

OFFERING MEMORANDUM

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

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



QWEST PRODUCTIVITY MEDIA INCOME TRUST

DATE: January 30, 2019

THE ISSUER:

Name: Qwest Productivity Media Income Trust (the “Trust”)

Head Office: Address: Four Bentall Centre
1055 Dunsmuir Street
Suite 754, Box 49256
Vancouver, BC V7X 1L2

Phone No.: (604) 601-5804

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Website: www.qwestfunds.com

Currently listed or quoted? **No – These securities do not trade on any exchange or market.**

Reporting Issuer: No.

SEDAR Filer: Yes.

THE OFFERING:

Securities Offered: Class A units of the Trust (“Class A Trust Units”) and class F units of the Trust (“Class F Trust Units”) and together with the Class A Trust Units or individually, as the context requires, the “Trust Units”) shall be offered pursuant to the terms of this Offering Memorandum (the “Offering”). The only difference between the Class A Trust Units and the Class F Trust Units is the commissions and fees payable in connection with the Class A Trust Units.

Fundserv Codes: Class A Trust Units: QWE810
Class F Trust Units: QWE811

Price Per Security: Subscriptions for Trust Units shall be offered at a subscription price equal to the Net Asset Value per Trust Unit (as defined herein) of such Class (as defined herein), calculated as at the Valuation Date (as defined herein). See Item 5 – *Securities Offered*. The Net Asset Value of a Class need not be equal to the Net Asset Value of any other Class.

Minimum/Maximum offering: There is no minimum or maximum offering. You may be the only purchaser.

Minimum Subscription: The minimum subscription amount for investment in the Trust is \$25,000. The Trust reserves the right to change the minimum subscription amount at any time.

Additional Subscriptions: Holders of Trust Units (“**Trust Unitholders**”) may make additional investments of not less than \$25,000. The Manager, in its sole discretion, may permit additional investments in lesser amounts.

Selling Jurisdictions: All provinces and territories in Canada.

Eligible Purchasers: Accredited investors only.

Fund Manager and Portfolio Advisor: Qwest Investment Fund Management Ltd. (the “**Manager**”).

Promoter: Qwest Investment Management Corp. (the “**Promoter**”).

Payment terms: Full subscription price is payable by cheque, bank draft, wire order or other form of payment acceptable to the Trust and subscriptions are subject to acceptance or rejection as determined solely by the Manager.

Subscription Procedure: The Trust Units are offered on a continuous basis with closings occurring on a monthly basis, or such other dates as the Manager may determine. See Item 5.2 – *Subscription Procedure*.

Income Tax Consequences: There are important tax consequences to investing in the Trust Units. See Item 7 – *Income Tax Consequences and Registered Plan Eligibility*.

Selling Agent: The Trust may pay a sales fee to registered dealers, or where permitted, non-registrants, in an amount determined by the Manager in its discretion, acting reasonably, payable at the time of the initial investment. See Item 8 – *Compensation Paid to Dealers*.

RESALE RESTRICTIONS

You are not permitted to transfer Trust Units to any other person except with the consent of the Manager and in compliance with the Trust Agreement and applicable securities laws. See Item 10 – *Resale Restrictions*. However, you will be able to redeem your Trust Units from the Trust at certain times if you follow the procedures established by the Trust. See Item 5.1 – *Redemption of Trust Units*.

PURCHASER’S RIGHTS

See Item 13 – *Purchaser's Rights*.

No securities regulatory authority has assessed the merits of the Trust Units or reviewed this Offering Memorandum. Any representation to the contrary is an offence. Investment in the Trust entails a number of risks. This Offering is not suitable for investors who cannot afford to assume risks in connection with their investments. See Item 9 – *Risk Factors*.

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SUMMARY

The following is a summary of certain information contained in this Offering Memorandum, and reference should be made to the more detailed and additional information contained elsewhere in this Offering Memorandum. **Capitalized terms in this Summary have the meanings ascribed to them in the Glossary unless the context otherwise requires. All dollar amounts stated herein, unless otherwise stated, are expressed in Canadian dollars.**

- Offering:** A continuous offering of Class A Trust Units and Class F Trust Units. There is no minimum or maximum offering amount. See Item 5 – *Securities Offered*. A subscriber whose subscription is accepted will become a Trust Unitholder.
- Subscription Price:** The subscription price per Trust Unit is equal to the Net Asset Value per Trust Unit at the applicable Valuation Date. See Item 5 – *Securities Offered*.
- Minimum Subscription:** There is a minimum subscription of \$25,000 per purchaser. The Trust reserves the right to change the minimum subscription amount at any time. See Item 5 – *Securities Offered*.
- Investment Objective:** The investment objective of the Trust is to achieve a high level of income, superior risk adjusted returns and potential for long-term income generation on select investments with moderate volatility and low correlation to traditional asset classes by investing all or substantially all of its assets in the Partnership. The offering memorandum of the Partnership is available upon request. The General Partner is the general partner of the Partnership. See Item 12 – *The Partnership*.
- Trust Classes:** Trust Units are issuable in Classes. The outstanding Classes are denominated in Canadian dollars. All Classes have the same objectives, strategies and restrictions, but differ with respect to commissions and fees, as set out in this Offering Memorandum. The book value per Trust Unit will be expressed in Canadian dollars. However, distributions allocable to each Class will differ as a result of the deduction of the amounts payable in respect of Trailer Fees for the Class A Trust Units. The Manager may, at any time and from time to time, authorize the Trust to issue additional Classes without the authorization of Trust Unitholders. Each Class will share in the same pool of investments on an equal *pro rata* basis. See Item 5 – *Securities Offered*.
- Purchases of Trust Units may be effected by registered dealers through the settlement network operated by Fundserv using the following codes:
- Class A Trust Units: QWE810
Class F Trust Units: QWE811
- Distribution Policy:** Beginning with the quarter ending December 31, 2018, and subject to the Partnership declaring a distribution to Limited Partners, the Trust will make a distribution to each Trust Unitholder of a Class on a quarterly basis. For each quarter ending March 31, June 30, and September 30, and subject to the Partnership declaring a distribution to Limited Partners, the Manager will distribute an amount it deems appropriate. Such quarterly distributions (for March 31, June 30 and September 30) will be paid in arrears on or about the 15th day following the quarter to which the distribution relates.

Each Final Year End Distribution will equal 100% of the Trust's net income and net realized capital gains for the applicable Class for the year, less any reserves that the Manager deems appropriate and any previous distributions made in that year.

The Final Year End Distribution will be made in two payments. The first payment for the Final Year End Distribution will be made on or around January 15 following the most recent year end in an amount determined in the same manner as the previous March, June and September quarterly distributions. The second payment, if any, for the Final Year End Distribution will be paid in arrears not later than March 15 following the most recent year end. Only Trust Unitholders of record on December 31 of each year shall be entitled to the Final Year End Distribution.

Subject to a Trust Unitholder's election to receive distributions partially or wholly in Trust Units, distributions by the Trust may be paid in cash or Trust Units at the Manager's discretion. If the Trust has taxable income for which it has not received cash, the Trust may make distributions of such taxable income in Trust Units. Payment of income by the distribution of Trust Units may result in Trust Unitholders having a tax liability without a corresponding distribution of cash to pay that tax liability.

Trust Unitholders who redeem their Trust Units prior to a quarter-end or year-end will not participate in distributions for that calendar quarter or the Final Year End Distribution, as the case may be.

The Trust intends to distribute its net income and net realized capital gains, if any, in the year they are earned or realized to ensure that no income tax is payable by the Trust. If distributions to Trust Unitholders are in excess of net income and net realized capital gains, if any, of the Trust, the adjusted cost base of the Trust Units will generally be reduced. Alternatively, the Trust may record these excess distributions as advances to Trust Unitholders which are repaid by way of reducing subsequent year's distributions. See Item 6 – *Distributions* and Item 7 – *Income Tax Consequences and Registered Account Eligibility*.

Redemption by Trust Unitholder:

Each Trust Unitholder may, upon request to the Manager in a manner and form acceptable to the Manager, redeem all or any part of such Trust Unitholder's Trust Units on a Redemption Date. Trust Units will be redeemed at a redemption price equal to the Net Asset Value per Trust Unit calculated as of the applicable Redemption Date, less applicable deductions and fees.

Redemption requests must be given via Fundserv to the Manager not less than 15 Business Days prior to the Redemption Date in order for the redemption to be effective as of such Redemption Date. The redemption proceeds, less any applicable deductions and fees will be paid to the redeeming Trust Unitholder not later than 60 Business Days following the applicable Redemption Date. No interest will be paid to the Trust Unitholder on account of any delay in forwarding the proceeds of redemption to the Trust Unitholder.

Trust Units redeemed as of a Redemption Date prior to the 18-month anniversary of the Trust Unitholder's initial subscription for such Trust Units,

will be subject to an early redemption fee of 5% of the Net Asset Value per Trust Unit of the Trust Units redeemed, and such early redemption fee will be deducted from the redemption proceeds otherwise payable to the Trust Unitholder. Redemption requests are irrevocable except with the consent of the Manager in its absolute discretion.

Redemptions and the payment of redemption proceeds may be suspended in certain circumstances. See Item 5 – *Securities Offered*.

Closings:

Closings will take place monthly or on such dates as the Manager determines.

Management Fees:

Annual Fee

The Trust will pay to the Manager 1/12 of 1.5% of the Net Asset Value of the Class A Trust Units on each Valuation Date, plus any applicable Federal or Provincial taxes.

The Trust will pay to the Manager 1/12 of up to 0.5% of the Net Asset Value of the Class F Trust Units on each Valuation Date, plus any applicable Federal or Provincial taxes.

Annual Incentive Allocation

PMI, in its capacity as General Partner of the Partnership, is entitled to receive an incentive allocation which will accrue to PMI on each Valuation Date and shall be paid to PMI on an annual basis in the manner set forth in the Offering Memorandum of the Partnership dated June 15, 2015, a copy of which may be obtained from the Manager. PMI shall pay to the Manager, on an annual basis, an amount equal to 5.0% of the gross incentive allocation payable to PMI.

Promoter Incentive

PMI has provided the Promoter with an incentive whereby once the Trust has raised \$50 million in gross subscription proceeds from the sale of Trust Units under the Offering, and the Promoter will be granted a 10% equity stake in PMI.

Sales Commissions and Trailer Fees:

Registered dealers may, at their discretion, charge purchasers a Sales Commission, which is a front-end sales commission of up to 5% of the subscription price of the Class A Trust Units being purchased. Any Sales Commission will be negotiated between the registered dealer and the purchaser and will be deducted from the Gross Subscription Order and paid by the purchaser, directly to the registered dealer.

In certain circumstances, registered dealers may be reimbursed for their due diligence costs, and other forms of consideration, and charge purchasers the Dealer Fee, which is an amount equal to up to 1% of the subscription price of the Class A Trust Units being purchased. The Dealer Fee will be deducted from the subscription and paid directly by the purchaser to the registered dealer.

The Trust will pay the Trailer Fee, which is an annual servicing fee equal to 1% per annum of the Net Asset Value of the Class A Trust Units sold by a registered dealer in respect of the Class A Trust Units, payable quarterly in

arrears. The amount of the Trailer Fee will be deducted from distributions to the holders of Class A Trust Units. See Item 8 – *Compensation Paid to Dealers*.

Use of Proceeds: The Trust intends to invest all or substantially all of the net proceeds of the Offering in units of the Partnership.

Distribution on Termination: In the event of the termination of the Trust, the Trust would distribute to the Trust Unitholders, *pro rata*, their interest in the net assets of the Trust available for such distribution, subject to the rights of the Manager to determine and retain monies for termination costs and expenses.

Taxation of the Trust and Trust Unitholders: See Item 7 – *Income Tax Consequence and Registered Plan Eligibility*.

Investment by Deferred Plans: The Trust has been advised that, provided the Trust qualifies as “a mutual fund trust” as defined in the Tax Act at all relevant times, the Trust Units will be qualified investments for Deferred Plans. See Item 7 – *Income Tax Consequences and Registered Plan Eligibility*.

No Transferability: No Trust Unitholder is permitted to transfer Trust Units to any other person except with the consent of the Manager and in compliance with the Trust Agreement and applicable securities laws. See Item 11 – *Resale Restrictions*.

Risk Factors: **You should consult with your financial advisor and carefully consider your financial objectives when considering an investment in the Trust. Investment in the Trust Units involve risk. An investment in Trust Units is appropriate only for investors who have the ability to absorb a loss of some or all of their investment. See Item 9 – *Risk Factors*.**

Certificates: Certificates for Trust Units will not be issued to Trust Unitholders.

Auditor: KPMG LLP (Canada).

Legal Counsel: Nerland Lindsey LLP.

Trustee: Computershare Trust Company of Canada.

GLOSSARY

The following terms appear throughout this Offering Memorandum. Care should be taken to read each term in the context of the particular provision of this Offering Memorandum in which such term is used.

“Accredited Investor”, except in Ontario, has the meaning ascribed to the term “accredited investor” in National Instrument 45-106 *Prospectus Exemptions*, and in Ontario, has the meaning ascribed to the term “accredited investor” in the *Securities Act* (Ontario).

“Administrator” means SGGG Fund Services Inc.

“Business Day” means a week day that is not a holiday in the Province of British Columbia.

“Calculation Date” means the last Business Day of March, June, September and December.

“Canadian IGA” means the Canadian Intergovernmental Agreement Regarding the Implementation of International Labour Cooperation Agreements.

“CAVCO” means the Canadian Audio-Visual Certification Office.

“Class” means a class of Trust Units.

“Class A Trust Units” means Class A Units of the Trust as described in Item 2.1 – *Structure*.

“Class F Trust Units” means Class F Units of the Trust as described in Item 2.1 – *Structure*.

“Class C Partnership Units” means Class A Units of the Partnership as described in Item 12.1 – *The Partnership*.

“Class F Partnership Units” means Class F Units of the Partnership as described in Item 12.1 – *The Partnership*.

“CRA” means the Canada Revenue Agency.

“CRS” means the Common Reporting Standard.

“Dealer Fee” means the up to 1% fee paid to registered dealers as described in Item 8 – *Compensation Paid to Dealers*.

“Deferred Plan” means an RDSP, RESP, RRIF, RRSP, TFSA, and a trust governed by a deferred profit-sharing plan.

“Distribution Payment Date” means, for each of the first three calendar quarters of a calendar year, on or about the 15th day following the quarter to which the distribution relates. For the calendar quarter ending December 31, see Final Year End Distribution. *See Item 6 – Distributions*.

“DRIP” means the distribution reinvestment plan of the Trust.

“FATCA” means the United States Foreign Account Tax Compliance Act, as amended.

“Final Year End Distribution” means the final distribution of the Trust’s net income and net realized capital gains for the applicable Class for the year to be made in respect of each December 31 year end. *See Item 6 – Distributions*.

“Fundserv” means Fundserv Inc.

“General Partner” means Productivity Media Inc., the general partner of the Partnership.

“Gross Subscription Order” means a subscription for Trust Units.

“IRS” means the United States Internal Revenue Service.

“Manager” means Qwest Investment Fund Management Ltd.

“Manager Parties” means the Manager’s affiliates, subsidiaries and agents, and their respective directors, officers and employees.

“Material Fact” means a fact that would reasonably be expected to have a significant effect on the value of the Trust Units.

“Misrepresentation” means: (a) an untrue statement of a Material Fact; (b) an omission to state a Material Fact that is required to be stated; or (c) an omission to state a Material Fact that is necessary to be stated in order for a statement not to be misleading.

“Net Asset Value” means the Net Asset Value of the Trust, the Net Asset Value of a Class, or the Net Asset Value per Trust Unit, as the context requires. See Item 5.1 – *Terms of Securities*.

“Net Asset Value of a Class” means the net asset value of the Trust Units of a particular Class calculated in accordance with Item 5.1 – *Terms of Securities*.

“Net Asset Value of the Trust” means the net asset value of all of the Trust Units calculated in accordance with Item 5.1 – *Terms of Securities*.

“Net Asset Value per Trust Unit” means the net asset value of a particular Trust Unit calculated in accordance with Item 5.1 – *Terms of Securities*.

“New Media Project” means new motion picture and television series productions to be partially financed by the Partnership.

“Non-residents” means non-residents of Canada and partnerships that are not Canadian partnerships within the meaning of the Tax Act.

“Offering” means the offering of the Trust Units contemplated by this Offering Memorandum.

“Offering Memorandum” means this offering memorandum.

