

MEMORIAL UNIVERSITY OF NEWFOUNDLAND

STATEMENT OF INVESTMENT POLICY AND OBJECTIVES FOR ENDOWMENT FUNDS AND NON-ENDOWED FUNDS

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Section 1: Introduction and Purpose

The purpose of this Statement of Investment Policy and Objectives (SIPO) for Endowment Funds and Non-Endowed Funds is to establish the investment principles and guidelines that are appropriate to meet Memorial University of Newfoundland's investment needs, to set out the structure for the management of the assets and the procedures for monitoring investment performance.

The Investment Committee, which is a sub-committee of the Finance Committee of the Board of Regents of Memorial University of Newfoundland, is responsible for the management of the University's investment portfolio assets, in accordance with Section 5 of *The Memorial University Act*, (Appendix A) and has adopted this Statement of Investment Policy and Objectives.

The Investment Committee Terms of Reference is located in Appendix B.

The Investment Committee has the responsibility to select professional external investment management firms (the Managers) who will carry out the management of the assets in accordance with this policy. The Investment Committee is also permitted to manage individual investments if this is deemed to be in the best interest of the endowment funds or non-endowed funds.

The University's administration, in conjunction with the Investment Committee, monitors the performance of the overall investment portfolio in relation to the rate of return objectives and the benchmarks established.

The underlying principle of this policy is that the Investment Committee, the University's administration, and the Managers will ensure that the assets are invested at all times in a prudent and diversified manner, to maximize returns within acceptable levels of risk.

The Investment Committee will review this policy annually. This policy may be amended upon recommendation of the Investment Committee to the Finance Committee and ultimate approval by the Board of Regents.

Section 2: Investment Objectives for Endowment Funds

The University's objectives for the management of its endowments are to maintain a reasonably stable spending rate and to maintain an acceptable funding level so that the initial donations, adjusted for inflation, are available in perpetuity to the University.

In support of this, the objective of the investment strategy is to provide a dependable and increasing source of income to the university by maximizing total return (including interest, dividends and both realized and unrealized capital appreciation) on a long-term basis, within a reasonable and acceptable level of risk.

It is the Investment Committee's desire to reach these investment objectives while maintaining an acceptable level of risk.

Section 3: Investment Objectives for Non-Endowed Funds

The University's objectives for the management of its non-endowed funds are to protect the principal and to provide cash flow to meet the needs of the users.

Although most of these funds can be accessed with little notice, the time horizon of this pool is assumed to be in the five to eight year range as it is unlikely that greater than twenty-five percent of this pool will be drawn down within one year.

In support of these objectives, the objective for the assets is to provide a dependable, stable source of income to the university while minimizing the probability of incurring negative returns.

Section 4: Investment Philosophy

Performance of the investment funds over the longer term is more important than short-term market fluctuations. The key objective is to balance risk and return while limiting volatility through proper risk management. A portfolio with proper risk management has the ability to balance both risk and return by achieving the appropriate level of diversification. Portfolios that are well diversified have a blend of asset classes and investment styles.

A sustainable, well-managed investment portfolio gives consideration to and incorporates environmental, social and governance (ESG) risk factors in the investment manager selection and evaluation process. In its approach to evaluating the suitability and expected long term performance of investment management firms, the objective of the Investment Committee is to seek out asset managers whose fundamental philosophy and style toward research, security selection and corporate participation embodies consideration of ESG risk factors that may have a material impact on the financial return of the investment. These investment managers are expected to engage with corporate management on specific ESG risks and their impact on long-term investment values.

The University's Endowment Fund is invested in multiple assets using specialty Investment Managers with different investment styles to manage the risk of the equity portfolio.

While individual styles such as growth, value, market-oriented, and small, medium and large cap, may produce attractive returns over certain time periods, it is extremely difficult to determine when a particular style will perform best. Since no single investment style has always dominated the market, managers with different styles are used to diversify the risk.

The multi-manager process gives an investor access to specialized money managers and minimizes specific manager risk. Attaining broad exposure to a variety of investment styles by combining complementary managers reduces such risk.

The risk of the Non-Endowed Portfolio is managed by monitoring the maturity and credit ratings of the issuers along with the general interest rate outlook as well as having only a modest exposure to equities.

Section 5: Governance

Responsibilities are divided among the Finance Committee of the Board of Regents, the Investment Committee, which is a sub-committee of the Finance Committee, and the Department of Financial and Administrative Services as noted below.

