

FRANKLIN GLOBAL REAL ASSETS FUND II

CONFIDENTIAL OFFERING MEMORANDUM

April 30, 2021



This Confidential Offering Memorandum (the “Offering Memorandum”) constitutes an offering of these securities only in those jurisdictions where they may be lawfully offered for sale and is not, and under no circumstances is to be construed as, a public offering of these securities. No securities commission or similar regulatory authority in Canada has in any way passed on the merits of the securities offered nor has it reviewed this Offering Memorandum and any representation to the contrary is an offence. “Franklin Templeton” and “Franklin” are registered trademarks of Franklin Templeton Investments Corp. or its affiliates.

SUMMARY

The following is a summary of Franklin Global Real Assets Fund II (the “**Fund**”). The summary is qualified in its entirety by the more detailed information contained in this Offering Memorandum and the information contained in the Declaration of Trust of the Fund. Prospective investors are encouraged to read the entire Offering Memorandum and to consult their own professional advisors about the legal and tax consequences of investing in the Fund. Unless stated otherwise all dollar figures in this Offering Memorandum are in Canadian currency.

<p>THE FUND AND THE MANAGER</p>	<p>The Fund is a unit trust formed under the laws of Ontario pursuant to a Declaration of Trust dated April 29, 2021 (the “Declaration of Trust”), as amended from time to time.</p> <p>Franklin Templeton Investments Corp. (referred to as “we” “us” “FTIC” or the “Manager”) is the trustee, manager and portfolio advisor of the Fund and is responsible for the day-to-day administration and operation of the Fund. Please see the section titled <i>Organization and Management of the Fund – Manager and Trustee</i> for more information.</p>
<p>THE PORTFOLIO SUB-ADVISOR</p>	<p>FTIC, in its capacity as the portfolio advisor of the Fund, has retained Franklin Templeton Institutional, LLC (the “Sub-Advisor”), an affiliate of FTIC, as the sub-advisor to the Fund pursuant to an Investment Sub-Advisory Agreement effective April 29, 2021, as amended from time to time (the “Investment Sub-Advisory Agreement”). The Sub-Advisor is a limited liability company organized and existing under the laws of the State of Delaware and is a SEC registered investment adviser. The Sub-Advisor is responsible for the investment management of the Fund, including discretionary investment authority over the assets of the Fund and responsibility for managing the Fund’s portfolio on a daily basis. As the Sub-Advisor is located outside of Canada, it may be difficult to enforce any legal rights against the Sub-Advisor because all or substantially all of the Sub-Advisor’s assets are located outside of Canada. As an international sub-advisor, the Sub-Advisor is not fully subject to the requirements of Canadian securities laws and the Manager is responsible for the investment advice provided to the Fund. Please see the section titled <i>Organization and Management of the Fund – Portfolio Sub-Advisor</i> for more information.</p>
<p>INVESTMENT OBJECTIVE AND STRATEGIES</p>	<p>The investment objective of the Fund is to seek total return, comprised of both current income and long-term capital appreciation, by investing primarily in a portfolio of investment funds and other issuers that invest in various real asset sectors of the global economy.</p> <p>The Fund seeks to achieve its investment objective by investing in public and private real estate and infrastructure and other real asset investment funds (collectively, the “Underlying Funds”). These investments may be structured as investment trusts, corporations, limited partnerships, mutual funds, exchange traded funds, index mutual funds, and other investment vehicles such as closed end funds. Investments in the Underlying Funds may be held by the Fund directly or indirectly. The Fund may invest in Underlying Funds managed by affiliates of the Manager. The Fund may also invest directly in equity and fixed income securities.</p> <p>The Fund will invest in issuers that concentrate their investments in any of the sectors of the real estate industry including but not limited to logistics, residential, healthcare, office, retail and hospitality sectors. The Fund will invest in issuers that concentrate their investments in any infrastructure-related business including but not limited to utilities, transportation and energy. The Fund will invest in issuers of other real asset classes including agriculture, water and timber.</p>

The Fund’s benchmark is the 5-year rolling average Canadian Consumer Price Index (“CPI”) plus 400 basis points per annum.

The Fund will allocate capital to real assets strategies including but not limited to the following:

Core Private Real Estate Strategies

Core Private Real Estate Strategies generally seek to produce returns from investments in core private real estate by taking equity or debt ownership positions in stabilized, income-producing commercial real estate assets.

Core Private Infrastructure Strategies

Core Private Infrastructure Strategies generally seek to produce returns from investments in core private infrastructure by taking equity or debt ownership positions in stabilized, income-producing private infrastructure assets.

Public Real Estate Securities Strategies

Public Real Estate Securities Strategies generally seek to produce returns from investments in publicly-listed real estate securities by investing in the common stock, preferred stock or issued debt of real estate-related listed companies.

Public Infrastructure Securities Strategies

Public Infrastructure Securities Strategies generally seek to produce returns from investments in publicly-listed infrastructure securities by investing in the common stock, preferred stock or issued debt of infrastructure-related listed companies.

Other Real Assets Strategies

These may include investments in other real asset classes such as agriculture, water and timber in either non-listed or listed securities. In addition, subject to the investment guidelines, less liquid real assets strategies may be pursued such as non-core private real estate, direct real estate or non-core infrastructure.

The Fund may also invest directly or indirectly via derivatives, in equity or debt securities of issuers operating in, or providing exposure to, the real asset sector and may also invest in options, futures or other derivative transactions for hedging purposes to manage currency risk. Please see the section titled *Investment Objective and Strategies of the Fund* for more information.

**INVESTMENT
RESTRICTIONS
AND
ALLOCATIONS**

The Fund intends to allocate approximately 65% of its portfolio assets to a diversified portfolio of income-focused, private real asset funds offered by third party managers and/or managed by an affiliate of the Manager, which are generally considered relatively less liquid (the “**Private Fund Assets**”) due to investment capital calls and timing restrictions on redemptions.

The Fund intends to allocate approximately 35% of its portfolio assets to a mix of open-end underlying real assets funds (which may be managed by an affiliate of the Manager) (the “**Global Real Estate and Infrastructure Securities Funds**”), equity securities and cash and cash equivalents to assist with liquidity requirements (collectively, with the Global Real Estate and Infrastructure Securities Funds, the “**Liquid Assets**”).

These allocations are subject to change from time to time at the discretion of the Manager.

	<p>Due to the timing of subscriptions as well as redemptions by unitholders of the Fund (the “Unitholders”), the Fund may at any time not be invested in accordance with these allocation guidelines, which may impact the Fund’s performance. The allocations of the Fund’s portfolio to both Private Fund Assets and Liquid Assets at any given point in time will affect an investor’s ability to redeem Units of the Fund (as defined below). Please see the section titled <i>Investment Objective and Strategies of the Fund – Investment Restrictions and Allocations and Derivative Exposure</i> for more information.</p>
<p>HEDGING</p>	<p>The Fund is valued in Canadian dollars but invests in foreign assets. Fluctuations in the value of foreign currencies relative to Canadian currency will affect the value of the Fund and its investment returns. The Fund’s foreign investments may be denominated in a foreign currency that is potentially subject to currency exchange restrictions, which may also affect the value of the investment and investment returns. The Fund may employ currency hedging strategies including forward currency contracts, currency futures, written call options and purchased put options on currencies and currency swaps in order to limit the effect of these foreign currency risks or to preserve the Canadian dollar value of its investments. Please see the sections titled <i>Investment Objective and Strategies of the Fund – Hedging</i> and <i>Investment Objective and Strategies of the Fund – Derivative Exposure</i> for more information.</p>
<p>LEVERAGE</p>	<p>It is not intended that the Fund will directly use any financial leverage for its investments in Underlying Funds and other investments. However, Underlying Funds may use financial leverage. In addition, the Manager may, on behalf of the Fund, borrow for the purposes of: (i) serving as working capital for the Fund; and (ii) providing credit support for collateral in respect of the Fund’s derivative transactions. Such borrowings may be secured over the assets of the Fund. On a reasonable request in writing by a Unitholder, the Manager will, to the extent practicable, provide information on the aggregate of all borrowings by the Manager on account of the Fund. Please see the sections titled <i>Investment Objective and Strategies of the Fund – Leverage</i>, <i>Investment Objective and Strategies of the Fund – Investment Restrictions and Allocations</i>, and <i>Investment Objective and Strategies of the Fund – Derivative Exposure</i> for more information.</p>
<p>UNITS</p>	<p>An investment in the Fund is represented by units (“Units”). The Fund may be divided into one or more classes of Units and each class may be issued in one or more series of Units. The Fund is available in one class of Units issuable into three series: Series A, F and O. In the future, the Fund may issue additional Units of one or more series of the same class or other classes of Units, each of which may differ from the Series A, F and O Units in terms of, among other things, the management fee, administrative fees or expenses, minimum subscription amounts and other rights. New classes or series of Units may be established by the Manager without providing prior notice to, or receiving consent from, existing Unitholders. Please read <i>Purchases and Redemptions – Purchases – Eligibility Requirements</i> for eligibility requirements for each of the series of Units of the Fund.</p> <p>Each Unit entitles its holder to: (i) one vote for all special matters brought before Unitholders or before Unitholders of that series on matters being voted on separately by series, as may be the case; (ii) receive an equal portion of all payments made to Unitholders of that series in the form of income, capital gains or capital distributions (other than distributions of capital gains paid on the redemption of Units); (iii) participate equally in the net assets of the Fund allocated to that series of Units remaining after satisfaction of outstanding liabilities allocated to that series if the Fund is liquidated.</p> <p>Units will not be transferable except with the prior consent of the Manager, acting in its capacity as trustee of the Fund. Unitholders are entitled to require the Fund to redeem their Units on the terms outlined under <i>Purchases and Redemptions – Redemptions</i>. Fractions of Units may be issued which have the rights, restrictions, conditions and limitations attaching to whole Units in the proportion which they bear to a whole Unit, except that a fraction of a</p>

	Unit does not carry the right to vote. Please see the section titled <i>Units of the Fund – Rights of Unitholders</i> for more information.
DECLARATION OF TRUST	All Unitholders are entitled to the benefit of, are bound by and are deemed to have notice of the provisions of the Fund’s Declaration of Trust as if such Unitholder had been a party to the Declaration of Trust. Please see the section titled <i>Units of the Fund – Declaration of Trust</i> for more information.
RISK RATING	The Fund is for investors willing to accept Low investment risk for that part of their portfolio. However, this Fund could be used in a portfolio whose overall investment risk may be lower or higher than this individual part. Please see the section titled <i>Risk Rating and Investment Risk Classification Methodology</i> for a description of how we classify the Fund’s investment risk.
RISK FACTORS	The past performance of the Sub-Advisor and of the Underlying Funds in which the Fund proposes to invest are not necessarily indicative of future performance. There can be no guarantee that the Fund’s investment objectives will be achieved. An investment in the Fund should be viewed as a long term investment for investors seeking to add real assets exposure to their overall investment portfolio. An investment in the Fund involves some other significant risks including risks associated with the Underlying Fund’s portfolio managers and investment strategies. Prospective investors should carefully consider the risks described under <i>Risks of the Fund and the Underlying Funds</i> .
PURCHASES	<p>The Fund sells Units on a continuous basis in accordance with the terms of this Offering Memorandum and the Declaration of Trust, with closings of this offering occurring on a monthly basis on the Valuation Date (as defined below). For the purposes of this Offering Memorandum:</p> <p>“Valuation Date” means the last day of each calendar month on which the Toronto Stock Exchange (“TSX”) is open for trading, or such other day or days as determined from time to time by the Trustee;</p> <p>“NAV” means the net asset value of the Fund as determined in accordance with the Declaration of Trust; and</p> <p>“Series NAV per Unit” in respect of any particular series of Units of the Fund or of a class of the Fund is the portion of the NAV of the Fund or of the class of the Fund attributed to each Unit of such series determined in accordance with the Declaration of Trust.</p> <p>Unit Price</p> <p>Units will be issued as fully paid at a price equal to the Series NAV per Unit. The Manager calculates the Series NAV per Unit for each series of the Fund in Canadian dollars at the close of trading (usually 4:00 p.m. ET) on the TSX on a monthly basis on the Valuation Date. Units are denominated in Canadian dollars. An investor purchases Units at their Series NAV per Unit calculated as at the Valuation Date in the month in which the subscription is accepted. Please see the section titled <i>Portfolio Valuation and Net Asset Value</i> for more information on how the NAV is calculated. Please also see the section titled <i>Purchases and Redemptions – Purchases – Unit Price</i> for more information.</p> <p>Minimum Investments</p> <p>The table below sets out the minimum investments required to purchase Series A, F and O Units.</p>

Series	Minimum Initial Investment	Minimum Additional Investment
Series A	\$5,000	\$100
Series F	\$5,000	\$100
Series O	\$5,000	\$100

Subject to applicable laws, the Manager reserves the right to change or waive the minimum amounts at any time and from time to time. Units of the Fund are not available for sale in any jurisdiction outside Canada. Please see the section titled *Purchases and Redemptions – Purchases – Minimum Investments* for more information.

Eligibility to Purchase

Units of the Fund are sold pursuant to prospectus exemptions and therefore each investor must qualify under prospectus exemptions in their jurisdiction of residence in order to purchase Units. Generally, this requires that an investor qualify as an accredited investor (as defined in securities laws) and purchase Units as principal. Investors should consult their dealer and refer to the representations and warranties contained in the Subscription Agreement (as defined below) to determine whether they are eligible to purchase Units on this basis.

An investor cannot purchase Units of the Fund outside Canada, for an investor if they live outside Canada, or on behalf of a person living outside Canada. Please see the section titled *Purchases and Redemptions – Purchases – Eligibility Requirements* for more information.

Subscription Agreement

Investors may purchase Units through qualified representatives who will process orders directly with the Manager or by electronic means through Fundserv Inc. (“**Fundserv**”).

All prospective investors (each a “**Subscriber**” and collectively, the “**Subscribers**”) will be required to execute a subscription agreement (the “**Subscription Agreement**”). Units will be issued at their Series NAV per Unit calculated as at the Valuation Date in the month in which the subscription is accepted. Units will be issued as fully paid with a Series NAV per Unit equal to the subscription amount paid by the Subscriber. The Fund may, at the sole discretion of the Manager, accept or reject any investor’s offer to subscribe for Units in whole or in part for any or no reason.

If the Manager receives an investor’s Subscription Agreement, in good order, by 4:00 pm on the Valuation Date in a given month, and accepts such subscription request, the subscription will be considered to have been received on such Valuation Date; otherwise, the Manager will consider the subscription request to have been received on the Valuation Date in the subsequent month. Subscription Agreements, once submitted, may only be revoked with the consent of the Manager. Please see the section titled *Purchases and Redemptions – Purchases – Subscription Agreements* for more information.

Issuance of Units

No certificates representing Units of the Fund will be issued. The Manager reserves the right to reject any subscription in its sole discretion and no reason needs to be given for the rejection of any subscription. If the order is rejected, the Manager will return the Subscriber’s money immediately without interest. In accepting any order for Units, the Manager will receive the Subscription Agreement and will be relying on the statements, including the representations and warranties, made in the Subscription Agreement by Subscribers and Subscribers undertake to indemnify the Fund, the Manager and the Sub-Advisor and any of their directors, officers, employees, advisors, affiliates, agents and legal

	<p>counsel against all losses, claims, costs, expenses and damages or liabilities of any kind whatsoever, including, without restriction, taxes, interest and penalties, which any of them may suffer or incur, caused by or arising from reliance on such representations and warranties. No subscriptions will be accepted during periods in which the calculation of NAV is suspended. Please see the section titled <i>Purchases and Redemptions – Purchases – Issuance of Units</i> for more information.</p>									
<p>REDEMPTIONS</p>	<p>Units may be redeemed at the option of the investor on any Quarterly Redemption Date (as defined below) in accordance with the terms of this Offering Memorandum and the Declaration of Trust. For the purposes of this Offering Memorandum, “Quarterly Redemption Date” means the last day of each calendar quarter on which the TSX is open for trading, and such other day or days as the Manager may determine, either generally or in any particular case.</p> <p>Redemption requests should be submitted to the Manager in writing or, if expressly permitted by the Manager, by facsimile or electronic means. A completed Redemption Request (as defined below) (or an electronic request if settling through the Fundserv system) must be received by the Manager no later than 4:00 pm (Toronto time) on a business day falling at least 45 days (or such shorter period as the Manager may permit, either generally or in any particular case) before the relevant Quarterly Redemption Date. For the purposes of this Offering Memorandum, a “Redemption Request” will be a request for the redemption of Units which will be in such form as the Manager may determine from time to time and be required to be delivered in accordance with the applicable notice period(s) referred to in this Offering Memorandum. If a Redemption Request is not received by the date noted above in respect of a calendar quarter, then the Manager will consider the Redemption Request to have been received in respect of the following calendar quarter. Payment of redemption proceeds will be made within 30 days following the applicable Quarterly Redemption Date. Payment of the redemption proceeds may be made using the Fundserv network, if applicable. Please see the section titled <i>Purchases and Redemptions – Redemptions</i> for more information.</p>									
<p>FEES AND EXPENSES</p>	<p>Some fees and expenses investors pay directly. Others are payable by the Fund, which will indirectly reduce the value of an investor’s investment in the Fund.</p> <p>Series A and F Management Fees and Administration Fees</p> <p>The table below sets out the annual management fee and Administration Fee (as defined below) for the Series A and F Units of the Fund.</p> <table border="1" data-bbox="462 1417 1429 1564"> <thead> <tr> <th>Series</th> <th>Management Fee</th> <th>Administration Fee</th> </tr> </thead> <tbody> <tr> <td>Series A</td> <td>2.25%</td> <td>0.15%</td> </tr> <tr> <td>Series F</td> <td>1.25%</td> <td>0.15%</td> </tr> </tbody> </table> <p>Series A and F Management Fees</p> <p>Management fees are unique to each series of the Fund. The Fund pays an annual management fee to the Manager to cover the costs of managing the Fund (except with respect to Series O Units). The annual management fees for the Series A and F Units of the Fund are calculated as 1/12 of the annual rate set out in the table above, applied against the monthly net asset value of each series and paid monthly. The Manager may reduce the management fee for certain investors in the Fund. The decision to do this depends on a number of factors, including the size of the investment or the nature of the investment, such as investments by pension funds, insurers or other institutional investors. If the Manager reduces the management fee during the year (i) the reduced rate may be used to calculate</p>	Series	Management Fee	Administration Fee	Series A	2.25%	0.15%	Series F	1.25%	0.15%
Series	Management Fee	Administration Fee								
Series A	2.25%	0.15%								
Series F	1.25%	0.15%								

management fees payable from the effective date of the reduction, or (ii), the Manager, or the Fund, may pay a management fee distribution. Please see the section titled *Fees and Expenses – Series A and F Management Fees and Administration Fees – Series A and F Management Fees* for more information.

Series A and F Administration Fees

The Manager pays the operating expenses of the Fund, other than Fund Costs (as defined below), Portfolio Acquisition Costs (as defined below), Taxes (as defined below) and Underlying Fund Fees and Expenses (as described below) (the “**Operating Expenses**”) in exchange for the payment by the Fund of a fixed rate administration fee (the “**Administration Fee**”) to the Manager with respect to Series A and F Units of the Fund. The Operating Expenses payable by the Manager include, but are not limited to, audit fees, fund accounting costs, transfer agency and recordkeeping costs, custodian costs, administration costs and trustee services relating to registered tax plans, costs of printing and disseminating offering documents and continuous disclosure materials, legal fees, investor communication costs and regulatory filing fees.

The Administration Fee is equal to a specified percentage of the net asset value of the Series A and Series F Units (as applicable), calculated and paid in the same manner as the management fee for the Fund (calculated as 1/12 of the annual rate applied against the monthly net asset value of each series and paid monthly). The Manager may, in some years and in certain cases, absorb a portion of a series’ Administration Fee. The decision to absorb the Administration Fee, or a portion thereof, is reviewed annually and determined at the discretion of the Manager, without notice to investors. Please see the section titled *Fees and Expenses – Series A and F Management Fees and Administration Fees – Series A and F Administration Fees* for more information.

Series O Management and Administration Fee

Series O investors do not bear any of the management and administration fees within the Fund, but instead pay a separate management and administration fee to the Manager and, where negotiated, an Investment Advisory Services Fee (as defined below) to their dealer. In consideration of the management and administration services in respect of the Series O Units, investors pay to the Manager an annual management and administration fee, as set forth in the table below, as determined from time to time based on the Series NAV per Unit of such Units owned by the investor on the Valuation Date in March, June, September and December in each year (the “**Series O Management and Administration Fee**”). The Series O Management and Administration Fee is calculated and payable quarterly in arrears plus the amount of any applicable taxes that may be imposed. In the event that Units are purchased during a quarter, the Series O Management and Administration Fee will be prorated for that quarter.

From the first \$5,000 to under \$2,500,000	From \$2,500,000 to under \$5,000,000	From \$5,000,000 and over
1.40%	1.30%	1.20%

The Manager may reduce the Series O Management and Administration Fee for certain investors in the Fund. The decision to do this depends on a number of factors, including the size of the investment or the nature of the investment, such as investments by pension funds, insurers or other institutional investors. If the Manager reduces the Series O Management and Administration Fee during the year, the reduced rate may be used to calculate Series O Management and Administration Fees payable from the effective date of the reduction.

Please see the section titled *Fees and Expenses – Series O Management and Administration Fee* for more information.

Investment Advisory Services Fee (Series O Units)

For Series O Units where the investor has purchased the series with the investment advisory services fee option, the Manager has an arrangement in place with the investor's dealer to collect the investment advisory services fee (plus any applicable taxes) from the investor for payment to their dealer on the investor's behalf (the "**Investment Advisory Services Fee**").

Where the above arrangement exists, the maximum annual Investment Advisory Services Fee rate that the Manager will facilitate the payment of, is 1.50% (excluding taxes).

The Investment Advisory Services Fee is calculated and paid to the investor's dealer as described in the *Program Fees for Series O Units* section. The Series O Management and Administration Fee together with the Investment Advisory Services Fee are collectively referred to as the program fees (the "**Program Fees**"). For more information on how the Program Fees are calculated and paid, and further details, please read the section titled *Fees and Expenses – Series O Management and Administration Fee – Program Fees for Series O Units*.

By placing an order to purchase Series O Units and in consideration for the investment advice and/or services, and suitability analysis provided to an investor by their dealer in respect of their purchase, the investor is agreeing to pay the negotiated Investment Advisory Services Fee to their dealer. The Manager will not remit the Investment Advisory Services Fee to an investor's dealer until the Manager has received confirmation of the amount of the Investment Advisory Services Fee from the investor's dealer.

Fund Operating Expenses

The "**Fund Costs**", which are payable by the Fund, are borrowing and interest costs, investor meeting costs (as permitted by Canadian securities regulation), any costs and expenses associated with litigation for the benefit of the Fund or brought to pursue rights on behalf of the Fund, the cost of compliance with any new governmental and regulatory requirements or with any material change to existing governmental and regulatory requirements (including extraordinary increases to regulatory filing fees), all expenses directly attributable to any investment or proposed investment that is ultimately not made by the Fund and fees and other governmental charges levied on the Fund.

