such fee will be negotiated between the dealer and the investor and will be payable by the investor.

LIMITED PARTNERSHIP AGREEMENT

This summary of the Limited Partnership Agreement is qualified in its entirety by the terms of the Limited Partnership Agreement. The rights and obligations of the Limited Partners and the General Partner under the Limited Partnership Agreement are governed by the laws of the Province of Ontario.

A subscriber for Units will become a Limited Partner of the Fund upon the acceptance by the Manager of a duly completed Subscription Agreement and the recording of the subscriber as a Limited Partner of the Fund in the register of Limited Partners maintained by the General Partner pursuant to the *Limited Partnerships Act* (Ontario).

The Units

The Fund can issue an unlimited number of limited partnership units of such classes as the General Partner may determine from time to time. Class A Units and Class F Units have been authorized for issuance and the Fund is authorized to issue an unlimited number of Units of each class. Each Unit shall be equal to each other Unit with respect to all matters including the right to receive distributions from the Fund, and no Unit shall have any preference or right in any circumstances over any other Unit. Each Limited Partner shall be entitled to one vote for each whole Unit held by such Limited Partner in respect of all matters to be decided by the Limited Partners. The Units represent the right to participate in all the profits or losses of the Fund. Title to Units is conclusively evidenced by the register of Limited Partners maintained by the General Partner. Certificates for Units will not be issued. However, on any purchase or redemption of Units, the General Partner will issue confirmation slips indicating the nature of the transaction effected by the Limited Partner and the number of Units held by such Limited Partner after such transaction.

Functions and Powers of the General Partner

The General Partner is responsible for the management of the ongoing business, investment and administrative affairs of the Fund, but has delegated most of these responsibilities to the Manager. The General Partner is required to exercise its powers and discharge its duties honestly, in good faith and in the best interests of the Fund and to exercise the care, diligence and skill of a prudent and qualified administrator. The Limited Partnership Agreement imposes certain restrictions on the General Partner.

By executing the Subscription Agreement, including the power of attorney forming part thereof, each Limited Partner authorizes the General Partner to make any and all elections, determinations or designations under the Tax Act, and to make any filings and disclose any information required by any law or regulation in Canada to any federal or provincial government or regulator on behalf of the Fund and the Limited Partner.

The Limited Partnership Agreement provides that the General Partner assumes no responsibility to the Fund and will bear no liability to the Fund or any Limited Partner for any loss suffered by the Fund which arises out of any action or inaction of the General Partner if such course of conduct did not constitute negligence or misconduct of the General Partner and if the General Partner, in good faith, determined that such course of conduct was in the best interests of the Fund. The Limited Partnership Agreement also provides that the General Partner is entitled to indemnification out of the assets of the Fund against expenses, including legal fees, judgments and amounts paid in settlement, actually and

reasonably incurred by the General Partner in connection with the Fund, provided such expenses were not the result of negligence or misconduct on the part of the General Partner. Similar provisions are included in the Management Agreement as they relate to the Manager.

Transfer of Units

The Units are only transferable in compliance with applicable securities laws and with the written consent of the General Partner. Provided proof of compliance with applicable law satisfactory to the General Partner in its sole discretion is provided, as well as a duly executed form of transfer attached as Schedule A to the Limited Partnership Agreement and such other evidence of endorsement or authorization as the General Partner may reasonably require, the General Partner will provide written consent approving the transfer. A transfer will not be effective unless and until it is recorded on the register of Limited Partners.

Pursuant to the provisions of the transfer, when the transferee of a Unit has been registered as a Limited Partner, the transferee will become a party to the Limited Partnership Agreement and will be subject to the obligations and entitled to the rights of a Limited Partner under the Limited Partnership Agreement. A transferor of Units will remain liable to reimburse to the Fund for any amounts distributed to him or her by the Fund which may be necessary to restore the capital of the Fund to the amount existing immediately prior to such distribution, if the distribution resulted in a reduction of the capital of the Fund resulting in the inability of the Fund to pay its debts as they became due.

Meetings

The Manager may at any time convene a meeting and will be required to convene a meeting on receipt of a request in writing of Limited Partners holding, in the aggregate, 50% or more of the Units outstanding. Each Limited Partner is entitled to one vote for each whole Unit held. Only Limited Partners of record on the date of the meeting shall be entitled to vote at such meeting. The General Partner is entitled to one vote in its capacity as General Partner. A quorum consists of two or more Limited Partners present in person or represented by proxy holding at least 5% of the Units outstanding except for purposes of: (i) passing an Extraordinary Resolution in which case such persons must hold at least 50% of the Units outstanding and entitled to vote thereon; and (ii) passing an Extraordinary Resolution to remove the General Partner, in which case such persons must hold at least 50% of the Units outstanding and entitled to vote thereon. If a quorum is not present at a meeting within thirty minutes after the time fixed for the meeting, the holders of a majority of the Units which are present in person or represented by proxy will have the power to adjourn the meeting to another day and time and at such adjourned meeting a quorum will consist of Limited Partners present in person or represented by proxy and voting. The insiders and affiliates of the General Partner and any director or officer of such persons, if any, will not be permitted to vote on any resolution to replace the General Partner. An “**Extraordinary Resolution**” is a resolution passed by not less than two-thirds of the votes cast at a duly constituted meeting of Limited Partners or an instrument in writing signed by two-thirds of the Limited Partners.

Amendments

Except as described therein, the Limited Partnership Agreement may only be amended with the consent of the Limited Partners given by Extraordinary Resolution. However, no amendment can be made to the Limited Partnership Agreement which would have the effect of reducing the interest in the Fund of the Limited Partners, changing the liability of any Limited Partner, allowing any Limited Partner to participate in the control of the business of the Fund, changing the right of a Limited Partner to vote at any meeting or changing the Fund from a limited partnership to a general partnership. Limited Partners may, by Extraordinary Resolution, remove the General Partner and by ordinary resolution appoint a new General Partner, who, upon acceptance, will assume all managerial duties,

powers and obligations imposed upon or granted to the General Partner under the Limited Partnership Agreement. No amendment which would adversely affect the interests of the General Partner may be made without the General Partner's consent.

The General Partner may, without prior notice to or consent from any Limited Partner, amend the Limited Partnership Agreement: (a) in order to create additional Classes or Series of Units and to set the terms thereof; (b) for the purpose of adapting the Fund to current practice or ensuring continuing compliance with Applicable Law of any governmental authority having jurisdiction over the General Partner or over the Fund, including for the purpose of maintaining the status of the Fund under the Tax Act; (c) for the purpose of changing the Investment Restrictions, provided that such change is in accordance with the investment objective of the Fund; (d) for the purpose of providing additional protection for Limited Partners; (e) for the purpose of correcting typographical mistakes, ambiguities, defective provisions or manifest omissions or errors, or to remove conflicts or inconsistencies in this Agreement provided such amendments in the opinion of the General Partner are necessary or desirable and not prejudicial to the Limited Partners; or (f) for any purpose, provided the General Partner determines such amendment to not be material.

Different Terms for Certain Limited Partners

As described under "Summary of Terms – Side Letters," the General Partner or the Manager may enter into written agreements with any Limited Partner that has the effect of amending the Limited Partnership Agreement solely with respect to each such Limited Partner.

Power of Attorney

The Limited Partnership Agreement, the transfer form forming a part thereof and the Subscription Agreement include an irrevocable power of attorney authorizing the General Partner on behalf of the Limited Partners to execute the Limited Partnership Agreement, any amendments to the Limited Partnership Agreement and all instruments necessary to reflect the dissolution and termination of the Fund, all information and documents necessary to be filed with any government or regulatory authority in Canada in connection with the activities, property, assets and undertaking of the Fund as well as any elections, determinations or designations under the Tax Act or taxation legislation of any province or jurisdiction with respect to the affairs of the Fund or a Limited Partner's interest in the Fund.

PURCHASE OF UNITS

General

The distribution of Units is being made to investors on a private placement basis only and is exempt from the requirement that the Fund prepare and file a prospectus with the relevant Canadian securities regulatory authorities.

Closings may occur at the discretion of the Manager on each Valuation Date, subject to applicable law. Units subscribed for will be issued for a purchase price equal to the Net Asset Value per Unit on such Valuation Date.

Subscription Procedure

Prospective investors who wish to subscribe for Units must complete, execute and deliver the subscription agreement which accompanies this Offering Memorandum to the Manager together with cheque(s) or a wire transfer, each in the name of the Fund (or other form of funds transfer acceptable to the Manager) representing payment of the subscription price. Subscription funds will not be accepted prior to a Valuation Date. Subscriptions for Units are subject to acceptance or rejection in whole or in

part by the Manager in its sole discretion. In the event a subscription for Units is rejected, any subscription funds forwarded by the investor will be returned without interest or deduction. In the event that a subscription for Units is accepted, the investor will be recognized as a purchaser (a “Purchaser”). The Net Asset Value per Unit for subscriptions which are received and accepted by the Manager prior to 4:00 p.m. (Toronto time) on a Valuation Date will be calculated as of that Valuation Date. Otherwise the Net Asset Value per Unit will be calculated on the next Valuation Date. See “Valuation of Assets and Computation of Net Asset Value”.

The Net Asset Value (and Net Asset Value per Unit) determined for the purposes of a subscription or redemption which takes place other than at year-end will include an accrual of the Profit Account based on returns of the Fund in the year to the date of the issuance or redemption from the date of commencement of the fiscal year to the date of the issuance or redemption.

Minimum Investment

The minimum subscription amount for investors who are “accredited investors” under section 73.3 of the *Securities Act* (Ontario) or National Instrument 45-106 *Prospectus Exemptions* (“NI 45-106”), as applicable, is \$150,000, or such lesser amount as the Manager may accept. A list of accredited investors is set out in the subscription agreement accompanying to this Offering Memorandum, but generally includes individuals who have net investment assets exceeding \$1,000,000, personal income exceeding \$200,000 or combined spousal income exceeding \$300,000 (in the previous two calendar years with a reasonable expectation of exceeding the same net income level in the current year).

Following the required initial minimum investment in the Fund, Limited Partners who are accredited investors may make subsequent investments of not less than \$25,000. The Manager may from time to time permit additional investments of lesser amounts in its sole discretion.

Acquisition Charge

There is no commission payable to the Manager in respect of Units purchased directly by a Purchaser from the Manager. A Purchaser may pay a negotiated fee if purchasing through a dealer. Any minimum subscription dollar amounts are net of such fees. Subject to applicable law, the Manager may pay a negotiated referral fee or trailing commission to dealers or other persons in connection with a sale of Units, provided Purchasers are advised in writing by the selling dealer of any such fee at the time of investment.

Prospectus Exemptions and Investor Representations

The distribution of the Units is being made on a private placement basis only and is exempt from the requirement that the Fund prepare and file a prospectus with the relevant Canadian securities regulatory authorities. Unless a Purchaser can establish to the Manager’s satisfaction that another exemption is available, this will generally require that each investor is investing as principal (and not for or on behalf of any other persons) and is an “accredited investor” under applicable securities laws.

Investors will be required to make certain representations in the Subscription Agreement and the General Partner and the Manager will rely on such representations to establish the availability of the exemptions under section 73.3 of the *Securities Act* (Ontario) and NI 45-106, as applicable. No subscription will be accepted unless the General Partner and the Manager are satisfied that the subscription is in compliance with applicable securities laws. The following persons and entities may not invest in this Fund:

- (a) “non-Canadians” within the meaning of the *Investment Canada Act* (Canada), “non-residents”, “tax shelters”, or any entities an interest in which is a “tax shelter investment”, all within the meaning of the Tax Act, and
- (b) a partnership which does not have a prohibition against investment by the foregoing persons.