“Operating Expenses” means the operating expenses of the Trust, including, without limitation: legal fees related to the preparation of the Trust’s documents, dealer approval expenses, administrative fees and expenses of the Trust, such as the fees of the Trustee; accounting and legal costs; insurance premiums; audit, registrar and transfer agency fees; administrative and valuation services fees; bookkeeping and recordkeeping costs; costs associated with Fundserv; reasonable out-of-pocket expenses incurred by the Manager or its agents in connection with their ongoing obligations to the Trust; additional fees payable to the Manager for the performance of extraordinary services on behalf of the Trust; fees, costs and expenses relating to the issue, re-designation and redemption of Trust Units; all Trust Unitholder related communication (e.g. print and electronic) and meeting expenses; all costs incurred in the preparation of documents required to comply with applicable securities laws and reasonable extraordinary or non-recurring expenses, including litigation expenses.

“Operating Reserve” means the amount of the Trust’s assets the Manager may, from time to time, maintain in cash or cash equivalents for the purposes of paying the expenses of the Trust or funding redemptions of the Trust Units.

“Ordinary Resolution” means a resolution approved by a majority of the votes cast by those Trust Unitholders holding Trust Units who voted on the resolution, in person or by proxy, at a duly constituted meeting of Trust Unitholders of a Class, or at any adjournment thereof, called and held in accordance with the Trust Agreement, or a written resolution signed by Trust Unitholders of the Class entitled to vote on the resolution representing, in the aggregate, more than

50% of the Net Asset Value of the Trust, or more than 50% of the Net Asset Value of a Class, as applicable, as provided in the Trust Agreement.

"PMI" means Productivity Media Inc.

"Partnership" means Productivity Media Income Fund I LP.

"Partnership Units" means limited partnership units of the Partnership.

"person" includes any individual, corporation, partnership, association, syndicate, organization, trust, trustee, executor, administrator or other legal representative.

"Principal Holder" means a person who directly, or indirectly, beneficially owns or controls 10% or more of the Trust Units.

"Promoter" means Qwest Investment Management Corp.

"RDSP" means a trust governed by a registered disability savings plan, as defined in the Tax Act.

"Redemption Date" means the last Business Day of a calendar month, or such other dates as the Manager may permit.

"RESP" means a trust governed by a registered education savings plan, as defined in the Tax Act.

"RRIF" means a trust governed by a registered retirement income fund, as defined in the Tax Act.

"RRSP" means a trust governed by a registered retirement savings plan, as defined in the Tax Act.

"Sales Commission" means the front-end sales commission of up to 5% of the subscription price of the Class A Trust Units being purchased as described in Item 8 – *Compensation Paid to Dealers*.

"Securities Authorities" means the securities commissions and similar regulatory authorities of each of the provinces and territories of Canada.

"Special Resolution" means a resolution approved by a majority of not less than 66⅔% of the votes cast by those Trust Unitholders holding Trust Units who voted on the resolution, in person or by proxy, at a duly constituted meeting of Trust Unitholders of a Class, or at any adjournment thereof, called and held in accordance with the Trust Agreement, or a written resolution signed by Trust Unitholders of the Class entitled to vote on the resolution representing, in the aggregate, not less than 66⅔% of the Net Asset Value of the Trust, or not less than 66⅔% of the Net Asset Value of the Class, as applicable, as provided in the Trust Agreement.

"Subscription Agreement" means the subscription agreement for the Trust Units.

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

"TFSA" means a trust governed by a tax-free savings account, as defined in the Tax Act.

"Trailer Fee" means the 1% service fee paid to registered dealers as described in Item 8 – *Compensation to Dealers*.

"Trust Agreement" means the Trust Agreement dated March 17, 2016, between the Manager and the Trustee, as amended, restated or supplemented from time to time.

"Trustee" means Computershare Trust Company of Canada.

"Trustee Parties" means the Trustee's directors, officers, employees and agents.

“Trust Unitholders” means holders of Class A Trust Units and/or Class F Trust Units.

“Trust Units” means the Class A Trust Units and/or Class F Trust Units.

“Valuation Date” means the last Business Day of a calendar month.

NOTE ON INFORMATION CONCERNING THE PARTNERSHIP

The information contained in this Offering Memorandum relating to the Partnership has been provided by the management of Partnership. In preparing this Offering Memorandum, the Trust has relied upon such information provided by the General Partner to ensure that this Offering Memorandum contains full, true and plain disclosure of all material facts relating to the Partnership.

CANADIAN CURRENCY

All dollar amounts stated herein, unless otherwise stated, are expressed in the currency of Canada.

FORWARD-LOOKING STATEMENTS

Certain statements contained in this Offering Memorandum may constitute forward-looking information within the meaning of securities laws. Forward-looking information may relate to the Trust's future outlook and anticipated events or results and may include statements regarding financial position, business strategy, budgets, litigation, projected costs, capital expenditures, financial results, taxes, plans and objectives of or involving the Trust. Particularly, statements regarding future results, performance, achievements, prospects or opportunities for the Trust or the film industry are forward-looking statements. In some cases, forward-looking information can be identified by terms such as "may", "might", "will", "could", "should", "would", "occur", "expect", "plan", "anticipate", "believe", "intend", "estimate", "predict", "potential", "continue", "likely", "schedule", or the negative thereof or other similar expressions concerning matters that are not historical facts. Some of the specific forward-looking statements include, but are not limited to: the Trust's intention with respect to, and ability to execute, its growth strategies; the General Partner's expectations for the independent film markets in Canada, the United States and internationally; the servicing of those markets by traditional financial institutions; and the opportunities available to the Partnership; the use of the net proceeds of the Offering to be received by the Trust; the Trust's access to available sources of debt and/or equity financing; future legislative and regulatory developments which may affect the Trust; the expected tax treatment of the Trust; the Trust's ability to meet its stated business objectives; the expectations for the types of investments to be made, and the anticipated potential return on such investments; the expectations of the Net Asset Value per Trust Unit; and interest rates and the future interest rate environment. The Trust has based these forward-looking statements on factors and assumptions about future events and financial trends that it believes may affect its financial condition, results of operations, business strategy and financial needs, including that the Canadian and United States economies will remain stable over the next 12 months, that inflation will remain relatively low, that tax laws remain materially unchanged, that the Canadian capital markets will provide the Trust with access to equity and/or debt at reasonable rates when required and that the General Partner will continue its involvement with the Trust on the basis described in this Offering Memorandum. These statements involve known and unknown risks, uncertainties and other factors, many of which are beyond the Trust's control, which may cause the Trust's or the industry's actual results, performance, achievements, prospects, opportunities or events to differ materially from those anticipated in such forward-looking statements. The Manager believes that the expectations with respect to the Trust and the Partnership's objectives, including without limitation, to the independent film market, the availability of New Media Projects and the Partnership's recoupment process reflected in those forward-looking statements are reasonable but no assurance can be given that these expectations will prove to be correct and such forward-looking statements included in this Offering Memorandum should not be unduly relied on. These statements speak only as of the date of this Offering Memorandum or as of the date specified in such statements, as the case may be. The Trust does not undertake any obligation to update or revise publicly any such forward-looking statements, whether as a result of new information, future events or otherwise, except as required by applicable law. Information contained in this Offering Memorandum constituting a financial outlook is presented for information purposes only to indicate management's expectation with respect to specific projects and readers are cautioned that the information may not be appropriate for other purposes. Investors are urged to read Item 8 – *Risk Factors* of this Offering Memorandum for a discussion of other factors that may impact the Trust and the Partnership.

INTERPRETATION

As used in this Offering Memorandum, unless the context otherwise indicates or requires, the term “Trust” is referring to the Trust, as managed by the Manager, and in the context of the Trust’s operations, is referring to the Trust’s operations as carried out by the Manager on behalf of the Trust.

ITEM 1 USE OF AVAILABLE FUNDS

1.1 Use of Available Funds

The Trust intends to invest all or substantially all of the net proceeds of the Offering in Partnership Units. The Manager may, however, from time to time, maintain an Operating Reserve. Amounts maintained as an Operating Reserve in respect of expenses of the Trust shall not reduce or otherwise affect, in a manner different than other Classes, the Net Asset Value of a Class from which the Operating Reserve was funded.

1.2 Reallocation

The Trust intends to spend the available funds in accordance with its investment objectives and strategies set out herein. It will reallocate available funds only for sound business reasons.

ITEM 2 BUSINESS OF THE TRUST

2.1 Structure

The Trust

The Trust is an open-ended unit trust formed on March 17, 2016 under the laws of the Province of Alberta by the Trust Agreement. The Trustee acts as the trustee of the Trust and the Manager acts as manager of the Trust in accordance with the terms of the Trust Agreement. See Item 2.7 – *Material Agreements*.

An investment in the Trust is represented by Trust Units. The Manager has the sole discretion to determine whether the capital of the Trust is divided into one or more Classes, the attributes of each Class, and whether the Trust Units of any Class should be re-designated as Trust Units of a different Class. The number of Trust Units that may be issued by the Trust is unlimited. There are two Classes of Trust Units (Class A Trust Units and Class F Trust Units) offered for sale by the Trust. The attributes and characteristics of the Class A Trust Units and Class F Trust Units are described in Item 5.1 – *Terms of Securities*. Additional Classes of Trust Units may be offered in the future without notice to, or approval of, existing Trust Unitholders and may have different attributes as determined by the Manager.

The Trustee holds the property of the Trust in trust for the Trust Unitholders in accordance with the terms of the Trust Agreement. The Trustee has delegated the power and responsibility to manage the business and affairs of the Trust to the Manager. Trust Unitholders do not have individual ownership of any property or asset of the Trust and the interest of a Trust Unitholder consists only of the right to receive payment from the Trust of the Trust Unitholder's interest in the Trust at the time, place, in the manner and subject to the conditions described herein and in the Trust Agreement.

The Trust may, in the sole discretion of the Manager, appoint individuals or firms to an advisory board of the Trust and retain consultants. Any fees payable to the advisory board or consultants shall be paid by the Manager.

The principal office of the Trust is: Four Bentall Centre, 1055 Dunsmuir Street, Suite 754, Box 49256, Vancouver, BC V7X 1L2.

The fiscal year end of the Trust is December 31st in each year and the taxation year end is December 31st in each year.

KPMG LLP (Canada) has been appointed by the Manager as auditor of the Trust. Its office address is 777 Dunsmuir Street, Vancouver, British Columbia, V7Y 1K3.

Nerland Lindsey LLP has been appointed by the Manager as the lawyers of the Trust. Its office is located at #1400, 350 – 7th Ave. SW, Calgary, Alberta, T2P 3N9.

The Administrator has been engaged by the Manager to provide administration services to the Trust including record-keeping and fund valuation. Its office is located at 121 King Street West, Suite 300, Toronto, Ontario, M5H 3T9.

2.2 The Trust's Business

The Trust will make investments in accordance with the investment objectives, strategies and restrictions set out below.

Investment Objective

The investment objective of the Trust is to achieve a high level of income, superior risk adjusted returns and potential for long-term income generation on select investments with moderate volatility and low correlation to traditional asset classes. The Trust seeks a similar return to the Partnership by investing all or substantially all of its assets in Partnership Units.

Investment Strategy

The investment strategy of the Trust is to invest all or substantially all of the Trust's assets in Partnership Units. The net proceeds attributable to each Class of Trust Units issued in a fiscal year will generally be invested in Partnership Units. The Manager may however from time to time maintain a portion of the Trust's assets in cash or cash equivalents for the purposes of paying expenses of the Trust and/or funding redemptions.

Except as otherwise noted below, the investment strategies of the Partnership are applicable to the Trust to the extent its assets are invested in Partnership Units.

Investment Restrictions

The investments of the Trust are generally restricted to Partnership Units and temporarily holding cash in interest bearing accounts, government debt or short term investment grade corporate debt or money market mutual funds or money market exchange-traded funds for the purposes of paying the expenses and liabilities of the Trust, paying amounts payable by the Trust in connection with the redemption of any Trust Units of the Trust, expenses incurred in connection with the operation and administration of the Trust, and making distributions to Trust Unitholders, as applicable.

The Trust cannot acquire or authorize the purchase of any security, asset or investment on behalf of the Trust or use any assets of the Trust or undertake any activity or take any action that would result in the Trust not being considered a "mutual fund trust" for purposes of the Tax Act if any Trust Unitholders would be prejudiced thereby.

The Trust may borrow for any purpose and secure these borrowings with liens or other security interests in its assets.

The investment restrictions of the Partnership are applicable to the Trust to the extent its assets are invested in Partnership Units.

2.3 Fees and Expenses

Management Fees

Annual Fee

The Trust will pay to the Manager 1/12 of 1.5% of the Net Asset Value of the Class A Trust Units on each Valuation Date, plus any applicable federal or provincial taxes.

The Trust will pay to the Manager 1/12 of up to 0.5% of the Net Asset Value of the Class F Trust Units on each Valuation Date, plus any applicable federal or provincial taxes.

Annual Incentive Allocation

PMI, in its capacity as General Partner of the Partnership, is entitled to receive an incentive allocation which will accrue to PMI on each Valuation Date and shall be paid to PMI on an annual basis in the manner set forth in the Offering Memorandum of the Partnership dated June 15, 2015, a copy of which may be obtained from the Manager. PMI shall pay to the Manager, on an annual basis, an amount equal to 5.0% of the gross incentive allocation payable to PMI.

Promoter Incentive

PMI has provided the Promoter with an incentive whereby once the Trust has raised \$50 million in gross subscription proceeds from the sale of Trust Units under the Offering, and the Promoter will be granted a 10% equity stake in PMI.

Operating Expenses

Except as otherwise set forth herein, the Trust will pay for all of its Operating Expenses.

2.4 Development of the Business

The Trust was created on March 17, 2016. The Trust has completed monthly closings since its initial closing in August 2016. Contact the Manager for information on the Trust's assets under management in each Class.

2.5 Short Term Objectives and How We Intend To Achieve Them

The Trust intends to invest all or substantially all of the Trust's assets in Partnership Units within three to six months following each applicable closing of the Offering.

2.6 Insufficient Funds

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

2.7 Material Agreements

Summary of the Trust Agreement

The following is a summary of certain provisions of the Trust Agreement not otherwise summarized in this Offering Memorandum and is not necessarily complete. The description of the provisions of the Trust Agreement contained in this Offering Memorandum is subject to and qualified in its entirety by the Trust Agreement. Investors should review the Trust Agreement for complete details of its terms. Investors may request a copy of the Trust Agreement by contacting the Manager at the address, number or email address set out herein.

The Manager

As manager of the Trust, the Manager has been delegated the exclusive power and sole responsibility under the terms of the Trust Agreement to manage the business and affairs of the Trust, including managing and directing the investment of the property of the Trust, arranging and providing for the marketing and distribution of Trust Units in accordance with all applicable laws and determining the investment objectives, strategies, policies and restrictions applicable to the Trust. The Manager has discretion under the Trust Agreement to delegate certain of its duties to third parties or retain service providers from time to time, which includes retaining Heritage Bancorp Ltd., a related company to the Manager, to provide to the Trust administrative, fund valuation, accounting, financial reporting and unitholder recordkeeping services.

The Manager must exercise the powers and discharge the duties of its office honestly, in good faith and in the best interests of the Trust and in connection therewith must exercise the degree of care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances.

The Manager and the Manager Parties, or any other person retained by the Manager to discharge any of the Manager's responsibilities will not be liable to the Trust, to any Trust Unitholder or any other person for any loss, damage, cost, charge, judgment or expense (including reasonable legal costs) relating to any matter regarding the Trust, including without restriction or limitation any loss or diminution in the value of the Trust or of the property of the Trust, for any reason except to the extent such loss, damage, cost, charge, judgment or expense is caused by its gross negligence, misfeasance, willful misconduct or failure to comply with the Manager's standard of care. The liability of the Manager in respect of its actions as manager of the Trust (except liability for breach of the Manager's standard of care) is limited to the realizable value of the assets of the Trust.

Pursuant to the Trust Agreement, the Manager Parties will be indemnified by the Trust from and against all costs, charges and expenses sustained or incurred, including all legal fees, judgments and amounts paid in settlement, in or about any action, suit or proceeding that is brought, commenced or prosecuted against any of the Manager Parties, not exceeding the expense limit, for or in respect of any act, deed, omission, matter or thing whatsoever made, done or permitted by any of the Manager Parties in connection with the affairs of the Trust, except if there has been gross negligence, misfeasance or willful misconduct on the part of any of the Manager Parties or the Manager Parties have failed to fulfill the standard of care set forth in the Trust Agreement.

The Manager may be removed as the manager of the Trust if the Manager is in material breach of its obligations hereunder by a Special Resolution, which Special Resolution shall also appoint a new manager, and the removal of the Manager shall be effective upon the date specified in such Special Resolution.