The Fund is responsible for any acquisition costs incurred in the purchase of interests in the Underlying Funds, including but not limited to any broker fees or premiums paid and the costs of legal or tax advice and opinions and background checks relating to the purchase of interests in an Underlying Fund (the "**Portfolio Acquisition Costs**"). Such costs will be amortized on the basis of a 5-year straight-line after acquisition of the respective Underlying Fund. The Fund's financial statements will be prepared in accordance with International Financial Reporting Standards ("**IFRS**"), which requires such costs to be expensed in the year they are incurred and not amortized over a period of time. As a result the NAV reported in the Fund's financial statements ("**IFRS NAV**") may differ from the NAV computed on a monthly basis.

The Fund is also responsible for all applicable taxes, including without limitation, income taxes, withholding taxes, HST and related taxes payable by the Fund (including foreign tax liabilities), any applicable stamp taxes or country registration fees relating to the portfolio securities held by the Fund; margin fees, transfer taxes, withholding taxes, transaction costs associated with the purchase of forward contracts, debt-like securities or other derivative instruments held in the Fund; or any management and performance fees associated with

	<p>third party investment funds, including ETFs (discussed below) and any HST or other applicable taxes on the foregoing (collectively, the “Taxes”).</p> <p>Each series of the Fund is responsible for its appropriate share of common Fund Costs in addition to the Fund Costs that it alone incurs. The Manager may, in some years and in certain cases, absorb a portion of a series’ Fund Costs. The decision to absorb the Fund Costs, or a portion thereof, is reviewed annually and determined at the discretion of the Manager, without notice to investors. In addition, the Manager pays all Operating Expenses of Series O as part of its agreement with each investor. Please see the section titled <i>Fees and Expenses – Fund Operating Expenses</i> for more information.</p> <p>Underlying Fund Fees and Expenses</p> <p>The Fund is responsible for payment of any fees and expenses, including performance fees associated with an Underlying Fund investment. The Fund may also invest in Underlying Funds that invest in other investment vehicles, thereby subjecting the Fund, and Unitholders, to an additional level of fees. In the aggregate, these fees and expenses could be substantial and adversely affect the value of any investment in the Fund. The Fund will seek to limit these costs and expenses by prudently selecting Underlying Funds with more favourable fee structures.</p> <p>If the Fund is invested in Underlying Funds managed by the Sub-Advisor or one of its affiliates, there will be no duplication of investment management fees, sales or redemption fees in connection with this investment, however, the investment will bear its pro-rata share of applicable third party expenses including, but not limited to, brokerage fees, custodian, audit and regulatory fees and charges as well as any applicable taxes, and costs which are included in the calculation of the net asset value of the investment. For more information on the Fund’s expenses please see the section titled <i>Fees and Expenses – Underlying Fund Fees and Expenses</i>.</p>
<p>TRAILING COMMISSIONS & DEALER COMPENSATION</p>	<p>For Series A Units which are offered under the front-load sales charge option, an initial sales charge may be paid by the investor at the time of purchase that the investor negotiates with their dealer. The charge can be from 0% to 6% of the value of the securities they purchase. The Manager will deduct the amount of any sales charge from the amount of the investor’s investment and the Manager will pay it to the investor’s dealer as a commission.</p> <p>For investors in Series A Units, the Manager pays the investor’s dealer trailing commissions on a monthly basis. This commission is determined by the Manager and may be changed at any time. The trailing commission currently payable in respect of Series A Units is 1.0%. The trailing commission is paid based on the monthly Series NAV per Unit of Series A Units of the Fund held by a dealer’s clients during each month. No trailing commission is paid in respect of Series F or O Units. Please see the section titled <i>Fees and Expenses – Trailing Commissions and Dealer Compensation</i> for more information.</p> <p>With respect to Series O Units, an Investment Advisory Services Fee is negotiated between the investor and their dealer. For purposes of administering the Investment Advisory Services Fee, the investor authorizes the Manager to remit the amount of their Investment Advisory Services Fee to their dealer by redeeming Series O Units in their account. For more information, please see the section titled <i>Fees and Expenses – Series O Management and Administration Fee – Investment Advisory Services Fee (Series O Units)</i>.</p>
<p>DISTRIBUTIONS</p>	<p>The Fund will distribute any income quarterly in March, June, September and December and capital gains annually. The Fund may pay distributions at other times during the year. Distributions (other than distributions of capital gains paid on the redemption of Units) are automatically reinvested in additional Units of the Fund unless an investor requests in writing to receive cash distributions. The Fund will distribute a sufficient amount of its net</p>

	<p>income and net realized capital gains for each taxation year so that the Fund will not be liable in any taxation year for income tax under Part I of the <i>Income Tax Act</i> (Canada) (the “Tax Act”), other than alternative minimum tax (if applicable). Please see the section titled <i>Distributions</i> for more information.</p>
<p>PORTFOLIO VALUATION AND NET ASSET VALUE</p>	<p>The Manager calculates the NAV of the Fund in Canadian dollars at the close of trading on the TSX (usually 4 p.m. ET) on a monthly basis on the Valuation Date by dividing the value of all of the assets of the Fund less any liabilities of the Fund by the total number of outstanding Units of the Fund. Please see the section titled <i>Portfolio Valuation and Net Asset Value</i> for more information.</p>
<p>CANADIAN FEDERAL INCOME TAX CONSIDERATIONS</p>	<p>Each year, a Unitholder who is an individual (other than a trust) resident in Canada and who holds Units as capital property (all within the meaning of the Tax Act) will generally be required to include in computing income for tax purposes the amount of any income and the taxable portion of any capital gains of the Fund that is paid or becomes payable to the Unitholder in the year, whether such amounts are reinvested in additional Units or paid in cash. Any other non-taxable distribution, such as a return of capital, reduces the Unitholder’s adjusted cost base.</p> <p>A Unitholder will generally realize a capital gain (or loss) on the redemption or other disposition of a Unit to the extent that the proceeds of disposition for the Unit exceed (or are less than) the total of the adjusted cost base to the Unitholder of the Unit and any reasonable costs of disposition.</p> <p>Each investor should satisfy himself, herself or itself as to the tax consequences of an investment in Units by obtaining advice from his, her or its tax adviser.</p> <p>Please see the section titled <i>Canadian Federal Income Tax Considerations</i>.</p>
<p>ELIGIBILITY FOR REGISTERED PLANS</p>	<p>As of the date of this Offering Memorandum, the Fund is not a “mutual fund trust” under the Tax Act and will not become a “registered investment” under the Tax Act. Accordingly, Units are not a qualified investment under the Tax Act for trusts governed by registered retirement savings plans (“RRSPs”), registered retirement income funds (“RRIFs”), registered education savings plans (“RESPs”), tax-free savings accounts (“TFSA”), deferred profit sharing plans (“DPSPs”) and registered disability savings plans (“RDSPs”). Please see the section titled <i>Eligibility for Registered Plans</i>.</p>
<p>PRIVACY AND DISCLOSURE OF PERSONAL INFORMATION</p>	<p>Unitholders will be required to provide their dealer with information related to their citizenship and tax residence and, if applicable, a foreign tax identification number. If a Unitholder fails to provide the required information and indicia of U.S. or non-Canadian status is present, or is identified as a U.S. citizen or a foreign (including U.S.) tax resident, additional details about the Unitholder and their investment in the Fund will be reported to the Canada Revenue Agency (“CRA”). The CRA will provide that information to the U.S. Internal Revenue Service (“IRS”) (in the case of U.S. citizens or tax residents) or the relevant tax authority of any country that is a signatory of the <i>Multilateral Competent Authority Agreement on Automatic Exchange of Financial Account Information</i> or that has otherwise agreed to a bilateral information exchange with Canada under the Common Reporting Standard (in the case of non-Canadian tax residents other than U.S. tax residents). In addition, FTIC may be required to provide securities regulators with the name, address and telephone number of the investors in the Fund, the number and type of securities purchased, the total purchase price, the exemption relied on and the date of the distribution and may make any other filing(s) as FTIC’s counsel deems appropriate. Please see the section titled <i>Privacy and Disclosure of Personal Information</i>.</p>

**STATUTORY AND
CONTRACTUAL
RIGHTS OF
ACTION**

Securities laws in certain offering jurisdictions provides investors with certain statutory rights of action and FTIC has provided contractual rights of action to investors in the remaining offering jurisdictions. Please see the section titled *Statutory and Contractual Rights of Action* for more information.

ORGANIZATION AND MANAGEMENT OF THE FUND

Franklin Global Real Assets Fund II (the “**Fund**”) is a unit trust established under the laws of Ontario pursuant to a Declaration of Trust dated April 29, 2021 (the “**Declaration of Trust**”), as amended from time to time. Franklin Templeton Investments Corp. (hereinafter referred to as the “**Manager**” or “**FTIC**”) is the trustee, manager and portfolio manager of the Fund pursuant to the terms of the Declaration of Trust and Management Agreement (as defined below). The head office of the Fund is at Suite 1500, 200 King Street West, Toronto, Ontario, M5H 3T4.

Manager and Trustee

The day-to-day administration and operation of the Fund is managed by FTIC pursuant to a Management Agreement dated April 29, 2021 between the Fund and FTIC. Services performed by the Manager include portfolio management, transfer agent and registrar functions and handling all issuances, redemptions, administering distributions and mailing information to unitholders of the Fund (“**Unitholders**”), provision of office space and facilities, portfolio and Unitholder accounting and the distribution of the Units of the Fund (as defined below).

The address of the Manager is 200 King Street West, Suite 1500, Toronto, Ontario, M5H 3T4, the phone number is (416) 957-6000, the e-mail address is service@franklintempleton.ca and the website is www.franklintempleton.ca.

The Manager is an indirect wholly owned subsidiary of Franklin Resources, Inc. (“**Franklin**”), a global investment organization operating as Franklin Templeton with total assets under management of approximately \$1,883.9 billion as of March 31, 2021. Through its subsidiaries, Franklin Templeton provides global and domestic investment advisory services to mutual funds and pooled funds and institutional accounts. In Canada, FTIC provides investment management services and/or products to individual Unitholders as well as pension funds, foundations and other institutional investors.

The Management Agreement may be terminated by the Fund without penalty at any time with sixty (60) days’ prior written notice provided that the termination by the Fund is directed or approved by the Trustee or by a vote of the majority of the outstanding Unitholders of the Fund. The Management Agreement will terminate immediately if the Manager assigns the agreement to anyone other than an affiliate of the Manager.

Portfolio Sub-Advisor

FTIC as the portfolio manager of the Fund, has retained Franklin Real Asset Advisors (“**FRAA**”), the global real assets arm of Franklin Templeton Institutional, LLC (the “**Sub-Advisor**”), an affiliate of FTIC, as the sub-advisor to the Fund pursuant to an Investment Sub-Advisory Agreement effective April 29, 2021 (the “**Investment Sub-Advisory Agreement**”). The Sub-Advisor is responsible for the investment management of the Fund, including discretionary investment authority over the assets of the Fund and responsibility for managing the Fund’s portfolio on a daily basis. The Sub-Advisor is a limited liability company organized and existing under the laws of the State of Delaware and is a SEC registered investment adviser and a wholly-owned subsidiary of Franklin. The address of the Sub-Advisor is 280 Park Avenue, New York, New York, 10017, USA.

FRAA, Franklin’s investment platform dedicated to real assets, has managed global and international private portfolios for investors since 1984. FRAA is comprised of real asset professionals with extensive investment experience over multiple real asset cycles. FRAA believes that local inefficiencies and strong economic growth in regional real asset markets can create attractive investment opportunities for real asset investors. By sourcing and selecting what FRAA considers to be the most experienced and/or talented fund managers, FRAA seeks to provide investors with attractive risk-adjusted real asset returns through a multi-manager approach. FRAA’s disciplined investment process and the structure of the Fund, which is designed to be tax-

transparent, provide a strong foundation, FRAA believes, for the successful implementation of an international real asset strategy.

Since its formation, FRAA has consistently focused on identifying, analyzing, negotiating and investing in global Underlying Funds in the Americas, Asia and Europe. Since 1997, FRAA has committed over US\$7.4 billion to more than 180 real asset investments. As of March 31, 2021, FRAA had approximately US\$1.8 billion in assets under management. The Investment Sub-Advisory Agreement provides that it will continue until terminated. Either the Sub-Advisor or the Manager may terminate the Investment Sub-Advisory Agreement by giving the Manager or the Sub-Advisor, as the case may be, at least 60 days’ prior written notice of such termination.

Where portfolio management services are provided by an advisor or sub-advisor located outside of Canada, it may be difficult to enforce any legal rights against them because all or substantially all of their assets are located outside of Canada. Please see the section titled *Risk Rating and Investment Risk Classification Methodology – Risks of the Fund – Non-Resident Sub-Advisor* for more information. As an international sub-advisor, the Sub-Advisor is not fully subject to the requirements of Canadian securities laws and the Manager is responsible for the investment advice provided to the Fund.

Why Franklin Templeton?

GLOBAL PRESENCE	More than 40 research offices worldwide and serving clients in over 165 countries
LOCAL INVESTMENT SUPPORT	Franklin Templeton’s access to global legal, tax, compliance and accounting expertise

Why Franklin Real Asset Advisors?

EXPERIENCED MANAGEMENT TEAM WITH DIVERSE SKILL SET	Dedicated multinational team with senior investment professionals averaging 21 years of global real assets experience
PROVEN INVESTMENT CAPABILITIES	As of March 31, 2021, FRAA has committed over US\$7.4 billion to more than 180 real asset investments worldwide.
INVESTMENT SELECTION PROCESS—ONGOING VALUE CREATION	Research driven process that combines a comprehensive, bottom-up approach to due diligence and investment selection with a broad top-down macro overlay focused on structural and cyclical changes in the global real assets markets
ESTABLISHED TRACK RECORD	Over 20 year track record*
ALIGNMENT OF INTEREST	FRAA success is directly dependent upon the success of its clients

DILIGENT RISK MANAGEMENT	An emphasis on risk management and downside protection in every step of the investment process
SCALABLE RESOURCES AND EFFICIENT ADMINISTRATION	FRAA strives to provide its investors with cost-effective administration and reporting for their investments

* Additional performance information available upon request.

Administrative Services

The Manager has entered into an agreement with SS&C Fund Administration Company (“SS&C”), to provide fund administration, fund accounting and transfer agency services in connection with the Fund. The Manager continues to monitor and supervise the services provided by SS&C in connection with the Fund.

INVESTMENT OBJECTIVE AND STRATEGIES OF THE FUND

Investment Objective of the Fund

The investment objective of the Fund is to seek total return, comprised of both current income and long-term capital appreciation, by investing primarily in a portfolio of investment funds and other issuers that invest in various real asset sectors of the global economy.

Investment Strategies

The Fund seeks to achieve its investment objective by investing in public and private real estate and infrastructure and other real asset investment funds (collectively, the “**Underlying Funds**”). These investments may be structured as investment trusts, corporations, limited partnerships, mutual funds, exchange traded funds, index mutual funds, and other investment vehicles such as closed end funds. Investments in the Underlying Funds may be held by the Fund directly or indirectly. The Fund may invest in Underlying Funds managed by affiliates of the Manager. The Fund may also invest directly in equity and fixed income securities.

The Fund will invest in issuers that concentrate their investments in any of the sectors of the real estate industry including but not limited to logistics, residential, healthcare, office, retail and hospitality sectors. The Fund will invest in issuers that concentrate their investments in any infrastructure-related business including but not limited to utilities, transportation and energy. The Fund will invest in issuers of other real asset classes including agriculture, water and timber.

The Fund’s benchmark is the 5-year rolling average Canadian Consumer Price Index (“**CPI**”) plus 400 basis points per annum. The benchmark is based on the long-term historical performance of the private and listed real estate and infrastructure markets. Current market conditions and the amount of risk to be assumed by the Fund are factored into the target as well. The benchmark is also based on certain subjective assumptions relating to the respective investment strategy and assume investment through a complete real asset investment cycle. The target is presented to establish a benchmark for future evaluation of fund performance, to provide a measure to assist in assessing the anticipated risk and reward characteristics of an investment in the strategy and to facilitate comparisons with other investments. In general, the higher a benchmark is for an investment, the greater the amount of risk that is associated with that investment. The benchmark is not intended to provide an investor with a prediction of performance and no investment should be made as a result of the benchmark. Any benchmark or other forecasts contained herein are based upon estimates and assumptions about circumstances and events that may not occur or may change over time. If any of the assumptions used do not prove to be true, actual results may be lower than the benchmark. The

benchmark is subject to change at any time and is current as of the date hereof only. Benchmarks are subjective and should not be construed as providing any assurance as to the results that may be realized.

The Fund will allocate capital to real assets strategies including but not limited to the following:

Core Private Real Estate Strategies

Core Private Real Estate Strategies generally seek to produce returns from investments in core private (non-listed) real estate by taking equity or debt ownership positions in stabilized, income-producing commercial real estate assets.

Core Private Infrastructure Strategies

Core Private Infrastructure Strategies generally seek to produce returns from investments in core private (non-listed) infrastructure by taking equity or debt ownership positions in stabilized, income-producing private infrastructure assets.

Public Real Estate Securities Strategies

Public Real Estate Securities Strategies generally seek to produce returns from investments in publicly-listed real estate securities by investing in the common stock, preferred stock or issued debt of real estate-related listed companies.

Public Infrastructure Securities Strategies

Public Infrastructure Securities Strategies generally seek to produce returns from investments in publicly-listed infrastructure securities by investing in the common stock, preferred stock or issued debt of infrastructure-related listed companies.

Other Real Assets Strategies

These strategies may include investment in other real asset classes such as agriculture, water and timber in either non-listed or listed securities. In addition, subject to the investment guidelines, less liquid real assets strategies may be pursued such as non-core private real estate, direct real estate or non-core infrastructure.

The Fund may also invest directly or indirectly via derivatives, in equity or debt securities of issuers operating in, or providing exposure to, the real asset sector and may also invest in options, futures or other derivative transactions for hedging purposes to manage currency risk. Please see the section titled *Derivative Exposure* below.

Investment Restrictions and Allocations

The Fund intends to allocate approximately 65% of its portfolio assets to a diversified portfolio of income-focused, private real asset funds offered by third party managers and/or managed by an affiliate of the Manager which are generally considered relatively less liquid (the “**Private Fund Assets**”) due to investment capital calls and timing restrictions on redemptions.

The Fund intends to allocate approximately 35% of its portfolio assets to a mix of open-end underlying real assets funds (which may be managed by an affiliate of the Manager) (the “**Global Real Estate and Infrastructure Securities Funds**”), equity securities and cash and cash equivalents to assist with liquidity requirements (collectively, with the Global Real Estate and Infrastructure Securities Funds, the “**Liquid Assets**”).

These allocations are subject to change from time to time at the discretion of the Manager. Due to the timing of additional subscriptions as well as redemptions by Unitholders, the Fund may at any time not be invested in accordance with these allocation guidelines, which may impact the Fund’s performance. The allocations of the Fund’s portfolio to both Private Fund Assets and Liquid Assets at any given point in time will affect an investor’s ability to redeem Units of the Fund. Please see the section titled *Purchases and Redemptions – Purchases – Subscription Agreement* for more information. The Fund may invest in certain Underlying Funds which are managed by the Sub-Advisor or an affiliate of the Sub-Advisor.

Expected asset class allocation ranges

<u>Asset Class</u>	<u>Allocation</u>
Public Real Assets	0-50%
Global Public REITs	0-40%
Global Public Infrastructure	0-40%
Private Real Assets	50-100%
Private Real Estate	25-75%
Private Infrastructure	25-75%
Timber	0-5%
Agriculture	0-5%
Less Liquid Assets (Closed-End Funds, Direct Assets, Etc.)	0-10%
Cash	0-10%

Expected geographic allocation ranges

<u>Region</u>	<u>Allocation</u>
Americas	20-65%
Europe	10-55%
Asia-Pacific	10-55%
Other	0-10%

The Sub-Advisor may from time to time, in light of prevailing economic conditions, temporarily invest in any securities or other assets as the Sub-Advisor deems appropriate to protect the capital of the Fund.

Hedging

The Fund is valued in Canadian dollars but invests in foreign assets. Fluctuations in the value of foreign currencies relative to Canadian currency will affect the value of the Fund and investment returns. The Fund’s foreign investments may be denominated in a foreign currency that is potentially subject to currency exchange restrictions, which may also affect the value of the investment and investment returns. The Fund intends to employ currency hedging strategies from time to time, in which case the Fund may invest in forward currency contracts, currency futures, written call options and purchased put options on currencies and currency swaps, in order to limit the effect of these foreign currency risks or to preserve the Canadian dollar value of its investments. Please see the section titled *Derivative Exposure* below.

Leverage

It is not intended that the Fund will directly use any financial leverage for its investments in Underlying Funds and other investments. However, Underlying Funds may use financial leverage. In addition, the

Manager may, on behalf of the Fund, borrow for the purposes of: (i) serving as working capital for the Fund; and (ii) providing credit support for collateral in respect of the Fund's derivative transactions. Such borrowings may be secured over the assets of the Fund. On a reasonable request in writing by a Unitholder, the Manager will, to the extent practicable, provide information on the aggregate of all borrowings by the Manager on account of the Fund.

Derivative Exposure

In addition to the securities listed above, derivatives (including, but not limited to, those listed below) may be used by the Fund, including, without limitation, for the purposes of managing the risks of the portfolio and gaining exposure to certain asset classes.

- Forward currency exchange contracts (including, but not limited to, cross-currency forwards)
- Buying and selling over-the-counter and exchange traded options (including, but not limited to, currency options, options on interest rates and exchange-traded options on futures contracts)
- Swaps (including, but not limited to, credit default swaps (single name and index/basket), total return swaps, interest rate swaps, currency swaps and cross currency swaps)
- Futures (including, but not limited to, futures on interest rates, bonds, fixed-income indexes, commodities, securities and currencies)
- Structured notes or securities (including, but not limited to, credit-linked notes), including where coupon or principal payments are linked or indexed to non-U.S. exchange rates, index returns, yield curve shapes or other eligible investments

There are no limitations with respect to the number, amount or combination of derivative instruments which may be used at any given time or the frequency with which the Sub-Advisor may use derivatives to implement the investment strategy. The Fund may take advantage of opportunities in other derivative instruments which are not presently contemplated for the investment strategy or which are not currently available but which may be developed, to the extent such opportunities are consistent with the Fund's investment objective.

In certain circumstances or market environments the Fund may hold a larger position in cash or cash equivalents and/or deviate from the allocation ranges set out above and hold a larger concentration in Liquid Assets. There can be no assurance that the Fund's investment objective will be achieved. Further, many of the investment techniques and activities described above could result in substantial losses under certain circumstances. Please see the section titled *Risk Rating and Investment Risk Classification Methodology – Risks of the Fund and the Underlying Funds* for more information.

UNITS OF THE FUND

An investment in the Fund is represented by units (“Units”). The Fund may be divided into one or more classes of Units and each class may be issued in one or more series of Units. The Fund is available in one class of Units issuable in three series: Series A, F and O. In the future, the Fund may issue additional Units of one or more series of the same class or other classes of Units, each of which may differ from the Series A, F and O Units in terms of, among other things, the management fee, administrative fees or expenses, minimum subscription amounts and other rights. New classes or series of Units may be established by the Manager without providing prior notice to, or receiving consent from, existing Unitholders.

Series A Units

Series A Units are available to all investors, subject to the Fund’s investor eligibility requirements and minimum investment requirements. Please see *Purchases and Redemptions – Purchases – Eligibility Requirements* for a description of the eligibility requirements for each of the series of Units of the Fund, and *Purchases and Redemptions – Purchases – Minimum Investments* for a description of the minimum investment for each of the series of Units of the Fund.