In the event that any Limited Partner subsequently becomes a “non-Canadian”, a “non-resident” of Canada, a tax shelter, or an entity in which an investment is a tax shelter investment, or a partnership with any of the foregoing as a member, the Limited Partnership Agreement requires such persons to immediately notify the General Partner in writing of such change in status, and such Limited Partner’s Units may be redeemed by the Fund on the next Valuation Date, or such other date as the General Partner may determine.

In addition, any Limited Partner that is or becomes a “financial institution” within the meaning of Section 142.2 of the Tax Act (as same may be amended or replaced from time to time) shall disclose such status to the General Partner at the time of subscription (or when such status changes) and the General Partner may restrict the participation of any such Limited Partner or require any such Limited Partner to redeem all or some of such Limited Partner’s Units. See “Subscription Procedure”.

By executing the Subscription Agreement each subscriber is acknowledging that the investment portfolio and trading procedures of the Fund are proprietary in nature and agrees that all information relating to such investment portfolio and trading procedures shall be kept confidential by such subscriber and will not be disclosed to third parties (excluding the subscriber’s professional advisors) without the written consent of the General Partner.

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

The Manager and the General Partner are controlled by the same individual and, as a result, the Fund may be considered to be a connected issuer and related issuer of the Manager. The General Partner made the decision to create the Fund and distribute its Units and determined the terms of the Offering. Except for the Management Fee payable to the Manager, none of the proceeds of the Offering will be applied, directly or indirectly for the benefit of the Manager. See “Management of the Fund—The Manager”. For additional information regarding potential conflicts of interest for the Agents, see “Conflicts of Interest”.

REDEMPTION OF UNITS

Redemptions at the Option of the Limited Partner

An investment in Units is intended to be a long-term investment. However, Units may be redeemed by Limited Partners at their Net Asset Value on any Valuation Date, provided that the request for redemption is submitted at least 45 days prior to such Valuation Date. Redemption proceeds will be paid to the redeeming Limited Partner not later than the 30th day following the applicable Valuation Date.

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

The Manager reserves the right to hold up to 20% of the aggregate redemption proceeds to provide an orderly disposition of assets. The term of such holdback will not exceed a reasonable time period, having regard to the applicable circumstances.

Any investor whose total combined investment in the Fund represents 10% or greater of the Net Asset Value is restricted from filing a redemption notification which exceeds 10% of the Net Asset Value of the Fund.

If on any redemption date the Manager has received requests to redeem Units that, either singly or when aggregated with all other redemption notices received in respect such redemption date, represents 10% or more of the Net Asset Value of the Fund (the “**Redemption Cap**”), the Manager may in its discretion and without liability, redeem a pro-rated amount only of each such redemption request such that the aggregate redemption proceeds payable on such redemption date are will represent no more than the Redemption Cap (the “**Initial Redemption**”). After the Initial Redemption, the redemption of any Units that have been surrendered but not redeemed, if any, will be deferred to the following Valuation Date in order to permit an orderly liquidation of security positions to meet such redemption. The redemption price for any such deferred redemptions shall be calculated as of the Valuation Date upon which such redemption actually occurs. The Manager has the sole discretion to accept or reject redemption requests and intends to accept redemption requests in circumstances where it would not be prejudicial to the Fund.

The Manager may suspend redemptions of Units or payments in respect thereof at its discretion in whole or in part: (a) for any period in which the General Partner determines in its discretion that (i) conditions exist which render impractical, the sale of assets of the Fund or which impairs the ability of the Fund to determine the value of any of the Fund’s assets; (ii) the market is acting irrationally and does not allow for proper liquidity or fair pricing for securities; or (iii) there are insufficient liquid assets in the Fund to fund such redemptions or that the liquidation of assets would be detrimental to the Fund; (b) for any period when normal trading is suspended on any stock exchange, options exchange or futures exchange on which securities or derivatives are traded which, in the aggregate, represent more than 50% of the Net Asset Value of the Fund; or (c) if, after giving effect to such redemption there would remain insufficient assets to pay all liabilities of the Fund, except liabilities to the General Partner or to other Limited Partners on account of their contributions.

At the option of the Manager, payment of all or part of any redemption proceeds may be made in a *pro rata* portion of the Fund’s securities portfolio.

Net Asset Value (and Net Asset Value per Unit) determined for the purposes of a redemption that occurs other than at year-end will reflect a reduction to take into account the General Partner’s share of net profits based on the returns of the Fund in the year to the date of the redemption.

Any and all Units that have been properly surrendered to the Fund for redemption are deemed to be outstanding until (but not after) the close of business on the applicable Valuation Date, unless the Redemption Price is not paid on or before the applicable payment date in which event such Units will remain outstanding.

Redemption at the Option of the Fund

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

In particular, the Manager and/or the General Partner may require a Limited Partner to redeem all of the Units owned by such Limited Partner if such Limited Partner fails to furnish information requested by the Fund to satisfy its FATCA reporting obligations. See “Certain Canadian Federal Income Tax Considerations – Foreign Account Tax Compliance (“FATCA”).

RESALE RESTRICTIONS

The distribution of Units in Canada is being made pursuant to this Offering Memorandum only on a private placement basis and is exempt from the requirement that the Fund prepare and file a prospectus with the relevant Canadian securities regulatory authorities. Accordingly, any resale of the Units that is permitted pursuant to the Limited Partnership Agreement must be in accordance with applicable securities laws, which will vary depending on the relevant jurisdiction, and which may require resales to be made in accordance with, or pursuant to exemptions from, prospectus requirements.

Furthermore, no transfers of Units may be made unless the Manager, in its sole discretion, approves both the transfer and the proposed transferee. There is no market for these Units and no market is expected to develop, therefore it may be difficult or even impossible for the investor to sell the Units.

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

VALUATION OF ASSETS AND COMPUTATION OF NET ASSET VALUE

Valuation of Assets

The Manager will, on the last business day of each calendar month and on such other dates as the Manager may prescribe (each, a “**Valuation Date**”), calculate the value of the Fund’s assets as set forth below.

The net asset value of the Fund (the “**Net Asset Value**”) consists of the aggregate value of the assets and liabilities of the Fund. The Manager will review and approve the valuation and will, from time to time, consider the appropriateness of the valuation policies adopted by the Fund, as such policies are modified from time to time in the discretion of the Manager, acting reasonably, and in the best interests of the Limited Partners.

Net Asset Value

The Net Asset Value will be calculated by the Manager on each Valuation Date by subtracting the aggregate amount of the liabilities of the Fund from the total assets of the Fund. The total assets of the Fund will be valued as follows:

- (a) the value of any security which is listed or publicly traded shall be the last trade prior to the end of the Valuation Date in which the Net Asset Value of the Fund is being valued (or such other value as *International Financial Reporting Standards* (“**IFRS**”)) may require or permit), as reported by any means in common use;
- (b) the value of any cash on hand or on deposit, prepaid expenses, cash dividends received (or distributions declared payable to Limited Partners of record on a date before the Valuation Date as of which the Net Asset Value is being determined and to be received) and interest accrued and not yet received, shall be deemed to be the face amount thereof unless the Manager has determined that any such asset is not otherwise worth the face

amount thereof, in which case the value thereof shall be deemed to be such value as the Manager determines to be the fair value thereof;

- (c) the value of a forward contract shall be the gain or loss with respect thereto that would be realized if, on the Valuation Date, the position in the forward contract were to be closed out in accordance with its terms, in which case fair value shall be based on the current market value of the underlying interests;
- (d) the value of any bonds, debentures and other debt obligations will be valued by taking the average of the bid and ask prices on the Valuation Date at such times as the Manager, in its discretion, deems appropriate. Short-term investments, including notes and money market instruments, will be valued at cost plus accrued interest;
- (e) if a Valuation Date is not a business day, then the securities and other property will be valued as if such Valuation Date was the preceding business day;
- (f) the value of all securities that are not freely tradable shall be valued at the most recent arm's length third-party transaction value, or the lesser of the acquisition cost and the market price;
- (g) the value of all assets quoted or valued in terms of foreign currency, the value of all funds on deposit and contractual obligations payable in foreign currency and the value of all liabilities and contractual obligations payable in foreign currency shall be determined using the applicable rate of exchange current at, or as nearly as practicable to, the date on which the Net Asset Value is computed; and
- (h) if an investment cannot be valued under the foregoing rules or if the foregoing rules are at any time considered by the Manager to be inappropriate under the circumstances, then notwithstanding the foregoing rules, the Manager shall make such valuation as it considers fair and reasonable.

The process of valuing investments for which no published market exists is based on inherent uncertainties and the resulting values may differ from values that would have been used had a ready market existed for the investments and may differ from the prices at which the investments may be sold.

The Net Asset Value per Unit is the amount obtained by dividing the Net Asset Value of each class and/or series as of a particular date by the total number of Units of such class and/or series outstanding on that date. The Net Asset Value per Unit will be calculated on each Valuation Date by SGGG Fund Services Inc. and shall be reviewed and, if satisfactory, approved by the Fund's accountants. Such review will not form part of or constitute an audit.

DISTRIBUTIONS AND COMPUTATION AND ALLOCATION OF NET PROFITS OR LOSSES

Distributions

The Fund does not intend to make regular distributions. If the Fund has taxable income for Canadian federal income tax purposes for a fiscal year, such income will be allocated to the Limited Partners in accordance with the provisions of the Limited Partnership Agreement as described therein under "Distributions and Computation and Allocation of Net Profits or Losses" and will be required to be included in computing their income for tax purposes, irrespective of the fact that cash may not have been distributed to investors. Since Units may be acquired or redeemed on a monthly basis and allocations of income and losses of the Limited Partners will only be made on an annual basis, such allocations to a particular Limited Partner may not correspond to the economic gains and losses which

such Limited Partner may experience. Distributions may be made in cash, in Units, or *in specie* at the election of the Fund.

Computation and Allocation of Net Profits or Losses and Taxable Income or Loss

A capital account will be established for the General Partner and each Limited Partner (collectively, the “**Partners**” and individually, a “**Partner**”). The initial balance of each Partner’s capital account will be the amount of his or her initial contribution to the capital of the Fund.

Net profits and losses will be determined by the Fund’s auditors in accordance with IFRS. Net profits of the Fund for each fiscal year are allocated to the General Partner to the extent of a positive balance in a running account, the Profit Account, and the limited partners are entitled to the remainder. The Profit Account is computed on, and accrued on, each Valuation Date as (i) the positive or negative balance in the account carried forward from the immediately preceding Valuation Date; plus (ii) 20% of net profits of the Fund for the period following the previous Valuation Date; minus (iii) 20% of net losses of the Fund during such period; and (iv) any distribution of income made to the General Partner after the previous Valuation Date. Thus, assuming there is no balance in the Profit Account to carry forward from a previous fiscal year, the net profits of the Fund for a fiscal year will be allocated as to 20% to the General Partner and as to 80% to the Limited Partners. Through the mechanism of the Profit Account, to the extent that the Fund incurs net losses in any fiscal year, such losses will be carried forward to effectively offset profits on which the General Partner’s share of income would otherwise be calculated in any subsequent year. See “**Distributions and Computation and Allocation of Net Profits or Losses**”.

Generally, net profits or losses of the Fund which are allocable to Limited Partners will be allocated, as at the end of each fiscal year of the Fund, to the Limited Partners in proportion to the number of such Units held by each of them, subject to adjustment to reflect subscriptions and redemptions made during the year, as described below. The profits or losses of the Fund, net of the Profit Account, for any fiscal year will be allocated as to 99.99% to the Limited Partners and as to 0.01% to the General Partner.