The Manager has the right to resign as manager of the Trust by giving notice in writing to the Trustee and to Trust Unitholders not less than 60 days prior to the date on which such resignation is to take effect. Such resignation will take effect on the date specified in such notice. The Manager may appoint a successor manager of the Trust, provided that, unless such successor manager is an affiliate of the Manager, Trust Unitholders approve, by Special Resolution, such successor manager at a meeting of Trust Unitholders held for such purpose. If no such successor is appointed within the required time period, the Trust will terminate in accordance with the terms of the Trust Agreement.

If the Manager at any time becomes insolvent or bankrupt or goes into liquidation either voluntarily or under an order of a court of competent jurisdiction or makes a general assignment for the benefit of its creditors or otherwise acknowledges its insolvency, the Trust Agreement and the Trust will terminate unless within a period of 60 days of the happening of such event the Trustee has appointed a new manager whose appointment, other than an Affiliate of the Manager, must be approved by a Special Resolution, who has agreed to become bound by all the duties and obligations of the manager under the Trust Agreement.

Mr. Don Short, CFA, Senior Vice President and Portfolio Manager of the Manager will manage the Trust's portfolio for the Manager.

The head office and principal business address of the Manager is Four Bentall Centre, 1055 Dunsmuir Street, Suite 754, Box 49256, Vancouver, BC V7X 1L2.

The Trustee

The Trustee has been appointed the trustee of the Trust in accordance with the terms of the Trust Agreement. The Trustee holds the assets of the Trust in trust for the benefit of the Trust Unitholders. In accordance with the Trust Agreement, the Trust has delegated the exclusive power, control and authority over the assets of the Trust and over the business and affairs of the Trust to the Manager. The Trustee does not have responsibility for providing any valuation or recordkeeping services to the Trust or for making any investment decisions in respect of the property of the

Trust. The Trustee may however dispose of any property of the Trust on such terms as the Manager may direct or the Trustee may determine in order to pay any obligations imposed on the Trust.

For its services to the Trust, the Trustee will receive an annual fee payable by the Trust as well as reimbursement for reasonable out-of-pocket expenses incurred by the Trustee in the performance of its duties to the Trust.

In performing its obligations and duties as trustee, the Trustee must act honestly, in good faith and in the best interests of the Trust and in connection therewith must exercise the degree of care, diligence and skill that a reasonably prudent Canadian trust company would exercise in comparable circumstances. In exercising its duties to the Trust, the Trustee may rely and act upon any statement, report or opinion prepared by or any advice received from the Manager, the auditor, counsel, solicitors or other professional advisors of the Trust and shall not be responsible nor held liable for any loss or damage resulting from so relying or acting provided the Trustee acted in good faith in relying or acting thereon and adhered to its standard of care.

The Trustee, its affiliates or any director, officer, employee or agent of the Trustee or any other person retained by the Trustee to discharge any of the Trustee's responsibilities under the Trust Agreement will not be liable to the Trust, to the Manager, Trust Unitholder or to any other person for any loss, damage, cost, charge, judgment or expense (including reasonable legal costs) relating to any matter regarding the Trust, including without restriction or limitation any loss or diminution in the value of any Trust or of the property of the Trust, for any reason except to the extent such loss is attributed to its own bad faith, willful misconduct, gross negligence or misfeasance.

The Trust will indemnify the Trustee and the Trustee Parties out of the assets of the Trust from and against all claims, assessments, demands, interest, penalties, actions, suits, proceedings, liabilities, losses, damages, costs charges and expenses sustained or incurred, including, without limiting the foregoing, all legal fees and disbursements on a solicitor and client basis, expert and consultants, judgments and amounts paid in settlement, in or about any action, suit or proceeding that is brought, commenced or prosecuted against any of the Trustee Parties for or in respect of any act, deed, omission, matter or thing whatsoever made, done or permitted by any of the Trustee Parties in connection with the affairs of the Trust, provided however that the Trustee Parties right to the indemnity shall not apply if there has been bad faith, willful misconduct, gross negligence or misfeasance on the part of any of the Trustee Parties.

The Trustee may resign as trustee of the Trust upon giving 90 days prior written notice to the Manager. The Manager will notify the Trust Unitholders of the Trustee's resignation. If the Manager fails to appoint a successor to the Trustee within 90 days of the date of the notice of the Trustee's resignation, the Trust will be terminated in accordance with the terms of the Trust Agreement. The Trustee may be removed as trustee of the Trust by the Manager upon 60 days' written notice to the Trustee and to the Trust Unitholders provided a successor trustee is appointed or the Trust is terminated in accordance with the provisions of the Trust Agreement.

The Trustee's principal place of business is at 1500 Robert-Bourassa Boulevard, 7th floor Montreal, Québec H3A 3S8.

Status of Trust Unitholders

No Trust Unitholder shall have or be deemed to have individual ownership of any property or asset of the Trust and the interest of a Trust Unitholders shall consist only of the right to receive payment from the Trust of that Trust Unitholder's interest in the Trust at the time, place, in the manner and subject to the conditions set out in the Trust Agreement.

No Trust Units may be assigned, encumbered, pledged, hypothecated or otherwise transferred except with the prior written consent of the Manager, which may be withheld in the Manager's sole and absolute discretion.

Liability of Trust Unitholders

The Trust Agreement provides that no Trust Unitholder shall incur or be subject to any personal liability to any person in connection with the property of the Trust or the obligations or affairs of the Trust or with respect to any agreement relating to the Trust and all such persons shall look solely to the property of the Trust for satisfaction of claims of any

nature arising out of or in connection with the Trust and only the property of the Trust will be subject to levy or execution. The Trust will indemnify and hold each of its Trust Unitholders harmless from and against all claims and liabilities to which any Trust Unitholder may become subject to by reason of being or having been a Trust Unitholder and each Trust Unitholder shall be entitled to reimbursement out of the property of the Trust to the full extent of such liability and to the costs of any litigation or other proceedings in which such liability shall have been determined.

Limitation on Non-Resident Ownership and Redemption at the Demand of the Manager

At no time may non-residents be the beneficial owners of a majority of the Trust Units (on a number of Trust Units or on a fair market value basis), and the Manager shall inform the registrar and transfer agent of the Trust of this restriction. The Manager may require declarations as to the jurisdictions in which a beneficial owner of Trust Units is resident and, if a partnership, its status as a Canadian partnership. If the Manager becomes aware, as a result of requiring such declarations as to beneficial ownership or otherwise, that the beneficial owners of 40% of the Trust Units then outstanding (on a number of Trust Units or on a fair market value basis) are, or may be, non-residents, or that such a situation is imminent, the Manager may make a public announcement thereof. If the Manager determines that more than 40% of the Trust Units (on a number of Trust Units or on a fair market value basis) are beneficially held by non-residents, or that such a situation is imminent, the Manager may send a notice to such non-resident Trust Unitholders, chosen in inverse order to the order of acquisition or in such manner as the Manager may consider equitable and practicable, requiring them to dispose of their Trust Units or a portion thereof within a specified period of not less than 30 days. If the Trust Unitholders receiving such notice have not disposed of the specified number of Trust Units or provided the Manager with satisfactory evidence that they are not non-residents within such period, the Manager may, on behalf of such Trust Unitholders, redeem such Trust Units at the original subscription price for the Trust Units and, in the interim, shall suspend the voting and distribution rights attached to such Trust Units. Upon such redemption, the affected holders shall cease to be beneficial holders of Trust Units and their rights shall be limited to receiving the net proceeds of redemption of such Trust Units.

Meetings

The Manager may at any time convene a special meeting of the Trust Unitholders as a whole or of any Class and will be required to convene a special meeting on receipt of a request in writing of Trust Unitholders holding not less than 33⅓% of the Trust Units then outstanding. Each Trust Unitholder will be entitled to one vote for each \$1.00 of Net Asset Value attributable to the Trust Units owned by such Trust Unitholder as determined based on the Net Asset Value per Trust Unit at the close of business on the record date for voting for such meeting, with no voting rights being attributed to portions of a dollar of such value. Only Trust Unitholders of record on the date of the meeting shall be entitled to vote at such meeting. The approval of Trust Unitholders shall be given by an Ordinary Resolution, except for those matters which require approval by Special Resolution. If a resolution would affect only the rights of holders of one Class, or more than one Class, but less than all Trust Unitholders, only the holders of Trust Units so affected are entitled to vote. If a resolution to be voted on would affect one Class in a manner that is different, and could adversely affect such Class in a manner that is different, than the manner in which it would affect the other Classes, the resolution must, in addition to all other requisite approvals, be approved by the holders of such Class of Trust Units, by the specified majority, in order to be effective.

A quorum for the transaction of business at a meeting of Trust Unitholders as a whole or of a Class, as applicable, shall consist of Trust Unitholders present in person or represented by proxy holding in total Trust Units having an aggregate Net Asset Value of not less than 5% of the Net Asset Value of the Trust, or not less than 5% of the Net Asset Value of the Class, as applicable, except for purposes of: (i) passing a Special Resolution in which case such persons must hold at least 33⅓% of the Trust Units then outstanding and entitled to vote thereon; and (ii) passing a Special Resolution to remove the Manager in respect of a material breach of its obligations to the Trust or to appoint a successor Manager in the event of the resignation of the Manager, in which case such persons must hold at least 75% of the Trust Units then outstanding and entitled to vote thereon. If a quorum is not present at a meeting within 30 minutes after the time fixed for the meeting, the meeting shall be adjourned and held on a date fixed by the chairman of the meeting, which date shall be not later than 14 days thereafter. At any adjourned meeting, two or more Trust Unitholders entitled to vote at the meeting and present in person or represented by proxy shall constitute a quorum.

Amendment

The Manager is entitled to make certain amendments to the Trust Agreement without prior notice to, or consent from, any Trust Unitholder in order to: (i) protect the interests of the Trust Unitholders, if necessary; (ii) cure any ambiguity or clerical error or correct or supplement any provision of the Trust Agreement which may be defective or inconsistent with any other provision of the Trust Agreement if such amendment does not in any manner have a material adverse effect on the interests of any Trust Unitholder; (iii) create additional Classes and set the terms thereof; (iv) maintain the status of the Trust as a “mutual fund trust” for the purposes of the Tax Act or to respond to amendments to the Tax Act or to the interpretation thereof; (v) to reflect any changes to any applicable legislation; (vi) in any other manner provided that such amendment does not and shall not have a material adverse effect on the interests of any Trust Unitholder in any manner. Within 60 days following the date of any material amendment, Trust Unitholders will be provided with a written explanation of the reasons for such amendment and, upon request, a copy of the amendment.

Any proposed change to the Trust Agreement that would have a material adverse effect on the interest of any Trust Unitholder in any manner may only take effect upon either: (a) the approval by Special Resolution of the votes cast at a meeting of Trust Unitholders or of the affected Class, as applicable (or by written resolution); or (b) Trust Unitholders affected by such change having been given not less than 60 days’ prior written notice of the proposed change and the opportunity to redeem all of such Trust Unitholder’s Trust Units prior to the effective date of the change.

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

The Manager may not make or permit a change to the investment objectives, strategies and restrictions of the Trust that it determines in good faith to be a material change unless: (i) such change is approved by a Special Resolution; or (ii) the Trust Unitholders are given not less than 60 days written notice prior to the effective date of the change (together with an explanation of the reason for the change) and each Trust Unitholder is given the opportunity to redeem all of such Trust Unitholder’s Trust Units prior to the effective date of such change. In such event, the Manager will be deemed to have waived any redemption deductions for Trust Units that are redeemed during the period prior to the effective date of the change. The Manager will provide similar notice to Trust Unitholders in the event the Trust is notified of a material change to the investment objectives, strategies and restrictions of the Partnership.

Termination

The Trust has no fixed term. The Manager may, in its discretion, terminate the Trust by giving notice to the Trustee and to the Trust Unitholders and fixing the date of termination not earlier than 30 days following the mailing or other delivery of notice to the Trust Unitholders. The Trust will also be terminated and dissolved in the event that the Manager and/or the Trustee resigns, is removed or becomes incapable of acting and no successor Manager and/or Trustee, as applicable, is appointed in accordance with the Trust Agreement.

No Trust Units may be redeemed at the option of a Trust Unitholder from the date that the notice of termination is delivered and any right of Trust Unitholders to require payment for all or any of their Trust Units will be suspended. Each Trust Unitholder registered as such at the close of business on the date fixed as the termination date of the Trust shall be entitled to receive from the Trust such Unitholder’s proportionate share of the property of the Trust attributable to the applicable Class and available at that time for the purpose of such distribution.

Summary of the Administration Agreement

The Administrator has been appointed by the Trust pursuant to the Administration Agreement, to provide administrative services to the Trust. The Administrator has its principal place of business at 121 King Street West Suite 300 Toronto, Ontario, M5H 3T9.

The Administrator will calculate the Net Asset Value of the Trust, keep the books and records of the Trust as required by applicable law or otherwise for the proper recording of the financial affairs of the Trust, liaise with the Trust’s

auditors with respect to the audit of the financial statements for each financial year of the Trust, reconcile records of investments maintained by the Trust, calculate all the operating expenses of the Trust, determine the Net Asset Value per Trust Unit of each Trust Unitholder, maintain the register of Trust Unitholders, prepare financial statements for the Trust, pay to or deposit with the Trust's bankers all moneys, bills and notes received by it on behalf of the Trust, manage and make payments from accounts of the Trust, manage and process subscriptions and redemptions, process allocations and distributions of income (including capital gains) to the Trust Unitholders and provide other services as agreed between the Trust and the Administrator from time to time. The Administrator is entitled to receive fees from the Trust in accordance with the Administration Agreement.

The Administrator has agreed to provide its services with the professional skill and care that would reasonably be expected of a prudent and professional administrator, subject to the control of and review by the Manager. The Trust has agreed to indemnify and hold harmless the Administrator against all liabilities, damages, costs, claims and expenses incurred by the Administrator or its officers, employees, servants, or agents in the performance of any of their obligations or duties under the Administration Agreement except where such liabilities, damages, costs, claims and expenses arise from the Administrator's own gross negligence, wilful misconduct, fraud or material breach of the Administration Agreement. The Administrator will not be responsible to the Trust for any loss suffered by the Trust or the Manager in connection with the performance by the Administrator of its obligations under the Administration Agreement, except a loss resulting directly from the gross negligence, wilful misconduct, fraud or breach of the Administration Agreement on the part of the Administrator in the performance of its obligations and duties. The Administrator will not be liable for any indirect, special or consequential loss howsoever arising.

The Administration Agreement may be terminated by either party upon at least 90 days' prior written notice to the other party. The Administration Agreement may also be terminated immediately by either party under certain circumstances, including bankruptcy or insolvency of the other party.

ITEM 3 INTERESTS OF DIRECTORS, MANAGEMENT, PROMOTERS AND PRINCIPAL HOLDERS

3.1 Compensation and Securities Held

The following chart discloses the names, municipalities of residence, positions, compensation and Trust Units held by each of the directors and officers of the Manager and information about each Principal Holder:

Name and Municipality of Residence	Positions Held	Compensation Paid by the Trust in the Most Recently Completed Financial Year and the Compensation Anticipated to be Paid in the Current Financial Year	Number, type and percentage of Trust Units held
MAURICE LEVESQUE Edmonton, AB	Chairman, Chief Executive Officer, Chief Compliance Officer and Director	N/A	Nil / (0%)
DON SHORT, CFA Calgary, AB	Senior Vice President, Portfolio Manager and Director	N/A	Nil / (0%)
VICTOR THERRIEN Vancouver, BC	Senior Vice-President, Mutual Funds and Director	N/A	Nil / (0%)
MR. PETER FANG West Vancouver, BC	Chief Operating Officer, Portfolio Manager, Deal-	N/A	Nil / (0%)

	ing Representative and Director		
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No fees shall be payable directly to the directors and officers of the Manager. See Item 2.4 – *Fees and Expenses*.

3.2 Management Experience

The following chart the names, municipalities of residence, positions and principal occupations of each of the individuals who will, on behalf of the Manager, be involved in the management of the Trust.

Name and Municipality of Residence	Position with the Manager	Principal Occupation
MAURICE LEVESQUE Edmonton, AB	Chairman, Chief Executive Officer, Chief Compliance Officer and Director	Chairman, Chief Executive Officer, and director of Qwest Investment Management Corp.; Chairman, President and director of Heritage Bancorp Ltd.; Chairman, Chief Executive Officer, Chief Compliance Officer and director of Qwest Investment Fund Management Ltd.; Chairman, Chief Executive Officer and director of Qwest Funds Corp.
DON SHORT, CFA Calgary, AB	Senior Vice President, Portfolio Manager and Director	Senior Vice President and Portfolio Manager of Qwest Investment Management Corp.; Senior Vice President, Portfolio Manager and director of Qwest Investment Fund Management Ltd.; and Senior Vice President, Portfolio Manager and director of Qwest Funds Corp.
PETER FANG, CFA West Vancouver, BC	Chief Operating Officer, Portfolio Manager, Dealing Representative and Director	Chief Operating Officer, Portfolio Manager, Dealing Representative and Director of Qwest Investment Fund Management Ltd.; Chief Operating Officer of Qwest Investment Management Corp.; and Chief Operating Officer of Heritage Bancorp Ltd.; and Chief Operating Officer of Qwest Funds Corp.