The Finance Committee:

- When appropriate, recommends to the Board of Regents, changes to the Statement of Investment Policy and Objectives;
- Receives quarterly updates from the Finance Committee representatives on the Investment Committee;
- May request assessment and evaluation of alternative investment policies and strategies; and
- Reports investment activities to the Board of Regents.

The Investment Committee:

The overall objective of the Investment Committee is to bring expert advice and knowledge to bear on the effective management of the University's endowment investment fund, non-endowed investment fund and specifically invested trust funds consistent with the approved fund objectives.

Within this general mandate, the Investment Committee, by its own action, or by delegating tasks to qualified professionals:

- Regularly reviews the Statement of Investment Policy and Objectives and makes recommendations to the Finance Committee for approval and recommendation to the Board of Regents;
 - In particular, periodically reviews the asset mix policies and real rate of return objectives included in the Statement and recommends changes to the Finance Committee as appropriate.
- Directs the investment according to the approved asset mix policy in the markets it considers to be the most appropriate;
- Determines and monitors any deviation from policy within the approved asset mix ranges;
- Structures the portfolio, giving consideration to:
 - Active versus passive management; and
 - Specialty versus balanced management manager styles.
- Makes decisions concerning the engagement and termination of the Managers and other service providers ;
- Meets quarterly to monitor investment performance of the total funds and of the Managers;
- Stays abreast of new instruments and investment products;
- Ensures that all investments satisfy the requirements of this policy as well as all applicable laws and regulations; and that
- Investments satisfy the requirements of any trust or donor restrictions placed upon the University and the University is to advise the Managers of those restrictions, if applicable.

The Investment Committee and the Managers will comply with the requirements of this policy. In making investment decisions, the Investment Committee and the Managers will exercise such discretion with the care, diligence and skill that a person of ordinary

prudence would use in dealing with the property of another and shall use all relevant knowledge and skill that they possess. All individual investment decisions will be made so that there is a reasonable expectation of fair return or appreciation given the nature of the investment, without undue risk of loss or impairment.

The Department of Financial and Administrative Services:

- Ensures compliance with legal and University requirements;
- Executes investment decisions made by the Investment Committee;
- Reports to the Investment Committee on the performance of the Managers and of the total funds. Keeps the Investment Committee informed of all other issues and developments relative to the management of the University investment portfolios;
- Works closely with the Representatives of the Managers as appropriate;
- Reports to the Investment Committee on other University activities that have an impact on the investment portfolios;
- Meets as required with each member of the Investment Committee to discuss any concerns, additional information requirements and suggestions for improvement; and
- Maintains an awareness of progressive investment management policies and practices at other Canadian universities.

Section 6: Description of the University and Asset Base

The University provides higher educational opportunities and carries out research-based programs. Its mission statement is as follows:

Memorial University is an inclusive community dedicated to innovation and excellence in teaching and learning, research, scholarship, creative activity, service and public engagement. Memorial welcomes and supports students and scholars from all over the world and contributes knowledge and expertise locally, nationally, and internationally.

The University is a registered charity and is exempt from corporate income taxes.

The financial position of the University is set out in its annual audited financial statements which are available at http://www.mun.ca/finance/fin_reports/

Section 7: Description of University Funds

Endowment Funds:

The Endowment Fund consists of donated funds, endowed trusts or other funds of a permanent nature. In addition, external funds may be invested in the Endowment Fund including funds of affiliated organizations, where the funds invested are long-term in nature and significant in size and where approval has been granted by the President of the University.

Non-Endowed Funds:

The Non-Endowed Funds consist of expendable funds which are combined for investment purposes until the funds are required for expenditure.

Specifically Invested Trust Funds:

The Specifically Invested Trust Funds consist of both endowed and expendable funds which cannot be pooled for investment purposes because of constraints or conditions attached to the funds.

An analysis of the nature of the fund balances related to the assets is necessary in order to determine the investment policy and strategy to be followed. University fund balances fall into two broad categories, namely:

- Endowed Funds such as Scholarships, Loans, and Endowed Chairs, and similar long-term investment funds which are intended to provide support to projects and activities in perpetuity; and
- Non-Endowed Funds, which include the following:
 - Mid-Term Funds such as Term Awards and Administered Trusts that will be built up over a period of approximately five to ten years and then spent on specific projects; and
 - Short-Term Funds such as Other Unrestricted that will likely be utilized by the University in a time frame shorter than five years.

Section 8: Endowment Investment Funds

The term “pooled investments” is used to describe the activity of pooling many of the trust fund balances for the purpose of investing the funds in various long-term investment vehicles as approved by the *Memorial University Act*.