The Fund will allocate its taxable income or loss calculated in accordance with the provisions of the Tax Act to Limited Partners in the same manner as net profits and losses will be allocated.

AUDITORS

The auditors of the Fund are KPMG LLP, Chartered Accountants, Toronto, Ontario.

TRANSFER AGENT AND REGISTRAR

Fund accounting and record keeping will be the responsibility of the Manager, who may engage third party service providers in this regard. The fees of such service providers will be paid by the Fund.

PRIME BROKER AND CUSTODIAN

CIBC World Markets Inc., Toronto, Ontario is the prime broker and custodian of the assets of the Fund.

REPORTS TO LIMITED PARTNERS

The audited annual and unaudited semi-annual financial statements of the Fund will be prepared and sent to Limited Partners who elect to receive the financial statements in conformity with applicable securities law requirements, as these may be amended from time to time. Audited financial statements will be sent within 90 days of each fiscal year end and semi-annual financial statements of the Fund will be sent within 60 days of the end of the most recent interim period.

Within 90 days after the end of each fiscal year, the Manager will forward to each Limited Partner a report on taxable income or loss and distributions of cash to the Manager and the Limited Partners for such fiscal period and tax information to enable each Limited Partner to properly complete and file his or her tax returns in Canada in relation to an investment in Units. The annual financial statements of the Fund shall be audited by the Fund's auditors in accordance with generally accepted auditing standards. The Manager will forward to each Limited Partner quarterly unaudited financial information respecting the Net Asset Value per Unit within 30 days after the end of each calendar quarter.

LIABILITY OF LIMITED PARTNERS AND REGISTRATION OF THE PARTNERSHIP

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

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

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

or paid in error. However, the General Partner has only nominal assets and it is unlikely that the General Partner will have sufficient assets to satisfy any claims pursuant to such indemnity.

CERTAIN CANADIAN FEDERAL INCOME TAX CONSIDERATIONS

The following is, as of the date hereof, a summary of the principal Canadian federal income tax considerations with respect to the acquisition, ownership and disposition of Units to an investor who, for the purposes of the Tax Act, is resident in Canada, deals at arm's length with the Fund, is the initial investor in the Units, has not made a functional currency reporting election under the Tax Act, will hold Units as capital property, does not have a "significant interest" in the Fund within the meaning of Section 34.2 of the Tax Act and has invested for his or her own benefit and not as a trustee of a trust. The determination of whether the Units are capital property to a holder will depend, in part, on the holder's particular circumstances. Generally, Units will be considered to be capital property to a holder if acquired by him or her for investment purposes and not acquired or held in the course of carrying on a business of trading or dealing in securities or as part of an adventure in the nature of trade.

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

This summary is based on the assumption that the Fund is not a "tax shelter" as that term is defined in the Tax Act and an investment in the Fund is not a tax shelter investment for the purposes of the Tax Act. This summary further assumes that at all times, all members of the Fund are resident in Canada for the purpose of the Tax Act and that they will comply in all respects with the restrictions on investors pursuant to the Limited Partnership Agreement. This summary assumes that not more than 50% of the Units are held by financial institutions.

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

Computation of Income or Loss

The Fund is not itself a taxable entity. However, the Fund is required to compute its income (or loss) in accordance with the provisions of the Tax Act as if it were a separate person resident in Canada. The fiscal year of the Fund ends on December 31 in each calendar year.

In computing the income or loss of the Fund, deductions will be claimed in respect of all expenses of the Fund in accordance with and to the extent permitted under the Tax Act. The CRA has

taken the position that gains and losses from short sales are generally on income account. However, the CRA has also taken the position that a short sale on shares that are identical to shares held by a taxpayer to hedge a taxpayer's position may be on capital account. Accordingly, although the Fund may intend to treat certain of its gains and losses from transacting in equities and equity derivative securities as being on capital account, it is possible that the CRA may take a different view, in which case gains and losses from transacting in such positions would give rise to ordinary income and losses. One-half of a capital gain (a "taxable capital gain") is included in computing income in the year and one-half of a capital loss (an "allowable capital loss") is deductible only against taxable capital gains.

Each Limited Partner will generally be required to include, in computing his or her income or loss for tax purposes for a taxation year, his or her share of the income or loss (including taxable capital gains and allowable capital losses) allocated to such Limited Partner for each fiscal year of the Fund for such year, whether or not he or she has received or will receive a distribution from the Fund. Income and loss of the Fund for tax purposes will be allocated to Limited Partners in accordance with the provisions of the Limited Partnership Agreement as described under "Distributions and Computation and Allocation of Net Profits or Losses". **As discussed under the heading "Distributions and Computation and Allocation of Net Profits or Losses", the Fund is not required to make distributions to Limited Partners in any year, even when income will be allocated to Limited Partners for purposes of the Tax Act. As a result, Limited Partners may be required to pay tax on such income allocation even though the Limited Partner has not received a cash distribution.** This may also be the case where an allocation of income is made to a Limited Partner who transferred Units before the end of the year. The Fund will furnish to each Limited Partner such information as is required by the CRA to assist in declaring the Limited Partner's share of the Fund's income or loss. However, the responsibility for filing any required tax returns and reporting his or her share of the income or loss of the Fund falls solely upon each Limited Partner.

In general, every member of a partnership must, in accordance with the regulations, file an information return in prescribed form which contains specified information for each taxation year of the partnership. The General Partner has agreed to file the necessary information return, which will be deemed to have been made by each member of the Fund.

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

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

The Tax Act provides that, notwithstanding the income or loss allocation provisions of the Limited Partnership Agreement, any losses of the Fund from a business or property allocated to a Limited Partner will be deductible by such Limited Partner in computing his or her income for a taxation year only to the extent that his or her share of the loss does not exceed his or her "at-risk amount" in respect of the Fund at the end of the year. In general terms, the "at-risk amount" of a Limited Partner in respect of the Fund at a particular time is (i) the adjusted cost base of his or her Units at that time plus (ii) if the particular time is at the end of the fiscal period of the Fund, his or her share of the income of the Fund for the fiscal year, less the aggregate of (iii) all amounts owing by the Limited Partner to the Fund

or to a person with whom the Fund does not deal at arm's length and (iv) subject to certain exceptions, any amount or benefit to which the Limited Partner is entitled to receive where the amount or benefit is intended to protect the Limited Partner from any loss he or she may sustain by virtue of being a member of the Fund or holding or disposing of Units.

A Limited Partner's share of any Fund loss that is not deductible by the Limited Partner in the year because of the "at-risk rules" is considered to be the Limited Partner's "limited partnership loss" in respect of the Fund for that year. Such "limited partnership loss" may be deducted by the Limited Partner in any subsequent taxation year against any income for that year to the extent that the Limited Partner's "at-risk amount" at the end of the Fund's fiscal year ending in that year exceeds the Limited Partner's share of any loss of the Fund for that fiscal year.

Disposition and Redemption of Units

Upon the redemption or other actual or deemed disposition of a Unit by a Limited Partner, a capital gain (or a capital loss) will generally be realized to the extent that the proceeds of disposition of the Unit net of any costs of disposition exceed (or are less than) the adjusted cost base to the Limited Partner of the Unit. The portion of capital gains included in computing income ("taxable capital gains") and the portion of capital losses ("allowable capital losses") deductible from taxable capital gains is one-half. The unused portion of an allowable capital loss may be carried back three years or forward indefinitely and may only be used against taxable capital gains, subject to detailed rules in the Tax Act. A "Canadian-controlled private corporation" (as defined in the Tax Act) may be subject to an additional refundable tax in respect of certain investment income including taxable capital gains.

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

In general, the adjusted cost base of a Unit to a Limited Partner is the subscription price of the Unit plus the Limited Partner's share of any income of the Fund (including the full amount of any capital gains) for any previously completed fiscal periods, less the Limited Partner's share of the losses of the Fund (including the full amount of any capital losses) for any fiscal period ending before that time (except where any portion of such losses were included in his or her "limited partnership loss" in respect of the Fund as such losses will reduce the adjusted cost base of his or her Units only to the extent they have been previously deducted) and any distributions made to the Limited Partner by the Fund. The adjusted cost base of each Unit will be the average of the adjusted cost base of all identical Units held by a Limited Partner. If the adjusted cost base of a Limited Partner's Units becomes a negative amount such negative amount as at the end of a fiscal year of the Fund will be deemed to be a capital gain realized by the Limited Partner and the adjusted cost base will subsequently be nil.

A redemption of Units will be treated as a disposition for purposes of the Tax Act. As described under "Distributions and Computation and Allocation of Net Profits or Losses", where Units are withdrawn by a Limited Partner during the course of the year or are acquired during the course of the year, the General Partner will adopt an allocation policy intended to allocate income and loss in such manner as to account for Units which are purchased or withdrawn throughout such fiscal year. To such end, any person who was a Limited Partner at any time during the fiscal year but who has withdrawn or transferred some or all of the Units before the last day of such fiscal year may have income or losses of the Fund for such year allocated to him or her. A Limited Partner who is considering disposing of Units during a fiscal period of the Fund should obtain specific tax advice.

International Information Reporting: FATCA and CRS Rules

Pursuant to the *Intergovernmental Agreement for the Enhanced Exchange of Tax Information under the Canada-U.S. Tax Convention* entered into by Canada and the United States (the “IGA”) and related Canadian legislation found in Part XVIII of the Tax Act, Limited Partners will be required to provide their dealer and the Fund with information related to their citizenship or residence for tax purposes and, if applicable, a U.S. federal tax identification number, or in the case of certain entities with such information relating to their controlling persons. If a Limited Partner does not provide the information or is identified as, or in the case of certain entities as having one or more controlling persons who is, a “Specified U.S. Person”, as defined under the IGA (including U.S. citizens who are residents of Canada), certain account information and other personal identifying details of the equity securityholder (and, if applicable, of such controlling persons) will generally be reported to the CRA, unless the investment is held within a registered plan. The CRA will then provide the information to the U.S. Internal Revenue.

If the Partnership is unable to comply with any of its obligations under the IGA, the imposition of a 30% U.S. withholding tax on certain specified payments (i.e. “withholdable payments” as defined under the *Foreign Account Tax Compliance Act* (“FATCA”) made to the Partnership, as well as penalties under the Tax Act, may affect the net asset value of the Partnership and may result in reduced investment returns to Limited Partners. To avoid this withholding tax, the Fund must collect certain information from Limited Partners to determine whether the Limited Partner is a U.S. person or in certain cases whether a non-U.S. entity Limited Partner has any U.S. owners, and certain information is provided to the IRS with respect to these investors. Limited Partners will be required to furnish appropriate documentation certifying as to their U.S. or non-U.S. tax status, together with such additional tax information as the Fund may from time to time request. Failure to provide such information may subject a Limited Partner to withholding taxes or mandatory redemption of its entire interest in the Fund.

In addition, pursuant to rules in the Tax Act implementing the Organization for Economic Co-operation and Development Common Reporting Standard (the “CRS Rules”), beginning July 1, 2017, Canadian financial institutions will be required to have procedures in place to identify accounts held by residents of foreign countries that have agreed to bilateral information exchange with Canada under the Common Reporting Standard (“Participating Jurisdictions”) or by certain entities any of whose “controlling persons” are resident in a Participating Jurisdiction. The CRS Rules provide that, beginning in 2018, Canadian financial institutions must report required information to the CRA annually. Such information will be exchanged by the CRA on a reciprocal, bilateral basis with the Participating Jurisdictions in which the account holders or such controlling persons are resident. Under the CRS Rules, Limited Partners will be required to provide required information reflecting their investment in the Fund to their dealer for the purpose of such information exchange.