Set out below are the particulars of the professional experience of each of the individuals who will, on behalf of the Manager, be involved in the management of the Trust.

Maurice Levesque - Chairman, Chief Executive Officer, Chief Compliance Officer and Director

Mr. Maurice Levesque is a founder, Chairman and CEO of Qwest Investment Management Corp. He is also Chairman, CEO and Chief Compliance Officer of Qwest Investment Fund Management Ltd. and Chairman, President and director of Heritage Bancorp Ltd.; both companies are subsidiaries of Qwest Investment Management Corp. Mr. Levesque is Chairman, CEO and director of Qwest Funds Corp.

Mr. Levesque has over 35 years of experience in the Canadian financial industry and is recognized for his broad knowledge, skills and experience in the venture capital industry, financial services industry and for his leadership skills in new business formation and development. Mr. Levesque is a founder and/or a director of several private and publicly traded companies which operate in a variety of industries.

Mr. Levesque graduated from The Northern Alberta Institute of Technology with a diploma in Administration Management.

Don Short, CFA - Senior Vice President, Portfolio Manager and Director

Mr. Short is a Senior Vice President and Portfolio Manager of Qwest Investment Management Corp. and Senior Vice President, Portfolio Manager and director of Qwest Investment Fund Management Ltd., a subsidiary of Qwest Investment Management Corp. He is also Senior Vice President, Portfolio Manager and director of Qwest Funds Corp. Mr. Short, based in Calgary, Alberta, has been involved as an investment manager and equity analyst since the early 1990's. Mr. Short is a founder and director of a private company involved in cryptocurrency and technology development related to the financial industry.

Mr. Short was the President and Portfolio Manager of Origin Capital Management Ltd., a Calgary based investment management company that he founded which specialized in the energy sector. At Origin, Mr. Short managed several private equity funds and the Rhone flow-through limited partnerships. Prior to establishing Origin, Mr. Short was an oil and gas equity analyst at Raymond James Ltd. from 2003 to late 2005. There he was responsible for Canadian energy and royalty trust research. From 2001 to 2003, he was a founder and principal of Core Partners Inc., a business advisory services firm. Prior to this, from 1995 to 2001, Mr. Short was an institutional equity salesman and investment analyst with First Energy Capital Corp., providing Canadian energy industry research focused on institutional sales coverage. From 1991 to 1994, Mr. Short was an energy market analyst for Northridge Canada Inc. where he researched NYMEX natural gas price behavior and developed and managed one of the early offerings in Canada of an oil and gas flow-through limited partnership.

Mr. Short holds both a B.Comm and B.Sc. (computer science and math), with distinction, from the University of Calgary and is a licensed Portfolio Manager and Investment Counsellor. Mr. Short is also a Chartered Financial Analyst charterholder.

Peter Fang, CFA – Chief Operating Officer and Portfolio Manager

Mr. Fang is COO, Portfolio Manager, Dealing Representative and Director of Qwest Investment Fund Management Ltd., a subsidiary of Qwest Investment Management Corp. Mr. Fang is also COO of Qwest Investment Management Corp., Heritage Bancorp Ltd. and Qwest Funds Corp. Mr. Fang leads Hoovest Wealth Management, the wealth management division of Qwest Investment Fund Management Ltd., which he co-established. He is also part of Qwest Investment Fund Management Ltd.'s Compliance and Investment Committees.

Mr. Fang has more than ten years of advisory and financial services experience globally. He has been managing investment assets and advising high net worth clients as a registered advisor since 2013 with investment firms in Canada, most notably Manulife Securities.

Prior to his entry into the investment industry, Mr. Fang was an investment banker with J.P. Morgan in London, UK and CITIC Securities in Hong Kong where he specialized in mergers and acquisitions, private placements, spin-off IPOs, rights issues, and other corporate finance activities.

Mr. Fang holds a bachelor's degree in Finance from UBC and a master's degree in Management and Regulation of Risk from the London School of Economics. Additionally, Mr. Fang is a CFA charterholder.

3.3 Loans

As at the date of this Offering Memorandum, the Trust does not have any debentures or loans due to or from the

Trustee, its principal security holders, or the Manager or directors or management thereof.

ITEM 4 CAPITAL STRUCTURE

4.1 Authorized Capital

The Trust currently offers an unlimited number of Class A Trust Units and Class F Trust Units. Additional Classes may be offered in the future without notice to or approval of Trust Unitholders.

4.2 Long Term Debt

The Trust does not have any long-term debt as of the date hereof.

The Trust does not expect to finance its investments in the Partnership through long-term indebtedness. However, any financing and the incurring of long-term indebtedness will comply with the investment guidelines and investment restrictions of the Trust as set forth in Item 2.2 – *The Trust's Business*.

ITEM 5 SECURITIES OFFERED

5.1 Terms of Securities

Trust Units

An unlimited number of Trust Units are being offered on a continuous basis to investors resident in all of the provinces and territories of Canada, who qualify as Accredited Investors. See Item 5.2 – *Subscription Procedure*.

Class A Trust Units are designed for investors who are not eligible to purchase Class F Trust Units. Class A Trust Units pay a Trailer Fee.

Class F Trust Units are designed for investors who are enrolled in a dealer sponsored fee-for-service or wrap program and who are subject to a periodic asset-based fee rather than commissions on each transaction or, at the discretion of the Manager, any other investor for whom the Manager does not incur distribution costs.

Purchases of Trust Units may be effected through the settlement network operated by Fundserv using the following codes:

Class A Trust Units:	QWE810
Class F Trust Units:	QWE811

Each Trust Unit entitles the holder to participate *pro rata*, in accordance with the provisions of the Trust Agreement, with respect to all distributions of property or assets to Trust Unitholders and, upon liquidation of the Trust, to participate *pro rata* with the other Trust Unitholders in the Net Asset Value of the Trust remaining after the satisfaction of outstanding liabilities of the Trust in accordance with the terms of the Trust Agreement.

Fractional Trust Units may be issued and shall be proportionately entitled to all the same rights as whole Trust Units. All Trust Units and fractions thereof will be issued only as fully paid and non-assessable.

Each Trust Unitholder of a particular Class shall be entitled to one vote for each \$1.00 of Net Asset Value attributable to the Trust Units held by such Trust Unitholder in respect of all matters to be voted on by the Trust Unitholders at all meetings of Trust Unitholders where all Classes vote together and to one vote for each \$1.00 of Net Asset Value attributable to the Trust Units held by such Trust Unitholder at all meetings of Trust Unitholders where that particular Class votes separately as a Class, with no voting rights being attributed to portions of a dollar of such value.

Trust Units are not transferable by a Trust Unitholder except by operation of law or with the written consent of the

Manager in its absolute discretion and in compliance with all applicable securities laws. Trust Units of a particular Class may be re-designated by the Manager as Trust Units of another Class based on the respective Net Asset Value per Trust Unit of such Class. The Manager may name or rename each Class without otherwise affecting the attributes of such Class.

The Manager may subdivide or consolidate Trust Units of any Class provided the Net Asset Value per Trust Unit of such Class is amended such that the aggregate Net Asset Value per Trust Unit of such Class prior to such subdivision or consolidation is equal to the aggregate Net Asset Value per Trust Unit of such Class following the subdivision or consolidation.

An investor who purchases Trust Units will receive a customer confirmation from the registered dealer from or through whom Units are purchased in accordance with the book-based system. No physical paper certificates for Trust Units will be issued.

Offering Price

Trust Units are offered at the Net Asset Value per Trust Unit as of the applicable Valuation Date. See “Determination of Net Asset Value” below. The subscription price for Trust Units of a particular closing will vary depending on what the Net Asset Value per Trust Unit is at the time each Trust Unit is purchased.

Redemption of Units

Each Trust Unitholder may, upon request to the Manager in a manner and form acceptable to the Manager (including through Fundserv), redeem all or any part of such Trust Unitholder’s Trust Units on a Redemption Date. Trust Units will be redeemed at a redemption price equal to the Net Asset Value per Trust Unit calculated as of the applicable Redemption Date, less applicable deductions and fees. Redemption requests must be given in writing (or via Fundserv) to the Manager not less than 15 Business Days prior to the Redemption Date in order for the redemption to be effective as of such Redemption Date. The redemption proceeds, less any applicable deductions and fees will be paid to the redeeming Trust Unitholder not later than 60 Business Days following the applicable Redemption Date. No interest will be paid to the Trust Unitholder on account of any delay in forwarding the proceeds of redemption to the Trust Unitholder.

Trust Units redeemed as of a Redemption Date prior to the 18-month anniversary of the initial subscription for such Trust Units, will be subject to an early redemption fee of 5% of the Net Asset Value per Trust Unit redeemed and such early redemption fee will be deducted from the redemption proceeds otherwise payable to the Trust Unitholder, and such early redemption fee will be to the benefit of the same Class of Trust Units subject to the early redemption fee. Redemption requests and fees are irrevocable except with the consent of the Manager in its absolute discretion.

Redemptions and the payment of redemption proceeds may be suspended in certain circumstances. See “Suspension of Redemption” below.

The Manager has the right to compulsorily redeem or cause to be redeemed all or any part of the Trust Units held by a Trust Unitholder at the applicable Net Asset Value per Trust Unit thereof, upon providing notice in writing to the Trust Unitholder as soon as is reasonably practicable in the circumstances before the applicable Redemption Date, which right may be exercised by the Manager in its absolute discretion. Among other reasons, the Manager could exercise this right if a particular Class has few outstanding Trust Units and it is not economically viable to keep that Class open. Alternatively, the Manager could exercise this right of redemption for tax purposes or to comply with applicable securities laws.

If a redeeming Trust Unitholder owns Trust Units of more than one Class, Trust Units will be redeemed on a “first in, first out” basis. Accordingly, Trust Units of the earliest Class owned by the Trust Unitholder will be redeemed first, at the redemption price for Trust Units of such Class, until such Trust Unitholder no longer owns Trust Units of such Class.

The Manager, may in its discretion, treat an amount paid to a Trust Unitholder in connection with the redemption of

Trust Units as a distribution of the Trust's net income and/or net capital gains realized by the Trust in the taxation year in which the Trust Unitholder's Trust Units are redeemed, and in this event the amount of the redemption proceeds will be reduced by the amount of such distribution.

Suspension of Redemption

The Manager may suspend redemptions of Trust Units when required to do so under applicable securities laws or at any time the Manager is of the opinion in its sole discretion that there are insufficient liquid assets in the Trust to fund such redemptions and that the liquidation of assets and/or borrowing to fund such redemptions would be to the detriment of the Trust and the Trust Unitholders generally. During any period of suspension, the Trust will not redeem any Trust Units and the payment of any redemption proceeds will be postponed.

The Manager will advise Trust Unitholders who have requested a redemption if redemptions will be suspended. During the suspension period, redemption requests for which the redemption price has not yet been calculated may be withdrawn within three Business Days following receipt by the Trust Unitholder of notice of such suspension. To the extent that a request for redemption is not withdrawn, the redemption will be effected as of the first Redemption Date following the recommencement of redemptions. Where possible, all reasonable efforts will be made to bring any period of suspension to an end as soon as possible. An investor who has submitted a purchase order for which the issue price has not yet been calculated may either withdraw such investor's purchase order prior to the end of such suspension period or receive Trust Units based on the Net Asset Value per Trust Unit next calculated after the termination of the suspension.

Switches and Exchanges

Subject to the consent of the Manager, Trust Unitholders may exchange or switch all or part of their investment in the Trust from one Class to another Class if the Trust Unitholder is eligible to purchase Trust Units of that other Class. The timing and processing rules applicable to purchases and redemptions of Trust Units also applies to exchanges or switches between Classes. See Item 5 – *Redemption of Trust Units*. Upon an exchange or switch from one Class of Trust Units to another Class, the number of Trust Units held by the Trust Unitholder will change since each Class has a different Net Asset Value per Trust Unit. Trust Unitholders should consult with their own tax advisors regarding any tax implications of exchanging or switching between Classes.

Determination of Net Asset Value

The Manager has retained the Administrator to provide the valuation services for the Trust, including the determination of the Net Asset Value of the Trust and Net Asset Value per Class. The Net Asset Value of the Trust generally means the dollar value of the Trust's assets, less the Trust's liabilities, computed as of a particular date in accordance with the Trust Agreement. The Net Asset Value of a Class will be the proportionate share of the Net Asset Value of the Trust attributable to that Class, less the proportionate share of the liabilities attributable to such Class, determined in accordance with the Trust Agreement. Net Asset Value of the Trust and the Net Asset Value of a Class will be calculated by the Administrator on each Valuation Date.

In calculating the Net Asset Value of the Trust at any time:

- (a) the value of any cash on hand or on deposit, bills and demand notes and accounts receivable, pre-paid expenses, cash received (or declared to holders of record on or before the date of valuation and to be received) and interest accrued and not yet received, shall be deemed to be the full amount thereof, unless the Manager has determined that any such deposit, bill, demand note or account receivable is not otherwise worth the full amount thereof, in which event the value thereof shall be deemed to be such value as the Manager determines to be the fair value thereof;
- (b) the value of treasury bills and other money market instruments will be the cost of such instruments plus the accrued interest up to and including the Valuation Date;

- (c) the value of loans will be the outstanding principal on the Valuation Date subject to fair market value or impairment as determined by the Manager in keeping with the Trust's operating policies;
- (d) the value of any receivables (including warrants and related rights) shall be valued when received by the Trust and shall be treated on a cash basis as to realization unless the Manager has determined that any such deposit, bill, demand note or account receivable is not otherwise worth the full amount thereof, in which event the value thereof shall be deemed to be such value as verified independently by a third party valuator;
- (e) each transaction of purchase or sale of portfolio securities effected by the Trust will be reflected in the computation of the Net Asset Value of the Trust not later than the first computation of such Net Asset Value made after the date on which such transaction becomes binding;
- (f) the issue or redemption of Trust Units will be reflected in the computation of the Net Asset Value of the Trust no later than the next computation of such Net Asset Value made after the time as at which a Net Asset Value per Trust Unit is determined for the purpose of the issue or redemption of the Trust Units;
- (g) the early redemption fee of 5% will be to the benefit of the same Class of Trust Units subject to the early redemption fee.
- (h) the value of any other securities for which there is a published market will be the closing market price for such securities (or if there is no closing price the average of the closing bid and ask prices) on the Valuation Date; provided that if in the opinion of the Manager or its agent, such price does not properly reflect the price which would be received by the Trust upon disposal of the securities, the Manager or its agent may place such value upon such securities as appears to the Manager or its agent to most closely reflect the fair value of such securities;
- (i) the value of any other property for which a current third-party valuation is available will be the value as determined by the third-party valuator;
- (j) the value of all other property will be the value that the Manager or its agent determines in its reasonable discretion most accurately reflects its fair value;
- (k) the value of any asset measured in a foreign currency will be calculated by converting the value in the foreign currency into Canadian dollars using the rate of exchange current on the Valuation Date as determined by the Manager or its agent;
- (l) the value of any security or property to which, in the opinion of the Manager, the above principles cannot be applied (whether because no price or yield equivalent quotations are available as above provided, or for any other reason) shall be the fair value thereof determined in good faith in such manner as the Manager or its agent from time to time adopts; and
- (m) all liabilities shall include only those expenses paid or payable by the Trust, including accrued contingent liabilities; however, expenses and fees allocable only to a class of Trust Units shall not be deducted from the Net Asset Value of the Trust prior to determining the Net Asset Value of a Class, but shall thereafter be deducted from the Net Asset Value so determined for each such Class.

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 Trust Unit of a Class at any particular time is the quotient obtained by dividing the Net Asset Value of a Class at that particular time by the total number of Trust Units of the Class outstanding at that particular

time.

Net Asset Value calculated in foregoing manner will be used for the purpose of calculating any fees payable to the Manager (and other service providers, if applicable) and will be published net of all fees paid and payable and redemptions. Such Net Asset Value will be used to determine the subscription price and redemption value of Trust Units. To the extent that such calculations are not in accordance with generally accepted accounting principles, the financial statements of the Trust will include a reconciliation note explaining any difference between such published Net Asset Value and Net Asset Value for financial reporting purposes (which must be calculated in accordance with generally accepted accounting principles).