Series F Units

Series F Units are available to investors who participate in dealer-sponsored “fee-for-service” or wrap programs and who pay their advisor an hourly fee or annual asset-based fee rather than commissions on each transaction, and any other investors for whom the Manager does not incur distribution costs, in each case as determined by the Manager in its discretion.

Investors wishing to purchase Series F Units must also meet the Fund’s investor eligibility requirements and minimum investment requirements. Please see *Purchases and Redemptions – Purchases – Eligibility Requirements* for a description of the eligibility requirements for each of the series of Units of the Fund, and *Purchases and Redemptions – Purchases – Minimum Investments* for a description of the minimum investment for each of the series of Units of the Fund.

Series F Units are designed for investors participating in programs that do not require the Manager to incur distribution costs in the form of trailing commissions to dealers. The Manager is able to reduce its management fee on the Series F Units because its costs to distribute these Units are lower. Participation in Series F Units are only available with the Manager’s prior consent and the consent of the investor’s dealer organization.

Series O Units

Series O Units are available to investors who have invested a minimum of \$5,000 in securities of the Fund, and such other types of investors as determined by us in our discretion. The investment minimum may be waived for purchases made by investors who purchase through a discretionary managed account, mutual funds managed by us or by a third party that uses a fund on fund structure (provided the third party fund manager has entered into an agreement with us), and counterparties to derivatives contracts entered into by the Fund. Please see *Purchases and Redemptions – Purchases – Minimum Investments* for a description of the minimum investment for each of the series of Units of the Fund.

Investors wishing to purchase Series O Units must also meet the Fund’s investor eligibility requirements. Please see *Purchases and Redemptions – Purchases – Eligibility Requirements* for a description of the eligibility requirements for each of the series of Units of the Fund.

Investors in Series O Units may also use the Investment Advisory Services Fee (as defined below) option offered by the Manager. If this option is selected, then the Manager will collect an Investment Advisory Services Fee (hereinafter defined) of up to 1.50% on an investor’s behalf and remit it to their dealer. Please see the *Fees and Expenses – Series O Management and Administration Fee – Investment Advisory Services Fee (Series O Units)* section below for more details.

Rights of Unitholders

Each Unit of the Fund is entitled to:

- one vote for all special matters brought before Unitholders or before Unitholders of that series on matters being voted on separately by series, as may be the case;
- receive an equal portion of all payments made to Unitholders of that series in the form of income, capital gains or capital distributions (other than distributions paid on the redemption of Units); and
- participate equally in the net assets of the Fund allocated to that series of Units remaining after satisfaction of outstanding liabilities allocated to that series if the Fund is liquidated.

Units will not be transferable except with the prior consent of the Manager, acting in its capacity as trustee of the Fund. Unitholders are entitled to require the Fund to redeem their Units on the terms outlined under *Purchases and Redemptions – Redemptions*. Fractions of Units may be issued which have the rights, restrictions, conditions and limitations attaching to whole Units in the proportion which they bear to a whole Unit, except that a fraction of a Unit does not carry the right to vote.

All Unitholders are entitled to the benefit of, are bound by and are deemed to have notice of the provisions of the Fund's Declaration of Trust as if such Unitholder had been a party to the Declaration of Trust.

Declaration of Trust

The Manager, in its capacity as Trustee of the Fund may modify, alter or add to the provisions of the Declaration of Trust without the approval of Unitholders unless the approval of Unitholders is required by any applicable securities laws, provided that any change that would materially adversely affect the pecuniary interests of any Unitholder may only take effect upon giving not less than 60 days' prior written notice of the change to such Unitholders. All persons remaining or becoming Unitholders after the effective date of such change will be bound by such change. Unless otherwise provided herein or by Securities Laws, every question submitted to a meeting of Unitholders will be decided by a majority of the votes cast.

The Manager, in its capacity as Trustee, may also terminate the Fund or a class or series of Units of the Fund as of a date not earlier than 60 days following the mailing of a notice of termination to Unitholders or of the class or series.

Unitholders are entitled to redeem their Units, subject to both liquidity constraints and the Manager's right to suspend the right of redemption. Please see the section titled *Purchases and Redemptions – Redemptions* for more information.

Eligibility for Registered Plans

As at the date of this Offering Memorandum, Units of the Fund are not a qualified investment under the *Income Tax Act* ("Tax Act") for RRSPs, RRIFs, TFSAs, RESPs, RDSPs and DPSPs (collectively "Registered Plans"). Please see the section titled *Canadian Federal Income Tax Considerations* for more information.

RISK RATING AND INVESTMENT RISK CLASSIFICATION METHODOLOGY

The Manager has assigned the Fund an investment risk rating to assist investors and their financial advisors in determining whether the Fund is appropriate for them. ***This information is only a guide – potential investors and their financial advisors should consider their entire portfolio, their investment objectives and individual risk tolerance level when choosing investments.*** This Fund is for investors willing to accept

Low investment risk for that part of their portfolio. However, this Fund could be used in a portfolio whose overall investment risk may be lower or higher than this individual part. Please see *Risk Rating and Investment Risk Classification Methodology – Investment Risk Classification Methodology* below, for a description of how the Manager classifies the Fund’s investment risk.

Investment Risk Classification Methodology

The Manager has identified the investment risk level of the Fund as an additional guide to help prospective investors decide whether an investment in the Fund is right for the investor. While the Fund is not a public investment fund and is not subject to the requirements of National Instrument 81-102 *Investment Funds* (“**NI 81-102**”), the Manager’s determination of the investment risk rating for the Fund was partially guided by the Investment Risk Classification Methodology in Appendix F of NI 81-102 which is applicable to public mutual funds. NI 81-102 employs historical volatility of a fund as measured by the standard deviation of its performance as a measurement of risk. The use of standard deviation as a measurement tool allows for a reliable and consistent quantitative comparison of a fund’s relative volatility and related risk. Standard deviation is widely used to measure volatility of return. NI 81-102 measures a fund’s risk using a rolling 10 year standard deviation of monthly returns, whereas the Fund’s risk is measured using quarterly returns. The standard deviation represents, generally, the level of volatility in returns that a fund has historically experienced over the measurement period. For funds which have a historical performance of less than 10 years, an appropriate reference index is used to estimate the expected volatility and therefore risk level of the fund for the remaining period. The Fund’s reference index is as follows in CAD dollar terms:

Index	Percentage of Reference Index
Global Real Estate Fund Index (GREFI): Asia Pacific Open-End Funds	20
Global Real Estate Fund Index (GREFI): Europe Open-End Funds	20
Global Real Estate Fund Index (GREFI): US Open-End Funds	20
FTSE EPRA Nareit Developed Index	17.5
S&P Global Infrastructure Index	17.5
FTSE Canada 91 Day Treasury Bill Index	5

However, an investor should be aware that other types of risk, both measurable and non-measurable, may exist. See the section titled *Risks of the Fund and the Underlying Funds* for further details on the risks associated with investing in the Fund. Additionally, just as historical performance may not be indicative of future returns, the historical volatility of the Fund and the Fund’s reference index may not be indicative of its future volatility.

In accordance with the methodology described above and comparing the calculated standard deviation of the Fund and its reference index to the standard deviation range as recommended by the Canadian Securities Administrators (“CSA”) in the chart below, the Manager has rated the Fund’s investment risk as **Low**.

<u>Standard Deviation Range</u>	<u>CSA Investment Risk Level</u>
0 to less than 6	Low
6 to less than 11	Low to medium
11 to less than 16	Medium
16 to less than 20	Medium to high
20 or greater	High

The risk rating of the Fund is reviewed annually and any time the risk rating is no longer deemed reasonable under the circumstances. A more detailed explanation of the risk classification methodology used to identify the risk ratings of our investment funds is available on request, at no cost, by calling toll-free 1-800-387-0830 or by writing to Franklin Templeton Investments Corp., 5000 Yonge Street, Suite 900, Toronto, Ontario M2N 0A7.

RISKS OF THE FUND AND THE UNDERLYING FUNDS

An investment in the Fund involves a high degree of risk and is suitable only for investors of substantial means who have no immediate need for liquidity of the amount invested, and who can afford a risk of loss of all or a substantial part of such investment. In addition to factors set forth elsewhere in this Offering Memorandum, prospective purchasers should carefully consider the factors set forth below before investing in the Fund. This list is not all-inclusive and other risks may arise in connection with an investment in the Fund or the Fund’s investment activities. Certain other tax risks are summarized separately under *Canadian Federal Income Tax Considerations*. The past performance of the Sub-Advisor and of the Underlying Funds in which the Fund proposes to invest are not necessarily indicative of future performance. There can be no guarantee that the Fund’s investment objectives will be achieved. An investment in the Fund should be viewed as a long term investment for investors seeking to add real assets exposure to their overall investment portfolio.

Cybersecurity Breaches and Identity Theft Risk

The Fund, its service providers, including, but not limited to the Manager and the Sub-Advisor, and the Underlying Funds and/or portfolio companies in which the Fund invests, are subject to risks associated with a breach in their cybersecurity. Cybersecurity is a generic term used to describe the technology, processes and practices designed to protect networks, systems, computers, programs and data from “hacking” by other computer users, other unauthorized access and the resulting damage and disruption of hardware and software systems, loss or corruption of data as well as misappropriation of confidential information. If a cybersecurity breach occurs, the Fund may incur substantial costs, including those associated with: forensic analysis of the origin and scope of the breach; increased and upgraded cybersecurity; investment losses from sabotaged trading systems; identity theft; unauthorized use of proprietary information; litigation; adverse investor reaction; the dissemination of confidential and proprietary information; and reputational damage. Any such breach could expose the Fund and/or the Manager and/or the Sub-Advisor to liability as well as regulatory inquiry and/or action. If a cybersecurity breach occurs at an Underlying Fund or portfolio company in which the Fund invests, there may be an adverse effect on the price of such Underlying Fund or portfolio company, which may cause the Fund to incur losses.

Equity risk

The Fund may invest directly or indirectly in equity securities. The value of funds that invest in equity securities, also called stocks or shares, will be affected by changes in the market price of those securities. The price of a share is influenced by the outlook for the company that issued it and by general economic, industry and market trends. When the economy is strong, the outlook for many companies will be good, and

share prices will generally rise. On the other hand, share prices usually decline with a general economic or industry downturn.

Foreign investment risk

The Fund may invest directly or indirectly in foreign securities. The value of foreign securities may be influenced by the policies of foreign governments and by political, economic or social instability. There may be less information about foreign issuers than about Canadian issuers and there may be lower standards of government supervision and regulation in foreign financial markets. A fund that holds foreign securities may have difficulty enforcing its legal rights as an investor in jurisdictions outside Canada.

Fund of funds risk

The Fund intends to invest some or all of its assets, directly or indirectly, in the securities of one or more other mutual funds or private funds, including mutual funds that are exchange-traded funds (“ETFs”). We refer to each mutual fund or private fund in which that Fund invests as an Underlying Fund. The Fund is exposed to the same risks as the Underlying Funds in which it invests in proportion to the size of its investment in the Underlying Funds. The performance of the Fund may differ from the performance of its Underlying Funds for one or more of the following reasons: (i) the fees and expenses of the Fund may differ from the fees and expenses of its Underlying Funds, (ii) there may be a delay between the time an investor purchases Fund Units and the time the Fund makes the corresponding purchase of Underlying Fund securities, or (iii) the Fund may, instead of investing in its Underlying Funds, hold cash or short-term debt instruments for liquidity reasons.

Illiquidity risk

The Fund may hold illiquid securities and may be unable to sell these securities. This may be because there is a limited trading market for the securities, or because their trading is subject to legal restrictions. An illiquid security may trade at a price that differs significantly from its value.

Interest rate risk

The Fund may invest directly or indirectly in bonds or other debt instruments and, if it does, will be affected by changes in interest rates. Generally, the interest rate on a bond is fixed when it is issued. As a result, the bond’s price will increase when interest rates fall, but it will also decrease when interest rates rise. Convertible bonds also pay interest at a fixed rate. Therefore, the price of a convertible bond may also vary inversely with interest rates. However, because a convertible bond can be converted into equity on specified terms, its price may be less sensitive to changes in interest rates than the price of a similar non-convertible bond. Certain debt instruments pay a floating or variable rate of interest. While the value of such an instrument is generally less sensitive to changes in interest rates, its yield will generally rise and fall with such changes. Various regulators and industry bodies are working globally on transitioning from interbank offered rates (“IBORs”), including the London Interbank Offered Rate (“LIBOR”), to alternative rates. LIBOR, one of the most widely used IBORs, will be discontinued by the end of 2021. There is no assurance that the composition or characteristics of any alternative reference rate will be similar to or produce the same value or economic equivalence as an IBOR, or that an instrument using an alternative rate will have the same volume or liquidity. The effect of such a transition on the Fund and the securities in which it invests cannot yet be determined and may result in a reduction in the value of IBOR-based instruments held by the Fund, a reduction in the effectiveness of certain hedging transactions and increased illiquidity and volatility in markets that currently rely on an IBOR to determine interest rates, any of which could adversely impact the Fund’s performance. The risks associated with such a transition may be exacerbated if the work necessary to effect an orderly transition to alternative reference rates is not completed in a timely manner, particularly with respect to instruments based on LIBOR.

Market risk

There are risks associated with being invested in the equity and fixed-income markets generally. The market value of a fund's investments will rise and fall based on specific company developments and broader market conditions of the equity and/or fixed income markets. When there are more sellers than buyers, prices tend to fall. Likewise, when there are more buyers than sellers, prices tend to rise. Market value will also vary with changes in the general economic and financial conditions in countries where the investments are based and as a result of global or regional political, economic, health and/or banking crises. For example, the recent spread of the respiratory disease designated as COVID-19 has caused a significant slowdown in the global economy and volatility in global financial markets. It cannot yet be determined how long the impact of COVID-19 on global markets will last. A slower-growth or recessionary economic environment, such as that caused by COVID-19, may have an adverse effect on the prices of the various stocks or bonds held by a fund. All investments, including the Fund, are subject to general market risk.

REIT risk

The Fund may invest directly or indirectly in real estate investment trusts (a “REITs”). The value of a REIT may be affected by any change in the value of the properties owned and other factors, and their prices tend to go up and down. A REIT's performance depends on the types of, and locations of, properties it owns and how well it manages those properties. A decline in rental income may occur because of extended vacancies, increased competition from other properties, tenants' failure to pay rent or poor management. A REIT's performance also depends on the company's ability to finance property purchases and renovations and manage its cash flows. Because a REIT may be invested in a limited number of projects or in a particular market segment, it may be more susceptible to adverse developments affecting a single project or market segment than more broadly diversified investments. Loss of status as a qualified REIT under the U.S. federal tax laws could adversely affect the value of a particular REIT or the market for REITs as a whole. These risks may also apply to securities of REIT-like entities domiciled outside the U.S.

RISKS ASSOCIATED WITH UNDERLYING FUNDS

General risks inherent in real asset investing

The success of real assets funds in general is subject to risks related to: (a) the quality of the management of the real assets funds and of the projects in which the real assets funds invest; (b) the ability of the management of the real assets funds to successfully select investment opportunities; (c) general economic conditions; and (d) the ability of the real assets funds to profitably make and liquidate their investments.

The Fund will not invest in real assets directly, but, because the Fund may invest in Underlying Funds that invest in real assets-related debt, consisting of mezzanine and first mortgage debt, and directly in real estate through entities that are structured as unit trusts, limited partnerships, qualify as REITs or investment vehicles treated similarly as private REITs for tax purposes, the Fund's investment portfolio will be significantly impacted by the performance of the real assets market and may experience more volatility and be exposed to greater risk than a more diversified portfolio. REIT share prices may decline because of adverse developments affecting the real estate industry and real property values. In general, real estate values can be affected by a variety of factors, including supply and demand for properties, the economic health of the country or of different regions, and the strength of specific industries that rent properties.

The following risks may affect real asset markets generally or specific assets and include, without limitation, general economic and social climate, regional and local real asset conditions, the supply of and demand for properties, the financial resources of tenants, competition for tenants from other available properties, the ability of the Underlying Funds to manage the real properties, changes in building, environmental, tax or other applicable laws, changes in real property tax rates, changes in interest rates, negative developments in the economy that depress travel activity, uninsured casualties, pandemics, acts of God and other factors

which are beyond the control of the Fund, the Manager and the Sub-Advisor. Furthermore, changes in interest rates or the availability of debt may render the investment in real assets difficult or unattractive. The possibility of partial or total loss of capital will exist and investors should not subscribe unless they can readily bear the consequences of such loss. Many of these factors could cause fluctuations in occupancy rates, rent schedules or operating expenses, resulting in a negative effect on the value of real assets. Valuation of real assets may fluctuate. The capital value of the Fund's investments may be significantly diminished in the event of a downward turn in real asset market prices.

Moreover, certain expenditures associated with real estate, such as taxes, debt service, maintenance costs and insurance, tend to increase and, in most cases, are not decreased by events adversely affecting rental revenues such as an unforeseen downturn in the real estate market, a lack of investor confidence in the market or a softening of demand. Thus, the cost of operating a property may exceed the rental income thereof. Insurance to cover losses and general liability in respect of properties may not be available or may be available only at prohibitive costs to cover losses from ongoing operations and other risks such as terrorism, earthquake, flood or environmental contamination. Although the Fund intends to confirm that Underlying Funds in which it invests maintain comprehensive insurance on its investments in amounts sufficient, in a commercially reasonable manner, to permit replacement in the event of total loss, certain types of losses are uninsurable or are not economically insurable, and the Fund will have no control over whether such insurance is maintained.

No assurance of profits or distributions

There is no assurance that the investments of the Fund will be profitable or that any distribution will be made to the Unitholders. Because real assets, like many other types of long-term investments, historically has experienced significant fluctuations and cycles in value, specific market conditions may result in occasional or permanent reductions in value of real asset interests.

The marketability and value of the real property interests will depend on many factors beyond the control of the Fund or Underlying Funds, including without limitation: (a) changes in general or local economic conditions; (b) changes in supply or demand for competing properties in an area (e.g., as a result of overbuilding); (c) changes in interest rates; (d) the promulgation and enforcement of governmental regulations relating to land use and zoning restrictions, environmental protection and occupational safety; (e) unavailability of mortgage funds which may render the sale of a property difficult; (f) the financial condition of tenants, buyers and sellers of properties; (g) changes in real estate tax rates and other operating expenses; (h) the ongoing need for capital improvements or other capital expenditures; (i) construction risks; (j) imposition of rent control; (k) energy and supply shortages; (l) various uninsured or uninsurable risks and (m) acts of God, pandemics, acts of war, civil unrest, acts of terrorism, natural disasters and uninsurable losses.

The Fund's investment in any Underlying Fund will be illiquid and difficult to value. Dispositions of such investments also may be subject to limitations on transfer or other restrictions that could interfere with the subsequent sale of such investments or adversely affect the terms that could be obtained upon any disposition thereof.

Financial conditions of tenants

Adverse changes in the operation of any property owned directly or indirectly by the Fund, or the financial condition of any tenant located on any such property, could have an adverse effect on an Underlying Fund's ability to collect rent payments and, accordingly, on its ability to make distributions to the Fund. A tenant may experience, from time to time, a downturn in its business which may weaken its financial condition and result in its failure to make rental payments when due. At any time, a tenant may seek the protection of applicable bankruptcy or insolvency laws, which could result in the rejection and termination of such tenant's lease or other adverse consequences and thereby cause a reduction in distributions to the Investors.

No assurance can be given that tenants will not file for bankruptcy protection in the future or, if they do, that their leases will continue in effect.

General risks inherent in infrastructure investing

Infrastructure securities will be subject to certain risks including risks associated with the general economic climate, geographic or market concentration, the ability of the operating partners to manage the underlying funds, government regulations, and fluctuations in interest rates. In addition, changes in global economic conditions, as well as conditions of international financial markets, may adversely affect infrastructure securities. In particular, because of the long lead-time between the inception of an infrastructure project and its completion, a well-conceived project may, as a result of changes in investor sentiment, the financial markets, economic, political or other conditions prior to its completion, become an economically unattractive investment.

Operational and technical risk of infrastructure assets

Mature and contracted infrastructure assets are often particularly susceptible to operational risk. The ability of a portfolio company's management to deliver optimal operational performance and the capacity of the asset to deliver forecast outputs is critical. Inefficient operation and maintenance may reduce the profitability of an Underlying Fund's investment, adversely affecting the Fund's financial returns. Investments in infrastructure assets may be subject to operating and technical risks, including the risk of mechanical breakdown, spare parts shortages, failure to perform according to design specifications, labour strikes, labour disputes, work stoppages and other work interruptions, and other unanticipated events that adversely affect operations. An operating failure may lead to loss of a license, concession or contract upon which an investment is dependent.

Despite proper operation and maintenance, the use of the infrastructure assets may be interrupted or otherwise affected by a variety of events, including adverse weather conditions, serious traffic accidents, natural disasters (such as fire, hurricanes, tornadoes, tsunamis, earthquakes, typhoons, windstorms, volcanic eruptions, floods or other acts of God), man-made disasters (including terrorism), pandemics, defective design and construction, slope failure, bridge and tunnel collapse, road subsidence, fuel and energy prices, environmental legislation or regulation, general economic conditions, labour disputes, eminent domain, war, riots, and other unforeseen circumstances and incidents. Certain of these events have affected infrastructure assets in the past, and if the use of the infrastructure assets operated by investments is interrupted in whole or in part for any period as a result of any such events, the revenues of such investments could be reduced and the costs of maintenance or restoration as well as the overall public confidence in such infrastructure assets could be reduced. There can be no assurance that such investments' insurance would cover liabilities resulting from claims relating to the design, construction, maintenance or operation of infrastructure assets, lost revenues or increased expenses resulting from such damage. In some cases, project agreements could be terminated resulting in significant losses to an Underlying Fund.

Market risk

A key risk for partially regulated infrastructure assets is the risk of changes in the price or demand (or both) for the service being provided, including as a result of competition or modal substitution. If the level of usage or demand forecast for an infrastructure asset is not realized, it could lead to a reduction in cash flows to equity. Both investment and asset management teams for partially regulated assets must analyze and model market and macroeconomic factors, monitoring asset performance and assisting the management of the portfolio company with strategy and risk planning.

Contract risk

Infrastructure assets can have a narrow customer base. Should any of the customers or counterparties fail to pay their contractual obligations, significant revenues could cease and become irreplaceable. There is a risk that contract counterparties such as governments, operators of infrastructure assets, development contractors and sub-contractors and equipment suppliers, and suppliers and off-takers, could fail to honour some or all of their obligations under contracts that are essential to the operation of the Fund's infrastructure investments. Contract default of this kind may adversely affect the profitability of the Fund's infrastructure investments.

Regulatory risk

Many infrastructure assets are subject to economic regulation due to the perceived risk of them misusing their market power as a monopoly provider. This is particularly the case for fully regulated assets and lightly regulated assets that are subject to the threat of re-regulation. There is a risk that a regulatory decision may adversely affect expected earnings or value of a portfolio company. In addition, a change in law or its application may subject a previously unregulated portfolio company to regulation. The key risks are therefore adverse regulatory decisions and changes in the regulatory framework.

Documentation risk

Detailed commercial structuring and analysis of residual risk often underpin investments in infrastructure assets. Contracts can be as varied as concession contracts with governments, construction and operating contracts, shareholder agreements and financing documents. These documents are complex and often heavily negotiated, sometimes in a competitive bid environment. It is critical that the project documentation reflects the commercial agreement between the parties to the contract and is well drafted.