Note that U.S. persons and other non-residents may not invest in the Fund. Limited Partners who fail to provide the required information or who become a non-resident or a U.S. person are subject to compulsory redemption of their Units. Additionally, the Fund may (i) require the Limited Partner(s) whose failure to provide information results in the FATCA withholding tax to indemnify the Fund for the tax and associated costs, (ii) treat the FATCA withholding as an amount deemed distributed to such Limited Partner(s) and/or (iii) seek other available remedies (including through the compulsory redemption of Units held by such Limited Partner(s)). Limited Partners are encouraged to consult with their own tax advisors regarding the possible applicability of the FATCA legislation and the CRS Rules on their investment in the Fund.

ELIGIBILITY FOR INVESTMENT

The Units **do not** constitute qualified investments under the Tax Act for trusts governed by registered retirement savings plans, registered retirement income funds, tax-free savings accounts,

registered education savings plans, deferred profit sharing plans or registered disability savings plans for the purposes of the Tax Act.

RISK FACTORS

There is high risk associated with an investment in the Fund and an investment in the Fund should only be made after consultation with independent qualified sources of investment and tax advice. Among the risks involved with an investment in the Fund are the following:

General Risks

An investment in the Fund involves a high degree of risk. There can be no assurance that the Fund's investment objectives will be achieved or that Limited Partners will not lose all or substantially all of their investment in the Fund.

Risks Associated with an Investment in the Fund

Potential Loss of Investment

There is a risk that an investment in the Fund will be lost entirely or in part. The Fund is not a complete investment program and should represent only a portion of an investor's portfolio management strategy. **NO ASSURANCE CAN BE MADE THAT PROFITS WILL BE ACHIEVED OR THAT SUBSTANTIAL LOSSES WILL NOT BE INCURRED.**

Devotion of Time

The Manager and its affiliates may in the future manage accounts other than the Fund, the Venator Investment Trust, Venator Select Fund, Venator Offshore Fund Inc., Venator Income Fund, Venator Partners US Fund LP and Venator Partners Master Fund LP and may devote substantial time and resources to doing so.

Increasing the Assets Managed by the Manager May Adversely Affect Performance

There appears to be a tendency for the rates of return achieved by advisors to degrade as assets under management increase. Although the General Partner may in its sole discretion, close the Fund to additional capital contributions, or return capital to existing investors, there is no limit on the total amount of subscriptions that may be accepted on behalf of the Fund. In addition, the Manager is not prohibited from managing other vehicles or accounts with similar or different strategies.

Competition

The Fund competes with numerous other private investment funds and financial institutions (both diversified and specialized funds), as well as other investors, many of which have substantially greater resources than the Fund.

The amount of capital committed to "alternative investment strategies" has increased dramatically during the past decade. At the same time, market conditions have become significantly more adverse to many of such strategies than they were in previous years. The profit potential of the Fund may be materially reduced as a result of the increased competition within the alternative investment field.

Potential Inability to Trade or Report Due to Systems Failure

The Manager's strategies will be dependent to a significant degree on the proper functioning of its internal and external computer systems. Accordingly, systems failures, whether due to third-party failures upon which such systems are dependent or the failure of the Manager's hardware or software, could disrupt trading or make trading impossible until such failure is remedied. Any such failure, and consequential inability to trade (even for a short time), could, in certain market conditions, cause the Fund to experience significant trading losses or to miss opportunities for profitable trading. Any such failures also could cause a temporary delay in reports to investors.

Financing Arrangements; Availability of Credit

The Fund's use of leverage will depend on the availability of credit in order to finance its portfolio. There can be no assurance that the Fund will be able to maintain adequate financing arrangements under all market circumstances. As a general matter, the banks and dealers that provide financing to the Fund can apply essentially discretionary margin, haircut, financing, security and collateral valuation policies. Changes by banks and dealers in such policies, or the imposition of other credit limitations or restrictions, whether due to market circumstances or governmental, regulatory or judicial action, may result in margin calls, loss of financing, forced liquidation of positions at disadvantageous prices, termination of swap and repurchase agreements and cross defaults to agreements with other dealers. Any such adverse effects may be exacerbated in the event that such limitations or restrictions are imposed suddenly and/or by multiple market participants at or about the same time. The imposition of such limitations or restrictions could compel the Fund to liquidate all or part of its portfolio at disadvantageous prices. The financing available to the Fund from banks, dealers and other counterparties is likely to be restricted in disrupted markets.

Risk of Litigation

In the ordinary course of business, the Fund may be subject to litigation from time to time. In addition, the Fund may accumulate substantial positions in the securities of issuers that become involved in proxy contests or other litigation. As a result of such investments, the Fund could be named as a defendant in a lawsuit or regulatory action. The outcome of such proceedings, which may materially adversely affect the value of the Fund, may be impossible to anticipate, and such proceedings may continue without resolution for long periods of time. Any litigation may consume substantial amounts of the Manager's time and attention, and that time and the devotion of these resources to litigation may, at times, be disproportionate to the amounts at stake in the litigation.

Limited Regulatory Oversight

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

The Manager is registered with the Ontario Securities Commission as a Portfolio Manager, Investment Fund Manager and Exempt Market Dealer. Neither the Manager nor the General Partner is registered as a "commodity pool operator" or "commodity trading advisor" with the Commodity Futures Trading Commission ("CFTC"). The Manager is not registered as an "investment adviser" with the Securities and Exchange Commission ("SEC"). Therefore, neither the Fund nor the investors in the Fund have the benefit of the protections afforded by, nor is the Manager or the General Partner subject to the restrictions contained in, such registrations and regulations.

Notwithstanding the foregoing, the Dodd-Frank Wall Street Reform and Consumer Protection Act ("**Dodd-Frank**") may impose burdensome reporting and recordkeeping requirements on the Fund. The Manager intends to trade with dealers who will be required by regulation or will have undertaken

to fulfill the Fund's Dodd-Frank mandated reporting requirements. The costs associated with such compliance may result in certain investment strategies in which the Fund engages or may have otherwise engaged becoming non-viable or non-economic to implement.

Tax Liability

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

The income or loss of the Fund will be computed as if the Fund were a separate person resident in Canada. The CRA has stated that it will permit certain taxpayers to report their gains and losses from commodities-related transactions as capital gains and losses (rather than as ordinary income or losses from a business), but has also stated that it will not extend such treatment to a partnership whose prime activity is trading in commodities or commodities futures where the facts support the proposition that the partnership is carrying on a business of trading such items. The CRA may extend its administrative practices with respect to commodity trading activities to the activities undertaken by the Fund. Accordingly, although the Fund may decide to treat certain of its gains and losses from trading in equities and equity derivative securities as being on capital account, it is possible that the CRA may take a different view, in which case gains and losses from trading in such positions would give rise to ordinary income and losses from a business.

Dividend and interest payments on foreign securities may be subject to foreign withholding taxes, which could reduce net proceeds to the Fund.

The taxation of partnerships and partners is complex. Potential investors are strongly urged to consult their own tax advisors.

Market Related Risks

General Economic and Market Conditions

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

Suspension of Trading

Securities exchanges typically have the right to suspend or limit trading in any instrument traded on the exchange. A suspension would render it impossible to liquidate positions and could thereby expose the Fund to losses.

Volatility

The prices of certain instruments that may be traded by the Fund have been subject to periods of excessive volatility recently and in the past, and such periods can be expected to continue or recur. Price movements are influenced by many unpredictable factors, such as market sentiment, inflation rates, interest rate movements and general economic and political conditions.

Market Disruptions; Governmental Intervention; Dodd-Frank

The global financial markets have in the past several years undergone pervasive and fundamental disruptions that have led to extensive and unprecedented governmental intervention. Such intervention has in certain cases been implemented on an “emergency” basis, suddenly and substantially eliminating market participants’ ability to continue to implement certain strategies or manage the risk of their outstanding positions. In addition—as one would expect given the complexities of the financial markets and the limited time frame within which governments have felt compelled to take action—these interventions have typically been unclear in scope and application, resulting in confusion and uncertainty which in itself has been materially detrimental to the efficient functioning of the markets as well as previously successful investment strategies.

The Fund may incur major losses in the event of disrupted markets and other extraordinary events in which historical pricing relationships become materially distorted. The risk of loss from pricing distortions is compounded by the fact that in disrupted markets many positions become illiquid, making it difficult or impossible to close out positions against which the markets are moving. The financing available to the Fund from its banks, dealers and other counterparties is typically reduced in disrupted markets. Such a reduction may result in substantial losses to the Fund. Market disruptions may from time to time cause dramatic losses for the Fund, and such events can result in otherwise historically low-risk strategies performing with unprecedented volatility and risk.

Dodd-Frank seeks to regulate markets, market participants and financial instruments that previously have been unregulated and substantially alters the regulation of many other markets, market participants and financial instruments. Because many provisions of Dodd-Frank require rulemaking by the applicable regulators before becoming fully effective and Dodd-Frank mandates multiple agency reports and studies (which could result in additional legislative or regulatory action), it is difficult to predict the impact of Dodd-Frank on the Fund, the Manager, and the markets in which they trade and invest. Dodd-Frank could result in certain investment strategies in which the Fund engages or may have otherwise engaged becoming non-viable or non-economic to implement. Dodd-Frank and regulations adopted pursuant to Dodd-Frank could have a material adverse impact on the profit potential of the Fund.

The “Volcker Rule” component of the Dodd-Frank materially restricts proprietary speculative trading by banks, “bank holding companies” and other regulated entities. As a result, there has been a significant influx of new portfolio managers into private investment funds who had previously traded institutional proprietary accounts. Such influx can only increase the competition for the Fund from other talented portfolio managers trading in the Fund’s investment sector.

Institutional and Counterparty Risk

Institutions, such as brokerage firms, banks and broker dealers, generally have custody of the Fund’s portfolio assets and may hold such assets in “street name”. Bankruptcy or fraud at one of these institutions could impair the operational capabilities or the capital position of the Fund. The Fund attempts to limit its investment transactions to well capitalized and established banks and brokerage firms in an effort to mitigate such risks.

Notwithstanding the foregoing, markets in which the Manager may effect transactions (*e.g.*, swaps, and in particular, total return swaps) may include OTC or “interdealer” markets, and may also include unregulated private markets. The participants in such markets are typically not subject to the same level of credit evaluation and regulatory oversight as are members of the exchange based markets. This exposes the Fund to the risk that a counterparty will not settle a transaction in accordance with its terms and conditions because of a dispute over the terms of the contract (whether or not bona fide) or

because of a credit or liquidity problem, thus causing the Fund to suffer a loss. Such counterparty risk is accentuated for contracts with longer maturities where events may intervene to prevent settlement, or in instances where the Manager has concentrated its transactions with a single or small group of counterparties.

While Dodd-Frank is intended in part to reduce counterparty risk related to derivatives transactions that have previously been traded on OTC markets, its success in this regard will depend on the implementation of many rules and regulations, a process that may take several years.

In addition to the risk of a counterparty or broker defaulting, there also is the risk that major institutional investors in the Fund may be compelled to withdraw or redeem due to their own financial difficulties. The recent events surrounding the bankruptcies or similar proceedings with respect to various parties have demonstrated the risk that assets which a trader such as the Fund believed were custodial under statutory and regulatory protections could be subject to various risks and not subject to certain protections.