5.2 Subscription Procedure

The Trust Units are offered to Accredited Investors only. The Trust Units are conditionally offered if, as and when subscriptions are accepted by the Trust and subject to prior sale. There is no minimum or maximum offering. Subscriptions for Trust Units will be received by the Trust subject to rejection or allotment in whole or in part and the right is reserved to close the subscription books at any time without notice. Trust Units are offered on a continuous basis with closings generally occurring on the last Business Day of each calendar month. The settlement is on or about trade +15 Business Days from the closing date. In offering the Trust Units, the Trust will be relying on the Accredited Investor exemptions from the prospectus requirements of securities laws in the various provinces and territories of Canada. The minimum investment for residents in each of the Selling Jurisdictions, purchasing as principal, is \$25,000 (Canadian dollars). The Manager may, in its sole discretion, permit additional investments of lesser amounts.

Subscriptions for Trust Units will only be accepted through registered dealers. Prospective investors who wish to subscribe for Trust Units must complete, execute and deliver the Subscription Agreement that accompanies this Offering Memorandum to their dealer and tender the subscription amount by cheque, bank draft, wire order or other form of payment acceptable to the Manager (including through facilities of Fundserv) for payment of the subscription amount.

Subscription funds provided prior to a Valuation Date will be kept in a segregated account. Subscriptions for Trust Units are subject to acceptance or rejection in whole or in part by the Manager in its sole discretion. The Trust is not obliged to accept any subscription. No subscription for Trust Units will be accepted from a purchaser unless the Manager is satisfied that the subscription is in compliance with the requirements of applicable securities legislation. If a subscription is not accepted, the Trust will promptly return to the subscriber the Subscription Agreement and the money comprising such subscription without interest or deduction. Confirmation of acceptance of a subscription will be forwarded to the subscriber or, if applicable, to the relevant registered dealer by the Trust. A subscriber has the right to cancel the subscription by sending written notice before midnight of the second Business Day after a completed and signed Subscription Agreement and funds representing the subscription amount are received by the Manager. The Trust reserves the right to close the subscription books at any time without notice.

Purchasers will be required to make certain representations (including those noted above) in the Subscription Agreement, and the Manager and the Trust are entitled to rely on such representations, to establish the availability of the Accredited Investor exemptions from the prospectus requirements under applicable securities laws. In addition, each subscriber is also acknowledging in the Subscription Agreement that the investment portfolio and trading procedures of the Trust and the Partnership are proprietary in nature and agrees that all information relating to such investment portfolio and trading procedures will be kept confidential by such subscriber and will not be disclosed to third parties (excluding the subscriber's professional advisors) without the prior written consent of the Manager.

Trust Units may be purchased as at the close of business on a Valuation Date if a duly completed subscription form and the required payment reaches the Manager no later than 4:00 p.m. (Toronto time) prior to or on such Valuation Date.

Additional Subscriptions

Following the initial minimum investment in the Trust, Trust Unitholders may make additional investments of not less

than \$25,000 provided that such investors are, as at the date of such subscription, Accredited Investors. The Manager may, in its sole discretion, permit additional investments of lesser amounts. Trust Unitholders subscribing for additional Trust Units will be required to complete an additional Subscription Agreement and qualify as Accredited Investors.

ITEM 6 DISTRIBUTIONS

6.1 Quarterly Distributions

Beginning with the quarter ending December 31, 2018, and subject to the Partnership declaring a distribution to Limited Partners, the Trust will make a distribution to each Trust Unitholder on a quarterly basis. For each quarter ending March 31, June 30 and September 30, the Manager will distribute an amount it deems appropriate. Such quarterly distributions (for March 31, June 30 and September 30) will be paid in arrears on or about the 15th day following the quarter to which the distribution relates. The Final Year End Distribution will equal 100% of the Trust's net income and net realized capital gains of the Class for the year, less any reserves that the Manager deems appropriate and any previous distributions made in that year. The Final Year End Distribution will be made in two payments. The first payment for the Final Year End Distribution will be made on January 15 following the year end in an amount determined in the same manner as the March, June and September distributions. The second payment, if any, for the Final Year End Distribution will be paid in arrears not later than March 15 following the most recent year end in an amount equal to any amount payable in excess of the distributions previously paid. Only Trust Unitholders of record on December 31 of each year shall be entitled to the Final Year End Distribution.

Subject to a Trust Unitholder's election to receive distributions in Trust Units, distributions by the Trust may be paid in cash, at the Manager's discretion. If the Trust has taxable income for which it has not received cash, the Trust may make distributions of such taxable income in Trust Units. Payment of income by the distribution of Trust Units can result in Trust Unitholders having a tax liability without a corresponding distribution of cash to pay that tax liability.

A Trust Unitholder who wishes to receive distributions in Trust Units must complete the distribution reinvestment plan enrolment form provided by the Trust's transfer agent.

On each quarterly distribution, 0.25% of such distribution will be deducted from the distribution otherwise payable to Class A holders of the Class A Trust Units, in order to provide the funds available to pay the Trailer Fee. If at any distribution payment date there are insufficient funds to pay the Trailer Fee from the distribution otherwise payable to the holders of the Class A Trust Units, the Manager will redeem a sufficient number of Trust Units from each such holder to pay the Trailer Fee payable by such holder.

To the extent distributions are calculated in respect of a period and payable at the end of such period, if for any reason, including the termination of the Trust, such period is not completed or such amounts are no longer payable, then the distribution will be pro-rated to the end of the shortened period and be payable at the end of such shortened period.

Trust Unitholders who redeem their Trust Units prior to a quarter end or year-end will not participate in distributions for that calendar quarter or the Final Year End Distribution, as the case may be.

The Trust intends to distribute all of the net income and net realized capital gains, if any, of the Trust to Trust Unitholders, so that the Trust will not be liable to pay income tax pursuant to the Tax Act during any year. Distributions to Trust Unitholders in excess of the net income and net realized capital gains, if any, of the Trust, will generally result in a reduction in the adjusted cost base of the Trust Units to the Trust Unitholder. See Item 7 – *Income Tax Consequences and Registered Plan Eligibility*.

Notwithstanding the foregoing, the Manager may, in its sole discretion, borrow on behalf of the Trust sufficient funds on such terms as it deems appropriate to make a cash distribution, on the condition that the Manager may not, at any point in time, incur a level of borrowing (including any short-term borrowings) in excess of 50% of Net Asset Value. In

the event that the Manager, in its sole discretion, decides not to borrow funds in order to make a distribution wholly in cash, the distribution payable to the Trust Unitholders on may include a distribution of additional Trust Units having a value equal to the cash shortfall. The distribution of Trust Units shall be subject to the requirements of the applicable Securities Authorities and if not permitted, distributions will be made in cash. The Manager may, in exceptional circumstances, consolidate the number of outstanding Trust Units after a distribution of additional Trust Units, so that each Trust Unitholder holds the same number of Trust Units held before the distribution of additional Trust Units.

The Trust has adopted a DRIP, pursuant to which Trust Unitholders are entitled to elect to have all distributions of the Trust automatically reinvested in additional Trust Units. No brokerage commission will be payable in connection with the purchase of Trust Units under the DRIP and all administrative costs will be borne by the Trust. Trust Unitholders resident outside of Canada will not be entitled to participate in the DRIP. Upon ceasing to be a resident of Canada, a Trust Unitholder must terminate his or her participation in the DRIP.

6.2 Distribution on Termination of the Trust

On the termination of the Trust, the assets of the Trust will be liquidated and the proceeds distributed in the following order:

- (a) to pay the liabilities of the Trust (including unpaid fees and expenses of the Manager) and to establish reserves for the contingent liabilities of the Trust; and
- (b) to redeem the Trust Units on a pro rata basis from the Trust Unitholders.

ITEM 7 INCOME TAX CONSEQUENCES AND REGISTERED PLAN ELIGIBILITY

7.1 Disclaimer

Before purchasing Trust Units, you should consult your own professional advisers to obtain advice on any and all income tax consequences that apply to you.

7.2 Summary of Significant Tax Consequences

The following is a general summary of the principal Canadian federal income tax considerations as at the date hereof, generally applicable to an investor who acquires Trust Units under this Offering Memorandum and who, for the purposes of the Tax Act, is resident in Canada, deals at arm's length with the Trust, and holds Trust Units as capital property. This summary has been prepared by the Manager.

This summary is based on the information contained in this Offering Memorandum, the current provisions of the Tax Act and the regulations made under the Tax Act, specific proposals to amend the Tax Act and those regulations that have been publicly announced by or on behalf of the Minister of Finance (Canada) prior to the date hereof and the current administrative practices and assessing policies of the CRA made publicly available in writing prior to the date hereof. It is assumed that all amendments will be passed as proposed. **Investors should consult their own tax advisers with respect to the tax consequences in their particular circumstances. No application has been made nor is it intended that any application be made for an advance income tax ruling with respect to the tax consequences of acquiring or holding Trust Units.**

This summary does not take into account or anticipate any other changes in law whether by legislative, governmental, or judicial action, nor does it take into account provincial or foreign income tax considerations which may differ significantly from those discussed herein.

This summary is based on the assumption that the Trust will qualify at all times as a "mutual fund trust" for purposes of the Tax Act and that the Trust will validly elect under the Tax Act to be a mutual fund trust from the date it was

established. To qualify as a mutual fund trust, (i) the Trust must be a Canadian resident “unit trust” for purposes of the Tax Act; (ii) the only undertaking of the Trust must be the investing of its funds in property (other than real property or interests in real property or an immovable or a real right in an immovable); and (iii) the Trust must comply with certain minimum requirements respecting the ownership and dispersal of Trust Units. The Manager expects that the Trust will qualify as a mutual fund trust under the Tax Act at all material times however there can be no assurance that this will be the case. In the event the Trust does not qualify as a mutual fund trust under the Tax Act at all relevant times, the income tax consequences described in this item would, in some respects, be materially and adversely different. This summary is also based on the assumption that the Trust will not be a “SIFT Trust” within the meaning of the Tax Act.

This summary is not exhaustive of all possible Canadian federal income tax considerations and does not deal with other federal, provincial or foreign income tax legislation or considerations. This summary does not address the deductibility of interest on any funds borrowed by a Trust Unitholder to purchase Trust Units. This summary is of a general nature only and is not intended to constitute legal or tax advice to any particular Investor. Prospective investors are advised to consult their own tax advisers with respect to the tax consequences of investing in Trust Units based upon their particular circumstances.

Taxation of the Trust

The Trust will be taxable on its income determined under the Tax Act for each year, which will derive primarily from its allocated share of the net income of the Partnership for the fiscal period of the Partnership ending on or before the year end of the Trust, and any capital gains on the disposition of the Partnership Units, except to the extent such income or capital gains are paid or payable or deemed to have been paid or payable in such year to Trust Unitholders and is deducted by the Trust in computing its income for tax purposes. It is the Trust’s intention to distribute to Trust Unitholders in each year its net income and net realized capital gains (net of realized capital losses, if any), taking into account any entitlement to capital gains refunds, to such an extent that the Trust will not be liable in any year for ordinary income tax under Part I of the Tax Act.

Taxation of Trust Unitholders

Trust Unitholders will be required to include in their income for tax purposes for a particular year the amount of net income and the taxable portion of net realized capital gains, if any, paid or payable to them by the Trust, whether or not reinvested in additional Trust Units. Certain provisions of the Tax Act permit the Trust to make designations that have the effect of flowing through to the Trust Unitholders the income and taxable capital gains realized by the Trust. To the extent that appropriate designations are made by the Trust, taxable dividends, net taxable capital gains and foreign source income paid or payable to Trust Unitholders will generally be taxable as if such income had been received by them directly. Income earned (including income allocated by the Partnership) derived from foreign sources may be subject to foreign withholding taxes which, to the extent permitted by the Tax Act, may be claimed as a deduction or credit by Trust Unitholders. To the extent that distributions to Trust Unitholders exceed the net income and net realized capital gains of the Trust for the year, such excess distributions will not be taxable in the hands of the Trust Unitholder but will reduce the adjusted cost base to the Trust Unitholder of such Trust Unitholder’s Trust Units. If the adjusted cost base to the Trust Unitholder of such Trust Unitholder’s Trust Units becomes negative, the amount by which it is negative is an immediate capital gain to the Trust Unitholder, and the adjusted cost base of the Trust Units resets at zero.

Trust Unitholders will be advised each year of the amount of net income, net realized capital gains and excess distributions described above that are paid or payable to them, the amount of net income considered to have been received as a taxable dividend and the amount of any foreign taxes considered to have been paid by them. Individuals may be liable for alternative minimum tax in respect of distributions designated as dividends from taxable Canadian corporations and taxable capital gains.

A Trust Unitholder’s share of distributions paid by the Trust will generally be based on the number of Trust Units held by the Trust Unitholder on the record date of the distribution regardless of how long the Trust Unitholder has owned

his or her Trust Units. Where a Trust Unitholder purchases Trust Units, the Net Asset Value per Trust Unit, and therefore the price paid for the Trust Unit, may reflect income and gains that have accrued in the Trust which have not yet been realized or distributed. When such income and gains are distributed by the Trust, the Trust Unitholder will be required to include his or her share of the distribution in his or her income even though some of the distribution the Trust Unitholder received may reflect the purchase price paid by the Trust Unitholder for the Trust Units. This effect could be particularly significant if the Trust Unitholder purchases Trust Units just before a record date for distribution by the Trust.

Upon the actual or deemed disposition of a Trust Unit, including the redemption of a Trust Unit by the Trust, a capital gain (or a capital loss) will generally be realized to the extent that the proceeds of disposition of the Trust Unit exceed (or are exceeded by) the aggregate of the adjusted cost base of the Trust Unit to the Trust Unitholder and any reasonable costs of disposition. Under the Tax Act, one-half of capital gains are generally included in an individual's income and one-half of capital losses are deductible only against taxable capital gains, subject to the rules in the Tax Act. Capital gains realized by individuals may give rise to alternative minimum tax.

7.3 Eligibility for Investment

Provided the Trust qualifies as a "mutual fund trust" at all relevant times for purposes of the Tax Act, Trust Units will be qualified investments for trusts governed by RRSPs, RRIFs, DPSPs, RESPs, RDSPs and TFSAs.

Notwithstanding that Trust Units may be qualified investments for a TFSA, RRSP and RRIF, the holder of a TFSA or the annuitant of a RRSP or RRIF, as the case may be, will be subject to a penalty tax if the Trust Units are a "prohibited investment" under the Tax Act for the TFSA, RRSP or RRIF, as the case may be. A Trust Unit will generally be a "prohibited investment" if the holder of the TFSA or the annuitant of the RRSP or RRIF, as the case may be, (i) does not deal at arm's length with the Trust for purposes of the Tax Act; or (ii) has a "significant interest" (within the meaning of the Tax Act) in the Trust, as the case may be.

In addition, the Trust Units will generally not be a "prohibited investment" if the Trust Units are "excluded property" (as defined in the Tax Act).

Before purchasing Trust Units, you should consult your own professional advisers to obtain advice on the eligibility of Trust Units for investment in your particular circumstances.

ITEM 8 COMPENSATION PAID TO DEALERS

8.1 Selling Commissions

Subscriptions for Trust Units will only be accepted through registered dealers. Registered dealers may, at their discretion, charge purchasers a front-end sales commission of up to 5% of the subscription price of a Gross Subscription Order for Class A Trust Units. Any such sales commission will be negotiated between the registered dealer and the purchaser and will be deducted from the Gross Subscription Order and paid by the purchaser, directly to the registered dealer. In certain circumstances, registered dealers may be reimbursed for their due diligence costs, and other forms of consideration, and charge purchasers a Dealer Fee of up to 1% of the subscription price of the Class A Trust Units being purchased. The Dealer Fee will also be deducted from the subscription and paid directly by the purchaser to the registered dealer. The net subscription amount, being the Gross Subscription Order less any front-end sales commission and any dealer fee, will then be invested into the Trust. There is no sales commission or dealer fee on purchases of Class F Trust Units.

The Trust will pay a Trailer Fee to registered dealers in respect of the Class A Trust Units, payable quarterly in arrears. The amount of the Trailer Fee will be deducted from distributions to the holders of the Class A Trust Units.

There is no Trailer Fee associated with the Class F Trust Units.

The Trust will not pay any commissions to persons that the Trust is not permitted to pay a commission, notwithstanding the purchase option selected by the purchaser.

8.2 Short Term Trading Deduction

In order to protect the interest of the remaining Trust Unitholders and to discourage short term trading in the Trust, Trust Unitholders will be subject to a short term trading deduction. If a Trust Unitholder redeems Trust Units within 18 months of purchasing such Trust Units, the Trust will deduct and retain, for the benefit of the remaining Trust Unitholders, an amount equal to 5% of the Net Asset Value per Trust Unit being redeemed. The short term trading deduction may be waived by the Manager in its sole discretion.