Technology risk

This risk arises where a change could occur in the way a service or product is delivered, reducing the demand for existing technology or rendering it obsolete. While the risk could be considered low in the infrastructure sector given that many infrastructure technologies are well established, any technology change that occurs over the medium term could threaten the profitability of an investment. If such a change were to occur, these assets would have very few alternative uses should they become obsolete, and their value may be reduced materially.

Outbreaks, pandemics and other public health issues

In general, unexpected local, regional or global events, such as the spread of infectious illnesses or other public health issues and their aftermaths, could have a significant adverse impact on the Fund's operations (including the ability of the Fund to find and execute suitable investments) and therefore the Fund's potential returns. In addition, such infectious illness outbreaks, as well as any restrictive measures implemented to control such outbreaks, could adversely affect the economies of many nations or the entire global economy, the financial condition of individual issuers or companies (including those that are held by, or are counterparties or service providers to, the Fund) and capital markets in ways that cannot necessarily be foreseen, and such impact could be significant and long term. Moreover, the impact of infectious illnesses in emerging market countries may be greater due to generally less established healthcare systems.

For example, an outbreak of an infectious respiratory illness caused by a novel coronavirus known as COVID-19 was first detected in China in December 2019 and later detected globally, causing the World Health Organization to declare it a pandemic. This coronavirus caused global distress and market volatility and uncertainty, and it resulted in travel restrictions, closed international borders, enhanced health screenings at ports of entry and elsewhere, disruption of and delays in healthcare service preparation and delivery,

prolonged quarantines, cancellations of services, supply chain disruptions, and disruptions or suspensions of business activities across a wide range of industries and lower consumer demand.

Public health crises caused by COVID-19 or other outbreaks will, from time to time, also exacerbate other pre-existing political, social and economic risks in certain countries, regions or globally. It is not possible to determine the duration and severity of any potential adverse impact of the COVID-19 outbreak or any other public health issue on the Fund, its service providers, its investments, or more broadly upon the global economy.

Agricultural real estate risks

Farmland investments are particularly subject to various risks, including adverse changes in national or international economic conditions, adverse local market conditions, adverse natural conditions such as storms, floods, drought, windstorms, hail, temperature extremes, frosts, soil erosion, infestations and blights, financial condition of tenants, ability of tenants to operate in a profitable manner, marketability of any particular kind of crop that may be influenced, among other things, by changing consumer tastes and preferences, import and export restrictions or tariffs, governmental subsidy or production programs, availability of excess supply of property relative to demand, changes in availability of debt financing, changes in interest rates, real estate tax rates and other operating expenses, environmental laws and regulations, governmental regulation of and risks associated with the use of fertilizers, herbicides and other chemicals used in commercial agriculture, zoning laws and other governmental rules and fiscal policies, energy prices, risk due to dependence on cash flow, acts of God, pandemics, uninsurable losses and other factors which are beyond the control of the Underlying Funds and the Fund. In addition, certain states, including Iowa, Kansas, Minnesota, Missouri, North Dakota, Oklahoma, South Dakota and Wisconsin, and other jurisdictions may have laws that restrict the ownership of agricultural land and/or restrict the types of entities (including limited partnerships owned by non-family members in some cases) that are permitted to engage in farming operations. Other states or jurisdictions could enact similar laws. As a result, the Underlying Funds' ability to acquire and operate farmland in certain jurisdictions may be restricted by these protectionist laws. The Underlying Funds' ability to sell assets may also be restricted by protectionist laws of this nature.

Certain leasehold income risks

Most leases of an Underlying Fund's farmland are expected to have a fixed base rent amount and a participation in the farm operator's incremental gross revenues. Therefore, the Underlying Fund's income will be dependent on crop yields and other factors, which may be directly and negatively impacted by influences beyond the control of the Underlying Fund, such as weather, crop diseases, governmental policy and economic factors affecting demand. The value of farmland may also depend on the credit and financial stability of the farm operators who lease properties from an Underlying Fund. An Underlying Fund's financial performance would be adversely affected if such farm operators were to become unable to meet their obligations under their leases. Upon the expiration of any lease, there can be no assurance that the lease will be renewed or the farm operator replaced. The terms of subsequent leases may be less favourable to an Underlying Fund than prior leases. In the event of default by a farm operator, delays or limitations in enforcing an Underlying Fund's rights as lessor may be experienced, and significant costs may be incurred in protecting the Underlying Fund's investment. Furthermore, farm operators may seek the protection of bankruptcy, insolvency or similar laws that could result in the rejection and termination of such farm operator's lease and thereby adversely affect the financial performance of the Underlying Fund and the Fund.

Certain expenditures, including property taxes, maintenance costs, mortgage payments, insurance costs and similar charges must be made throughout the period of ownership of the farmland regardless of whether the farmland is producing any income.

Agriculture industry cyclicality

The value of and revenues from farmland investments will be largely dependent on the performance of the agricultural industry. The agricultural sector has historically been a cyclical business. To the extent that the agricultural sector declines or experiences a downturn, certain Underlying Funds' financial performance could be materially adversely affected.

U.S. farm legislation

The U.S. farm bill is the primary agricultural and food policy tool of the United States government. This comprehensive omnibus bill is passed every several years by the United States Congress and affects both agriculture and all other affairs under the purview of the United States Department of Agriculture. Farm bills can be highly controversial and can impact international trade, environmental preservation, food safety and the well-being of the agricultural sector of the United States economy in rural communities. The agricultural subsidy programs mandated by the farm bills are subjects of intense debate. The Fund does not expect the Underlying Funds to receive agricultural subsidies on their farmland investments; however, tenants leasing the farmland investments may receive agricultural subsidies and may be negatively impacted by adverse changes.

Availability of farmland

Some of an Underlying Fund's agricultural real estate investment strategies (including, without limitation, their diversification strategies) may be based, in part, upon the premise that real estate businesses and assets will become available for purchase by the Underlying Fund at prices that the operating partners consider favourable. Further, the strategy of an Underlying Fund for its real estate investments may rely, in part, upon the continuation of existing market conditions (including, for example, supply and demand characteristics) or, in some circumstances, a recovery or improvement in market conditions over the projected holding period for the real estate investments. No assurance can be given that real estate investments can be acquired or disposed of at favourable prices or that the market for such investments will either remain stable or, as applicable, recover or improve, since this will depend upon events and factors outside the control of an Underlying Fund.

Risks related to timber companies

The Fund, through its investments in Underlying Funds, may invest in companies, the success of which is dependent on the companies concentrating on the timber industry, the success of which will be affected by the cyclical nature of the forest products industry. Prices and demand for logs have been, and in the future can be expected to be, subject to cyclical fluctuations. The demand for logs is primarily affected by the level of new residential construction activity and, to a lesser extent, repair and remodeling activity and other industrial uses, which are subject to fluctuations due to changes in economic conditions, interest rates, population growth, weather conditions and other factors. Decreases in the level of residential construction activity will be reflected in reduced demand for logs, which may result in lower revenues, profits and cash flows.

In addition, the revenues, net income and cash flow of timber companies will be dependent to a significant extent on their ability to harvest timber at adequate levels. There can be no assurance that a timber company will achieve harvest levels necessary to maintain or increase revenues, net income or cash flows. Weather conditions, timber growth cycles, access limitations and regulatory requirements associated with the protection of wildlife and water resources or any shortage of contract loggers may restrict harvesting, as may many other factors, including damage by fire, insect infestation, disease, prolonged drought and natural disasters. Any significant impairment on a company's ability to harvest timber at adequate levels may adversely affect the investment results of the Underlying Funds and the Fund.

There is a possibility that the export of raw logs could be taxed, subject to volume limitations, or otherwise discouraged or prohibited by governmental authorities, which could adversely affect certain companies concentrating on the timber industry.

Timberlands business competition

The timberlands business is large and competitive. Competitive factors generally include price, species and grade, proximity to wood consuming facilities, ability to meet delivery requirements, availability of substitute products, and supply and demand in the relevant market area. In addition, timber is subject to increasing competition from a variety of non-wood products. The Fund will compete with numerous private industrial and non-industrial land and timber owners in the United States. In addition, the Fund may experience increasing competition from currently underutilized sources of supply and underutilized species of wood.

Foreign investments

The Underlying Funds are expected to make investments in a number of different countries. Such investments may be made in countries or economies which may prove unstable. Depending on the country in which an Underlying Fund is located, there may exist the risk of adverse political developments, including nationalization, confiscation without fair compensation or war. No assurance can be given that a given political or economic climate or that particular legal or regulatory risks will not adversely affect an investment by the Fund.

In addition, in the case of investments that are not denominated in Canadian dollars, any fluctuation in currency exchange rates will affect the value of such investments and the returns ultimately achieved by the Fund. Laws and regulations of other countries may impose restrictions that would not exist in Canada. A non-Canadian investment may require significant government approvals under corporate, securities, exchange control, foreign investment and other similar laws and may require financing and structuring alternatives that differ significantly from those customarily used in Canada.

In addition, some governments from time to time impose restrictions intended to prevent capital flight, which may for example involve punitive taxation (including high withholding taxes) on certain securities transfers or the imposition of exchange controls making it difficult or impossible to exchange or repatriate the local currency. In addition, repatriation of currency and other restrictions may make it impracticable for the Fund to distribute the full amount of the Unitholder's returns in Canadian dollars, and therefore a portion of the distribution may be made in non-Canadian securities or currency.

Investments in emerging markets

The Fund may also make investments in Underlying Funds which invest in emerging markets as part of their investment portfolios. Investing in emerging markets involves certain additional risks not typically associated with investing in developed markets.

Accordingly, in addition to the risks of non-Canadian investing described above, the risks associated with investing in emerging markets include, but are not necessarily limited to, the following: (a) deterioration in emerging market economies, which, in some cases, may include collapses of real asset prices, credit markets, stock prices and/or consumer spending; (b) adverse political and social developments, including nationalization, confiscation without fair compensation, political and social instability and war; (c) restrictions on repatriation of investment income or capital and on investments by foreign persons; and (d) less liquidity of securities traded on emerging country securities markets and smaller capitalization of such securities markets.

In addition, accounting, auditing, financial and other reporting standards may not be equivalent to standards in developed countries and disclosure of certain material information may not be made and less information may be available. Foreign laws and legal systems may be substantially different; in particular, the laws with respect to the rights of investors may not be as comprehensive or as well developed and the procedures for judicial enforcement of such rights may not be as effective as in developed countries. No assurance can be given that a political, social or economic climate or particular legal or regulatory risk will not adversely affect investments in emerging market assets made by certain Underlying Funds.

Leverage

The Fund may borrow for the purpose of obtaining working capital and for purposes of collateralizing its derivatives positions. This leverage would be in addition to the leverage used by the Underlying Funds. Underlying Funds or their subsidiaries may employ leverage in connection with their respective investments. Use of leverage by the Underlying Funds will subject the Fund to risks normally associated with debt financing, including the risk that Underlying Funds' or their subsidiaries' cash flows will be insufficient to meet required payments of principal and interest, the risk that indebtedness on the investments will not be able to be refinanced or that the terms of such refinancing will not be as favourable as the terms of the existing indebtedness.

In addition, Underlying Funds may incur indebtedness that may bear interest at variable rates. Variable rate debt creates higher debt service requirements if market interest rates increase, which would adversely affect Underlying Funds. Underlying Funds may, but are not required to, engage in transactions to limit their respective exposures to rising interest rates. However, such transactions could expose the Underlying Funds to the risk of non-performance by the counterparties and the loss of the related anticipated benefits. The risk of non-performance by the counterparties could have adverse effects similar to those of increases in market interest rates.

In addition, the leveraged capital structures of such Underlying Funds will increase exposure to adverse economic factors, such as rising interest rates, failure to pay rents necessary to service debt, downturns in the economy or deterioration in the condition of the property or its market, which could have the effect of eliminating or substantially reducing the equity investment of such Underlying Fund to a greater degree and more quickly than if leverage had not been used.

It is anticipated that certain Underlying Funds will finance acquisitions, redevelopments and developments with proceeds from lines of credit or other forms of temporary secured or unsecured financing that may have less advantageous terms than permanent debt financings. Use of these forms of financing may result in a risk that any permanent financing for these projects that is subsequently sought may not be available or may be available only on disadvantageous terms. If permanent debt financing is not available on acceptable terms to refinance projects undertaken without permanent financing, further acquisitions may be curtailed and cash flows may be adversely affected.

Potential environmental liabilities

Under various commonwealth, state, local and foreign laws, an owner of real property may be liable for the costs of removal or remediation of certain hazardous or toxic substances on or in such property. Such laws often impose such liability without regard to whether the owner knew of, or was responsible for, the presence of such hazardous or toxic substances.

The cost of any required remediation and the owner's liability therefore as to any property have generally not been limited under such laws and could exceed the value of the property and/or the aggregate assets of the owner. The presence of such substances on or in a property or the failure to properly remediate contamination from such substances, may adversely affect the owner's ability to sell the real estate or to

borrow using such property as collateral. Such liabilities may exceed the value of a specific investment, affecting the returns of the Underlying Fund and the Fund.

Investments through other partnerships and joint ventures

Instead of purchasing assets directly, Underlying Funds may invest in real asset or real asset-related investments as a partner or a co-venturer. Partnership or joint venture investments may, under certain circumstances, involve risks not otherwise present, including the possibility that partners or co-venturers might become bankrupt, might fail to fund their share of required capital contributions or otherwise default on their obligations, make dubious business decisions or block or delay necessary decisions. Such partners or co-venturers may also have economic or other business interests or goals which are inconsistent with the business interests or goals of Underlying Funds. Such investments may also have the potential risk of an impasse on decisions if neither partner nor co-venturer has full control over the partnership or joint venture.

In addition, disputes between Underlying Funds and partners or co-venturers may result in litigation or arbitration that would increase Underlying Funds' expenses and prevent the managers of Underlying Funds from focusing their time and effort on the Underlying Funds' business and investments. Consequently, actions by, or disputes with, partners or co-venturers might result in subjecting properties owned by the partnership or joint venture to additional risk. Underlying Funds may also, in certain circumstances, be liable for the actions of third party partners or co-venturers.

Reliance on the management of Underlying Funds

The Fund will be investing in Underlying Funds managed by individuals and investment firms unrelated to the Manager and Sub-Advisor. As such, the Manager and Sub-Advisor will not be permitted to evaluate investment opportunities or relevant business, economic, financial or other information that will be used by the investment committee or the fund managers of Underlying Funds in making investment decisions.

The Fund will not have an active day-to-day role in the management of Underlying Funds in which it invests. Accordingly, the returns of the Fund depend upon the performance of these unrelated persons and could be substantially adversely affected by the unfavourable performance of such persons.

Underlying Funds not registered

Underlying Funds generally will not be registered under investment company legislation (or similar) in their country of residence. Accordingly, the Fund generally will not be entitled to the protections of such legislation with respect to its investments in Underlying Funds.

Although the Fund will receive information from each Underlying Fund regarding its investment performance and investment strategy, the Manager and/or Sub-Advisor may have little or no means of independently verifying this information. An investment advisor of an Underlying Fund may use investment strategies that differ from its past practices and are not fully disclosed to the Manager or Sub-Advisor and involve risks that are not anticipated by the Manager or Sub-Advisor.

Concentration risk

An Underlying Fund, from time to time, may invest a substantial portion of its assets in a particular property type, geographic location or securities instrument. As a result, the investment portfolios of the Underlying Funds and the Fund's portfolio may be subject to greater risk and volatility than if investments had been made in a broader diversification of investments in terms of property type, geographic location or securities instrument. To the extent that the Fund's portfolio is concentrated in a property type, geographic location or securities instrument, the risk of any investment decision is increased.

The foregoing is only a summary of some of the risks associated with the Fund's investments in the Underlying Funds. A full description of the risks associated with an Underlying Fund are outlined in the Underlying Fund's offering document, a copy of which can be obtained on request from the Manager.

Limited information regarding private issuers

The Fund's portfolio may consist of securities issued by privately held issuers. There is generally little or no publicly available information about such issuers and the Fund must rely on the diligence of the Sub-Advisor to obtain the information necessary for the Fund's decision to invest in them. There can be no assurance that the diligence efforts of the Sub-Advisor will uncover all material information about the privately held business necessary for the Fund to make a fully informed investment decision.

RISKS OF THE FUND

Non-Resident Sub-Advisor

The Sub-Advisor is not registered with the Ontario Securities Commission or with any other securities regulatory authority in Canada and is relying on certain registration exemptions in carrying out the portfolio management services for the Fund. The Sub-Advisor's head office and principal place of business is located in New York in the United States of America and all or substantially all of the Sub-Advisor's assets may be situated outside of Canada. As a result of the foregoing, there may be difficulty enforcing legal rights against the Sub-Advisor. The name and address of the Sub-Advisor's agent for service of process in Ontario is Franklin Templeton Investments Corp. 200 King Street West, Suite 1500, M5H 3T4.

The Sub-Advisor has received an exemption from the *Commodity Futures Act* (Ontario) (the "CFA") registration requirements in respect of any trades made for the Fund in commodity futures contracts and commodity futures options traded on commodity futures exchanges outside of Canada and cleared through clearing corporations outside of Canada. Accordingly, the Sub-Advisor will not be a CFA registrant and the protections available to CFA registered clients will not be available to investors in the Fund.

As an international sub-advisor, the Sub-Advisor is not fully subject to the requirements of Canadian securities laws and the Manager is responsible for the investment advice provided to the Fund.

General commercial risks

Any investment in the Fund involves risk. Past performance of the Sub-Advisor is not necessarily indicative of future performance. Accordingly, no assurance can be given that the Fund will meet its investment objectives, that Unitholders will receive a return on their capital, or that any or all of a Unitholder's investment contributions will be returned.

Unidentified investments and competition for investments

There can be no assurance that the Sub-Advisor will be able to identify suitable Underlying Funds or negotiate appropriate terms with those funds that are identified. Similarly, the Underlying Funds may not be able to identify appropriate investments to meet their investment objectives. Further, Investors in the Fund will not have the opportunity to evaluate specific investments to be acquired by the Underlying Funds.

The ability to invest in leading Underlying Funds is extremely competitive and the Fund will be competing with other established investors with substantial resources and experience. There is no assurance that the Fund will be permitted to invest in any particular Underlying Funds, including any such Funds that may have given the Fund preliminary, informal indications that the Fund's investment will be accepted.

Even if the Fund is accepted in one or more of such Underlying Funds, there is no assurance of the amount that the Fund will be permitted to invest. There is no assurance that any of the Underlying Funds will be successful, or that the Fund will be able to fully invest its committed capital. The failure of the Fund to fully invest its committed capital will cause the Fund's potential for return to be diminished.

Hedging and foreign currency risks

The base currency of the Fund will be Canadian dollars. The Fund may invest in Underlying Funds denominated in currencies other than Canadian dollars. Fluctuations in currency exchange rates and possible restrictions on exchanging foreign currency may affect the value of investments and investment returns.

The Fund may employ hedging strategies to limit the effect of these risks and to preserve the capital of the Fund. The use of derivative instruments to hedge a portfolio of investments carries certain risks, including the risks that losses on hedge positions will reduce the Fund's earnings and the proceeds available for distribution to Unitholders, and indeed, that such losses may exceed the amount invested in such derivative instruments. While forward currency contracts entered into for hedging purposes may reduce the risk of loss from a change in value of a currency, they also may limit any potential gains and do not protect against fluctuations in the value of the Underlying Funds. There is no perfect hedge for any investment, and a hedge may not perform its intended purpose of offsetting losses on a given investment.

Use of derivative instruments

The Fund may utilize derivatives for hedging purposes. The use of derivative instruments involves risks different from and possibly greater than, the risks associated with investing directly in securities and other traditional investments. Risks associated with the use of derivatives include: (i) hedging to reduce risk does not guarantee that there will not be a loss or that there will be a gain; (ii) there is no guarantee that a market will exist when the Fund wants to complete the derivative contract, which could prevent the Fund from reducing a loss or making a profit; (iii) securities exchanges may impose trading limits on options and futures contracts, and these limits may prevent the Fund from completing the derivative contract; (iv) the Fund could experience a loss if the counterparty (which includes a clearing corporation, in the case of exchange-traded instruments, or other third party in the case of over-the-counter instruments) to the derivative contract is unable to fulfill its obligations; and (v) if the Fund has an open position in an option, a futures contract or a forward contract with a dealer who goes bankrupt, the Fund could experience a loss and, for an open futures or forward contract, a loss of margin deposits with that dealer. In circumstances where there is an interest rate hedge employed, total return on the portfolio may be higher with the hedge than without it when interest rates rise significantly, but total return may be lower than it otherwise would be in a stable to falling interest rate environment.

Foreign taxation risks

The Underlying Funds and their investors (including the Fund) will be subject to taxation in countries other than Canada. Such taxes may not be creditable to or deductible by the Fund.

The Underlying Funds in which the Fund invests may file claims to recover withholding tax on dividend and interest income (if any) received from issuers in certain countries where such withholding tax reclaim is possible. Whether or when the Underlying Fund will receive a withholding tax refund in the future is within the control of the tax authorities in such countries. Where the Underlying Fund expects to recover withholding tax based on a continuous assessment of probability of recovery, the net asset value of the Underlying Fund generally includes accruals for such tax refunds. If the likelihood of receiving refunds materially decreases, for example due to a change in tax regulation or approach, accruals in the Underlying Fund's net asset value for such refunds may need to be written down partially or in full, which will adversely affect the Underlying Fund's net asset value. Investors in the Underlying Fund at the time an accrual is written down, which could include the Fund, will bear the impact of any resulting reduction in net asset value

regardless of whether they were investors during the accrual period. Conversely, if the Underlying Fund receives a tax refund that has not been previously accrued, investors in the Underlying Fund at the time the claim is successful will benefit from any resulting increase in the Underlying Fund's net asset value. Investors who sold their units prior to such time, which may include the Fund, will not benefit from such net asset value increase.

Lack of operating history

The Fund has no operating history upon which a prospective investor can base its investment decision. The Sub-Advisor's past performance is not necessarily indicative of future performance.

Concentration risk

The Fund may invest a greater portion of its assets in a limited number of issuers. Accordingly, the Fund may be subject to greater risk with respect to its portfolio securities because changes in the financial condition or market assessment of a single issuer may cause greater fluctuation in the value of its interests.

Redemption delay risk

The Fund's Units are not listed on any securities exchange and are not publicly-traded. There is currently no secondary market for the Units and the Fund expects that no secondary market will develop. Units are subject to restrictions on transferability and may only be transferred or resold in accordance with the Declaration of Trust. An investor's ability to redeem Units for cash is restricted based on the value of redemption requests received in a calendar quarter as set out under *Purchases and Redemptions – Redemptions – Redemption Limitations*. As a result, the Manager may not be able to process a redemption request for cash on the Quarterly Redemption Date (as hereinafter defined) for which it was submitted and there is no guarantee that Unitholders will be able to redeem all of the Units for cash within any specified time frame. This means that a Unitholder may not be able to sell or otherwise liquidate his, her or its Units for cash, whenever such investor would prefer. Additionally, in certain instances the Manager may suspend or postpone redemptions as set out under *Purchases and Redemptions – Redemptions – Suspending Redemptions and NAV Calculations*. **Redemption Notes (as defined below) are not qualified investments for Registered Plans.** The Fund is only appropriate for those investors who can tolerate risk and do not require a liquid investment.