The banks or brokerage firms selected to act as the Fund's custodians may become insolvent, causing the Fund to lose all or a portion of the funds or securities held by those custodians.

The Manager is not restricted from dealing with any particular counterparty or from concentrating any or all transactions with one counterparty. The ability of the Manager to transact business with any one or number of counterparties, the lack of any meaningful or independent evaluation of such counterparties' financial capabilities and the absence of a regulated market to facilitate settlement may increase the potential for losses by the Fund.

Risks Relating to the Fund's Strategies

Evolving and New Investment Approaches

The Manager's investment approach and trading techniques will be continually evolving. The Manager may alter its strategy without prior approval by the Limited Partners if the General Partner and the Manager determine that such change is in the best interest of the Fund. The Manager is not restricted from using the Fund's capital to develop or incubate new strategies or approaches, even if the Manager has limited experience in the type of markets or instruments involved. The strategies and approaches developed by the Manager may not be successful and the resources devoted to the implementation of new approaches or strategies may diminish the effectiveness of the Manager's implementation of the Manager's established approaches or strategies.

Trading Costs

The Fund may engage in a high rate of trading activity resulting in correspondingly high costs being borne by the Fund.

Directional Investments

Certain of the positions that will be taken or sectors that will be invested in by the Fund will be designed to profit from forecasting absolute price movements in a particular instrument. Predicting future prices is inherently uncertain and the losses incurred, if the market moves against a position or sector, will often not be hedged. The speculative aspect of attempting to predict absolute price movements is generally perceived to exceed that involved in attempting to predict relative price fluctuations.

Reliance on Manager

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

Very Limited Diversification Policies

Although the Manager has a risk management framework relating to portfolio concentration, the Manager has very limited diversification policies as to the percentage of the Fund's assets that may be invested in any particular country, asset class, issuer, instrument, market or strategy. The Fund's actual portfolio may become more concentrated than the Manager's risk management framework would otherwise dictate due to market movements, and the Manager may amend its risk management policies without providing prior notice to or receiving the consent of the Limited Partners. Any concentrated position could ultimately result in significant losses to the Fund and a greater reduction in the Net Asset Value of the Fund than if the Fund was more diversified.

Availability of Investment Opportunities

There can be no assurance that the Manager will be able to find suitable opportunities consistent with its investment approach. Market conditions may limit the availability of investment opportunities. Such limitations may cause delays in deploying the Fund's capital and may negatively impact the Fund's returns.

Material Non-Public Information

From time to time, the Manager may come into possession of what it reasonably believes may be determined to be material non-public information concerning the issuer of the Fund's investment or any of such issuer's affiliates. Under applicable securities laws, this may limit the Manager's flexibility to buy or sell such investment for the Fund and other accounts and funds managed by the Manager. Such limitations on the Manager's ability to trade could have an adverse affect on the Fund. Although the Manager has adopted procedures to monitor the receipt of material non-public information, there is no guarantee that the Manager will know whether an employee of the Manager is in possession of material non-public information or will be able to prevent such information from being used for the benefit or detriment of the Fund.

Receipt of material non-public information about the Fund's investments may restrict the ability of the Fund to satisfy withdrawal requests. If a withdrawal request is received by the Fund during a period when trading restrictions are imposed on the Fund due to the Manager's reasonable determination that it is in possession of material non-public information regarding the Fund's investment, the Fund may suspend withdrawals. See also "Allocation of Profit and Loss - Suspension of Net Asset Value and Withdrawals". In the future, the Fund may determine not to suspend withdrawals and may instead enter into a credit facility to fund such withdrawal requests. Such a credit facility will subject the Fund to additional expenses.

Insider Status

The acquisition by the Fund of more than 10% of the equity securities of a public company or the service by the Manager or any other officer or employee of the Manager as an executive officer or director of a company may subject the Fund to liability for “short-swing profits” under Section 16(b) of the *Securities Exchange Act of 1934* (the “**Exchange Act**”). Under Section 16(b), holders of more than 10% of any class of equity securities of a company registered under Section 12 of the Exchange Act and certain officers and directors of such issuer are prohibited from any purchase and sale, or any sale and purchase, of any equity or derivative security of such issuer within any period of less than six months. If the Fund engages in a transaction that results in short-swing profits, the Fund may be required to return the amount of such profit to the issuer, which could adversely affect the overall return on investment realized by the Fund. Measures to avoid short-swing liability may limit the ability of the Fund to buy or sell securities of the relevant portfolio company or companies.

Antitrust or other regulatory complications may impose filing fees and other additional expenses and may adversely affect the Fund’s ability to acquire or dispose of investment positions.

Holding Period of Investment Positions

The Manager typically will not know the maximum or, often, even the expected duration of any particular position at the time of initiation. The length of time for which a position is maintained varies significantly, based on the Manager’s subjective judgment of the appropriate point at which to liquidate a position so as to augment gains or reduce losses.

Reliance on Corporate Management and Financial Reporting

The Manager will rely on the financial information made available by the issuers in which the Fund will invest. The Manager has no ability to independently verify the financial information disseminated by the numerous issuers in which the Fund may invest and is dependent upon the integrity of both the management of these issuers and the financial reporting process in general. Corporate mismanagement, fraud and accounting irregularities relating to the issuers of investments held by the Fund may result in material losses. Equity prices are particularly vulnerable to corporate mismanagement.

Trading on Exchanges Outside of the United States

The Fund may trade futures interests on exchanges located outside the United States, where the protections provided by U.S. regulations do not apply. Some non-U.S. commodity exchanges, in contrast to U.S. exchanges, are “principals’ markets” in which performance with respect to a futures interest contract is the responsibility only of the individual member with whom the trader has entered into the contract and not of the exchange or its clearinghouse, if any. In the case of trading on non-U.S. exchanges, the Fund is subject to the risk of the inability of or refusal by its counterparties to perform with respect to their contracts with the Fund. The Fund also may not have the same access to certain trades as do various other participants in non-U.S. markets.

International Investing

Investing outside the United States involves political and economic considerations that create greater risks than investing in the United States. These risks include, among other things, greater risks of expropriation, nationalization and general social, political and economic instability; the small relative size of the securities markets in such countries and the low volume of trading, resulting in potential lack of liquidity and in price volatility; fluctuations in the rate of exchange between currencies and costs associated with currency conversion, imposition of withholdings and other taxes and certain

government policies that may restrict the Fund's investment opportunities. Other risks include: (i) less publicly available information; (ii) varying levels of governmental regulation and supervision; and (iii) the difficulty of enforcing legal rights in a non-U.S. jurisdiction and uncertainties as to the status, interpretation and application of laws. Moreover, non-U.S. companies are generally not subject to uniform accounting, auditing and financial reporting disclosure standards, practices and requirements comparable to those applicable to United States companies.

Non-U.S. markets may also have different clearance and settlement procedures, and in certain markets there have been times when settlements have failed to keep pace with the volume of securities transactions, making it difficult to conduct such transactions. Delays in settlement could result in periods when assets of the Fund are uninvested and no return is earned thereon. The inability of the Fund to make intended security purchases due to settlement problems or the risk of intermediary counterparty failures could cause the Fund to miss investment opportunities. The inability to dispose of a security due to settlement problems could result either in losses to the Fund due to subsequent declines in the value of such structured credit security or, if the Fund has entered into a contract to sell the security, could result in possible liability to the purchaser. Transaction costs of buying and selling non-U.S. securities, including brokerage, tax and custody costs, also are generally higher than those involved in U.S. transactions. Furthermore, non-U.S. financial markets, while generally growing in volume, have, for the most part, substantially less volume than U.S. markets, and securities of many non-U.S. companies are less liquid and their prices more volatile than securities of comparable U.S. companies.

The economies of individual non-U.S. countries may also differ favorably or unfavorably from the U.S. economy in such respects as growth of gross domestic product, rate of inflation, volatility of currency exchange rates, depreciation, capital reinvestment, resources self-sufficiency and balance of payments position.

As a result of the aforementioned considerations, the Fund's value may fluctuate to a greater degree by investing in foreign securities, than if the Fund limited its investments to U.S. securities.

Use of a Prime Broker to Hold Assets

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

Emerging Markets Investing Involves Particular Risks.

The Fund may invest in undeveloped, non-U.S. countries that are considered to be "emerging markets". These markets present unusual risks, including government instability, political risk, lack of or less than transparent priority, the imposition of currency controls, expropriation risk, the application of various laws and regulations, including anti-money laundering laws and non-U.S. tax laws. Fundamental investing strategies in emerging markets are subject to increased risks due to the risk of other market participants having better access to relevant market information.

Hybrid and Other Strategies

Many of the strategies which the Manager may employ combine elements of more than one of the foregoing general strategy types or may represent a completely different strategy type. Often, in the course of implementing a particular strategy an opportunistic investment representing a different investing approach will be made. For example, in seeking to identify a relatively mispriced pair of assets, the Manager may conclude that an asset is sufficiently over- or underpriced to merit taking an outright directional position.

The Manager's approach may combine a range of different investing techniques, both implementing different strategies in different markets and combining different strategies, in the same or related markets.

Special Situations

The Fund may have investments in issuers involved in (or the target of) acquisition attempts or tender offers or issuers involved in work-outs, liquidations, spin-offs, reorganizations, bankruptcies and similar transactions. In any investment opportunity involving any such type of business enterprise, there exists the risk that the transaction in which such business enterprise is involved will be unsuccessful, will take considerable time or will result in a distribution of cash or a new security the value of which will be less than the purchase price to the Fund of the security or other financial instrument in respect of which such distribution is received. Similarly, if an anticipated transaction does not in fact occur, the Fund may be required to sell its investment at a loss. Because there is substantial uncertainty concerning the outcome of transactions involving financially troubled issuers in which the Fund may invest, there is a potential risk of loss by the Fund of its entire investment in such issuers.

Risks Relating to Instruments Traded

Liquidity of Underlying Investments

Some of the securities in which the Fund intends to invest may be thinly traded. There are no restrictions on the investment of Fund assets in illiquid securities. It is possible that the Fund may not be able to sell or repurchase significant portions of such positions without facing substantially adverse prices. If the Fund is required to transact in such securities before its intended investment horizon, the performance of the Fund could suffer. The Fund will be affected by those securities that are difficult to sell because they may be issued by small companies with limited outstanding shares or they may be unknown to investors and are not traded regularly. Difficulty in selling securities may result in a loss or a costly delay.

Equity Securities

To the extent that the Fund holds equity portfolio investments, it will be influenced by stock market conditions in those jurisdictions where the securities held by the Fund are listed for trading and by changes in the circumstances of the issuers whose securities are held by the Fund. Equity prices are directly affected by issuer specific events, as well as general market conditions. Equity investments are subordinate to the claims of an issuer's creditors and, to the extent such securities are common securities, preferred stockholders. Dividends customarily paid to equity holders can be suspended or cancelled at any time. In addition, in many countries investing in common stocks is subject to heightened regulatory and self regulatory scrutiny as compared to investing in debt or other financial instruments. For the foregoing reasons, investments in equity securities can be highly speculative and carry a substantial risk of loss of principal. Additionally, to the extent that the Fund holds any foreign investments, it will be influenced by world political and economic factors and by the value of the Canadian dollar as measured

against foreign currencies which will be used in valuing the foreign investment positions held by the Fund.