8.3 Dealer Compensation

As set out under “Selling Commissions” above, brokers, dealers or advisors selling Trust Units may charge investors a commission at the time of purchasing Trust Units, which will reduce the amount of money invested in the Trust. The Trust will pay an investor’s authorized broker, dealer or advisor Trailer Fees as compensation for ongoing advice and service in respect of Class A Trust Units. The Trailer Fees are accrued monthly and are paid quarterly at the current annual rate of 1% of the Net Asset Value per Trust Unit of the Class A Trust Units held by clients of the authorized broker, dealer or advisor. The Trailer Fee is calculated based on the Net Asset Value per Unit of the Class A Trust Units for each calendar quarter. The Trailer Fee will not be paid if Class A Trust Units are redeemed. Trailer Fees are calculated monthly and payable, on or about 45 days following the last day of each calendar quarter. The amount of the Trailer Fee will be deducted from distributions otherwise payable to the holders of Class A Trust Units. The Trust may, from time to time, pay the Trailer Fee more frequently than quarterly, in which event the Trailer Fee will be pro-rated for the period to which it relates.

Selling commissions and Trailer Fees payable by the Trust may be modified or discontinued by the Manager at any time. The Manager may, at its discretion, negotiate, change the terms and conditions of, or discontinue the Trailer Fee with brokers, dealers and advisors. Brokers, dealers or advisors qualifying for a Trailer Fee in respect of the Trust for the first time must contact the Manager in writing to arrange the first payment. Payments thereafter are made automatically as long as the broker, dealer or advisor continues to qualify.

ITEM 9 RISK FACTORS

The purchase of Trust Units involves a number of risk factors. An investor should reach a decision to invest in the Trust after careful consideration with his or her advisors as to the suitability of an investment in the Trust in light of its investment objective and the information set out in this Offering Memorandum. The Manager does not make any recommendation as to the suitability of the Trust for investment by any person. All prospective Trust Unitholders should consider an investment in the Trust within the overall context of their investment objectives. Investment considerations include, but are not limited to; setting objectives, defining risk/return constraints and considering time horizons. This Offering is not suitable for investors who cannot afford to assume moderate risks in connection with their investments. In addition to the factors set forth elsewhere in this Offering Memorandum, prospective investors should consider the following factors.

Return on Trust Units Determined By Reference to Investment Portfolio

Trust Unitholders’ returns on the Trust Units will be determined by reference to any cumulative net gains or losses (if any) arising from the investment activities of the Trust and any appreciation (including all the accrued interest thereon) earned in the Trust Units. The return on the Trust Units may decrease as well as increase. The Trust makes no representation as to any return that a Unitholder will earn on the Trust Units and there can be no assurance that information on the General Partner or the Partnership set out in this Offering Memorandum will be, in any respect, indicative of how they will perform (either in terms of profitability, volatility or low correlation with other investments) in the future.

Shortfall in Financing

Until the Trust generates sufficient cash flow to pay for the Operating Expenses, the Manager intends to pay the Operating Expenses of the Trust and may waive its right to reimbursement from the Trust. However, the Manager has no obligation to fund such Operating Expenses or any other deficits of the Trust or to advance funds to continue the operation of the Trust. Even if the Manager elects to do so voluntarily or is held accountable by Trust creditors, its available assets may not be adequate to satisfy the needs of the Trust.

If at any time there is not sufficient cash on hand to redeem Trust Units, the Partnership may borrow an amount to finance the redemption of Trust Units; however, the aggregate amount outstanding for this purpose from time to time may not exceed 50% of the net asset value of the Partnership. Any such borrowing could have an adverse impact on the net asset value of the Partnership and as a result the Trust, and there can be no assurance that such financing will be available.

If Trust revenues are insufficient to pay the expenses of the Trust and/or fund redemptions and if the Manager does not advance such additional funds as may be needed by the Trust, the Trust may not be able to continue its operations in the absence of an alternative source of financing, and there can be no assurance that such financing will be available.

General Investment Risk

The Net Asset Value per Trust Unit will vary directly with the value and return of the Partnership's underlying investments. There can be no assurance that the Trust will not incur losses. There is no guarantee that the Trust will earn a return.

Limited Ability to Liquidate Investment

There is no formal market for Trust Units and one is not expected to develop. The offering of Trust Units is not qualified by way of prospectus, and consequently the resale of Trust Units is subject to restrictions under applicable securities laws. In addition, Trust Units may not be assigned, encumbered, pledged, hypothecated or otherwise transferred except with the prior written consent of the Manager, which may be withheld in the Manager's sole and absolute discretion. Accordingly, it is possible that Trust Unitholders may not be able to resell their Trust Units other than by way of redemption which redemption will be subject to the limitations described in Item 5.1 – *Redemption of Trust Units*. There are circumstances where the Trust may suspend redemptions. In certain circumstances, Trust Unitholders may not be able to liquidate their investments in a timely manner. As a result, an investment in the Trust Units is suitable only for sophisticated investors who do not require liquidity for their investment and are able to bear the financial risk of the investment for an extended period of time.

Redemptions

Redemptions may be suspended in certain circumstances. See Item 5.1 – *Redemption of Units*. Substantial redemptions of Trust Units from the Trust could require the Trust and/or the Partnership to liquidate positions more rapidly than otherwise desirable or to borrow money to raise the necessary cash to fund redemptions. Such factors could adversely affect the value of the Trust Units redeemed and of the Trust Units remaining.

Tax Matters

The return on the Trust Unitholder's investment in Trust Units is subject to changes in Canadian federal and provincial tax laws, tax proposals, other governmental policies or regulations and governmental, administrative or judicial interpretation of the same. There can be no assurance that tax laws, tax proposals, policies or regulations, or the interpretation thereof, will not be changed in a manner which will fundamentally alter the tax consequences to Trust Unitholders acquiring, holding or disposing of Trust Units.

If the Trust ceases to qualify as a mutual fund trust or a registered investment, Trust Units may cease to be qualified

investments for deferred plans. This could result in deferred plans which hold Trust Units becoming liable for a penalty tax under the Tax Act.

Payment of income by the distribution of Trust Units can result in Trust Unitholders having a tax liability without a corresponding distribution of cash to pay that tax liability. There can be no assurance that cash distributions to pay that tax liability, in whole or in part, will be made.

Fund of Fund Risk

The Trust will invest all or substantially all of its assets in the Partnership. The investments of the Partnership will be selected by the General Partner, in its capacity as General Partner of the Partnership, in its sole discretion, in the interest of achieving the investment objectives of the Partnership.

The Partnership and the Trust bear their own operating expenses, as a result, notwithstanding the Trust's investment in the Partnership, the Net Asset Value of the Trust will not necessarily coincide with, and may be less than, the net asset value of the Partnership Units it holds.

The Trust is a limited partner of the Partnership and as a result there are certain risks applicable to the Trust in its capacity as a limited partner of the Partnership. While it is expected that the Trust will have limited liability, if the Trust were to lose its status as a limited partner, the Trust could lose its mutual fund trust status. It could also be liable for its subscription price, *pro rata* share of undistributed income retained by the Partnership and for any portion of the subscription price returned to the Trust by the Partnership. In addition, in certain circumstances, the Trust could be required to return distributions previously made by the Partnership. Where the Trust has received the return of all or part of the amount contributed to the Partnership, the Trust is nevertheless liable to the Partnership or, where the Partnership is dissolved, to its creditors for any amount, not in excess of the amount returned with interest, necessary to discharge the liabilities of the Partnership to all creditors who extended credit or whose claims otherwise arose before the return of the contribution. The occurrence of any of the above could have an adverse effect on the value of Trust Units.

Not a Public Mutual Fund or Investment Fund

The Trust is not subject to the restrictions placed on public mutual funds to ensure diversification and liquidity of the Trust's portfolio. The Trust is not considered to be an "investment fund" or "mutual fund" for the purposes of applicable securities law and accordingly, the Trust is not subject to certain restrictions and disclosure obligations applicable to entities that are considered to be mutual funds and investments funds for the purposes of applicable securities laws.

Fees and Expenses

The Trust may be obligated to pay fees, commissions, administration, accounting, filing and other expenses regardless of whether it realizes profits.

Not a Trust Company

The Trust is not a trust company and, accordingly, is not registered under the trust company legislation of any jurisdiction. Trust Units are not "deposits" within the meaning of the *Canada Deposit Insurance Corporation Act* (Canada) and are not insured under provisions of that statute or any other legislation.

No Guaranteed Return

There is no guarantee that an investment in Trust Units will earn any positive return in the short or long term.

Net Asset Value and Estimated Values

Valuation of the investments held by the Trust and the Partnership may involve uncertainties and judgmental determinations and, if such valuations should prove to be incorrect, the Net Asset Value of the Trust and the Net Asset Value per Trust Unit could be adversely affected. The calculation of the Net Asset Value of the Trust is based on the net asset value of the Partnership Units held by the Trust. The net asset value of the Partnership Units is based on the Partnership's underlying investments, which investments may be illiquid and difficult to value. No adjustments will be made to the number of Trust Units purchased or redeemed by an investor in the Trust because of the use of estimated values in determining the net asset value of the investments of the Partnership. The valuation of the Trust and the Partnership's assets for the purpose of determining subscription and redemption prices of Trust Units and the calculation of applicable fees, may not be in accordance with generally accepted accounting principles.

Nature of the Trust Units

The Trust Units are neither fixed income nor equity securities. Trust Units are dissimilar to debt instruments in that there is no principal amount owing to Trust Unitholders. Trust Unitholders will not have the statutory rights normally associated with ownership of shares of a corporation including, for example, the right to bring "oppression" or "derivative" actions.

Trust Unitholders not entitled to Participate in Management

Trust Unitholders are not entitled to participate in the management or control of the Trust or its operations. Trust Unitholders do not have any input into the Trust's investment objectives, strategies and restrictions. The success or failure of the Trust will ultimately depend on the investment of the assets of the Trust by the Manager, with which Trust Unitholders will not have any direct dealings.

Reliance on Manager

The Trust will be relying on the knowledge and expertise of the Manager. The Manager will make the actual investment decisions upon which the success of the Trust will depend significantly. No assurance can be given that the investment approaches utilized by the Manager will prove successful. There can be no assurance that satisfactory replacements for the Manager will be available, if the Manager ceases to act as such. Termination of the Manager will expose investors to the risks involved in whatever new investment management arrangements can be made.

Dependence of Manager on Key Personnel

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

Potential Conflicts of Interest

The Manager may also act in the same or similar capacities in respect of other entities, including the Partnership. The Manager, its respective officers, directors, employees, or shareholders are not limited or affected in their ability to carry on other business ventures for their own account, or for the account of others, and there may be situations where the interests of the Trust conflict with the interests of the officers and directors of the Manager. The directors and officers of the Manager will devote to the Trust's affairs only such time as may be necessary to conduct its business and to discharge their fiduciary obligations to the Trust.

Connected and Related Issuers

The Manager is registered as a dealer and an adviser with securities regulatory authorities and regulators in Alberta, British Columbia, Nova Scotia, Ontario, Québec, and Saskatchewan. Those securities regulatory authorities and regulators, among others, have expressed concerns that, when a registered dealer trades in, or a registered adviser that

advises on, securities of an issuer to which it is “connected” or “related”, conflicts of interest may arise. As a result, a registered dealer that trades in, and a registered adviser that advises on, securities of an issuer to which it is “connected” or “related” is required to do so only in accordance with applicable securities law.

The Trust may be considered a “connected” issuer to the Manager when it sells Trust Units on behalf of the Trust. While the Manager does not receive a fee for selling the Trust Units, it does receive management fees for management and advisory services rendered to the Trust. See Item 2.3 – *Fees and Expenses*.

Tax Liability

The Trust is not required to distribute its income in cash. If the Trust has taxable income for Canadian federal income tax purposes for a fiscal year, such income will be distributed to Trust Unitholders in accordance with the provisions of the Trust Agreement by reinvestment in additional Trust Units. Trust Unitholders will be required to include all such distributions in computing their income for tax purposes, even if that cash may not have been distributed to such Trust Unitholders. Cash distributions to a particular Trust Unitholder may not correspond to the economic gains and losses which such Trust Unitholder may experience.

Potential Indemnification Obligations

Under certain circumstances, the Trust might be subject to significant indemnification obligations in favour of the Trustee, the Manager and other service providers. The Trust may not carry any insurance to cover such potential obligations and, to the Manager’s knowledge, none of the foregoing parties will be insured for losses for which the Trust has agreed to indemnify them. Any indemnification paid by the Trust would reduce the Net Asset Value of the Trust and, by extension, the value of the Trust Units.

Class Risk

Since the Trust has multiple Classes, each class will be charged expenses that are specifically attributable to such class. The Manager will generally allocate all other expenses of the Trust among the Classes in such manner as the Manager considers appropriate and equitable. However, if the Trust cannot pay the expenses of one class using its proportionate share of the Trust’s assets, the Trust will be required to pay those expenses out of the other class’ proportionate share of the Trust’s assets which could lower the investment returns of the other Classes.

Liability of Trust Unitholders

The Trust is a unit trust and, as such, the Trust Unitholders do not receive the protection of statutorily mandated limited liability as in the case of shareholders of most Canadian corporations. The Trust Agreement provides that no Trust Unitholder shall be subject to any liability whatsoever, in tort, contract or otherwise, to any person in connection with the investment obligations, affairs or assets of the Trust and all such persons shall look solely to the Trust’s assets for satisfaction of claims of any nature arising out of or in connection therewith. There is a risk, which is considered by the Manager to be remote in the circumstances, that a Trust Unitholder could be held personally liable, notwithstanding the foregoing statement in the Trust Agreement, for obligations of the Trust to the extent that claims are not satisfied out of the assets of the Trust. It is intended that the operations of the Trust will be conducted in such manner so as to minimize such risk. In the event that a Trust Unitholder should be required to satisfy any obligation of the Trust, such Trust Unitholder will be entitled to reimbursement from any available assets of the Trust. However, there is no assurance that the assets of the Trust will be sufficient to meet any indemnification obligations.

Lack of Independent Experts Representing Trust Unitholders

Each of the Trust and the Manager have consulted with a single legal counsel regarding the formation and terms of the Trust and the offering of Trust Units. Trust Unitholders have not, however, been independently represented. Therefore, to the extent that the Trust, Trust Unitholders 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 Trust Units and the suitability of investing in the Trust.

Legal, Tax and Regulatory Risks

Legal, tax and regulatory changes to laws or administrative practice could adversely affect the Trust. Interpretation of law or administrative practice may affect the characterization of the Trust's earnings (including income earned from the Partnership) as capital gains or income, which may increase the level of tax borne by the investor as a result of increased taxable distributions from the Trust.

Under FATCA, the IRS will impose a 30% U.S. withholding tax on certain U.S. source income and on gross proceeds from the disposition of property that can give rise to U.S. source interest or dividends paid to a non-U.S. financial institution unless the non-U.S. financial institution enters into and complies with an agreement with the IRS (or is subject to an intergovernmental agreement as described below). As the Trust is considered to be a non-U.S. financial institution for purposes of FATCA, certain payments to the Trust are subject to these U.S. withholding tax requirements unless certain information is collected from Trust Unitholders to determine whether the Trust Unitholder is a U.S. person or in certain cases whether a non-U.S. entity Trust Unitholder has any U.S. owners, and certain information is provided to the IRS with respect to these investors. Furthermore, a 30% U.S. withholding tax may be required to be withheld from all or a portion of certain payments made to a Trust Unitholder who (i) fails to provide the required information, or (ii) is a non-U.S. financial institution that has not entered into an agreement with the IRS under FATCA or holds securities of the Trust directly or indirectly through such a non-compliant non-U.S. financial institution.

To achieve the U.S. objectives of FATCA in a manner that is consistent with Canadian law, Canada enacted Part XVIII and agreed to the Canadian IGA with the U.S. Under the terms of the Canadian IGA, the Trust does not have to enter into an individual FATCA agreement with the IRS but the Trust is required to register with the IRS and to identify and report certain information on the accounts held by U.S. persons owning, directly or indirectly, an interest in the Trust, or held by certain other persons or entities. In addition, the Trust does not have to provide information directly to the IRS but instead is required to report information to the CRA. The CRA in turn exchanges information with the IRS under the existing provisions of the Canada-U.S. Income Tax Convention. The Canadian IGA sets out specific accounts that are exempt from being reported, including certain tax deferred plans. By investing in the Trust and providing residency and identity information, in some cases through a dealer, the Trust Unitholder is deemed to consent to the Trust disclosing such information to the Canadian tax authorities. If the Trust is unable to comply with any of its obligations under the Canadian IGA, the imposition of the 30% U.S. withholding tax may result in reduced investment returns to Trust Unitholders.