Redemptions risk

If holders of a substantial number of Units exercise their redemption rights, the number of Units outstanding and the NAV of the Fund could be significantly reduced. A significant number of redemptions would increase the management expense ratio of the Fund. Many investment funds with a quarterly redemption feature have experienced significant redemptions and as a result, some have ceased to be economically feasible and have been terminated or merged with other funds. The Manager may terminate the Fund as of a date not earlier than 60 days following the mailing of a notice of termination to Unitholders if, in the opinion of the Manager, the NAV of the Fund is reduced as a result of redemptions or otherwise so that it is no longer economically feasible to continue the Fund.

Series risk

The Fund offers more than one series of Units. Each series of Units has its own schedule of fees and expenses that are tracked separately. If there are not sufficient assets attributable to a series to pay that series' expenses, the assets attributable to other series of Units are used to make up the difference. This reduces the returns realized by holders of Units of those other series. This is because the Fund as a whole is legally responsible for the financial obligations of all of its series of Units.

Reliance on prospectus exemptions

The Fund is relying on an exemption from the requirement to provide a Subscriber (as defined below) with a prospectus under applicable Canadian securities laws and as a consequence of acquiring the Units pursuant to such exemption certain protections, rights and remedies provided by securities laws, including statutory rights of rescission and certain statutory remedies against an issuer, underwriters, agents, dealers, auditors, directors and officers that are available to investors who acquire securities offered by a prospectus, will not be available to the Subscriber. Furthermore, the common law may not provide investors with an adequate remedy in the event that they suffer investment losses in connection with securities acquired in a private placement, the Subscriber may not receive information that would otherwise be required to be given under securities laws, and the Fund is relieved from certain obligations that would otherwise apply under securities laws.

No agency, governmental authority, securities commission or other regulatory body, stock exchange or other entity has made any finding or determination as to, or passed upon, the merit for investment of, nor have any such agencies, governmental authorities, securities commissions or other regulatory bodies, stock exchanges or other entities made any recommendation or endorsement with respect to the Units and there is no government or other insurance covering the Units.

Valuation risk due to underlying fund investments

While the valuation of the Fund's publicly-traded securities are more readily ascertainable, the Fund has ownership interests in Underlying Funds that are not publicly-traded and the Fund may depend on the institutional asset manager to an Underlying Fund to provide a valuation of the Fund's investment. Moreover, the valuation of the Fund's investment in an Underlying Fund, as provided by an institutional asset manager as of a specific date, may vary from the fair value of the investment that may be obtained if such investment were sold to a third party. Unitholders should recognize that valuations of illiquid assets, such as interests in Underlying Funds, involve various judgments and consideration of factors that may be subjective. As a result, the NAV of the Fund, as determined based on the fair value of its investments in Underlying Funds, may vary from the amount the Fund would realize on the withdrawal of its investments from the Underlying Funds. This could adversely affect Unitholders whose Units are redeemed as well as new Unitholders and remaining Unitholders. For example, in certain cases, the Fund might receive less than the fair value of its investment in connection with its withdrawal of its investment from an Underlying Fund, resulting in a dilution of the value of the Units of Unitholders who do not tender their Units in any coincident tender offer and a windfall to tendering Unitholders; in other cases, the Fund might receive more than the fair value of its investment, resulting in a windfall to Unitholders remaining in the Fund, but a shortfall to tendering Unitholders. No adjustments will be made to the number of Units purchased or redeemed by an investor in the Fund because of the use of estimated values in determining the NAV of the Fund or the net asset value of the Underlying Funds, even if the estimated values are subsequently determined to be significantly different from the final values eventually obtained in respect of the Underlying Funds.

An institutional asset manager may use proprietary investment strategies that are not fully disclosed to the Sub-Adviser, which may involve risks under some market conditions that are not anticipated by the Sub-Adviser. The investment strategies and styles used by an institutional asset manager are subject to change without notice. For information about the value of the Fund's investment in Underlying Funds, the Sub-Advisor will be dependent on information provided by the Underlying Funds, including quarterly unaudited financial statements, which if inaccurate could adversely affect the Sub-Advisor's ability to value accurately the Fund's Units. Unitholders have no individual right to receive information about the Underlying Funds or the institutional asset managers, will not be securityholders in the Underlying Funds and will have no rights with respect to or standing or recourse against the Underlying Funds, institutional asset managers or any of their respective affiliates. Please see the section titled *Portfolio Valuation and Net Asset Value Calculation – Underlying Fund Valuation* for more information.

Costs and expenses of underlying funds

By investing in the Underlying Funds indirectly through the Fund, a Unitholder bears two layers of asset-based fees and expenses – at the Fund level and the Underlying Fund level. In the aggregate, these fees might exceed the fees that would typically be incurred by a direct investment with a single investment. The Fund may also invest in Underlying Funds that invest in other investment vehicles, thereby subjecting the Fund, and Unitholders, to an additional level of fees. In the aggregate, these fees and expenses could be substantial and adversely affect the value of any investment in the Fund. The Fund will seek to limit these costs and expenses by prudently selecting Underlying Funds with more favourable fee structures.

Restricted and illiquid investments involve the risk of loss

The Underlying Funds may invest in restricted securities and other investments which are illiquid. Restricted securities are securities that may not be sold to the public without an effective registration statement under the issuer's local securities laws, or, if they are unregistered, may be sold only in a privately negotiated transaction or pursuant to an exemption from registration under the issuer's local securities laws. Where registration is required to sell a security, the Underlying Fund may be obligated to pay all or part of the registration expenses, and a considerable period may elapse between the decision to sell and the time the Underlying Fund may be permitted to sell a security under an effective registration statement. If during such a period adverse market conditions were to develop, the Underlying Fund might obtain a less favourable price than the prevailing price when it decided to sell. The Underlying Fund may be unable to sell restricted and other illiquid securities at the most opportune times or at prices approximating the value at which they purchased such securities. An Underlying Fund's portfolio may include a number of investments for which no market exists and which have substantial restrictions on transferability.

Some of the Underlying Funds may invest all or a portion of their assets in private placements which are illiquid. Additionally, the Fund's redemption process could involve substantial complications and delays, as the ability of the Fund to honour redemption requests is dependent in part upon the Fund's ability to make withdrawals from Underlying Funds which may be delayed, suspended altogether or not possible because, among other reasons, (i) many Underlying Funds permit withdrawals only on an infrequent basis, which timing is not likely to coincide with the repurchase dates of the Fund, (ii) some Underlying Funds may impose limits (known as "gates") on the aggregate amount that a securityholder or all securityholders in the Underlying Fund may withdraw on any single withdrawal date, and (iii) the Underlying Funds' portfolios may include investments that are difficult to value and that may only be able to be disposed of by the Underlying Fund at substantial discounts or losses.

In addition, the Fund's interests in the Underlying Funds are subject to substantial restrictions on transfer. The Fund may liquidate an interest and withdraw from an Underlying Fund pursuant to limited withdrawal rights. Some Underlying Funds also may suspend the repurchase rights of their securityholders, including the Fund, from time to time. The illiquidity of these interests may adversely affect the Fund were it to have to sell interests at an inopportune time. Overall, the types of restrictions on investments by the Underlying Funds may affect the Fund's ability to invest in, hold, vote the securities of, or sell the Underlying Funds. Furthermore, the Fund, upon its repurchase of all or a portion of its interest in an Underlying Fund, may receive an in-kind distribution of securities that are illiquid or difficult to value and difficult to dispose of.

Business and regulatory risks

Legal, tax and regulatory changes (including laws relating to taxation of the Fund's investments, trade barriers and currency exchange controls), as well as general economic and market conditions (such as interest rates, availability of credit, credit defaults, inflation rates and general economic uncertainty) and national and international political circumstances (including wars, terrorist acts or security operations), may adversely affect the Fund. These factors may affect, among other things, the level of volatility of the prices of securities and real assets, the liquidity of the Underlying Funds' investments and the availability of

certain securities and investments. Volatility or illiquidity could impair the Fund's profitability or result in significant losses. Additionally, the regulatory environment for Underlying Funds is evolving, and changes in the regulation of Underlying Funds may adversely affect the value of investments held by the Fund and the ability of the Fund to successfully pursue its investment strategy. In addition, the securities markets are subject to comprehensive statutes and regulations. The effect of any future regulatory change on the Fund could be substantial and adverse.

Risks of Underlying Funds encompasses the possibility of loss due to Underlying Funds' fraud, intentional or inadvertent deviations from a predefined investment strategy (including excessive concentration, directional investing outside of predefined ranges, excessive leverage or new capital markets), or simply poor judgment. During the lifetime of the Fund, there could be material changes in one or more Underlying Funds, including changes in control, initial public offerings and mergers. The effect of such changes on an Underlying Fund cannot be predicted but could be material and adverse. Given the limited liquidity of the Underlying Funds, the Fund may not be able to alter its portfolio allocation in sufficient time to respond to any such changes, resulting in substantial losses from risks of Underlying Funds.

General market fluctuations and volatile financial markets

The Fund's investments in Underlying Funds and real asset securities may be negatively affected by the broad investment environment in the real asset market, the debt market and/or the equity securities market. The investment environment is influenced by, among other things, interest rates, inflation, politics, fiscal policy, current events, competition, productivity and technological and regulatory change. Real assets and real asset securities values may experience greater volatility during periods of challenging market conditions. In addition, there can be severe limitations on an investor's ability to sell certain real asset securities, including those that are of higher credit quality, during a period of reduced credit market liquidity. Therefore, the Fund's NAV will fluctuate. Unitholders may experience a significant decline in the value of their investment and could lose money. The Fund should be considered a speculative investment, and investors should invest in the Fund only if they can sustain a complete loss of their investment.

Tracking risk

The Fund will invest all or a substantial portion of its assets in securities of the Underlying Funds. There may be a delay between the time an investor buys Units of the Fund and the time the Fund invests in an Underlying Fund. During this delay, the Fund may be unable to track the performance of the Underlying Fund. Such performance lags and tracking errors could result in the NAV of the Fund not precisely tracking the net asset value per share of the Underlying Fund.

Lack of insurance

The assets of the Fund are not insured by any government or private insurer except to the extent portions may be deposited in bank accounts insured by a government agency such as the Canada Deposit Insurance Corporation. Therefore, in the event of insolvency of a depository or custodian, the Fund may be unable to recover all of its funds or the value of its securities deposited.

Large investor risk

Units of the Fund may be purchased and redeemed by large investors, such as other investment funds. Large investors may purchase or redeem a substantial number of Units of the Fund at one time, which may accelerate the realization of capital gains and losses by the Fund and result in increased distributions by the Fund. The purchase or redemption of a substantial number of Units of the Fund may also require the Sub-Advisor to change the composition of a portfolio significantly or may force the Sub-Advisor to buy or sell investments at unfavourable prices, which can affect Fund performance and may increase realized capital

gains of the Fund. The purchase or redemption of a substantial number of Units of the Fund by a single Unitholder may cause the Fund to experience a “loss restriction event” for tax purposes, which could result in an immediate unscheduled distribution of income and capital gains by the Fund and could result in the Fund distributing a larger amount of income and capital gains in the future. Please see the section titled *Canadian Federal Income Tax Considerations*.

PURCHASES AND REDEMPTIONS

PURCHASES

The Fund sells Units on a continuous basis in accordance with the terms of this Offering Memorandum and the Declaration of Trust, with closings of this offering occurring on a monthly basis on the Valuation Date. For the purposes of this Offering Memorandum, “**Valuation Date**” means the last day of each calendar month on which the TSX is open for trading, or such other day or days as determined from time to time by the Trustee.

Unit Price

Units will be issued as fully paid at a price equal to the series NAV per Unit (the “**Series NAV per Unit**”). The Series NAV per Unit, in respect to any particular series of Units of the Fund or of a class of the Fund is the portion of the NAV of the Fund or of the class of the Fund attributed to each Unit of such series determined in accordance with the Declaration of Trust. The Manager calculates the Series NAV per Unit for each series of the Fund in Canadian dollars at the close of trading (usually 4:00 p.m. ET) on the TSX on a monthly basis on the Valuation Date. Units are denominated in Canadian dollars. An investor purchases Units at their Series NAV per Unit calculated as at the Valuation Date in the month in which the subscription is accepted. Please see the section titled *Portfolio Valuation and Net Asset Value* for more information on how the NAV is calculated.

Eligibility Requirements

Prospectus exempt offering

Units of the Fund are sold pursuant to prospectus exemptions and therefore each investor must qualify under prospectus exemptions in their jurisdiction of residence in order to purchase Units. Generally, this requires that an investor qualify as an accredited investor (as defined in securities laws) and purchase Units as principal. Investors should consult their dealer and refer to the representations and warranties contained in the Subscription Agreement (defined below) to determine whether they are eligible to purchase Units on this basis. Where Units are to be held in a joint account, each joint account holder must individually qualify as an accredited investor.

Canadian residents only

Units of the Fund are not available for sale in any jurisdiction outside Canada. An investor cannot purchase Units of the Fund:

- outside Canada;
- for an investor if they live outside Canada; or
- on behalf of a person living outside Canada.

An investor is not eligible to purchase or hold Units of the Fund if the investor is not a resident of Canada for tax purposes. An investor must redeem their Units of the Fund before becoming a non-resident of Canada.

If an investor fails to redeem the Units before becoming a non-resident, the Manager may, in its sole discretion, redeem an investor’s Units and forward the proceeds to the investor.

Persons located (domiciled) in the U.S. or other U.S. persons (as defined by Regulation S of the U.S. Securities Act of 1933) (collectively, “**U.S. Persons**”) are not eligible to purchase or hold Units of the Fund. Prospective investors shall be required to declare that they are not U.S. Persons and are not applying for Units on behalf of any U.S. Person. In the absence of written notice to the Fund to the contrary, the provision by a potential investor of a non-U.S. address on the Subscription Agreement (defined below) for investment in the Fund will be deemed to be a representation and warranty from such investor that the investor is not a U.S. Person and that such investor will continue to be a non-U.S. Person unless and until the Fund is otherwise notified of a change in the investor’s U.S. Person status.

Provided that the Fund is not a “mutual fund trust” for purposes of the Tax Act, the Manager will also not accept subscriptions from, and will not direct the issuance of Units to: (a) any person who is, or would be, a “designated beneficiary” of the Fund, as such term is defined in Part XII.2 of the Tax Act; (b) a “financial institution”, as defined in the Tax Act for the purposes of the mark-to-market rules, if the Fund itself would be deemed to be a “financial institution” under such rules as a result of such subscription/issuance of Units.

The Manager reserves the right to ask for additional information and documentation as may be required in higher-risk scenarios or to comply with any applicable laws or regulations. Failure to provide such documentation may result in delay in investment.

Minimum investments

The table below sets out the minimum investments required to purchase Series A, F and O Units.

Series	Minimum Initial Investment	Minimum Additional Investment
Series A	\$5,000	\$100
Series F	\$5,000	\$100
Series O	\$5,000	\$100

Subject to applicable laws, the Manager reserves the right to change or waive the minimum amount at any time and from time to time. Units of the Fund are not available for sale in any jurisdiction outside Canada.

Subscription Agreement

Investors may purchase Units through qualified representatives who will process orders directly with the Manager or by electronic means through Fundserv Inc. (“**Fundserv**”).

All prospective investors (each a “**Subscriber**” and collectively, the “**Subscribers**”) will be required to execute a subscription agreement (the “**Subscription Agreement**”). Units will be issued at their Series NAV per Unit calculated as at the Valuation Date in the month in which the subscription is accepted. Units will be issued as fully paid with a Series NAV per Unit equal to the subscription amount paid by the Subscriber. The Fund may, at the sole discretion of the Manager, accept or reject any investor’s offer to subscribe for Units in whole or in part for any or no reason.

If the Manager receives an investor’s Subscription Agreement, in good order, by 4:00 pm on the Valuation Date in a given month, and accepts such subscription request, the subscription will be considered to have been received on such Valuation Date; otherwise, the Manager will consider the subscription request to have been received on the Valuation Date in the subsequent month. Subscription Agreements, once submitted, may only be revoked with the consent of the Manager.

Issuance of Units

No certificates representing the Units will be issued. The Manager reserves the right to ask for additional information and documentation from any Subscriber to comply with applicable laws and regulations or for any other reason in the Manager's sole discretion. Failure to provide documentation may result in a delay in acceptance of a subscription or the rejection of a subscription. Subscriptions are generally payable only in Canadian dollars and must be made in accordance with the terms of the Subscription Agreement. At the sole and absolute discretion of the Manager, subscriptions may be made in other currencies or through an in-kind transfer of securities. The Manager reserves the right to reject any subscription in its sole discretion and no reason needs to be given for the rejection of any subscription. If the order is rejected, the Manager will return the Subscriber's money immediately without interest. The Manager will not process transactions for a past date, a future date, a specific price nor for any Units that have not been paid for in full.

In accepting any order for Units, the Manager will receive the Subscription Agreement and will be relying on the statements, including the representations and warranties, made in the Subscription Agreement by Subscribers and Subscribers undertake to indemnify the Fund, the Manager and the Sub-Advisor and any of their directors, officers, employees, advisors, affiliates, agents and legal counsel against all losses, claims, costs, expenses and damages or liabilities of any kind whatsoever, including, without restriction, taxes, interest and penalties, which any of them may suffer or incur, caused by or arising from reliance on such representations and warranties.

The Manager reserves the right, from time to time, to "cap" or "close" the Fund to new investment. If the Manager does "cap" or "close" the Fund, it may be re-opened for new investment at the Manager's discretion. Any "capping" or "closing" of the Fund will not impact redemption rights of Unitholders.

No subscriptions will be accepted during periods in which the calculation of NAV is suspended. See *Purchases and Redemptions – Redemptions – Suspending Redemptions and NAV Calculations* below.

Additional Investments

If an investor makes an additional investment in Units, the investor will not be required to sign an additional Subscription Agreement but, under the terms of the original Subscription Agreement, will be deemed to have repeated the covenants, representations and warranties contained in the original Subscription Agreement and to have represented that it is qualified to make the additional investment on the same basis as set out in the investor's original Subscription Agreement.

REDEMPTIONS

Units may be redeemed at the option of the investor on any Quarterly Redemption Date (as defined below) in accordance with the terms of this Offering Memorandum and the Declaration of Trust. For the purposes of this Offering Memorandum, "**Quarterly Redemption Date**" means the last day of each calendar quarter on which the TSX is open for trading, and such other day or days as the Manager may determine, either generally or in any particular case.

Redemption Procedure

Redemption requests should be submitted to the Manager in writing or, if expressly permitted by the Manager, by facsimile or electronic means. A completed Redemption Request (as defined below) (or an electronic request if settling through the Fundserv system) must be received by the Manager no later than 4:00 pm (Toronto time) on a business day falling at least 45 days (or such shorter period as the Manager may permit, either generally or in any particular case) before the relevant Quarterly Redemption Date. For the purposes of this Offering Memorandum, a "**Redemption Request**" will be a request for the redemption of Units which will be in such form as the Manager may determine from time to time and be required to be

delivered in accordance with the applicable notice period(s) referred to in this Offering Memorandum. If a Redemption Request is not received by the date noted above in respect of a calendar quarter, then the Manager will consider the Redemption Request to have been received in respect of the following calendar quarter. Payment of the redemption proceeds may be made using the Fundserv network, if applicable.

Cash Redemption Limitations

The Manager will not accept for cash redemption on any Quarterly Redemption Date, Units representing more than 5% of the NAV of the Fund (the “**Cash Redemption Limit**”) as at the date that is 45 days before the relevant Quarterly Redemption Date. In the event that the value of the Units of each series tendered for redemption in respect of a Quarterly Redemption Date on the date noted above exceeds the Cash Redemption Limit, the Fund will redeem such Units tendered for redemption and not withdrawn or revoked, up to this Cash Redemption Limit, for cash on a *pro rata* basis. For the Units of each series tendered for redemption that represent the value of the Units of each series tendered for redemption that exceeds the Cash Redemption Limit on a *pro rata* basis in respect of a Quarterly Redemption Date (“**Remaining Units**”), the Fund will have obtained instructions from the Unitholder holding such Remaining Units in the form of a standing instruction redemption election at the time the Unitholder originally subscribed for Units as part of the Subscription Agreement (the “**Redemption Election**”). The Redemption Election provides the Unitholder holding such Remaining Units with the option to elect to:

- (a) revoke and withdraw the Redemption Request previously tendered in respect of the Remaining Units and elect for such Remaining Units to be put in for redemption for cash at the next Quarterly Redemption Date; or
- (b) not revoke and withdraw the Redemption Request previously tendered and the Fund will redeem such Remaining Units by issuing to such Unitholder Redemption Notes (as defined below) in an amount equal to the redemption amount for the Remaining Units.

The Manager or the investor’s dealer will obtain the investor’s standing instructions regarding the options set out above in connection with the submission of a Redemption Request as part of the Subscription Agreement.

Notwithstanding the foregoing limitations on redemption, the Manager may, in its sole discretion, waive the Cash Redemption Limit in respect of all Units tendered for redemption in respect of any one or more Quarterly Redemption Dates.

For the purposes of this Offering Memorandum “**Redemption Notes**” means promissory notes issued in series, or otherwise, by a subsidiary entity of the Fund pursuant to a note indenture, or otherwise, and having the following terms and conditions: (i) unsecured and bearing interest from and including the issue date of each such note at a market rate determined at the time of issuance, based on the advice of an independent financial advisor, and payable monthly in arrears; (ii) subordinated and postponed to all senior indebtedness and which may be subject to specific subordination and postponement agreements entered into by the trustee of the subsidiary entity with holders of senior indebtedness; (iii) subject to earlier prepayment; and (iv) such other terms and conditions as the Manager may determine necessary or desirable.

Manager’s Right to Redeem Units

The Manager, in its sole discretion, may redeem Units in a Unitholder’s account and forward the proceeds to the investor if:

- the value of the Unitholder’s Units has fallen below the minimum investment amount (and is not as a result of a decline in the Series NAV per Unit of the Units);

- the Unitholder is engaging in short-term or excessive trading;
- the Unitholder is or becomes a resident, for securities laws or tax purposes, of a foreign jurisdiction where such foreign residency may have negative legal, regulatory or tax implications on the Fund;
- the Unitholder no longer qualifies for a prospectus exemption under Canadian securities laws;
- the holding of Units by the Unitholder is detrimental to the Fund; or
- it would be in the best interest of the Fund to redeem such Unitholder.

Unitholders are responsible for all tax consequences, costs and losses, if any, associated with the redemption of Units upon the exercise of the right to redeem by the Manager.

Redemption Documentation and Payment

In the event of joint investor accounts, all instructions must be signed by all investors except where sole signatory authority has been granted to one investor or where a power of attorney has been communicated to the Manager. If an instruction has not been submitted in writing, the Manager may request a written and duly signed confirmation of such instruction, in which case it may delay the processing of the redemption until receipt of the written and duly signed confirmation. Redemption proceeds will generally be paid by wire transfer, however, the Manager in its discretion may satisfy the amount payable to a Unitholder on the redemption of Units by the delivery to that Unitholder of portfolio investments of the Fund *in specie*. The Manager may deduct from redemption proceeds otherwise payable to a Unitholder the costs incurred by the Fund in connection with the redemption of the Units, including the costs of liquidation of portfolio assets and all fees payable by the Fund to its service providers as a result of the redemption.

Neither the Fund nor the Manager will be responsible or liable to any applicant or Unitholder for any loss resulting from the non-receipt of any purchase or Redemption Request by whichever method it is sent (including non-receipt of facsimile or email purchase or Redemption Requests).