Investment in Small Capitalization and Mid Capitalization Securities

The pursuit of the Fund's investment strategy may result in a portion or all of the Fund's assets being invested in securities of small- and mid-cap issuers. While in the Manager's opinion the securities of a small or mid cap issuer may offer the potential for greater capital appreciation than investments in securities of large cap issuers, securities of small and mid cap issuers may also present greater risks. For example, some small and mid cap issuers often have limited product lines, markets or financial resources. They may be subject to high volatility in revenues, expenses and earnings. They may be dependent for management on one or a few key persons, and can be more susceptible to losses and risks of bankruptcy. Their securities may be thinly traded (and therefore have to be sold at a discount from current market prices or sold in small lots over an extended period of time), may be followed by fewer investment research analysts and may be subject to wider price swings and thus may create a greater chance of loss than when investing in securities of larger cap issuers. In addition, small and mid cap issuers may not be well known to the investment public and may have only limited institutional ownership. The market prices of securities of small and mid cap issuers generally are more sensitive to changes in earnings expectations, to corporate developments and to market rumors than are the market prices of large cap issuers. Transaction costs in securities of small and mid cap issuers may be higher than in those of large cap issuers.

Derivatives in General

The Fund may make use of various derivative instruments, such as convertible securities, options, futures, forwards and interest rate, credit default, total return and equity swaps. The use of derivative instruments involves a variety of material risks, including the extremely high degree of leverage sometimes embedded in such instruments. The derivatives markets are frequently characterized by limited liquidity, which can make it difficult as well as costly to close out open positions in order either to realize gains or to limit losses. The pricing relationships between derivatives and the instruments underlying such derivatives may not correlate with historical patterns, resulting in unexpected losses.

Use of derivatives and other techniques such as short sales for hedging purposes involves certain additional risks, including (i) dependence on the ability to predict movements in the price of the securities hedged; (ii) imperfect correlation between movements in the securities on which the derivative is based and movements in the assets of the underlying portfolio; and (iii) possible impediments to effective portfolio management or the ability to meet short term obligations because of the percentage of a portfolio's assets segregated to cover its obligations. In addition, by hedging a particular position, any potential gain from an increase in the value of such position may be limited.

Over-the-Counter Transactions

In addition to trading on U.S. futures exchanges, the Fund may trade other products, some of which may trade on the OTC market. These transactions present certain risks different from the risks of trading on U.S. exchanges. The OTC market is unregulated and, accordingly, there are certain risks related to trading OTC instruments—including the absence of daily price limits and the risk of counterparty default—in addition to the risks of trading futures contracts.

Dodd-Frank includes provisions that comprehensively regulate the OTC derivatives markets for the first time.

Dodd-Frank will ultimately mandate that a substantial portion of OTC derivatives must be executed in regulated markets and submitted for clearing to regulated clearinghouses. OTC trades submitted for clearing will be subject to minimum initial and variation margin requirements set by the relevant clearinghouse, as well as possible SEC- or CFTC-mandated margin requirements. The regulators also have broad discretion to impose margin requirements on non-cleared OTC derivatives and new requirements will apply to the holding of customer collateral by OTC derivatives dealers. These requirements may increase the amount of collateral the Fund is required to provide and the costs associated with providing it. OTC derivative dealers also are required to post margin to the clearinghouses through which they clear their customers' trades instead of using such margin in their operations, as was widely permitted before Dodd-Frank. This has and will continue to increase the OTC derivative dealers' costs, and these increased costs are generally passed through to other market participants in the form of higher upfront and mark-to-market margin, less favorable trade pricing, and the imposition of new or increased fees, including clearing account maintenance fees.

With respect to cleared OTC derivatives, the Fund will not face a clearinghouse directly but rather through an OTC derivatives dealer that is registered with the CFTC or SEC to act as a clearing member. The Fund may face the indirect risk of the failure of another clearing member customer to meet its obligations to its clearing member. Such scenario could arise due to a default by the clearing member on its obligations to the clearinghouse, triggered by a customer's failure to meet its obligations to the clearing member.

The SEC and CFTC will also require a substantial portion of derivative transactions that are currently executed on a bi-lateral basis in the OTC markets to be executed through a regulated securities, futures, or swap exchange or execution facility. Certain CFTC-regulated derivatives trades became subject to these rules in early 2014, and other CFTC-regulated derivatives trades may become subject to these rules in the near future. It is not yet clear when the parallel SEC requirements will go into effect. Such requirements may make it more difficult and costly for investment funds, including the Fund, to enter into highly tailored or customized transactions. They may also render certain strategies in which the Fund might otherwise engage impossible or so costly that they will no longer be economical to implement. If the Fund decides to become a direct member of one or more of these exchanges or execution facilities, the Fund would be subject to all of the rules of the exchange or execution facility, which would bring additional risks and liabilities, and potential additional regulatory requirements.

OTC derivative dealers are now required to register with the CFTC and will ultimately be required to register with the SEC. Dealers are subject to new minimum capital and margin requirements, business conduct standards, disclosure requirements, reporting and recordkeeping requirements, transparency requirements, position limits, limitations on conflicts of interest, and other regulatory burdens. These requirements further increase the overall costs for OTC derivative dealers, which costs may be passed along to market participants as market changes continue to be implemented. The overall impact of Dodd-Frank on the Fund remains highly uncertain and it is unclear how the OTC derivatives markets will adapt to this new regulatory regime, along with additional, sometimes overlapping, regulatory requirements imposed by non-U.S. regulators.

Options

Trading options is highly speculative and may entail risks that are greater than investing in other securities. Prices of options are generally more volatile than prices of other securities. In trading options, the Manager speculates on market fluctuations of securities and securities exchange indices while investing only a small percentage of the value of the securities underlying such option. A change in the market price of the underlying securities or underlying market index will cause a much greater change in the price of the option contract. In addition, to the extent that the Manager purchases options that it does not sell or exercise, the Fund will suffer the loss of the premium paid in such purchase. To

the extent the Manager sells options and must deliver the underlying securities at the option price, the Fund has a theoretically unlimited risk of loss if the price of such underlying securities increases. If the Manager must buy those underlying securities, the Fund risks the loss of the difference between the market price of the underlying securities and the option price. Any gain or loss derived from the sale or exercise of an option will be reduced or increased, respectively, by the amount of the premium paid. The expenses of option investing include commissions payable on the purchase and on the exercise or sale of an option. Furthermore, the risk of nonperformance by the obligor on an option may be greater and the ease with which the Manager can dispose of such an option may be less than in the case of an exchange traded option.

The Manager may cause the Fund to buy or sell OTC options—options on securities that are not traded on a securities exchange and are not issued or cleared by an internationally recognized clearing corporation. The risk of nonperformance by the obligor on such an option may be greater, and the ease with which the Manager can dispose of such an option may be less, than in the case of an exchange traded option issued by an internationally recognized clearing corporation.

Futures/Commodities

Trading commodities and commodity interests (*e.g.*, futures contracts on commodities, securities indices or currencies) is highly speculative and may entail risks that are greater than the risks associated with investing in equity securities. Prices of commodity interests are generally more volatile than prices of equity securities. Futures trading will have effects on the Fund's portfolio similar to the effects of leverage. The Fund may participate in market price fluctuations of securities or commodity interests underlying futures (or options on futures), while investing only a small percentage of the value of those underlying securities or commodity interests. The Fund may open a futures position by placing with a futures commission merchant an initial margin that is small relative to the value of the futures contract, making the transaction "leveraged". If the market moves against the Fund's position or margin levels are increased, the Fund may be called upon to pay substantial additional funds on short notice to maintain its position. If the Fund were to fail to make such payments, its position could be liquidated at a loss, and the Fund would be liable for any resulting deficit in its account.

Futures positions may be illiquid because, among other things, most commodity exchanges limit fluctuations in certain futures contract prices during a single day. Once the price of a contract for a particular future has increased or decreased by an amount equal to the "daily limit", positions can be neither taken nor liquidated unless traders are willing to effect trades at or within the limit. Such an occurrence could prevent the Manager from liquidating unfavorable positions and subject the Fund to substantial losses. In addition, the Manager may not be able to effect futures contract trades at favorable prices if trading volume in those contracts is low.

The Manager's futures activities will involve futures and options traded in U.S. and non-U.S. markets. The risks of trading futures in non-U.S. markets may be greater than trading in futures on U.S. exchanges. For example, non-U.S. futures are cleared on and subject to the rules of a non-U.S. board of trade. Neither the CFTC nor the National Futures Association regulates activities of any other non-U.S. board of trade, including execution, delivery and clearing of transactions, nor do they have any enforcement authority over non-U.S. boards of trade. In addition, funds provided as margin for non-U.S. futures and options may not be provided the same protections as funds received in respect of U.S. transactions.

Fixed Income Investments

The Fund, to the extent that it holds fixed income portfolio investments, will be influenced by financial market conditions and the general level of interest rates in the United States. When interest

rates decline, the value of the Fund's fixed income securities can be expected to rise. Conversely, when interest rates rise, the value of such securities is generally expected to decline. Investments in lower rated or unrated fixed income securities in which the Fund may invest, while generally providing greater opportunity for gain and income than investments in higher rated securities, usually entail greater risk (including the possibility of default or bankruptcy of the issuers of such securities). Fixed income securities are generally not exchange traded and therefore, usually carry a higher level of liquidity and mark-to-market risk potential than most exchange-traded equity securities. If fixed income investments are not held to maturity, the Fund may suffer a loss at the time of sale of such securities.

Bank Debt

The Fund may invest in bank debt and other similar instruments. Bank debts are not traded on regulated exchanges, are not registered with U.S. or other governmental authorities and are not subject to the rules of any self-regulatory organization.

There are varying sources of statistical default rate data for term bank debts and numerous methods for measuring default rates. The historical performance of the term debt market is not necessarily indicative of its future performance. Should increases in default rates occur with respect to the type of collateral securing the bank loans in which the Fund invests, the actual default rates of the bank loans held by the Fund may exceed the hypothetical default rates used by the Manager in determining to purchase such bank debt.

The Fund may invest in bank debt participations, which involve certain risks in addition to those associated with direct loans. A bank debt participant has no contractual relationship with the borrower of the underlying bank debt. As a result, the participant is generally dependent upon the lender to enforce its rights and obligations under the bank debt agreement in the event of a default and may not have the right to object to amendments or modifications of the terms of such bank debt agreement. A participant in a syndicated bank debt generally does not have voting rights, which are retained by the lender. In addition, a bank debt participant is subject to the credit risk of the lender as well as the borrower, since a bank debt participant is dependent upon the lender to pay its percentage of payments of principal and interest received on the underlying bank debt.

Illiquid Investments

The Fund may from time to time invest in restricted, as well as thinly traded, instruments and securities (including privately placed securities and instruments). There may be no trading market for these securities and instruments, and the Fund might only be able to liquidate these positions, if at all, at disadvantageous prices. As a result, the Fund may be required to hold such securities despite adverse price movements. In addition, if the Fund makes a short sale of an illiquid security or instrument, it may have difficulty in covering the short sale, resulting in a potentially unlimited loss on that position. Despite its good faith efforts at fair valuation, the Manager's valuation of these positions may prove to be materially inaccurate and to have resulted in inflated Management Fees paid to the Manager, inflated withdrawal proceeds paid out to withdrawing Limited Partners and diminished relative holdings accorded to new subscribers.

High-Yield Securities

The Fund may invest in high yield securities. High-yield securities face ongoing uncertainties and exposure to adverse business, financial or economic conditions, which could lead to the issuer's inability to meet timely interest and principal payments. The market values of certain of these lower-rated and unrated debt securities tend to reflect individual corporate developments to a greater extent than do higher-rated securities, which react primarily to fluctuations in the general level of interest rates, and tend to be more sensitive to economic conditions than are higher-rated securities. Companies that

issue such securities are often highly leveraged and may not have available to them more traditional methods of financing. Major economic recessions could disrupt severely the market for such securities and may have an adverse impact on the value of such securities. In addition, it is possible that any such economic downturn could adversely affect the ability of the issuers of such securities to repay principal and pay interest thereon and increase the incidence of default of such securities.