In 2017, Canada also signed the CRS. The CRS is a global model for the automatic exchange of information on certain financial accounts that is similar in many ways to FATCA. More than 95 countries, including Canada, have agreed to implement the CRS. Canada enacted legislation under Part XIX, which became effective as of July 1, 2017, and began requiring the annual reporting of information to the CRA in May 2018. The CRA intends to exchange the information it collects with those CRS participating countries with which Canada has a tax exchange agreement.

If the Trust fails to meet its obligations under Part XVIII and/or Part XIX, as the case may be, it may be subject to the offences and punishment of the Tax Act. In addition, the administrative costs of compliance with FATCA and CRS may also cause an increase in the operating expenses of the Trust, further reducing returns to Trust Unitholders. Trust Unitholders should consult their own tax advisors regarding the possible implications of this legislation on them and their investments.

To the extent that any non-Canadian entities in which the Trust directly invests are "foreign affiliates" and "controlled foreign affiliates", collectively referred to herein as "CFAs", of the Trust, and such entities earn income that is characterized as "foreign accrual property income", or "FAPI", as defined in the Tax Act, the Trust's proportionate share of such FAPI must be included in computing the income of the Trust for Canadian federal income tax purposes for the fiscal period of the Trust in which the taxation year of such CFA that earned the FAPI ends, whether or not the Trust actually receives a distribution of such income from the CFA. As a result, the Trust may be required to include amounts allocated from the Trust in computing its income for Canadian federal income tax purposes even though there may be no corresponding cash distribution from the Trust. Consequently, Trust Unitholders may be required to include amounts in their income even though they have not and may not receive an actual cash distribution of such amount

from the Trust. The Manager does not expect the Trust to invest in CFAs.

Section 94.1 of the Tax Act contains rules relating to investments in non-resident entities that could in certain circumstances cause income to be imputed to the Trust for Canadian federal income tax purposes. These rules would apply if it is reasonable to conclude, having regard to all the circumstances, that one of the main reasons for the Trust acquiring or holding an investment in a non-resident entity is to derive a benefit from “portfolio investments” in such a manner that taxes under the Tax Act on income, profits and gains for any year are significantly less than they would have been if such income, profits and gains had been earned directly. In determining whether this is the case, section 94.1 of the Tax Act provides that consideration must be given to, among other factors, the extent to which the income, profits and gains for any fiscal period are distributed in that or the immediately following fiscal period. If these rules apply to the Trust, income for Canadian federal income tax purposes will be imputed directly to the Trust in accordance with the rules in section 94.1 of the Tax Act. The proportionate share of such income will be allocated to the Trust, and distributed to Trust Unitholders.

No assurance can be given that section 94.1 of the Tax Act will not apply to the Trust. The rules in section 94.1 of the Tax Act are complex and investors should consult their own tax advisors regarding the application of these rules to them in their particular circumstances.

Early Termination

In the event of the early termination of the Trust, the Trust would distribute to the Trust Unitholders *pro rata*, with the other Trust Unitholders, their interest in the assets of the Trust available for such distribution, subject to the rights of the Manager to retain monies for costs and expenses. Certain assets held by the Trust may be illiquid and might have little or no marketable value. In addition, the assets held by the Trust would have to be sold by the Trust or distributed in kind to the Trust Unitholders. It is possible that at the time of such sale or distribution certain securities held by the Trust would be worth less than the initial cost of such assets, resulting in a loss to the Trust Unitholders.

Borrowing

The Trust does not expect to utilize borrowing to invest in the Partnership or to pay expenses or fund redemptions. However, the Trust may borrow in accordance with the terms of the Trust Agreement. If the Trust were to do so, such borrowing may increase the risk that actual returns may be lower than targeted and that losses of capital may occur. The amount borrowed may cause a decrease in the Net Asset Value of the Trust in excess of that which would be experienced if there were no borrowed amount owed by the Trust. If borrowing does take place and the overdraft facility is called by the lender, the Trust may be required to liquidate assets to repay the indebtedness sooner than it may otherwise have chosen to do so. The Trust will pay, and the Trust Unitholders will bear, any costs and expenses associated with any leverage. Any decline in the Trust’s assets and ultimately the Net Asset Value of the Trust will be borne entirely by the Trust Unitholders.

General Economic and Market Conditions

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

ITEM 10 REPORTING OBLIGATIONS

The Manager shall provide to Trust Unitholders such financial statements and other reports as are from time to time required by applicable securities laws. Annual audited financial statements of the Trust are available to Trust Unitholders upon request and will be available on the Manager’s website (www.qwestfunds.com). Such statements are generally available within 90 days of the Trust’s fiscal year end.

The Net Asset Value per Trust Unit of each Trust Unitholder’s Trust Units and of the Trust will be made available on a

monthly basis.

The Manager shall send, or cause to be sent, to all Trust Unitholders information required by law for income tax purposes within the time prescribed by law.

ITEM 11 RESALE RESTRICTIONS

Trust Units will be subject to a number of resale restrictions, including a restriction on trading. Until the restriction on trading expires, you will not be able to trade the Trust Units unless you comply with an exemption from the prospectus requirements under applicable securities legislation. Unless permitted under securities legislation, you cannot trade the Trust Units before the date that is four months and a day after the date the Trust becomes a reporting issuer in any province or territory of Canada. As the Trust is not currently a reporting issuer in any province or territory of Canada, and does not contemplate becoming a reporting issuer, the statutory hold period could be indefinite.

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

- a) the Trust has filed a prospectus with the regulator in Manitoba with respect to the Trust Units and the regulator in Manitoba has issued a receipt for that prospectus, or you have held the Trust Units for at least 12 months.
- b) the regulator in Manitoba will consent to your trade if the regulator is of the opinion that to do so is not prejudicial to the public interest.

ITEM 12 THE PARTNERSHIP

12.1 The Partnership

The Partnership is a limited partnership formed under the laws of the Province of Ontario pursuant to the *Limited Partnership Act (Ontario)* by the filing and recording of a declaration on February 29, 2012. The day-to-day business and affairs of the Partnership are managed by the General Partner pursuant to the provisions of the Amended and Restated Limited Partnership Agreement dated June 15, 2015. The General Partner is also responsible for investing the Partnership's assets in accordance with the stated investment objectives of the Partnership.

The capital of the Partnership is divided into an unlimited number of Partnership Units issuable in one or more classes, with each class issuable in one or more series. The Partnership currently has six classes of outstanding Partnership Units, including the Class C Partnership Units and Class F Partnership Units.

Classes of Partnership Units may have different attributes, as determined by the General Partner, from time to time. Additional classes and/or series of Partnership Units may be offered. The Class C Partnership Units and Class F Partnership Units were created for the purposes of facilitating an investment in the Partnership by the Trust, are only available to the Trust and are not being offered to other investors.

Investment Committee

Investment Committee is responsible for:

- (a) reviewing the General Partner's adherence to the Partnership's investment objectives, strategies and restrictions;
- (b) developing and recommending control, due diligence and investment process policies; and
- (c) reviewing and reporting the Partnership's performance, at least monthly.

Members of the Investment Committee will rotate from time to time and will be comprised of both internal candidates

and external service providers as it is relevant to the prudent management of existing and potential investments.

Investment Objective

The investment objective of the Partnership is to achieve a high level of interest income, superior risk-adjusted returns and potential for long-term income generation on select investments with moderate volatility and low correlation to traditional asset classes.

The Partnership intends to achieve this objective primarily by constructing tailored investment structures where the General Partner will have active participation often as a producer or in a similar role, utilizing asset-based debt and revenue participation structures with the investments negotiated on a one-off basis with motion picture and television companies and special purpose vehicles, as described in more detail below.

Investment Strategy

In general, the General Partner will arrange for late-stage unique capital participation that may be comprised of a combination of asset-based loans, senior loans, tax liens, letters of credit, corporate guarantees of completion and revenue participation rights. These arrangements will enable the Partnership to fund a portion of the production costs to complete various New Media Projects. The Partnership's target market will include Canadian, American, United Kingdom, French, German, Maltese, Australian and New Zealand film and television producers (as well as film and television producers from such other jurisdictions as may be determined by the General Partner from time to time) with budgets in the range of US\$2 million to US\$50 million, with special consideration sometimes made for smaller or larger films.

Investments will tend to have initial capital payback targets that range from 12 to 18 months and future participation arrangements that can, in many cases, continue in perpetuity. Further, the General Partner will seek long-term revenue participation rights in addition to exercising control over the short-term decision making of the production company to help ensure short-term investment recoupment. The General Partner does not intend to participate directly as an unsecured equity investor but will seek to infuse capital ranking ahead of unsecured investors, and recoup capital prior to their repayment in most instances.

The General Partner will customize each loan to address the unique elements of each New Media Project. Investment decisions will be based upon a variety of quantitative and qualitative factors including, but not limited to, the following:

- track record of the producer;
- experience of the sales agent, together with the credibility of their sales estimates;
- marketability of the creative attachments;
- availability of preferential repayment methods such as government tax incentive payments, as applicable;
- quality of the distributors pre-sold to date;
- anticipated future distribution rights; and
- position of capital and advanced capital-to-expected revenue ratios.

Payment obligations will be secured by a variety of collateral, including tangible and intangible assets, specified sales and distribution rights, or State, Provincial or Federal government rebate programs or tax credits. No assurance can be provided that the value of the collateral will be sufficient to cover the amount owed.

Incidental to the strategy, the General Partner intends to maintain a portion of the Partnership's assets in cash or cash equivalents.

The Independent Film Market

The film industry provides a unique investment opportunity that, in the General Partner's view, is not correlated to other traditional securities such as stocks, bonds and resources. In both good and bad economic times, research shows that consumers will spend money on a night out at the movies or will watch a movie on a home video device either by rental or purchase. Global box office revenues reached a record high of US\$40.6 billion (2016: US\$38.7 billion) and the number of physical cinema screens increased by 8% globally. Similarly, global home entertainment consumer spending was US\$47.8 billion (2016: US\$43.1 billion) (Source: MPAA 2017 Theatrical and Home Entertainment Market Environment report).

Independent films are those produced and distributed outside of the major Hollywood studio system. Created on budgets much lower than the size of studio films, "indies" are often driven by the quality of their writing and acting rather than by huge advertising campaigns or special effects. Because of their small size, successful indie films have the potential to provide a much higher return on investment than larger films. The number of films released in 2017 was 777, an increase of 8% from 2016, due to a 12% increase in independent film releases (Source: MPAA 2017 THEME report). Typically, films have generated an additional 133% of the domestic box office gross from DVD, home video and television revenue streams.

While the Partnership is not dependent on box office revenues to satisfy the debt repayment, some of the Partnership's investments may provide profit participation in the form of an unsecured contractual right to receive a percentage of the net profits of a particular production. This profit participation could provide additional returns to the Partnership over and above the stated interest rate on the debt if a film performs well at the box office. However, there is no guarantee that any amounts will be generated from this contractual net profit participation.

Investment Guidelines

The Partnership will seek to achieve returns by profiting from the active market in New Media Projects, opportunities that result from a lack of alternative financing and capital available to propel the later stages of film and media projects. As a fund focused on receiving tax credit receivables, government receivables, distribution sales revenues as well as unknown future revenue streams of New Media Projects, there is some potential for moderate quarterly volatility. The General Partner seeks to mitigate the volatility through diversification of ventures. Participation and control rights included are supplemental to the provision of capital investment. Such participation and control rights may include preferential claims to cash flows, claims to future media revenues and claims on tax credits available to the production company. The General Partner effects control through the arrangement of a mortgage on the copyright.

The General Partner will assist in the structuring and financing of directional exposures to newly capitalizing New Media Projects by taking a variety of participation and payment rights in the revenue streams of these properties that may include a combination of inter-related claims such as:

- Loans with preferential treatment to other creditors due to collateral claims on sales agent fees and tax credit recoupment, and all other available rights; and
- Ongoing revenue participation rights paid *pari passu* with (or ahead of) the original equity investors of the New Media Project, after the original loan has been retired with interest.

The General Partner will seek to recoup all of the original invested capital within 24 months or less of the original investment but also to obtain long-term revenue participation rights that can continue in perpetuity.

Investment Process

Sourcing of New Media Projects will be conducted through the extensive network of the principals and members of

the General Partner's Investment Committee. Once a potential New Media Project is sourced for the Partnership by the General Partner, the General Partner will perform its due diligence and examine how the New Media Project will fit into the Partnership's overall investment portfolio. An example of the General Partner's due diligence process is described below:

Initial Review

At an early stage in the New Media Project origination cycle, a general partner team reviews an array of materials, including, but not limited to: the detailed budget, shooting schedule, financing structure, chain-of-title summation, tax credit estimate, and any tax credit opinion or interim letters. In general, the Investment Committee will reject a potential New Media Project for any of the following reasons:

- (a) Financing plan not realistic;
- (b) Budget not realistic;
- (c) Little or no market value to distributors to buy completed project;
- (d) Too early state for investment;
- (e) Key Cast not yet attached; or
- (f) Inexperienced producer, director, etc.

Once the above information has been gathered and approved, the prospective New Media Project will be presented to the General Partner's Investment Committee for approval and further diligence.

Secondary Review

If the Investment Committee is interested in pursuing an investment in a New Media Project, more detailed information will be required in the second stage of the General Partner's due diligence process, including, but not limited to:

- (a) All relevant corporate documentation (Articles of Incorporation, by-laws, certificate of good standing, corporate resolutions, etc.);
- (b) Evidence of all insurance requirements, such as general, errors and omissions and entertainment package;
- (c) Sales, broadcast and/or distribution agreements;
- (d) the CAVCO Schedule A Application (for projects in Canada);
- (e) Personal and corporate credit checks; and
- (f) Professional references, independent of those provided by the producer directly.

Structuring

Once the Investment Committee has given the final approval for investment in the New Media Project, the complete legal process begins in stage three with the negotiation of terms. Among others, some of the documents negotiated, drafted and executed in stage three may include:

- (a) General security agreement;

- (b) Copyright mortgage and assignment;
- (c) Certified cost report and cost to complete;
- (d) Certified final locked budget;
- (e) Assignment and interparty agreements (as necessary) with sales company;
- (f) Agent agreement, direction to CRA or state government office;
- (g) Searches and undertakings (including registration of security on production company), subordination agreements (as appropriate) with third party lenders;
- (h) Corporate and chain of title legal opinion letters;
- (i) Director resolution; and
- (j) Agreement on complete transition.

Execution

Upon closing, and at the appropriate and agreed upon time within the New Media Project's cash flow schedule, funds will be advanced to the production company for usage in completion of the production. The method of payment, banking information and collection procedures will have been negotiated and provided for in the documents referred to in stage three above.

Recoupment Process

Following the investment process, the ongoing monitoring of the Partnership's investment is focused on the recoupment process, in which the General Partner may act in the role of producer or as a claimant. At this stage of the process, the oversight required often includes:

- (a) Monitoring cash flows;
- (b) Reviewing project completion schedules;
- (c) Submitting and reviewing tax credit claims;
- (d) Exercising veto rights on business and pre-sale decisions with the New Media Project;
- (e) Assuming control of assets over copyrights and other collateral provided; and
- (f) Other activities as required to effectively monitor.

The Partnership will recoup its investment in New Media Projects through three possible approaches:

(1) *Directional Assignment*

The Partnership will receive refundable tax credits and other government incentives from CRA or CAVCO, and may receive such credits or incentives from the governments of other jurisdictions, which, in keeping with the respective regulations of the CRA and CAVCO, are issued to the production accountants in trust for the Partnership. The Partnership will enter into directional assignments with such accountants pursuant to which such funds will be assigned directly to the Partnership.

(2) *Collection Account Management Agreement*

The Partnership intends to enter into collection account management agreements with services providers such as Freeway Entertainment Group. Such service providers act as collection account managers to collect at source in a secured collection account a New Media Project's revenues. In this collection account all collected revenues are allocated to the financiers, (co-)producer(s), sales agent and talent in accordance with the New Media Project's pre-agreed revenue sharing waterfall and paid out at agreed intervals or upon request.

(3) *Foreclosure*

In general, the Partnership will obtain a security interest from a New Media Project which mortgages or pledges an asset, such as its intellectual property, to secure the Partnership's investment. Foreclosure is a specific legal process in which the Partnership will attempt to recover the balance of its investment in a New Media Project that has not made proper repayment to the Partnership by forcing the sale of the asset used as the collateral for the Partnership's investment (i.e. the New Media Project's intellectual property or other assets).