The Manager will pay the proceeds of redemption within thirty (30) days of the Quarterly Redemption Date used to determine the redemption proceeds, provided properly completed redemption documents have been received by the Manager. Investors that wish to receive proceeds by electronic fund transfer (“EFT”) should send the Manager a pre-printed void cheque and complete the banking information section of the application at the time of account setup to avoid potential delays on Redemption Requests. For investor protection, the Manager reserves the right to choose the final method of payment, which may include paying the redemption proceeds to the investor’s dealer, in trust for them.

Suspending Redemptions and NAV Calculations

The Manager may suspend NAV calculations and the right to redeem Units if:

- the Manager determines that it is not practical to sell the Fund’s assets or to fairly determine the value of its net assets; or
- the right to redeem securities of any Underlying Fund held by the Fund is suspended, as the NAV of the Fund would not be available.

The Manager may also suspend the right to redeem Units at such other times it deems appropriate. During any period of suspension, there will be no calculation of the Series NAV per Unit of any series of Units of the Fund and the Fund will not be permitted to issue, redesignate or redeem any Units and the Manager may postpone the payment of any redemption proceeds.

During any such suspension, a Unitholder who has delivered a Redemption Request for which the redemption price has not yet been calculated may either withdraw their Redemption Request prior to the end of the suspension period, or receive payment based on the Series NAV per Unit of the applicable series of Units calculated on the next Quarterly Redemption Date after the termination of the suspension, and after satisfaction of any other redemption requirements determined by the Trustee pursuant to the Declaration of Trust. Similarly, an investor who has submitted a purchase order for which the issue price has not yet been calculated may either withdraw their purchase order prior to the end of such period or receive Units based on the Series NAV per Unit of the applicable series of Units next calculated after the termination of the suspension and at such time as the Manager accepts the subscription.

Certificates and Transfer of Units

No certificates for Units of the Fund will be issued. Units of the Fund are not transferable except with the prior consent of the Manager, acting in its capacity as trustee of the Fund.

Minimum Balances

If, because of redemptions and/or distributions in cash, the market value of an investor's investment in any series falls below the minimum investment balance requirement listed in the table below, the Manager may redeem or redesignate Units to another series, after giving 30 days' notice that an investor's balance has fallen below the minimum. The investor may invest additional money during this period if the investor wishes to maintain the status of their investment. The Manager will not redeem or redesignate Units if the market value of the investment falls below the minimum investment balance requirements because of a decline in the Series NAV per Unit of the Units. The table below lists the minimum investment balance requirements for each series and the action the Manager may take if an investment falls below the minimum investment balance requirements:

Series	Minimum investment balance requirement	Potential consequences if minimum investment balance requirement not met
Series A	\$5,000	Redeem
Series F	\$5,000	Redeem
Series O	\$5,000	Redeem

If the Manager redesignates an investor's Units on this basis, no switch fees will be charged by the investor's dealer. The Manager reserves the right to change or waive the minimum investment balance requirements for any series of Units.

FEES AND EXPENSES

Below are the fees and expenses an investor may pay if they invest in Units of the Fund. Some of these fees and expenses an investor pays directly. Others are payable by the Fund, which will indirectly reduce the value of the investor's investment in the Fund.

Series A and F Management Fees and Administration Fees

The table below sets out the annual management fee and Administration Fee (as defined below) for the Series A and F Units of the Fund.

Series	Management Fee	Administration Fee
Series A	2.25%	0.15%
Series F	1.25%	0.15%

Series A and F Management Fees

Management fees are unique to each series of the Fund. The Fund pays an annual management fee to the Manager to cover the costs of managing the Fund (except with respect to Series O Units). The annual management fees for the Series A and F Units of the Fund are calculated as 1/12 of the annual rate set out in the table above, applied against the monthly net asset value of each series and paid monthly.

The Manager may reduce the management fee for certain investors in the Fund. The decision to do this depends on a number of factors, including the size of the investment or the nature of the investment, such as investments by pension funds, insurers or other institutional investors. If the Manager reduces the management fee during the year (i) the reduced rate may be used to calculate management fees payable from the effective date of the reduction, or (ii), the Manager, or the Fund, may pay a management fee distribution (“**Management Fee Distribution**”). Management Fee Distributions are paid first out of income and capital gains of the Fund, and then out of capital. The tax consequences of a Management Fee Distribution will generally be borne by the Unitholder who receives the distribution.

Series A and F Administration Fees

The Manager pays the operating expenses of the Fund, other than Fund Costs (as defined below), Portfolio Acquisition Costs (as defined below), Taxes (as defined below) and Underlying Fund Fees and Expenses (as described below) (the “**Operating Expenses**”) in exchange for the payment by the Fund of a fixed rate administration fee (the “**Administration Fee**”) to the Manager with respect to Series A and F Units of the Fund. The Operating Expenses payable by the Manager include, but are not limited to, audit fees, fund accounting costs, transfer agency and recordkeeping costs, custodian costs, administration costs and trustee services relating to registered tax plans, costs of printing and disseminating offering documents and continuous disclosure materials, legal fees, investor communication costs and regulatory filing fees.

The Administration Fee is equal to a specified percentage of the net asset value of the Series A and Series F Units (as applicable), calculated and paid in the same manner as the management fee for the Fund (calculated as 1/12 of the annual rate applied against the monthly net asset value of each series and paid monthly). The Manager may, in some years and in certain cases, absorb a portion of a series’ Administration Fee. The decision to absorb the Administration Fee, or a portion thereof, is reviewed annually and determined at the discretion of the Manager, without notice to investors. The Manager, in its discretion, may use a portion of the fees it earns to compensate third parties and/or affiliates who assist certain investors in connection with an investment in the Fund or provide investment advisory and other services to the Fund.

Series O Management and Administration Fee

Series O investors do not bear any of the management and administration fees within the Fund, but instead pay a separate management and administration fee to the Manager and, where negotiated, an Investment Advisory Services Fee (as defined below) to their dealer. In consideration of the management and administration services in respect of the Series O Units, investors pay to the Manager an annual management and administration fee, as set forth in the table below, as determined from time to time based on the Series NAV per Unit of Series O Units owned by the investor on the Valuation Date in March, June, September and December in each year (the “**Series O Management and Administration Fee**”). The Series O Management and Administration Fee is calculated and payable quarterly in arrears plus the amount of any applicable taxes that may be imposed. In the event that Units are purchased during a quarter, the Series O Management and Administration Fee will be prorated for that quarter.

From the first \$5,000 to under \$2,500,000	From \$2,500,000 to under \$5,000,000	From \$5,000,000 and over
1.40%	1.30%	1.20%

The Manager may reduce the Series O Management and Administration Fee for certain investors in the Fund. The decision to do this depends on a number of factors, including the size of the investment or the nature of the investment, such as investments by pension funds, insurers or other institutional investors. If the Manager reduces the Series O Management and Administration Fee during the year, the reduced rate may be used to calculate Series O Management and Administration Fees payable from the effective date of the reduction.

The Manager, in its discretion, may use a portion of the fees it earns from the Series O Management and Administration Fee to compensate third parties and/or affiliates who assist certain investors in connection with an investment in the Fund or provide investment advisory and other services to the Fund.

Investment Advisory Services Fee (Series O Units)

For Series O Units where the investor has purchased the series with the investment advisory services fee option, the Manager has an arrangement in place with the investor’s dealer to collect the investment advisory services fee (plus any applicable taxes) from the investor for payment to their dealer on the investor’s behalf (the “**Investment Advisory Services Fee**”).

Where the above arrangement exists, the maximum annual Investment Advisory Services Fee rate that the Manager will facilitate the payment of, is 1.50% (excluding taxes).

By placing an order to purchase Series O Units and in consideration for the investment advice and/or services, and suitability analysis provided to an investor by their dealer in respect of their purchase, the investor is agreeing to pay the negotiated Investment Advisory Services Fee to their dealer. The Manager will not remit the Investment Advisory Services Fee to an investor’s dealer until the Manager has received confirmation of the amount of the Investment Advisory Services Fee from the investor’s dealer.

The Investment Advisory Services Fee is calculated and paid to the investor’s dealer as described in the “*Program Fees for Series O Units*” section below. The Series O Management and Administration Fee together with the Investment Advisory Services Fee are collectively referred to as the program fees (the “**Program Fees**”). For more information on how the Program Fees are calculated and paid, and further details, please read the section titled *Fees and Expenses – Series O Management and Administration Fee – Program Fees for Series O Units* below.

If an investor moves their account(s) holding Series O Units to another dealer, the investor will need to negotiate the Investment Advisory Services Fee with their new dealer. The Manager will remit the Investment Advisory Services Fee to the investor’s new dealer at the negotiated rate, effective from the date the Manager receives written confirmation of the amount from their new dealer. The Manager will remit the Investment Advisory Services Fee to an investor’s former dealer in the amount accruing up to the date of transfer at the rate they negotiated with their former dealer.

Program Fees for Series O Units

The Program Fees paid by a Series O investor are calculated based on the Series NAV per Unit of the Series O Units held in the investor’s accounts on the Valuation Date in March, June, September and December in each year. For purposes of calculating the Program Fees, the monthly net asset value of the Units held in an investor’s account will be calculated based on the average of the three months in a full calendar quarter, even though the Series O Units may not have been held in an investor’s account for the full quarter. If such Units

have not been held in an investor's account on any month during the quarter, the net asset value for such Units for such month will be zero.

The Program Fees and any applicable taxes are paid quarterly in arrears by the redemption of sufficient Series O Units held by the investor between the first (1st) and the eighteenth (18th) business day of the month following the end of the calendar quarter. When an investor has more than one account holding Series O Units, the Manager will collect payment for the Program Fees and any applicable taxes by redeeming Series O Units from each such account in proportion to the market value of each account as at the end of the calendar quarter and within each account in proportion to the series net asset value of the Series O Units of a Fund held by the investor in such account as at the end of the calendar quarter.

In the event that an investor moves their account(s) holding Series O Units to a new dealer, the Manager will redeem sufficient securities from the applicable accounts either at the time that the investor moves to the new dealer or shortly thereafter to pay any accrued Program Fees and applicable tax(es) owing to the former dealer, prorated to the number of days in the calendar quarter that the former dealer was the dealer of record in respect of such account(s), and remit such amount to the former dealer.

The Program Fees are payable for as long as an investor (or their successor and permitted assign) hold Series O Units of the Fund. Investors should consult with their tax advisor regarding the tax deductibility of the Program Fees.

Fund Operating Expenses

The “**Fund Costs**”, which are payable by the Fund, are borrowing and interest costs, investor meeting costs (as permitted by Canadian securities regulation), the fees and expenses of the Independent Review Committee (“**IRC**”), any costs and expenses associated with litigation for the benefit of the Fund or brought to pursue rights on behalf of the Fund, the cost of compliance with any new governmental and regulatory requirements or with any material change to existing governmental and regulatory requirements (including extraordinary increases to regulatory filing fees), all expenses directly attributable to any investment or proposed investment that is ultimately not made by the Fund and fees and other governmental charges levied on the Fund.

The Fund is responsible for any acquisition costs incurred in the purchase of interests in the Underlying Funds, including but not limited to any broker fees or premiums paid and the costs of legal or tax advice and opinions and background checks relating to the purchase of interests in an Underlying Fund (the “**Portfolio Acquisition Costs**”). Such costs will be amortized on the basis of a 5-year straight-line after acquisition of the respective Underlying Fund. The Fund's financial statements will be prepared in accordance with International Financial Reporting Standards (“**IFRS**”), which requires such costs to be expensed in the year they are incurred and not amortized over a period of time. As a result, the NAV reported in the Fund's financial statements (“**IFRS NAV**”) may differ from the NAV computed on a monthly basis.

The Fund is also responsible for all applicable taxes, including without limitation, income taxes, withholding taxes, HST and related taxes payable by the Fund (including foreign tax liabilities), any applicable stamp taxes or country registration fees relating to the portfolio securities held by the Fund; margin fees, transfer taxes, withholding taxes, transaction costs associated with the purchase of forward contracts, debt-like securities or other derivative instruments held in the Fund; or any management and performance fees associated with third party investment funds, including ETFs (discussed below) and any HST or other applicable taxes on the foregoing (collectively, the “**Taxes**”).

Each series of the Fund is responsible for its appropriate share of common Fund Costs in addition to the Fund Costs that it alone incurs. The Manager may, in some years and in certain cases, absorb a portion of a series' Fund Costs. The decision to absorb the Fund Costs, or a portion thereof, is reviewed annually and

determined at the discretion of the Manager, without notice to investors. In addition, the Manager pays all Operating Expenses of Series O as part of its agreement with each investor.

Underlying Fund Fees and Expenses

The Fund is responsible for payment of any fees and expenses, including performance fees associated with an Underlying Fund investment. The Fund may also invest in Underlying Funds that invest in other investment vehicles, thereby subjecting the Fund, and Unitholders, to an additional level of fees. In the aggregate, these fees and expenses could be substantial and adversely affect the value of any investment in the Fund. The Fund will seek to limit these costs and expenses by prudently selecting Underlying Funds with more favourable fee structures.

If the Fund is invested in Underlying Funds managed by the Sub-Advisor or one of its affiliates, there will be no duplication of investment management fees, sales or redemption fees in connection with this investment, however, the investment will bear its pro-rata share of applicable third party expenses including, but not limited to, brokerage fees, custodian, audit and regulatory fees and charges as well as any applicable taxes, and costs which are included in the calculation of the monthly net asset value of the investment.

Bank Fees

An investor will be charged the amount of any charges levied by a bank or other financial institution for any charge related to EFTs.

Trailing commissions and Dealer Compensation

For Series A Units which are offered under the front-load sales charge option, an initial sales charge may be paid by the investor at the time of purchase that the investor negotiates with their dealer. The charge can be from 0% to 6% of the value of the securities they purchase. The Manager will deduct the amount of any sales charge from the amount of the investor's investment and the Manager will pay it to the investor's dealer as a commission.

For investors in Series A Units, the Manager pays an investor's dealer trailing commissions on a monthly basis. This commission is determined by the Manager and may be changed at any time. The trailing commission currently payable in respect of Series A Units is 1.0%. The trailing commission is paid based on the monthly Series NAV per Unit of Series A Units held by a dealer's clients during each month. No trailing commission is paid in respect of Series F or O Units.

With respect to Series O Units, the Investment Advisory Services Fee is negotiated between the investor and their dealer. For purposes of administering the Investment Advisory Services Fee, the investor authorizes the Manager to remit the amount of their Investment Advisory Services Fee to their dealer by redeeming Series O Units in their account. For more information please see the section titled *Fees and Expenses – Series O Management and Administration Fee – Investment Advisory Services Fee (Series O Units)* above.

Marketing Support Programs

The Manager may pay for marketing materials the Manager provides to dealers to help support the sale of the Fund. These materials may include reports and commentaries on the financial markets, securities in general or on the Fund itself. In addition, the Manager may organize and present educational conferences for dealers to attend or pay the registration costs for dealers to attend conferences hosted by third parties.

The Manager may share with dealers some of the costs they incur in publishing and distributing sales communications for investors, organizing and presenting seminars to educate investors about mutual funds or organizing and presenting conferences or seminars that dealers may attend. The Manager may execute

brokerage transactions through dealers who have provided other services to the Fund, such as investment research, order execution, or distribution of Units. However, the Manager will only execute through such a dealer if the relevant dealer can best execute the transactions, in accordance with the Manager's policy.

DISTRIBUTIONS

It is the Fund's policy to distribute income quarterly in March, June, September and December, and capital gains annually. The Fund may pay distributions at other times during the year. Distributions (other than distributions of capital gains paid on the redemption of Units) are automatically reinvested in additional Units of the Fund unless an investor requests in writing to receive cash distributions.

The Fund will distribute a sufficient amount of its net income and net realized capital gains for each taxation year so that the Fund will not be liable in any taxation year for income tax under Part I of the Tax Act, other than alternative minimum tax.

PORTFOLIO VALUATION AND NET ASSET VALUE

The Manager calculates the NAV of the Fund in Canadian dollars at the close of trading on the TSX (usually 4 p.m. ET) on a monthly basis on the Valuation Date by dividing the value of all the assets of the Fund less any liabilities by the total number of outstanding Units of the Fund. In the event of any inconsistency between the valuation principles set out below and the provisions of securities laws, the provisions of securities laws will prevail. In calculating the NAV, the following provisions will apply:

1. The value of any cash or its equivalent on hand, on deposit or on call, bills and demand notes and accounts receivable, prepaid expenses, cash dividends declared and interest accrued and not yet received will be its face amount, unless the Manager determines that another value is more appropriate and such deemed value is approved by the Manager.
2. The value of any security or interest in a security which is listed or dealt in upon a stock exchange will be determined by:
 - (a) in the case of a security traded on the day as of which the NAV is being determined, the closing sale price on the principal exchange on which it is traded;
 - (b) in the case of a security not traded on the day as of which the NAV is being determined because such exchange is closed for business on such day, unless decided otherwise by the Manager, the most recent closing sale price; and
 - (c) in the case of any other security not traded on such exchange on the day as of which the NAV is being determined, a price estimated to be the fair value thereof by the Manager on such basis and in such manner as may be approved by the Manager, such price being between the closing ask and bid prices for the security or interest therein as reported by any report in common use or authorized as official by a stock exchange.
3. Except as set out below, the value of any security or interest therein which is not listed or dealt in upon any stock exchange will be determined as nearly as may be possible in the manner described in paragraph 2 above, except that there may be used, for the purpose of determining the sale price or the asked and bid prices, any public quotations in common use which may be available.
4. Except as set out below, in the case of any security or property for which no price quotations are available as provided above, the value thereof will be determined from time to time by the Manager on such basis and in such manner as may be approved by the Manager.

5. The value of a security of an Underlying Fund is valued at the same Valuation Date's closing net asset value per security of the respective Underlying Fund.
6. In the case of any forward contract, the unrealised gain or loss represents the gain or loss that would result if, on the day as of which the NAV is being determined, the forward contracts were closed. When the forward contracts are closed, gains or losses realized are included in the net realized gain (loss) on investments. These investments may be illiquid and may trade infrequently or not at all.
7. Portfolio securities and other assets and liabilities denominated in foreign currencies are translated into Canadian dollars based on the exchange rate of such currencies against Canadian dollars on the day as of which the NAV is being determined.
8. If an asset cannot be valued under the above rules or under any valuation rules set out in securities laws or if any of the valuation rules adopted by the Manager but not set out in securities laws are at any time considered by the Manager to be inappropriate in the circumstances then the Manager will use a valuation that it considers to be fair in the circumstances.

The Manager has procedures to determine the fair value of individual securities for which market prices are not readily available (such as certain restricted or unlisted securities and private placements) or which may not be reliably priced (such as in the case of trade suspensions or halts, price movement limits set by certain foreign markets, and thinly traded or illiquid securities). Some methods for valuing these securities may include: fundamental analysis (earnings multiple, etc.), matrix pricing, discounts from market prices of similar securities, or discounts applied due to the nature and duration of restrictions on the disposition of the securities. The application of fair value pricing procedures represents a good faith determination based upon specifically applied procedures. There can be no assurance that the Fund could obtain the fair value assigned to a security if it were able to sell the security at approximately the time at which the Fund determines its NAV. Such values will not necessarily be indicative of the amount that the Fund could realize in a current transaction. Future confirming events will also affect the estimates of fair value and the effect of such events on the estimates of fair value could be material.

For the purpose of determining NAV at any time, Units of the Fund subscribed for will be deemed to be outstanding as of the time a subscription for Units is accepted by or on behalf of the Fund and the amount received or receivable by the Fund therefor will be deemed to be an asset of the Fund. Units for which an application for redemption has been received by the Fund will be deemed to be outstanding until (and not after) the close of the TSX and thereafter, until paid, the Series NAV per Unit of such Units will be deemed to be a liability of the Fund.

Trading in securities on European and Far Eastern securities exchanges is normally completed well before the close of business on each Valuation Date in Toronto (i.e., a day on which the TSX is open). Trading of European or Far Eastern securities, generally or in a particular country or countries, may not take place on every Valuation Date. In accordance with procedures established and approved by the Manager, a series of market proxies and trigger thresholds are analyzed and maintained daily to determine if events have occurred that might call into question the availability or reliability of the values of such foreign securities between the times at which they are determined and the close of the TSX. If it is determined that the values of such foreign securities are unavailable or unreliable, then the securities will be valued at fair value using procedures established and approved by the board of directors. These procedures may include the use of independent pricing services. Furthermore, trading takes place in various foreign markets on days which are not trading days in Toronto and on which the Fund's NAV is not calculated.

The values of each of the Fund's foreign currency denominated assets and liabilities are converted into Canadian dollars at the rate of exchange as of the close of the TSX. The rates of exchange are provided by an independent service provider that uses contributor rates provided by qualified market participants that may include major banks or other financial institutions.

The fair value of the securities used to determine the Unit value of the Fund will be based on the Fund's valuation practices set out above, which may not be the same as the requirements of IFRS used for financial reporting purposes. Accordingly, the reported value of securities held by the Fund in the Fund's financial statements may be different from the Unit value. The notes to the financial statements of the Fund include disclosure of the Unit value calculated in accordance with the valuation practices and used for other purposes.

Underlying Fund valuation

The net asset values received by the Fund from the Underlying Funds are typically only estimates. In addition, certain securities and properties in which an Underlying Fund may invest may not have a readily ascertainable market price. Such securities and properties will be valued by institutional asset managers for such Underlying Funds, which valuation will be conclusive with respect to the Fund, even though such managers may face a conflict of interest in valuing such securities because the value thereof will affect their compensation. The Fund may rely on estimates of the value of these investments when calculating its net asset value. The Fund may suspend the calculation of its net asset value under certain conditions.

While the valuation of the Fund's publicly-traded securities are more readily ascertainable, the Fund's ownership interest in Underlying Funds are not publicly-traded and the Fund may depend on the institutional asset manager to an Underlying Fund to provide a valuation of the Fund's investment. Moreover, the valuation of the Fund's investment in an Underlying Fund, as provided by an institutional asset manager as of a specific date, may vary from the fair value of the investment that may be obtained if such investment were sold to a third party. Unitholders should recognize that valuations of illiquid assets, such as interests in Underlying Funds, involve various judgments and consideration of factors that may be subjective. As a result, the NAV of the Fund, as determined based on the fair value of its investments in Underlying Funds, may vary from the amount the Fund would realize on the withdrawal of its investments from the Underlying Funds. This could adversely affect Unitholders whose Units are redeemed as well as new Unitholders and remaining Unitholders. For example, in certain cases, the Fund might receive less than the fair value of its investment in connection with its withdrawal of its investment from an Underlying Fund, resulting in a dilution of the value of the Units of Unitholders who do not tender their Units in any coincident tender offer and a windfall to tendering Unitholders; in other cases, the Fund might receive more than the fair value of its investment, resulting in a windfall to Unitholders remaining in the Fund, but a shortfall to tendering Unitholders. No adjustments will be made to the number of Units purchased or redeemed by an investor in the Fund because the use of estimated values in determining the NAV of the Fund or the net asset value of the Underlying Funds, even if the estimated values are subsequently determined to be significantly different from the final values eventually obtained in respect of the Underlying Funds.