As with other investments, there may not be a liquid market for certain high-yield securities, which could result in the Fund being unable to sell such securities for an extended period of time, if at all. In addition, as with other types of investments, the market for high-yield securities has historically been subject to disruptions that have caused substantial volatility in the prices of such securities. Consolidation in the financial services industry has resulted in there being fewer market makers for high-yield securities, which may result in further risk of illiquidity and volatility with respect to high-yield securities, and this trend may continue in the future.

Distressed Securities

Investment in the securities of financially and/or operationally troubled issuers involves a high degree of credit and market risk. Securities of such issuers are typically more volatile and less liquid than securities of companies not experiencing such difficulties.

If a company is in bankruptcy, bondholders' and other creditors' claims are subject to factors such as deterioration of collateral during a stay in bankruptcy, challenges and/or possible invalidation of security interests, and disallowance or subordination of claims, all of which may be difficult to predict. Failure to accurately assess the probability of these events could have a detrimental effect on the Fund's investments in distressed securities.

Valuation of the Fund's Investments

While the Fund is independently audited by its auditors on an annual basis in order to ensure as fair and accurate a pricing as possible, valuation of the Fund's securities and other investments may involve uncertainties and subjective determinations and, if such valuations should prove to be incorrect, the Net Asset Value could be adversely affected. Independent pricing information may not at times be available regarding certain of the Fund's securities and other investments. Valuation determinations will be made in good faith in accordance with the Limited Partnership Agreement.

The Fund may have some of its assets in investments which by their very nature may be extremely difficult to value accurately. To the extent that the value assigned by the Fund to any such investment differs from the actual value, the Net Asset Value per Unit may be understated or overstated, as the case may be. In light of the foregoing, there is a risk that a Limited Partner who redeems all or part of its Units while the Fund holds such investments will be paid an amount less than such Limited Partner would otherwise be paid if the actual value of such investments is higher than the value designated by the Fund. Similarly, there is a risk that such Limited Partner might, in effect, be overpaid if the actual value of such investments is lower than the value designated by the auditors of the Fund. In addition, there is risk that an investment in the Fund by a new Limited Partner (or an additional investment by an existing Limited Partner) could dilute the value of such investments for the other Limited Partners if the designated value of such investments is higher than the value designated by the auditors of Fund. Further, there is risk that a new Limited Partner (or an existing Limited Partner that makes an additional investment) could pay more than it might otherwise if the actual value of such investments is lower than the value designated by the auditors of the Fund. The Fund does not intend to adjust the Net Asset Value retroactively.

Risks Relating to Investment Techniques

Short Sales

The Manager may sell securities short. A short sale is effected by selling a security which the Fund does not own. In order to make delivery to the buyer of a security sold short, the Fund must borrow the security. In so doing, it incurs the obligation to replace that security, whatever its price may be, at the time it is required to deliver it to the lender. The Fund must also pay to the lender of the security any dividends or interest payable on the security during the borrowing period and may have to pay a premium to borrow the security. This obligation must be collateralized by a deposit of cash or marketable securities with the lender. Short selling is subject to a theoretically unlimited risk of loss because there is no limit on how much the price of a security may appreciate before the short position is closed out. There can be no assurance that the securities necessary to cover the short position will be available for purchase by the Fund. In addition, purchasing securities to close out the short position can itself cause the price of the relevant securities to rise further, thereby increasing the loss incurred by the Fund. Furthermore, the Fund may prematurely be forced to close out a short position if a counterparty from which the Fund borrowed securities demands their return, resulting in a loss on what might otherwise have been ultimately a profitable position.

The U.S. government and certain foreign jurisdictions have at times taken measures to impose restrictions on the ability of investors to enter into short sales, including a complete prohibition on taking short positions in respect of certain issuers. Such restrictions may negatively affect the ability of the Fund to implement its strategies. It cannot be determined how future regulations may limit the Fund's ability to engage in short selling and how such limitations may impact the Fund's performance.

Hedging

Hedging techniques involve one or more of the following risks: (i) imperfect correlation between the performance and value of the instrument and the value of the Fund securities or other objective of the Manager; (ii) possible lack of a secondary market for closing out a position in such instrument; (iii) losses resulting from interest rate, spread or other market movements not anticipated by the Manager; (iv) the possible obligation to meet additional margin or other payment requirements, all of which could worsen the Fund's position; and (v) default or refusal to perform on the part of the counterparty with which the Fund trades. Furthermore, to the extent that any hedging strategy involves the use of OTC derivatives transactions, such a strategy would be affected by implementation of various regulations, including those adopted pursuant to Dodd-Frank.

The Manager will not, in general, attempt to hedge all market or other risks inherent in the Fund's positions, and hedges certain risks, if at all, only partially. Specifically, the Manager may choose not, or may determine that it is economically unattractive, to hedge certain risks—either in respect of particular positions or in respect of the Fund's overall portfolio. The Fund's portfolio composition will commonly result in various directional market risks remaining unhedged. The Manager may rely on diversification to control such risks to the extent that the Manager believes it is desirable to do so; however, the Fund is not subject to formal diversification policies.

The ability of the Fund to hedge successfully will depend on the ability of the Manager to predict pertinent market movements, which cannot be assured. The Manager is not required to hedge and there can be no assurance that hedging transactions will be available or, even if undertaken, will be effective. In addition, it is not possible to hedge fully or perfectly against currency fluctuations affecting the value of securities denominated in non-U.S. currencies because the value of those securities is likely to fluctuate as a result of independent factors not related to currency fluctuations. Moreover, it should be noted that the portfolio will always be exposed to certain risks that cannot be hedged, such as

counterparty credit risk. Furthermore, by hedging a particular position, any potential gain from an increase in the value of such position may be limited.

Leverage

Losses incurred on the Fund's leveraged investments will increase in direct proportion to the degree of leverage employed. The Fund will also incur interest expense on the borrowings used to leverage its positions. The use of leverage also may result in the forced liquidation of positions (which may otherwise have been profitable) as a result of margin or collateral calls.

To the extent the assets of the Fund have been leveraged through the borrowing of money, the purchase of securities on margin or otherwise, the interest expense and other costs and premiums incurred in relation thereto may not be recovered. If gains earned by the Fund's portfolio fail to cover such costs, the Net Asset Value of the Fund may decrease faster than if there had been no borrowings.

Securities Lending

The Fund may lend securities from its portfolio to brokers, dealers and other financial institutions that need to borrow securities to complete certain transactions as a means of earning additional income. The Fund is entitled to payments in amounts equal to the interest, dividends or other distributions payable on the loaned securities, which affords the Fund an opportunity to earn interest on the amount of the loan and current income on the loaned securities themselves. However, the Manager does not vote proxies on securities that are lent. In addition, the Fund might experience a loss if any institution with which the Fund has engaged in a portfolio loan transaction breaches its agreement with the Fund. If the borrower becomes insolvent or bankrupt, the Fund could experience delays and costs in recovering loaned securities. To the extent that, in the meantime, the value of the loaned securities declines, the Fund could experience further losses.

Certain Risks Related to the Fund's Structure

Dependence of Manager on Key Personnel

The Manager depends, to a great extent, on the services of its investment management team in the administration of the Fund's trading activities. The loss of the services of one or more members of the team for any reason could impair the ability of the Manager to perform its investment management activities on behalf of the Fund.

Limited Partners not Entitled to Participate in Management

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

Possible Loss of Limited Liability

The Fund may, by virtue of this offering, or otherwise, be carrying on business in jurisdictions other than that under which it was formed. The Fund is registered as an extra-jurisdictional limited partnership in those jurisdictions where the Fund has been advised that it will be carrying on business by virtue of this offering or otherwise and where there is provision for registration as an extra-jurisdictional limited partnership. However, there is a risk that Limited Partners may not be afforded limited liability in such jurisdictions to the extent that principles of conflicts of law recognizing the limitation of liability of Limited Partners have not been authoritatively established with respect to

limited partnerships formed under laws of one jurisdiction but carrying on business in another jurisdiction. See “Liability of Limited Partners and Registration of Partnership”.

Class Risk

The Units are available in more than one class. If the General Partner cannot pay the expenses or satisfy the obligations of the Fund entered into by the General Partner for the sole benefit of one of those classes using that class’ proportionate share of the assets of the Fund, the General Partner may have to pay those expenses or satisfy those obligations out of the other class’ proportionate share of the assets, which would lower the investment return of such other class. In addition, a creditor of the Fund may seek to satisfy its claim from the assets of the Fund as a whole, even though its claim or claims relate only to a particular class.

Distribution and Allocations

The Fund is not required to distribute its profits. If the Fund has taxable income for Canadian federal income tax purposes for a fiscal year, such income will be allocated to the Limited Partners in accordance with the provisions of the Limited Partnership Agreement as described under “Distributions and Computation and Allocation of Net Profits or Losses” and will be required to be included in computing their income for tax purposes, irrespective of the fact that cash may not have been distributed to Limited Partners. Since Units may be acquired or redeemed on a monthly basis and allocations of income and losses of the Fund to Limited Partners will only be made on an annual basis, such allocations to a particular Limited Partner may not correspond to the economic gains and losses which such Limited Partner may experience.

Charges to the Fund

The Fund is obligated to pay Management Fees, brokerage commissions and legal, accounting, filing and other expenses regardless of whether the Fund realizes profits. In addition, the Fund will allocate profits to the General Partner in respect of a fiscal year, as described in “Distributions and Computation and Allocation of Net Profits or Losses” and “Fees and Expenses”.

Currency Risk

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

Foreign Investment Risk

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

Limited Ability to Liquidate Investment

There is no formal market for the Units and one is not expected to develop. Accordingly, it is possible that Limited Partners may not be able to resell their Units other than by way of redemption of their Units at any Valuation Date, subject to the limitations described under "Redemption of Units". The Fund may suspend redemption rights in certain circumstances, including redemptions in excess of 10% of the Net Asset Value. Limited Partners may not be able to liquidate their investment in a timely manner and the Units may not be readily accepted as collateral for a loan. This offering of Units is not qualified by way of prospectus, and consequently the resale of Units is subject to restrictions under applicable securities legislation.

Significant Restrictions on Redemptions

The Units are illiquid, generally non-transferable and subject to significant restrictions on redemption. Redemptions may be made from a Limited Partner's capital account as of any Valuation Date, provided that the request for redemption is submitted at least 45 days prior to such Valuation Date. Because notices of redemption must be submitted significantly in advance of the effective date of redemption, the value received upon redemption of a Unit may differ materially from the value at the time a decision to redeem such Unit is made.

Redemptions from a Limited Partner's capital account are subject to the Redemption Cap. In addition, the Manager may suspend the determination of Net Asset Value and suspend or delay payment of withdrawals under certain circumstances. Such restrictions, if imposed, may result in the withdrawing Limited Partner not receiving its capital for a significant portion of time after it has otherwise submitted a request for redemption.