12.2 Management Experience of the General Partner

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

Name and Municipality of Residence	Position with the General Partner	Principal Occupation
William G. Santor <i>Burlington, Ontario</i>	Chief Executive Officer and Director	Director and Officer of the General Partner
John Hills <i>Burlington, Ontario</i>	Chief Operating Officer and Director	Director and Officer of the General Partner
Andrew Chang-Sang <i>London, UK</i>	President and Director	Director and Officer of the General Partner

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

William G. Santor

William G. Santor is the founder and Chief Executive Officer of the General Partner and has served in this capacity since its inception in 2012. He is a member of the Investment Committee. Mr. Santor oversees all of the day-to-day firm decision making within management, operations, investment origination and investor relations. His role involves the coordination of the team and monitoring of the performance of external service providers utilized by the General Partner and the Partnership.

Mr. Santor brings over a decade of investment structuring and management expertise. From 2006 to the present, Mr. Santor is also the co-founder and President of Prosapia Wealth Management, a firm dedicated to asset allocation, wealth transfer and the creation of prudent wealth building strategies for families to plan for multiple generations. It was through his work at Prosapia Wealth Management that he became aware of the opportunities for participation in new media, predominantly film and television finance. Mr. Santor has also held roles at both Tristar Film Finance and MediaHouse Capital.

Mr. Santor's role has evolved in the area of new media, primarily film, over the past five years from mid-stage project

investor to structurer of debt and equity participation interests in Canada, the US and the UK where he has assumed a variety of roles including positions at Tristar Film Finance in 2008. Mr. Santor was also involved in the formation of MediaHouse Capital in 2010 where he both directed investment capital and structured the fund offering that participated in financing and production of four feature films: *Daydream Nation*, *Janie Jones*, *I Melt with You* and the sci-fi special movie, *Paradox*, where participation was as lead investor.

John Hills

John Hills is the Chief Operating Officer of the General Partner. He oversees day-to-day operational controls and investor relations and has been in this role since the General Partner's inception in 2012.

Mr. Hills' career spans over 30 years with experience in aligning technical strategy to organizational goals for various industry sectors, which includes manufacturing, metals and mining, waste management, food and hospitality. He successfully applies outstanding analytical and intuitive skills to drive complex, interrelated projects to successful completion.

Mr. Hills' expertise encompasses software, hardware, planning, project management and operational architecture for high-availability and mission critical systems. He provides crucial insight to the business value of new technologies and their best utilization to maximize return on investment. He also brings an ability to foster vendor relationships to the level of a cohesive partnership.

Mr. Hills began working for Canadian General Electric ("GE") as a Finance Trainee; his first assignment being in Information Technology supporting in-house payroll systems. Mr. Hills continued working within the Canadian GE family of companies for the next 17 years. Each business with GE was equivalent to operating in a brand new business and he thereby gained more experience and skills. Mr. Hills continued in his career working for a number of large well-known Canadian firms (Laidlaw Waste, Inco, Tim Hortons) and was constantly building upon his skill-set, honing his analytical and managerial skills and developing his ability to manage change and focus on the needs of the customer.

Mr. Hills' experiences at GE and Laidlaw along with strong project management skills positioned him to take on increased responsibilities, particularly for various enterprise resource planning implementations as well as the e-commerce activities undertaken at GE. These opportunities increased his scope and span of control and assisted Mr. Hills in his ability to take on the strategic roles as Director, Enterprise Business Solutions at Inco and as Vice President of Information Technology with Tim Hortons.

As Vice-President of Information Technology at Tim Hortons, Mr. Hills was responsible for directing all Information Technology initiatives within the Tim Hortons enterprise. These included the traditional business support systems as well as the store technology systems utilized in each of the franchise operations. At Tim Hortons, Mr. Hills focused his efforts on building a team that valued executional excellence, improved productivity, innovation and customer service. In addition, Mr. Hills fostered a culture of on-going never-ending change, ensuring that the teams were continually learning, adapting, evolving and improving.

Andrew Chang-Sang

Andrew Chang-Sang is the President of the General Partner and has served in this capacity since December 2013. In conjunction with the CEO, he is responsible for the establishment of the strategic vision of the organization and achievement of that vision. Mr. Chang-Sang oversees the entire operation of the organization, responsible for all facets of the business including the Company's expansion into the EMEA market.

Prior to that, Mr. Chang-Sang served as Chief Financial Officer of Company since its inception in July 2012. As Chief Financial Officer, he oversaw all financial aspects of the business including accounting practices, budgeting, financial planning, financial analysis, and monitoring of financial performance.

Mr. Chang-Sang brings over 20 years of financial management experience with a long and proven track record in fund management, lending and building startup companies as well as launching new divisions and products within large

multinational companies. Throughout his career, Mr. Chang-Sang has held increasingly responsible finance/operational roles in various industries and he served as Director, Adfund & Payment Solutions for Tim Hortons Inc., Canada's leading Quick Service Restaurant chain from January 2007 to July 2012. During his tenure at Tim Hortons Inc., Mr. Chang-Sang oversaw all financial aspects of a \$400M division, served as a member on the Mastercard Advisory and Point of Interaction boards and developed and implemented the strategic business plan for the Prepaid Card which was awarded the Winner of Best Prepaid Consumer Program - 2012 Prepaid Awards Canada.

Mr. Chang-Sang has also served as Director, Finance for Just Energy from 2004 to 2007 which was the largest public income fund in Canada during that period. From 2001 to 2004, he served as the Head of the Planning & Analysis group for Canada's student loan portfolio at the EDULINX Canada Corporation.

Mr. Chang-Sang is a Certified Public Accountant (Delaware), a Certified General Accountant and holds an Economics degree from University of Toronto.

ITEM 13 PURCHASERS' RIGHTS

Offering memoranda that are used in the provinces of New Brunswick, Newfoundland and Labrador, New Scotia, Ontario and Saskatchewan in connection with the Accredited Investor exemption from the prospectus requirements, are required under the securities laws of those provinces to describe the respective rights of action that are statutorily available to purchasers in those provinces.

New Brunswick

In the event that any information relating to the offering which has been provided to purchasers of the Trust Units contains a Misrepresentation, a purchaser of Trust Units resident in New Brunswick shall be deemed to have relied upon the Misrepresentation if it was a Misrepresentation at the time of purchase and will have a statutory right of action against the Trust on whose behalf the distribution is made for damages or, alternatively, for rescission, provided that no action shall be commenced to enforce a right of action more than,

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

In addition, securities legislation in New Brunswick provides a number of limitations and defences, including:

- (a) the Trust on whose behalf the distribution is made will not be liable if it proves that the purchaser purchased the Trust Units with knowledge of the Misrepresentation;
- (b) in any action for damages, the Trust on whose behalf the distribution is made will not be liable for all or any portion of those damages that it proves do not represent the depreciation in value of the Trust Units as a result of the Misrepresentation; and
- (c) in no case will the amount recoverable in any action exceed the price at which the Trust Units were sold to the purchaser.

Newfoundland and Labrador

Where this Offering Memorandum or a record incorporated by reference in or deemed incorporated into this Offering

Memorandum contains a Misrepresentation when a person resident in Newfoundland and Labrador purchases Trust Units offered by this Offering Memorandum, the purchaser has, without regard to whether the purchaser relied on the Misrepresentation, a right of action for damages against the Trust and every person who signed this Offering Memorandum and a right of action for rescission against the Trust. Where the purchaser elects to exercise a right of rescission against the Trust, the purchaser has no right of action for damages against a person referred to above.

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

- (a) a person shall not be liable where the person proves that the purchaser had knowledge of the Misrepresentation;
- (b) the amount recoverable under the above provisions shall not exceed the price at which the Trust Units were offered in this Offering Memorandum; and
- (c) in an action for damages, the defendant is not liable for all or any part of the damages that the defendant proves do not represent the depreciation in value of the Trust Unit as a result of the Misrepresentation.

A person, other than the Trust, shall not be liable:

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

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, other than an action for rescission, the earlier of:
 - (i) 180 days after the plaintiff first had knowledge of the facts giving rise to the cause of action; or
 - (ii) three years after the date of the transaction that gave rise to the cause of action.

Nova Scotia

In the event that this Offering Memorandum, a record incorporated by reference in or deemed incorporated into this Offering Memorandum, or any amendments thereto, or any advertising or sales literature (as defined in the *Securities Act* (Nova Scotia)) contains a Misrepresentation that was a Misrepresentation at the time of purchase, a purchaser of Trust Units resident in Nova Scotia shall be deemed to have relied upon the Misrepresentation and will have a statutory right of action for damages against the Trust or other seller and against the directors and persons who signed this Offering Memorandum. Alternatively, the purchaser may elect to exercise a statutory right of rescission against the Trust or other seller, in which case, the purchaser shall have no right of action for damages against the Trust nor against any person. The right of action of damages or rescission is exercisable not later than 120 days after the date on which (i) payment was made for the Trust Units, or (ii) after the date on which the initial payment for the security was made where payments subsequent to the initial payment are made pursuant to a contractual commitment assumed prior to, or concurrently with, the initial payment, provided that:

- (a) the Trust or a person will not be liable if it proves that the purchaser purchased the Trust Units with knowledge of the Misrepresentation;
- (b) in any action for damages, the Trust will not be liable for all or any portion of those damages that it proves do not represent the depreciation in value of the Trust Units as a result of the Misrepresentation; and
- (c) in no case will the amount recoverable under the right of action described herein exceed the price at which the Units were sold to the purchaser.

The *Securities Act* (Nova Scotia) provides that no person is liable if it is proven that this Offering Memorandum, or any amendments thereto, 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 gave reasonable general notice that it was delivered without the person's or company's knowledge or consent, or after the delivery of this Offering Memorandum, or any amendments thereto, and before the purchase of the Trust Units by the purchaser, on becoming aware of any Misrepresentation in this Offering Memorandum, or any amendments thereto, the person withdrew their consent to it and gave reasonable general notice of the withdrawal and the reason for it. This provision does not apply if the seller of the Trust Units is also the issuer.

With respect to any part of this Offering Memorandum, or any amendments thereto, purporting to be made on the authority of an expert, or to be a copy of, or an extract from, a report, an opinion or a statement of an expert which contains a Misrepresentation, no person will be liable if the person had no reasonable grounds to believe, and did not believe, that there had been a Misrepresentation, or the relevant part of this Offering Memorandum, or any amendments thereto, 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. This provision does not apply if the seller of the Trust Units is also the issuer.

The *Securities Act* (Nova Scotia) also provides that no person is liable with respect to any part of this Offering Memorandum, or any amendments thereto, not purporting to be made on the authority of an expert, or to be a copy of, or

an extract from, a report, opinion or statement of an expert, unless the person failed to conduct a reasonable investigation to provide reasonable grounds for a belief that there had been no Misrepresentation or believed that there had been a Misrepresentation. This provision does not apply if the seller of the Trust Units is also the issuer.

Ontario

If this Offering Memorandum, together with any amendment or supplement thereto, delivered to a purchaser of Trust Units resident in Ontario contains a Misrepresentation and it was a Misrepresentation at the time of purchase of Trust Units by such purchaser, the purchaser will have, without regard to whether the purchaser relied on such Misrepresentation, a statutory right of action against the Trust for damages or, while still the owner of the Trust Units purchased by that purchaser, for rescission, in which case, if the purchaser elects to exercise the right of rescission, the purchaser will have no right of action for damages against the Trust, provided that:

- (a) the Trust shall not be held liable pursuant to such right of action if the Trust proves the investor purchased the Trust Units with knowledge of the Misrepresentation;
- (b) in an action for damages, the Trust is not liable for all or any portion of such damages that it proves do not represent the depreciation in value of the Trust Units acquired by the investor as a result of the Misrepresentation relied upon;
- (c) the Trust will not be liable for a Misrepresentation in forward-looking information (as defined in the Securities Act (Ontario)), if the Trust proves that:
 - (i) this Offering Memorandum contains reasonable cautionary language identifying the forward-looking information as such, and identifying Material Factors that could cause actual results to differ materially from a conclusion, forecast or projection in the forward-looking information, and a statement of Material Factors or assumptions that were applied in drawing a conclusion or making a forecast or projection set out in the forward-looking information; and
 - (ii) the Trust has a reasonable basis for drawing the conclusion or making the forecasts and projections set out in the forward-looking information;
- (d) in no case shall the amount recoverable pursuant to such right of action exceed the price at which the Trust Units were offered to the investor; and
- (e) no action may be commenced to enforce such right of action more than:
 - (i) in the case of an action for rescission, 180 days after the date of the acceptance of the subscription by the Trust; or
 - (ii) in the case of an action for damages, the earlier of:
 - (A) 180 days after the investor has knowledge of the Misrepresentation; or
 - (B) three years after the date of the acceptance of the subscription by the Manager.

The foregoing rights do not apply if the purchaser is:

- (a) a Canadian financial institution (as defined in National Instrument 45-106 *Prospectus Exemptions*) or a Schedule III bank;
- (b) the Business Development Bank of Canada incorporated under the *Business Development Bank of Canada Act* (Canada); or

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

Saskatchewan

If this Offering Memorandum, or any amendments thereto, or advertising or sales literature used in connection therewith delivered to a purchaser resident in Saskatchewan contains a Misrepresentation, a purchaser has, without regard to whether the purchaser relied on that Misrepresentation, a right of action for damages against the Trust, the promoters and “directors” (as defined in *The Securities Act, 1988* (Saskatchewan)), every person whose consent has been filed with this Offering Memorandum, or any amendments thereto, but only with respect to reports, opinions or statements that have been made by them, every person who signed this Offering Memorandum, or any amendments thereto, and every person who or company that sells the Trust Units on behalf of the Trust under this Offering Memorandum, or any amendments thereto. Alternatively, a purchaser may elect to exercise a right of rescission against the Trust.

In addition, where an individual makes a verbal statement to a prospective purchaser that contains a Misrepresentation relating to the Trust Units and the verbal statement is made either before or contemporaneously with the purchase of the Trust Units, the purchaser has a right of action for damages against the individual who made the verbal statement.

No person is liable, nor does a right of rescission exist, where the person proves that the purchaser purchased the Trust Units with knowledge of the Misrepresentation. In 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 Trust Units as a result of the Misrepresentation relied on.

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 any action, other than an action for rescission, the earlier of one year after the purchaser first had knowledge of the facts giving rise to the cause of action or six years after the date of the transaction that gave rise to the cause of action.

A purchaser of Trust Units resident in Saskatchewan has the right to void the purchase agreement and to recover all money and other consideration paid by the purchaser for the Trust Units if the Trust Units are purchased from a vendor who is trading in Saskatchewan in contravention of *The Securities Act, 1988* (Saskatchewan), the regulations to *The Securities Act, 1988* (Saskatchewan) or a decision of the Saskatchewan Financial Services Commission.

The Securities Act, 1988 (Saskatchewan) also provides a right of action for rescission or damages to a purchaser of Trust Units to whom this Offering Memorandum or any amendment to it was not sent or delivered prior to or at the same time as the purchaser enters into an agreement to purchase the Trust Units, as required by Section 80.1 of *The Securities Act, 1988* (Saskatchewan).

The Trust shall amend this Offering Memorandum if the distribution of the Trust Units has not been completed and (i) there is a material change in the affairs of the Trust, (ii) it is proposed that the terms or conditions of the offering described in this Offering Memorandum be altered, or (iii) Trust Units are to be distributed in addition to the Trust Units previously described in this Offering Memorandum. A purchaser that receives an amended Offering Memorandum has the right to withdraw from the agreement to purchase the Trust Units by delivering a notice to the person who or company that is selling the Trust Units, indicating the purchaser’s intention not to be bound by the purchase agreement. A purchaser must deliver the notice of withdrawal within two business days after receiving the amended Offering Memorandum.

ITEM 14 FINANCIAL STATEMENTS OF THE TRUST

You may contact the Manager for a copy of the audited financial statements of the Trust as follows:

Address: Four Bentall Centre
1055 Dunsmuir Street
Suite 754, Box 49256
Vancouver, BC V7X 1L2
Phone No.: (604) 601-5804
Email: cbower@qwestfunds.com
Fax No.: (604) 689-8892
Website: www.qwestfunds.com

CERTIFICATE OF THE TRUST AND THE PROMOTER

The foregoing contains no untrue state of a material fact and does not omit to state a material fact that is required to be stated or that is necessary to prevent a statement that is made from being false or misleading in the circumstances in which it was made.

This Offering Memorandum does not contain a misrepresentation.

DATED EFFECTIVE this 30th day of January, 2019

Qwest Productivity Media Income Trust
By its Manager, Qwest Investment Fund Management Ltd.

"Maurice Levesque"

(signed) Maurice Levesque

Chief Executive Officer and Director

On behalf of the Directors of Qwest Investment Management Corp.

"Peter Fang"

(signed) Peter Fang

Chief Operating Officer and Director