An institutional asset manager may use proprietary investment strategies that are not fully disclosed to the Sub-Adviser, which may involve risks under some market conditions that are not anticipated by the Sub-Adviser. The investment strategies and styles used by an institutional asset manager are subject to change without notice. For information about the value of the Fund's investment in Underlying Funds, the Sub-Advisor will be dependent on information provided by the Underlying Funds, including quarterly unaudited financial statements, which if inaccurate could adversely affect the Sub-Advisor's ability to value accurately the Fund's Units. Unitholders in the Fund have no individual right to receive information about the Underlying Funds or the institutional asset managers, will not be securityholders in the Underlying Funds and will have no rights with respect to or standing or recourse against the Underlying Funds, institutional asset managers or any of their respective affiliates.

For the quarterly and/or monthly periods that the net asset values of the Underlying Funds are calculated by the managers of the Underlying Funds, the Manager will not perform an independent review of the valuation of the Fund's portfolio. However, between the quarterly or monthly valuation periods, the net asset values of the Underlying Funds will be adjusted on a monthly basis based on the estimated total return that each Underlying Fund will generate during the current quarter. The Manager will monitor these estimates

regularly and update them as necessary if macro or individual fund changes warrant any adjustments. At the end of the quarter/month, each Underlying Fund's net asset value is adjusted based on the actual income and appreciation or depreciation realized by such Underlying Fund when the quarterly/monthly valuations and income are reported. This information is updated as soon as the information becomes available, typically within the first fifteen (15) business days after the end of each quarter/month.

CANADIAN FEDERAL INCOME TAX CONSIDERATIONS

The following is a general summary of the Canadian federal income tax considerations as of the date of this Offering Memorandum for the Fund and a prospective investor in the Fund who, for the purposes of the Tax Act, is a Canadian individual (other than a trust), is resident in Canada, is not affiliated with the Fund and deals at arm's length with the Fund and holds Units of the Fund directly as capital property.

This summary is based on the current provisions of the Tax Act, the regulations thereunder and the current published administrative practices and assessing policies of the CRA. This summary takes into account all specific proposals to amend the Tax Act and the regulations thereunder publicly announced by the Minister of Finance (Canada) prior to the date hereof. Except for the foregoing, this summary does not take into account or anticipate any changes in law whether by legislative, regulatory, administrative or judicial action. This summary does not take into account provincial or foreign income tax legislation or considerations.

This summary is of a general nature only. It is not exhaustive of all possible income tax considerations and is not intended to be legal or tax advice to any particular investor. Prospective investors should consult their own tax adviser about their particular circumstances.

The Manager will take steps to ensure that no Units of the Fund are acquired or held by a Unitholder who is a non-resident of Canada or other type of "designated beneficiary", as that term is defined for purposes of Part XII.2 of the Tax Act, at any time during a year when the Fund does not qualify as a "mutual fund trust" for purposes of the Tax Act. The Manager will take steps to ensure that, at all relevant times, less than 50% of the fair market value of the Fund is held by one or more "financial institutions", as that term is defined for purposes of the mark-to-market rules in the Tax Act. The Manager does not expect that the Fund will be invested in any Underlying Fund that is or is deemed to be a "controlled foreign affiliate" of the Fund, or a non-resident trust that is not an "exempt foreign trust" as defined in section 94 of the Tax Act.

Taxation of the Fund

The Fund is subject to tax under Part I of the Tax Act on its net income, including net taxable capital gains, as calculated under the Tax Act for a taxation year to the extent that it is not paid or payable to Unitholders (after taking into account any loss carryforwards). As the Fund is not currently a "mutual fund trust" for purposes of the Tax Act, the Fund is not entitled to claim a capital gains refund. The Declaration of Trust requires the Fund to distribute a sufficient amount of its net income and net realized capital gains, if any, for each taxation year to Unitholders so that the Fund will not be liable in any taxation year for income tax under Part I of the Tax Act for any taxation year, other than alternative minimum tax.

The Fund is required to calculate its net income, including net taxable capital gains, in Canadian dollars for each taxation year according to the rules in the Tax Act. Net income, including net taxable capital gains, is affected by fluctuations in the value of the Canadian dollar relative to foreign currency where amounts of income, expense, cost or proceeds of disposition are denominated in foreign currency. The Fund is generally required to include in the calculation of its income interest as it accrues, dividends when they are received and capital gains and losses when they are realized. Foreign source income received by the Fund may be received net of taxes withheld in the foreign jurisdiction. The foreign taxes so withheld are included in the calculation of the Fund's income but may, within certain limits, be claimed as a deduction by the Fund in the calculation of its income or, if the Fund makes designations in respect of the foreign source income, as a foreign tax credit by Unitholders.

To the extent that an investment by the Fund is an “offshore investment fund property” (within the meaning of the Tax Act), the Fund may be required to include in its income the amount determined in accordance with section 94.1 of the Tax Act (the “**OIFP Rules**”). In general terms, the OIFP Rules will apply to the Fund if it is reasonable to conclude, having regard to all the circumstances, that one of the main reasons for the Fund acquiring or holding an investment in a non-resident entity (including potentially debt or equity of a non-resident person) is to derive a benefit from “portfolio investments” of the non-resident entity 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 by the Fund. If section 94.1 of the Tax Act were to apply to an investment by the Fund, the Fund would generally include an amount in income in respect of each month equal to the “designated cost” of the investment at the end of the month multiplied by one-twelfth of the sum of a prescribed rate of interest and 2%. The amount to be included in income under section 94.1 of the Tax Act in respect of an investment will be reduced by any income (other than a capital gain) from the investment for the taxation year. The adjusted cost base of the Fund’s investment will be correspondingly increased by any such amount included in income. The prescribed rate of interest is linked to the yield on 90-day Government of Canada Treasury Bills and is adjusted quarterly.

If the Fund invests in another fund that, for Canadian federal income tax purposes, is a trust that is not resident in Canada (an “**Underlying Foreign Trust**”) that is an “exempt foreign trust” for purposes of the Tax Act and the total fair market value at any time of all fixed interests of a particular class in the Underlying Foreign Trust held by the Fund, persons or partnerships not dealing at arm's length with the Fund, and/or persons or partnerships that acquired their interests in the Underlying Foreign Trust in exchange for consideration given to the Underlying Foreign Trust by the Fund is at least 10% of the total fair market value at that time of all fixed interests of the particular class of the Underlying Foreign Trust, the Underlying Foreign Trust will be deemed by section 94.2 of the Tax Act to be at that time a controlled foreign affiliate (“**CFA**”) of the Fund. If the Underlying Foreign Trust is deemed to be a CFA of the Fund at the end of a particular taxation year of the Underlying Foreign Trust and earns income that is characterized as “foreign accrual property income” as defined in the Tax Act (“**FAPI**”) in that taxation year of the Underlying Foreign Trust, the Fund’s proportionate share of the FAPI of the Underlying Foreign Trust (computed under Canadian federal income tax principles and reducible by certain deductions) must be included in computing the income of the Fund for Canadian federal income tax purposes for the taxation year of the Fund in which that taxation year of the Underlying Foreign Trust ends, whether or not the Fund actually receives a distribution of that FAPI. Under section 94.2 of the Tax Act, in computing the amount of FAPI of an Underlying Foreign Trust that is required to be included in income by the Fund, there may be deductions to the portion of such FAPI that has been distributed or otherwise made payable to the Fund in the applicable taxation year.

In certain circumstances, losses realized by the Fund on the disposition of its investments may be suspended or restricted and therefore not available to offset capital gains or income. For example, the Fund will experience a “loss restriction event” when an investor (counted together with affiliates) becomes the holder of Units worth more than 50% of the Fund unless the Fund qualifies as an “investment fund” under that Tax Act by satisfying certain investment diversification and other conditions. Each time the Fund experiences a loss restriction event, the taxation year of the Fund will be deemed to end and the Fund will be deemed to realize its losses. The Fund may elect to realize its capital gains to offset capital losses, non-capital losses and loss carryforwards. Generally, any undeducted losses will expire and may not be deducted in future years. The Declaration of Trust provides for the automatic distribution to Unitholders of a sufficient amount of net income and net realized capital gains for each taxation year (including a taxation year that is deemed to end) so that the Fund will not be liable for income tax under Part I of the Tax Act, other than alternative minimum tax. The Declaration of Trust provides that this automatic distribution is automatically reinvested in Units of the Fund and the Units are immediately consolidated to the pre-distribution Series NAV per Unit.

Taxation of Unitholders

A Unitholder will generally be required to include in computing income the amount of any income and the taxable portion of any capital gains of the Fund that is paid or payable to the Unitholder in the year (which may include capital gains distributed to the Unitholder on the redemption of Units), whether the amount is reinvested in additional Units of the Fund or paid in cash. Distributions of capital to a Unitholder are not included in income but will reduce the adjusted cost base to the Unitholder of the Units on which the distribution was paid.

Provided that appropriate designations are made by the Fund, the amount of any capital gains of the Fund that is paid or payable to a Unitholder will effectively retain their character and be treated as taxable capital gains of the Unitholder. The Fund may make a designation of its foreign source income so that Unitholders are able to claim a foreign tax credit for foreign taxes paid and not deducted by the Fund.

Unitholders may be taxable on accrued but undistributed income, accrued but unrealized capital gains and realized but undistributed capital gains that are in the Fund at the time the Units are purchased and that were included in the price of the Units.

Any Units acquired by a Unitholder on a reinvestment of distributions from the Fund will have an initial cost to the Unitholder equal to the amount of the distributions so reinvested and will be subject to the averaging provisions of the Tax Act.

Upon the redemption or other disposition of Units by a Unitholder, the Unitholder will realize a capital gain (or capital loss) to the extent that the proceeds of disposition for the Units, net of any costs of disposition, exceed (or are exceeded by) the Unitholder's adjusted cost base of the Units immediately before the disposition. Generally, one-half of a capital gain is included in determining a Unitholder's income and one-half of a capital loss may be deducted from taxable capital gains in accordance with the provisions of the Tax Act.

When a Unitholder redeems all or any of the Units of the Fund held by such Unitholder, the Manager shall have the sole discretion to distribute all or any portion of the Fund's net capital gains to such Unitholder, provided that the amount of the net realized capital gains allocated to a particular redeeming Unitholder shall not exceed the amount, if any, by which the amount payable on the redemption of the Units exceeds the adjusted cost base of the Units being redeemed. The balance of the amount paid to such Unitholder at the time of redemption shall be paid as proceeds of redemption.

Registered Plans

As at the date of this Offering Memorandum, Units of the Fund are not a qualified investment under the Tax Act for RRSPs, RRIFs, TFSAs, RESPs, RDSPs or DPSPs. These Registered Plans and their holders, annuitants, or subscribers, as the case may be, are generally subject to severe adverse tax consequences when a Registered Plan acquires and holds a non-qualified investment.

Redemption Notes

Redemption Notes are not qualified investments for Registered Plans. There may be significant adverse tax consequences to an investor holding Units through a Registered Plan if it receives Redemption Notes upon redemption of Units. Prospective investors are advised to consult their own tax advisors before deciding to exercise the redemption rights attached to the Units.

PRIVACY AND DISCLOSURE OF PERSONAL INFORMATION

The Fund has due diligence and reporting obligations under the Foreign Account Tax Compliance Act (as implemented in Canada by the Canada-United States Enhanced Tax Information Exchange Agreement and Part XVIII of the Tax Act, collectively referred to as “**FATCA**”) and the OECD’s Common Reporting Standard (as implemented in Canada by Part XIX of the Tax Act, referred to as “**CRS**”). Generally, Subscribers (or in the case of certain Subscribers that are entities, the “controlling persons” thereof) will be required by law to provide their dealer with information related to their citizenship or tax residence and, if applicable, their foreign tax identification number. If a Subscriber (or, if applicable, any of its controlling persons, (i) is identified as a U.S. Person (including a U.S. resident or a U.S. citizen); (ii) is identified as a tax resident of a country other than Canada or the U.S.; or (iii) does not provide the required information and indicia of U.S. or non-Canadian status is present, information about the Subscribers (or if applicable, its controlling persons) and their investment in the Fund will generally be reported to the CRA unless the Units are held within a Registered Plan. The CRA will provide that information to, in the case of FATCA, the IRS, and, in the case of CRS, the relevant tax authority of any country that is a signatory of the *Multilateral Competent Authority Agreement on Automatic Exchange of Financial Account Information*, or that has otherwise agreed to a bilateral information exchange with Canada under CRS.

The Manager may also be required to provide securities regulators with the name, residential address and telephone number of the Subscribers in the Fund, the number and type of securities purchased, the total purchase price, the exemption relied on and the date of the distribution (the “**Personal Information**”) and may make any other filing(s) as the Manager’s counsel deems appropriate. In particular, investor should be aware that:

- (i) the Fund is required to deliver the Personal Information concerning the Subscriber to the securities regulatory authority (the “**Regulatory Authority**”) in the Subscriber’s province/territory of residence;
- (ii) the Personal Information is being collected indirectly by the Regulatory Authority under the authority granted to it under securities laws;
- (iii) the Personal Information is being collected for the purposes of the administration and enforcement of the securities laws of Regulatory Authority; and
- (iv) the public official who can answer questions about the Regulatory Authority’s indirect collection of the Personal Information is set out in the Subscription Agreement.

By purchasing Units of the Fund, investors consent and authorize the Manager to make the foregoing disclosures and any similar disclosures as the Manager’s counsel deems appropriate and to the retention of such information by the Manager, foreign tax authorities and agents and securities regulators, for as long as required or permitted by law or business practices.

In addition, investors should read and will be subject to Franklin Templeton’s privacy policy available at www.franklintempleton.ca (the “**Privacy Policy**”). By making an investment in the Units, the investor is deemed to consent to the collection, use and disclosure of the Investor’s Personal Information by Franklin Templeton in accordance with the Privacy Policy.

CUSTODIAN

JPMorgan Chase Bank, N.A., Toronto Branch, the principal business address of which is 66 Wellington Street West, Suite 4500, TD Bank Tower, Toronto, ON, M5K 1E7, has been appointed as custodian of the assets of the Fund pursuant to a custody agreement dated as of January 11, 2021, as amended (the “**Custody Agreement**”).

AUDITOR

The auditor of the Fund is PricewaterhouseCoopers LLP, Chartered Professional Accountants, PwC Tower, 18 York Street, Suite 2600, Toronto, Ontario M5J 0B2.

CONFLICTS OF INTEREST

The Manager is the trustee, manager and portfolio advisor of the Fund. In the course of providing services to the Fund, there may be situations where a conflict of interest (“**conflict**”) will arise between the Manager’s interests and the Fund’s interests. A conflict may arise in circumstances where the Manager (including its representatives) has a separate business or personal interest that is inconsistent with, or divergent from the interests of the Fund’s. Such conflicts can give rise to a perception that the Manager or its representatives, as applicable, may act or will act with a view to its own business or personal interest. A conflict can also arise in circumstances where there are competing interests among the Manager’s clients, including the Fund.

Canadian securities laws require the Manager to take reasonable steps to identify and address material conflicts in the best interest of its clients, including the Fund, and tell clients about them, including how the conflicts might impact clients and how the Manager addresses them in a client’s best interest. The Manager and its representatives always seek to resolve material conflicts in a client’s best interest. Where it is determined that the Manager cannot address a material conflict in a client’s best interest, the Manager and its representatives will avoid that conflict. The Manager has adopted policies and procedures to assist it in identifying and controlling any conflicts that the Manager and its representatives may face. The disclosure in this section describes the material conflicts that arise or may arise in the Manager’s capacity as trustee, manager and portfolio advisor of the Fund.

Investment in Underlying Funds

The Fund may invest a portion of its assets in Underlying Funds managed by the Manager or one of its affiliates. The Manager will ensure that investments by the Fund in an Underlying Fund managed by the Manager or one of its affiliates will not result in any duplication of management or administration fees; however, the Fund may pay certain third party costs as described above under the heading *Fees and Expenses – Underlying Fund Fees and Expenses*.

Inter-fund and *in specie* trades

The Manager has received an exemption from the Canadian securities regulatory authorities to engage in inter-fund trading which would otherwise be prohibited under applicable securities laws. This exemption permits the Fund to purchase securities from or sell securities to another investment fund or managed account managed by the Manager or an affiliate of the Manager, subject to certain conditions.

The Manager has received an exemption from the Canadian securities regulatory authorities to engage in *in specie* transfers, which would otherwise be prohibited under various applicable securities laws. This exemption permits the Fund to receive portfolio securities from, or deliver portfolio securities to, a managed account or another Canadian investment fund managed by the Manager or an affiliate of the Manager in respect of a purchase or redemption of Units of the Fund, subject to certain conditions.

The Manager has an Inter-Account Transaction Policy (the “**Inter-Account Policy**”) which governs inter-account trades and *in specie* transfers. The Inter-Account Policy incorporates conditions imposed by the exemption orders. The Manager has established an independent review committee (“**IRC**”) for the Fund for the limited purpose of reviewing and approving inter-fund and *in specie* trades involving the Fund. The current members of the IRC are Gary Norton (Chair), Stuart Douglas, Bruce Galloway and Barbara Reid. The composition of the IRC may change from time to time but will be composed of persons who are independent from the Manager or entities related to the Manager. The mandate of the IRC is to approve any purchase or sale of securities of any issuer between the Fund and another fund or managed account which is managed by a responsible person or any associate of a responsible person (as defined in applicable securities laws) of the Manager.

Personal securities transactions

Employee personal trading can create a conflict because employees with knowledge of the Manager’s trading decisions could use that information for their own benefit. The Manager addresses this conflict through adherence by its representatives to Franklin Templeton’s Personal Investments and Insider Trading Policy (“**Personal Trading Policy**”). The Personal Trading Policy prohibits certain practices by representatives, including trading ahead of a fund or client account and trading in parallel to or against a fund or client account, short sales and participating in initial public offerings, all in recognition that a fund or client account’s interests are paramount and come before the interests of the Manager or any representative. The Personal Trading Policy also requires representatives to pre-clear securities trades that exceed certain small quantity thresholds and imposes reporting and annual certification requirements.

Fair allocation of investment opportunities

The Manager manages similar accounts for multiple clients and may be trading in the same security on their behalf at the same time. The potential for a conflict exists if one client is given preferential pricing or execution terms over another client. The Manager addresses this conflict through Franklin Templeton’s Equity Trade Allocation Policy and Procedures and Fixed Income Allocation of Investment Opportunities Policy and Procedures (collectively, the “**Trade Allocation Policies**”), which are designed to ensure that buy and sell investment opportunities are allocated fairly among clients and, over time, clients are treated equitably. A summary of the Trade Allocation Policies is available upon request.

Best execution

The selection of a dealer to execute a trade can create a potential conflict because the trade can be directed to a dealer who does not provide best execution (the most advantageous execution terms reasonably available under the circumstances). The impact of this conflict is greater if best execution is not achieved but the registered firm receives a benefit for directing the trade to that dealer. This could impact the Fund as it could make the security more expensive for the Fund. Applicable securities laws require the Manager to make reasonable efforts to achieve best execution when acting for a client. “Best execution” generally means “the most advantageous execution terms reasonably available under the circumstances”. The Manager addresses this conflict through adherence to Franklin Templeton’s Brokerage Allocation Policy and Procedure, which provides that the Manager will attempt to obtain the best combination of low commission rates relative to the quality of brokerage and research services received with a view to maximizing value for clients.

Use of client brokerage commissions

The Manager executes trades in securities on behalf of the Fund. The Manager may direct trades and pay commissions to dealers that provide the Manager with research and/or brokerage products and services. There is a potential conflict because the goods and services the Manager receives may be used for the benefit of clients other than the client on whose behalf the commissions were incurred.

Applicable securities laws limit the types of order execution and research goods and services the Manager can obtain from a dealer or third party. In addition, the Manager adheres to Franklin Templeton’s Use of Client Commissions Compliance Policy and Procedures, which allows it to use client commissions only to acquire goods and services that are permissible under applicable securities laws.

Fair valuation

When the Manager charges fees based on the asset value of the Fund, there is a potential conflict in valuing these assets because a higher value could result in better performance for the Fund and a higher fee paid to the Manager. The Manager addresses this conflict through compliance with Franklin Templeton’s Valuation and Pricing Conventions Policy (the “**Valuation Policy**”). Franklin Templeton has a valuation committee that is responsible for overseeing the Valuation Policy and valuing all investments, including securities held in the Fund, which are valued at fair value. Franklin Templeton uses third-party pricing vendors to value investments and selects such vendors based on their ability to provide accurate and reliable pricing data. Where possible, Franklin Templeton identifies multiple pricing vendors for each investment so that, when the primary pricing vendor is unavailable to price a security on a given day, additional pricing providers are available for use in valuation. Franklin Templeton will employ market level fair valuation in circumstances where independent pricing from a pricing vendor is unavailable or where closing prices in foreign markets are not considered reliable because of market events.

Error correction

An error made by the Manager in connection with the Fund can create a potential conflict because correcting the error in a certain manner may be more advantageous to the Manager and not in the best interests of the Fund. Franklin Templeton has an Error Correction Policy & Procedure (the “**Error Correction Policy**”) which identifies errors that relate to the Manager’s investment advisory, trade execution and administration services provided to its clients, including the Fund. The Error Correction Policy is intended to expeditiously address an error and identify how each error may be corrected, the procedures for the escalation and approval of proposed corrective action and documentation and reporting of an error and the corrective action taken.

Gifts and entertainment

The receipt of gifts or entertainment from business partners that are excessive or frequent may give the appearance of a conflict. This could give rise to a concern that employees of the Manager, including representatives, are placed in a position of obligation when making decisions regarding the use of business partners which may affect the services the Manager provides to the Fund. The Manager addresses this conflict through adherence to Franklin Templeton’s Gifts & Entertainment Compliance Policy and Procedures (the “**G&E Policy**”), which applies to its investment professionals. Under the G&E Policy, the Manager’s investment professionals, including representatives, are required to conduct themselves in a lawful, honest and ethical manner in their business and investment practices and are subject to restrictions on the value of gifts and/or entertainment they can receive from a business partner. The G&E Policy places limits and conditions on the gifts and/or entertainment a Franklin Templeton employee can receive and imposes reporting and recordkeeping requirements on representatives. In addition, Franklin Templeton’s Code of Ethics and Business Conduct prohibits Franklin Templeton employees from soliciting a third-party for any gift or entertainment, regardless of value.

Portfolio holdings release

If the Manager selectively releases portfolio holdings of a fund managed by the Manager, it may benefit one investor over another as that investor will have access to non-public information that potentially creates an unfair advantage. To address the potential conflict, Franklin Templeton has adopted a Portfolio Holdings Release Policy & Procedures (the “**Holdings Release Policy**”) which provides that, subject to certain limited exceptions described in the Holdings Release Policy, an investment fund’s portfolio holdings will not be

made available to anyone until such holdings are released to all investors in the investment fund or to the general public. The Manager generally releases portfolio holdings to the public no sooner than 20 days after the end of each month; however, the release of all or a portion of the Fund's holdings may occur sooner so long as they are made available to all existing and potential investors. Exceptions to the Holdings Release Policy are permissible only where there is a legitimate business purpose for the Fund (such as providing holdings information to various external service providers), the recipient is subject to a duty or agreement to maintain the confidentiality of the holdings information and the release of the holdings information would not otherwise violate applicable law.

Other sales incentives

The Manager may pay for marketing materials it provides to dealers to help support the sale of the Fund. These materials may include reports and commentaries on the financial markets, securities in general or on the Fund itself. In addition, the Manager may organize and present educational conferences for dealers to attend or pay the registration costs for dealers to attend conferences hosted by third parties. The Manager may share with dealers some of the costs they incur in publishing and distributing sales communications for investors, organizing and presenting seminars to educate investors about investment funds or organizing and presenting conferences or seminars that dealers may attend. The Manager may pay a fee to dealers and others who it has entered into agreements with to introduce the Manager to clients for its discretionary investment management services.