Use of "Manager Marks"

The Manager is permitted to establish "fair value" of non-exchange listed investments. There can be no assurance that the fair value of such investments will be fully realizable upon their ultimate disposition. Because of the inherent uncertainty of the estimated values of unrealized gains and losses, the Net Asset Value as determined as of the last Business Day of each month may differ significantly from the actual Net Asset Value upon liquidation of such investments, and the differences could be material. The Manager has a conflict of interest in making any such valuations because the valuations directly affect Net Asset Value and thus the amount of compensation received by its affiliate, the General Partner. Prospective investors should understand that any such manager marks are not subject to independent review, except as may be done in connection with the audit at year-end or as may be initiated by the Manager in its sole discretion or as part of the month-end Net Asset Value calculation process.

Asset Valuation-Thinly Quoted Securities and Derivatives

It is not unusual for broker-dealers affiliated with an issuer of a particular security or derivative to provide "bid" and "ask" quotations for such investment on a preliminary or "soft" basis. Such preliminary quotations may or may not reflect the "bid" or "ask" prices at which such broker-dealer would be willing to effect actual transactions. Broker-dealers unaffiliated with the issuer of such security or derivative, if providing quotes, may be even less likely to execute transactions (particularly sales transactions by the Manager) at or near preliminary quotes. In the absence of actual sale transactions, it is difficult for the Manager to test the reliability of preliminary quotes even when multiple broker-dealers are providing "bid" and "ask" prices.

Possible Effect of Redemption

Substantial redemptions could require the Fund to liquidate its positions more rapidly than otherwise desirable to raise the necessary cash to fund redemptions and achieve a market position appropriately reflecting a smaller asset base. These factors could adversely affect the value of the Units withdrawn and of the Units remaining outstanding.

Possible Indemnification Obligations

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

Repayment of Certain Distributions

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

Financial Resources of the General Partner

While the General Partner has unlimited liability for the obligations of the Fund and has agreed to indemnify the Limited Partners in certain circumstances, the General Partner has nominal assets and it is unlikely that the General Partner will have sufficient assets to satisfy any claims pursuant to such indemnity.

Contingent Liabilities

The Fund has the power to establish such reserves for unknown or contingent liabilities as the General Partner may deem advisable. This could occur, for example, in the event some of the Fund's positions were illiquid, if there are any assets that cannot be properly valued on the date of withdrawal, or if there is any pending transaction or claim by or against the Fund involving, or that may affect the book value of, the Unit of a withdrawing Limited Partner or the obligations of a withdrawing Limited Partner which cannot be then ascertained.

Lack of Independent Experts Representing Investors

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

No Involvement of Unaffiliated Selling Agent

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

Speculative Investment

AN INVESTMENT IN THE FUND MAY BE DEEMED SPECULATIVE AND IS NOT INTENDED AS A COMPLETE INVESTMENT PROGRAM. A SUBSCRIPTION FOR UNITS SHOULD BE CONSIDERED ONLY BY PERSONS FINANCIALLY ABLE TO MAINTAIN THEIR INVESTMENT AND WHO CAN BEAR THE RISK OF LOSS ASSOCIATED WITH AN INVESTMENT IN THE FUND. INVESTORS SHOULD REVIEW CLOSELY THE INVESTMENT OBJECTIVE AND INVESTMENT STRATEGIES TO BE UTILIZED BY THE FUND AS OUTLINED HEREIN TO FAMILIARIZE THEMSELVES WITH THE RISKS ASSOCIATED WITH AN INVESTMENT IN THE FUND.

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

CONFLICTS OF INTEREST

The Manager currently serves as the investment fund manager, trustee and/or portfolio manager, of the Venator Investment Trust, Venator Select Fund, Venator Offshore Fund Inc, Venator Income Fund, Venator Partners US Fund and Venator Partners Offshore Fund, and may in the future manage, the trading for other trusts, limited partnerships or other investment funds or accounts. In the event that the Manager elects to undertake such activities and other business activities in the future, the Manager and its principals may be subject to conflicting demands in respect of allocating management time, services and other functions. The Manager and its principals and affiliates will endeavour to treat each investment pool and managed account fairly and not to favour one account or pool over another.

In executing its duties on behalf of the Fund, the Manager will be subject to the provisions of the Management Agreement, which provide that the Manager will execute its duties in good faith and with a view to the best interests of the Fund and its Limited Partners.

The securities laws of the Province of Ontario require securities dealers and advisors, when they trade in or advise with respect to their own securities or securities of certain other issuers to which they, or certain other parties related to them, are related or connected, to do so only in accordance with particular disclosure and other rules. These rules require dealers and advisors, prior to trading with or advising their customers or clients, to inform them of the relevant relationships and connections with the issuer of the securities. Clients and customers should refer to the applicable provisions of these securities laws for the particulars of these rules and their rights or consult with a legal advisor.

The Manager, in its capacity as an exempt market dealer, may also offer Units on a private placement basis. There is no commission payable to the Manager in its capacity as an exempt market dealer in respect of Units purchased directly by a Limited Partner. The Manager receives a Management Fee from the Fund in connection with its services as an investment fund manager and portfolio manager and the General Partner may receive distributions from the Fund through the Profit Account. The Manager and the General Partner are controlled by the same individual and, as a result of these relationships, the Fund may be considered to be a connected issuer and related issuer of the Manager. The General Partner made the decision to create the Fund and distribute its Units and determined the terms of the Offering. Except for the Management Fee, none of the proceeds of the Offering will be applied, directly or indirectly for the benefit of the Manager.

Different Economic Terms for Certain Limited Partners

The General Partner and the Manager may permit certain Limited Partners (including, but not limited to, the principals, their family members and affiliates of the General Partner or the Manager) to acquire Units on different economic terms than other Limited Partners. See “Summary of Terms – Side Letters”.

MATERIAL CONTRACTS

The only material contracts of the Fund are as follows:

- (a) the Limited Partnership Agreement referred to under “Limited Partnership Agreement”; and
- (b) the Management Agreement between the General Partner and the Manager referred to under “Management of the Fund – Management Agreement”.

Copies of such contracts may be inspected following their execution by Limited Partners at the principal office of the General Partner during normal business hours.

CURRENCY

Unless otherwise specified, all references herein to “\$” or dollars are references to Canadian dollars.

PRIVACY POLICY

In connection with the offering and sale of Units, personal information (such as address, telephone number, social insurance number, birth date, assets and/or income information, employment history and credit history, if applicable) about Limited Partners is collected and maintained. Such personal information is collected to enable the General Partner, the Manager and any third-party service providers to provide Limited Partners with services in connection with their investment in the Fund, to meet legal and regulatory requirements and for any other purpose to which Limited Partners may consent in the future. Purchasers are encouraged to review the privacy policy of the Fund at the principal office of the Manager during normal business hours.

PROCEEDS OF CRIME (MONEY LAUNDERING) LEGISLATION

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

If, as a result of any information or other matter which comes to the General Partner or Manager’s attention, any director, officer or employee of the General Partner or Manager, or their professional advisors, knows or suspects that an investor is engaged in money laundering, such person is required to report such information or other matter to the Financial Transactions and Reports Analysis Centre of Canada and such report shall not be treated as a breach of any restriction upon the disclosure of information imposed by law or otherwise.

INVESTORS’ RIGHTS OF ACTION

Rights of Action for Damages or Rescission

Securities legislation in certain of the Canadian provinces provides purchasers of securities pursuant to an 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. 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.

The information set forth below is not intended to be a comprehensive summary of the rights of each Purchaser, and may be subject to change and is qualified in its entirety by the provisions of the applicable provincial securities legislation. Each Purchaser should refer to their legal advisor for more details.

Rescission of Purchase

Pursuant to Ontario securities legislation, where the amount of a purchase does not exceed the sum of \$50,000, purchasers of mutual funds may rescind their purchase within 48 hours after receipt of the sale confirmation. Purchasers of mutual funds under a regular investment plan may have longer to cancel an order. Purchasers must exercise these rights within the prescribed time limits. Purchasers should refer to applicable provisions of the securities legislation or consult with their legal advisor for more details.

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) the selling security holder on whose behalf the distribution was made;
 - (iii) every person who was a director of the issuer at the date of the offering memorandum;
 - (iv) every person who signed the offering memorandum, or
- (b) if the purchaser purchased the securities from a person referred to in subparagraph (a)(i) or (ii) above, the purchaser may elect to exercise a right of rescission against the person referred to in that subparagraph, 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). One such defence is that no person will be liable for a Misrepresentation if such person proves that the purchaser purchased the securities with knowledge of the Misrepresentation. 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 an action for rescission 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 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; or

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

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

If a Misrepresentation is contained in a record incorporated by reference 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.

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 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, while still the owner of the securities, for rescission against the issuer and any selling security holder 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, 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 relied upon; and
- (d) in no case shall the amount recoverable exceed the price at which the securities were offered.

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 is being delivered in reliance on the exemption from the prospectus requirements contained under 73.3 of the *Securities Act* (Ontario) (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 NI 45-106);
- (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.

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) 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.

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

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

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

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 thereto was required by Section 80.1 of the Saskatchewan Act to be sent or delivered but was not sent or delivered prior to or at the same time as the purchaser enters into an agreement to purchase the securities.

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 that 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, Newfoundland and Labrador, PEI, Yukon Territory, Nunavut and the Northwest Territories

In Manitoba, *The Securities Act* (Manitoba), in Newfoundland and Labrador the *Securities Act* (Newfoundland and Labrador), 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) provides a statutory right of action for damages or rescission to purchasers resident in Manitoba, Newfoundland, PEI, Yukon, Nunavut and Northwest Territories respectively, in circumstances where this Offering Memorandum or an amendment hereto contains a Misrepresentation, which rights are similar, but not identical, to the rights available to Ontario purchasers.

British Columbia, Alberta and Québec

Notwithstanding that the *Securities Act* (British Columbia), *Securities Act* (Alberta) and the *Securities Act* (Québec) do not provide, or require the Fund to provide, to purchasers resident in these jurisdictions any rights of action in circumstances 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.

General

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 Fund and the selling Limited Partners, if any, 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.

CANADIAN LEGAL COUNSEL

Stikeman Elliott LLP (Toronto) ("**Stikeman**") has been retained as Canadian legal counsel to the Fund and the Manager in connection with the offering of Units. In connection with the Fund's offering of Units and subsequent advice to the Fund and the Manager, Stikeman will not be representing the Limited Partners. No independent legal counsel has been retained by the Manager or the Fund to represent the Limited Partners. Stikeman's representation of the Fund and the Manager is limited to specific matters as to which it has been consulted by the Fund and/or the Manager. There may exist other matters that could have a bearing on the Fund and/or the Manager as to which Stikeman has not been consulted. In addition, Stikeman does not undertake to monitor compliance by the Manager and its affiliates with the investment program, valuation procedures and other guidelines set forth herein, nor does Stikeman monitor ongoing compliance with applicable laws. In connection with the preparation of this Offering Memorandum, Stikeman's responsibility is limited to matters of Ontario law and it does not accept responsibility in relation to any other matters referred to or disclosed in this Offering Memorandum. In the course of advising the Fund and the Manager, there are times when the interests of the Limited Partners may differ from those of the Fund and the Manager. Stikeman does not represent the Limited Partners' interests in resolving these issues. In reviewing this Offering Memorandum, Stikeman has relied upon information furnished to it by the Fund and the Manager and has not investigated or verified the accuracy and completeness of information set forth herein concerning the Fund or the Manager.

LANGUAGE OF DOCUMENTS

By accepting this Offering Memorandum, the investor acknowledges that it is its express wish that all documents evidencing or relating in any way to the sale of Units be drawn up in the English language only. Par son acceptation de ce document, l'acheteur reconnaît par les présentes qu'il est de sa volonté expresse que tous les documents faisant foi ou se rapportant de quelque manière à la vente des parts soient rédigés en anglais seulement.