Related and Connected Issuers

An issuer of securities is “related” to the Manager if, through ownership, or direction and control over voting securities, the Manager exercises a controlling influence over that issuer or that issuer exercises a controlling influence over the Manager, or the same third party exercises a controlling influence over both the Manager and the issuer. An issuer is “connected” to the Manager if due to indebtedness or other relationships, a reasonable prospective investor might question if that issuer and the Manager are independent of each other. In carrying on business as a portfolio advisor, exempt market dealer and/or mutual fund dealer, the Manager may with respect to securities of related issuers, and in the course of a distribution, securities of connected issuers of the Manager (i) exercise discretionary authority to buy or sell these securities for clients; (ii) make recommendations regarding these securities to clients; and (iii) sell securities issued by investment funds, or other similar collective investment vehicles, established, managed and distributed by the Manager to clients.

These services will be carried on in the ordinary course of business in accordance with usual practices and procedures and in accordance with all applicable disclosure and other regulatory requirements. It is the Manager's policy to comply fully with all applicable securities laws and to make all required disclosures.

The following is a list as of the date of this Offering Memorandum of related and connected issuers of the Manager:

- (i) Franklin Templeton mutual funds managed and distributed by the Manager under the brand names of Franklin Funds, Templeton Funds, Franklin Bissett Funds, Franklin Mutual Series Funds, Franklin Quotential Portfolios, Franklin ActiveQuant Funds, Private Wealth Pools, Franklin Multi-Asset ETF Portfolios, Franklin Core Regional Equity Funds and Franklin Templeton Funds. A complete list of these mutual funds can be found at www.franklintempleton.ca;
- (ii) Franklin ETFs;
- (iii) Templeton Pooled Trusts/Funds, Franklin Templeton Pooled Trusts, Franklin Pooled Funds, Franklin LifeSmart Portfolios and Brandywine Canada Pooled Funds;
- (iv) Franklin Global Real Assets Fund and Franklin Global Real Assets AIV SIF; and

- (v) Investment management products and/or services managed and distributed under the following names: Franklin Bissett Investment Management; Franklin Templeton; Franklin Templeton Investments; Franklin Templeton Institutional; Franklin Templeton Canada; Fiduciary Trust Canada; Franklin Templeton Investment Solutions; Brandywine Global Investment Management (Canada), ULC; Brandywine Canada; Clarion Partners, LLC; Clarion Partners Securities, LLC; ClearBridge Investments, LLC; Martin Currie Inc.; Royce Investment Partners; and Western Asset Management Company, LLC.

By purchasing Units, each Subscriber consents to the purchase by the Fund of certain related and connected issuers, acknowledges that the list of related and connected issuers disclosed herein may be amended from time to time, and acknowledges that the Subscriber’s consent to such purchase will be deemed to apply to any additional related and connected issuers disclosed in an amended Offering Memorandum if the Subscriber does not submit a request for redemption of all of the Subscriber’s securities within 30 days following receipt of such amended Offering Memorandum.

MATERIAL CONTRACTS

The material contracts of the Fund are as follows:

- The Fund has been created under the Declaration of Trust and under its terms FTIC acts as the Trustee, Manager and portfolio advisor of the Fund and has agreed to provide or arrange for the provision of all general management and administrative services required by the Fund in its day-to-day operations, including bookkeeping, recordkeeping and other administrative services.
- The Management Agreement between the Fund and FTIC.
- JPMorgan Chase Bank, N.A., Toronto Branch has been appointed as custodian of the assets of the Fund pursuant to the Custody Agreement.

A copy of the above-referenced agreements (collectively, the “**Material Contracts**”) may be inspected at the Manager’s offices during normal business hours. To the extent there is any inconsistency between the Material Contracts and this Offering Memorandum, the provisions of the Material Contracts will apply.

STATUTORY AND CONTRACTUAL RIGHTS OF ACTION

Securities laws in certain of the provinces and territories of Canada provides investors, or requires investors to be provided with, a remedy for rescission or damages where an offering memorandum and any amendment to it contains a Misrepresentation. As used herein, “**Misrepresentation**” means an untrue statement of a material fact or an omission to state a material fact that is required to be stated or that is necessary to make any statement in the Offering Memorandum not misleading in light of the circumstances in which it was made. A “material fact” is a fact that significantly affects, or would reasonably be expected to have a significant effect on, the market price or value of the securities. These remedies, or notice with respect thereto, must be exercised, or delivered, as the case may be, by the investor within the time limit prescribed by the applicable securities laws.

The following is a summary of the rights of rescission or damages available to investors under the securities laws in certain of the provinces and territories of Canada. Each investor should refer to provisions of the applicable securities laws for the particulars of these rights or consult with a legal adviser. These rights are in addition to any other right that an investor may have at law.

Rights for Investors in Ontario

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

1. no action may be commenced to enforce a right of action:
 - (a) for rescission more than 180 days after the date of the purchase; or
 - (b) for damages more than the earlier of (i) 180 days after the investor first had knowledge of the facts giving rise to the cause of action, or (ii) three years after the date of purchase;
2. the Fund will not be liable if it proves that the investor purchased the Units with knowledge of the Misrepresentation;
3. in an action for damages, the Fund will not be liable for all or any portion of the damages that it proves do not represent the depreciation in value of the Units as a result of the Misrepresentation relied upon;
4. in no case shall the amount recoverable exceed the price at which the Units were sold to the investor; and
5. the Fund will not be liable for a Misrepresentation in forward-looking information if the Fund proves that:
 - (a) this Offering Memorandum contains, proximate to the forward-looking information, reasonable cautionary language identifying the forward-looking information as such, and identifying material factors that could cause actual results to differ materially from a conclusion, forecast or projection in the forward-looking information, and a statement of material factors or assumptions that were applied in drawing a conclusion or making a forecast or projection set out in the forward-looking information; and
 - (b) the Fund had a reasonable basis for drawing the conclusions or making the forecasts and projections set out in the forward-looking information.

The foregoing rights do not apply if the investor is:

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

Rights for Investors in Saskatchewan

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

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

1. no action shall be commenced to enforce the foregoing rights:
 - (a) in the case of an action for rescission, more than 180 days after the date of the transaction that gave rise to the cause of action; or
 - (b) in the case of any action, other than an action for rescission, the earlier of (i) one year after the investor first had knowledge of the facts giving rise to the cause of action, or (ii) six years after the date of the transaction that gave rise to the cause of the action;
2. no person or company will be liable if the person or company proves that the investor purchased the Units with knowledge of the Misrepresentation;
3. no person or company (but excluding the Fund) will be liable if the person or company proves that (i) the Offering Memorandum was delivered without the person's or company's knowledge or consent and that, on becoming aware of its delivery, the person or company immediately gave reasonable general notice to the Fund that it was delivered without the person's or company's knowledge, (ii) on becoming aware of any Misrepresentation, the person or company withdrew the person's or company's consent to the Offering Memorandum and gave reasonable general notice to the Fund of the withdrawal and the reason for it, or (iii) with respect to any part of the Offering Memorandum purporting to be made on the authority of an expert or to be a copy of, or an extract from, a report, an opinion or a statement of an expert, the person or company had no reasonable grounds to believe and did not believe that there had been a Misrepresentation, or the relevant part of the Offering Memorandum did not fairly represent the report, opinion or statement of the expert, or was not a fair copy of or extract from the report, opinion or statement of the expert;
4. no person or company (but excluding the Fund) will be liable with respect to any part of the Offering Memorandum not purporting to be made on the authority of an expert, or to be a copy of or an extract from a report, opinion or statement of an expert, unless the person or company failed to conduct a reasonable investigation sufficient to provide reasonable grounds for a belief that there had been no Misrepresentation, or believed there had been a Misrepresentation;
5. in an action for damages, a person or company will not be liable for all or any portion of the damages that the person or company proves do not represent the depreciation in value of the Units resulting from the Misrepresentation;
6. in no case shall the amount recoverable exceed the price at which the Units were sold to the investor; and
7. a person or company will not be liable for a Misrepresentation in forward-looking information if the person or company proves that:
 - (a) this Offering Memorandum contains, proximate to the forward-looking information, reasonable cautionary language identifying the forward-looking information as such, and identifying material factors that could cause actual results to differ materially from a conclusion, forecast or projection in the forward-looking information; and a statement of the material factors or assumptions that were applied in drawing a conclusion or making a forecast or projection set out in the forward-looking information; and

- (b) the person or company had a reasonable basis for drawing the conclusions or making the forecasts and projections set out in the forward-looking information.

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

Rights for Investors in Manitoba

In the event that this Offering Memorandum or any amendment hereto contains a Misrepresentation, an investor is deemed to have relied on the Misrepresentation and has a right of action for damages against the Fund, every director of the Fund (if applicable) at the date of the Offering Memorandum and every person or company who signed the Offering Memorandum, or alternatively, while still the owner of the purchased Units, a right of rescission against the Fund, provided that:

1. no action may be commenced to enforce a right of action:
 - (a) for rescission more than 180 days after the date of the purchase; or
 - (b) for damages, the earlier of (i) 180 days after the investor first had knowledge of the facts giving rise to the cause of action, or (ii) two years after the date of the purchase;
2. no person or company will be liable if the person or company proves that the investor purchased the Units with knowledge of the Misrepresentation;
3. no person or company (but excluding the Fund) will be liable if the person or company proves that (i) the Offering Memorandum was sent to the investor without the person's or company's consent, and that, after becoming aware of its delivery, the person or company promptly gave reasonable notice to the Fund that it was sent without the person's or company's knowledge or consent, (ii) on becoming aware of the Misrepresentation, the person or company withdrew their respective consent to the Offering Memorandum and gave reasonable notice to the Fund of the withdrawal and the reason for it, or (iii) with respect to any part of the Offering Memorandum purporting to be made on the authority of an expert or to be a copy of, or an extract from, an expert's report, opinion or statement, the person or company proves that they had no reasonable grounds to believe and did not believe that there had been a Misrepresentation, or the relevant part of the Offering Memorandum did not fairly represent the expert's report, opinion or statement, or was not a fair copy of, or an extract from, the expert's report or statement;
4. no person or company (excluding the Fund) will be liable with respect to any part of the Offering Memorandum not purporting to be made on the authority of an expert and not purporting to be a copy of, or an extract from, an expert's report, opinion or statement, unless the person or company did not conduct an investigation sufficient to provide reasonable grounds for a belief that there had been a Misrepresentation, or believed that there had been a Misrepresentation;
5. in an action for damages, a person or company will not be liable for all or any part of the damages that the person or company proves do not represent the depreciation in value of the Units resulting from the Misrepresentation;
6. in no case shall the amount recoverable exceed the price at which the Units were sold to the investor;

7. a person or company will not be liable for a Misrepresentation in forward-looking information if the person or company proves that:
 - (a) this Offering Memorandum contains, proximate to the forward-looking information, reasonable cautionary language identifying the forward-looking information as such, and identifying material factors that could cause actual results to differ materially from a conclusion, forecast or projection in the forward-looking information; and a statement of the material factors or assumptions that were applied in drawing a conclusion or making a forecast or projection; and
 - (b) the person or company had a reasonable basis for drawing the conclusions or making the forecasts and projections set out in the forward-looking information; and
8. if a Misrepresentation is contained in a record incorporated by reference in, or deemed to be incorporated into, this Offering Memorandum, the Misrepresentation is deemed to be contained in this Offering Memorandum.

Rights for Investors in New Brunswick

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

1. no action may be commenced to enforce a right of action:
 - (a) for rescission more than 180 days after the date of the purchase; or
 - (b) for damages more than the earlier of (i) one year after the investor first had knowledge of the facts giving rise to the cause of action, or (ii) six years after the date of purchase;
2. the Fund will not be liable if it proves that the investor purchased the Units with knowledge of the Misrepresentation;
3. in an action for damages, the Fund will not be liable for all or any portion of the damages that it proves do not represent the depreciation in value of the Units as a result of the Misrepresentation relied upon;
4. in no case shall the amount recoverable exceed the price at which the Units were sold to the investor; and
5. the Fund will not be liable for a Misrepresentation in forward-looking information if the Fund proves that:
 - (a) this Offering Memorandum contains, proximate to the forward-looking information, reasonable cautionary language identifying the forward-looking information as such, and identifying material factors that could cause actual results to differ materially from a conclusion, forecast or projection in the forward-looking information; and a statement of the material factors or assumptions that were applied in drawing a conclusion or making a forecast or projection set out in the forward-looking information; and
 - (b) the Fund had a reasonable basis for drawing the conclusions or making the forecasts and projections set out in the forward-looking information.

Rights for Investors in Nova Scotia

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

1. no action may be commenced to enforce a right of action more than 120 days:
 - (a) after the date on which payment was made for the Units; or
 - (b) after the date on which the initial payment was made;
2. no person or company will be liable if the person or company proves that the investor purchased the Units with knowledge of the Misrepresentation;
3. no person or company (but excluding the Fund) will be liable if the person or company proves that (i) the Offering Memorandum was delivered to the investor without the person’s or company’s knowledge or consent and that, on becoming aware of its delivery, the person or company gave reasonable general notice that it was delivered without the person’s or company’s knowledge or consent, (ii) after delivery of the Offering Memorandum and before the purchase of the Units by the investor, on becoming aware of any Misrepresentation in the Offering Memorandum, the person or company withdrew the person’s or company’s consent to the Offering Memorandum and gave reasonable general notice of the withdrawal and the reason for it, or (iii) with respect to any part of the Offering Memorandum purporting to be made on the authority of an expert or to be a copy of, or an extract from, a report, an opinion or a statement of an expert, the person or company had no reasonable grounds to believe and did not believe that there had been a Misrepresentation, or the relevant part of the Offering Memorandum did not fairly represent the report, opinion or statement of the expert, or was not a fair copy of, or an extract from, the report, opinion or statement of the expert;
4. no person or company (but excluding the Fund) will be liable with respect to any part of the Offering Memorandum not purporting to be made on the authority of an expert, or to be a copy, or an extract from, a report, opinion or statement of an expert unless the person or company failed to conduct a reasonable investigation to provide reasonable grounds for a belief that there had been no Misrepresentation, or believed that there had been a Misrepresentation;
5. in an action for damages, a person or company will not be liable for all or any portion of the damages that the person or company proves does not represent the depreciation in value of the Units as a result of the Misrepresentation relied upon;
6. in no case will the amount recoverable in any action exceed the price at which the Units were sold to the investor;
7. a person or company will not be liable for a Misrepresentation in forward-looking information if the person or company proves that:
 - (a) this Offering Memorandum contains, proximate to the forward-looking information, reasonable cautionary language identifying the forward-looking information as such, and identifying material factors that could cause actual results to differ materially from a

conclusion, forecast or projection in the forward-looking information, and a statement of material factors or assumptions that were applied in drawing a conclusion or making a forecast or projection set out in the forward-looking information; and

- (b) the person or company had a reasonable basis for drawing the conclusions or making the forecasts and projections set out in the forward-looking information; and
8. if a Misrepresentation is contained in a record incorporated by reference in, or deemed incorporated into, this Offering Memorandum, the Misrepresentation is deemed to be contained in this Offering Memorandum.

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

Rights for Investors in Prince Edward Island

If this Offering Memorandum delivered to an investor resident in Prince Edward Island contains a Misrepresentation the investor will have a right of action for damages against the Fund, every director of the Fund (if applicable) at the date of this Offering Memorandum and every person who signed this Offering Memorandum, but may elect to exercise a right of rescission against the Fund, in which case the investor shall have no right of action for damages against the Fund, any such director of the Fund or any such other person, provided that, among other limitations:

1. no action may 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,
 - (i) 180 days after the investor first had knowledge of the facts giving rise to the cause of action, or
 - (ii) three years after the date of the transaction giving rise to the cause of action,whichever period expires first;
2. in an action for rescission or damages, no person or company shall be liable if the person or company proves that the investor purchased the Units with knowledge of the Misrepresentation;
3. in an action for damages, no person or company shall be liable for any damages which that person or company proves do not represent the depreciation in value of the Units resulting from the Misrepresentation;
4. the amount recoverable under the right of action described herein must not exceed the price at which the Units purchased by the investor were offered;
5. no person other than the Fund will be liable if the person proves that: (i) this Offering Memorandum was sent to the investor without the person or company's knowledge or consent and that, on becoming aware of its being sent, the person promptly gave reasonable notice to the Fund that it had been sent without the person's knowledge and consent; (ii) the person, on becoming aware of the Misrepresentation, had withdrawn the person's consent to the Offering Memorandum and had given reasonable notice to the Fund of the withdrawal and the reason for it; or (iii) with respect to any part

- of this Offering Memorandum purporting to be made on the authority of an expert or to be a copy of, or an extract from, a report, statement or opinion of an expert, the person had no reasonable grounds to believe and did not believe that there had been a Misrepresentation, or that the relevant part of this Offering Memorandum did not fairly represent the report, statement or opinion of the expert, or was not a fair copy of, or an extract from, the report, statement or opinion of the expert;
6. no person other than the Fund will be liable with respect to any part of this Offering Memorandum not purporting to be made on the authority of an expert and not purporting to be a copy of, or an extract from, a report, statement or opinion 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;
 7. a person will not be liable for a Misrepresentation in forward-looking information if the person proves that:
 - (a) this Offering Memorandum contains, proximate to the forward-looking information, reasonable cautionary language identifying the forward-looking information as such, and identifying material factors that could cause actual results to differ materially from a conclusion, forecast or projection in the forward-looking information, and a statement of material factors or assumptions that were applied in drawing a conclusion or making a forecast or projection set out in the forward-looking information; and
 - (b) the person had a reasonable basis for drawing the conclusions or making the forecasts or projections set out in the forward-looking information; and
 8. if a Misrepresentation is contained in a record incorporated by reference in, or deemed to be incorporated into, this Offering Memorandum, the Misrepresentation is deemed to be contained in this Offering Memorandum.

Rights for Investors in Newfoundland

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

1. no action shall be commenced to enforce the foregoing rights:
 - (a) in the case of an action for rescission, more than 180 days after the date of the transaction that gave rise to the cause of action; or
 - (b) in the case of any action, other than an action for rescission, the earlier of: (i) 180 days after the investor first had knowledge of the facts giving rise to the cause of the action; or (ii) three years after the date of the transaction that gave rise to the cause of the action;
2. no person or company is liable if the person or company proves that the investor purchased the Units with knowledge of the Misrepresentation;
3. no person or company (but excluding the Fund) will be liable if the person or company proves that (i) the Offering Memorandum was delivered to the investor without the person's or company's knowledge or consent and that, on becoming aware of its delivery, the person or company gave

- reasonable notice that it was delivered without the person's or company's knowledge or consent, (ii) on becoming aware of any Misrepresentation in the Offering Memorandum, the person or company withdrew the person's or company's consent to the Offering Memorandum and gave reasonable notice of the withdrawal and the reason for it, or (iii) with respect to any part of the Offering Memorandum purporting to be made on the authority of an expert or to be a copy of, or an extract from, a report, an opinion or a statement of an expert, the person or company had no reasonable grounds to believe and did not believe that there had been a Misrepresentation, or the relevant part of the Offering Memorandum did not fairly represent the report, opinion or statement of the expert, or was not a fair copy of, or an extract from, the report, opinion or statement of the expert;
4. no person or company (but excluding the Fund) will be liable with respect to any part of the Offering Memorandum not purporting to be made on the authority of an expert, or to be a copy of, or an extract from, a report, opinion or statement of an expert unless the person or company did not conduct an investigation sufficient to provide reasonable grounds for a belief that there had been no Misrepresentation, or believed that there had been a Misrepresentation;
 5. in an action for damages, a person or company will not be liable for all or any portion of the damages that the person or company proves do not represent the depreciation in value of the Units as a result of the Misrepresentation relied upon;
 6. in no case shall the amount recoverable exceed the price at which the Units were sold to the investor;
 7. if a Misrepresentation is contained in a record incorporated by reference in, or considered to be incorporated into, this Offering Memorandum, the Misrepresentation is considered to be contained in this Offering Memorandum; and
 8. a person or company will not be liable for a Misrepresentation in forward-looking information if the person or company proves all of the following:
 - (a) the document containing the forward-looking information contained, proximate to that information,
 - (i) 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
 - (i) a statement of the material factors or assumptions that were applied in drawing a conclusion or making a forecast or projection set out in the forward-looking information; and
 - (b) the person or company had a reasonable basis for drawing the conclusions or making the forecasts and projections set out in the forward-looking information.

Rights for Purchasers in the Yukon, Northwest Territories and Nunavut

If this Offering Memorandum, together with any amendment to this Offering Memorandum, delivered to a purchaser resident in the Yukon, Northwest Territories or Nunavut contains a Misrepresentation and it was a Misrepresentation at the time of purchase, the purchaser will have, without regard to whether the purchaser relied on the Misrepresentation, a right of action for damages against the Fund and against every person performing a function or occupying a position with respect to the Fund which is similar to that of a director of a corporation at the date of this Offering Memorandum or, alternatively, while still the owner of the Units, for rescission against the Fund (in which case, if the purchaser elects to exercise the right of rescission, the purchaser will have no right of action for damages), provided that:

1. no person or company will be liable if the person or company proves that the purchaser purchased the Units with knowledge of the Misrepresentation;
2. no person (other than the Fund) will be liable if the person proves that (i) the Offering Memorandum was delivered 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 Fund that it was sent without the person's knowledge or consent, and (ii) on becoming aware of any Misrepresentation in the Offering Memorandum, the person withdrew the person's consent to the Offering Memorandum and gave reasonable notice to the Fund of the withdrawal and the reason for it;
3. no person (other than the Fund) will be liable with respect to any part of the Offering Memorandum unless the person (i) failed to conduct a reasonable investigation to provide reasonable grounds for a belief that there had been no Misrepresentation or (ii) believed that there had been a Misrepresentation;
4. no person will be liable for a Misrepresentation in forward-looking information if:
 - (a) this Offering Memorandum contains, proximate to the forward-looking information, (A) 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 (B) 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
 - (b) the person had a reasonable basis for drawing the conclusions or making the forecasts and projections set out in the forward-looking information;
5. in an action for damages, the defendant will not be liable for all or any portion of the damages that it proves do not represent the depreciation in value of the Units as a result of the Misrepresentation relied upon;
6. in no case shall the amount recoverable exceed the price at which the Units were sold to the purchaser; and
7. no action shall be commenced to enforce the foregoing rights:
 - (a) in the case of an action for rescission, more than 180 days after the date of the purchase of the Units; or
 - (b) in the case of any action, other than an action for rescission, the earlier of (i) 180 days after the purchaser first had knowledge of the Misrepresentation, or (ii) three years after the date of the purchase of Unit.

Contractual Rights of Action in British Columbia, Alberta and Québec

Notwithstanding that the securities laws in British Columbia, Alberta and Québec do not provide or require the Fund to provide to investors resident in these Canadian provinces any rights of action in circumstances where this Offering Memorandum or any amendment to this Offering Memorandum contains a Misrepresentation, the Fund grants to such investors the same rights of action for damages or rescission as those afforded to investors resident in Ontario, as described above.

General

The foregoing summaries are subject to any express provisions of the securities laws of each offering jurisdiction and the regulations, rules and policy statements thereunder and reference is made thereto for the complete text of such provisions. The rights of action described herein are in addition to and without derogation from any other right or remedy that the investor may have at law.