The purpose of this activity is to attempt to generate returns in excess of what can be obtained by the University savings account, to obtain a consistent rate of return for all endowment funds, to diversify the investment opportunities, and to ensure an even flow of income over the life of the trust funds.

The University’s endowment pooled fund includes, but is not restricted to, the following types of funds:

- Scholarship/Bursary Funds – These are restricted endowments in that the principal is not expendable and all revenue on the principal had a restricted use as defined by the terms and conditions of the trust;
- Loan Funds – These are restricted funds in that the principal plus any interest is to be used to provide temporary loans to students as defined in the terms and conditions of the trust;
- Endowed Chairs – These funds are endowment funded prestigious academic staff appointments established to recognize and/or attract to the University internationally recognized senior academics whose scholarly activity and accomplishments will enrich selected areas of research and teaching;
- Other External Endowments – These are restricted funds in that the principal is not expendable and the interest generated has to be used as defined in the terms and conditions of the particular trust;
- Lecture Funds – These funds provide resources to a faculty to bring distinguished lecturers to campus to speak on topics relevant to the particular faculty;
- Faculty Endowments – These funds were created to allow faculties to build an endowment fund over time, with a view to generating enough interest for use within the faculty for items not normally covered in their operating grant. The principal is not expendable, and any interest generated has to be used to enrich the faculty;
- General University Endowment Fund – This is an internally restricted trust in that the interest is to be used for restricted purposes as approved by the President as defined in the terms and conditions of the trust. The capital portion is only to be used with the authority of the Finance Committee of the Board of Regents upon the recommendation of the President; and
- Other funds as approved by the President.

Spending Rate and Liquidity Needs:

The University’s Endowment Spending Policy (Appendix C) applies to the University awards program, including scholarships, awards (prizes) and bursaries, as well as other endowments such as endowed chairs.

The spending rate, which is based on a five-year rate of return of the portfolio and the inflation rate as applied to the restricted balance of each fund can be expected to be withdrawn from the assets each year to support University spending requirements. This spending rate will be reviewed annually for appropriateness by the Investment Committee who will recommend changes in the rate, if appropriate, to the President.

Asset Mix Considerations:

These assets represent long-term endowment type funds that require a predictable long-term earnings rate while maintaining protection of the assets from the effects of inflation, and providing, if possible, for real long-term growth in capital value.

Liquidity of the total assets is not a major concern. Regular cash flow needs will tend to be met by investment income and additional inflows from funding sources.

The basic investment strategy should be to include a commitment of a significant portion of the assets to relatively stable income generating investments.

Given the virtually infinite time horizon of the fund, the portfolio asset mix should, however, also include a significant portion of equities to provide appropriate diversification and to obtain the higher long-term returns and inflation protection traditionally obtained through equity investments.

The acceptable ranges for the asset mix of the portfolio will be guided by factors outlined below and should normally fall within the following ranges unless specific approval has been obtained by the Finance Committee of the Board of Regents

Asset Mix:

Category (Benchmark)	Minimum	Maximum	Target
Canadian Core Fixed Income (FTSE TMX Universe Bond Index)	5%	15%	10%
Canadian Corporate Fixed Income (FTSE TMX All Corporate Bond Index)	5%	15%	10%
Canadian Equities (S&P TSX Composite Index)	20%	30%	25%
Global Equities (MSCI ACWI C\$ Index)	25%	35%	30%
Canadian Commercial Mortgages (Custom Benchmark ¹)	0%	10%	5%
Canadian Real Estate (Canadian CPI + 4.0%)	15%	25%	20%

1. Custom Mortgage Benchmark: 60% FTSE TMX Short-Term Bond Index + 40% FTSE TMX Mid-Term Bond Index +0.50%

All investments will be undertaken with a view to preserving capital and enabling the fund to meet its required scholarship and related commitments.

The long-term asset mix goal will be determined by these factors:

- Projected long-term cash flows in conjunction with the spending policy;
- The Investment Committee's objective for rate of return;
- The historic pattern of equity investments producing higher rates of return than debt investments over the longer term which pattern is expected to persist; and
- Role of foreign markets recognizing that inclusion of foreign securities does tend to optimize the tradeoff between risk (defined as volatility) and return.

The objectives of portfolio diversification are to:

- Reduce the fund's total return variability;
- Reduce exposure to any single asset class or market sector in the capital market;
- Reduce the risk of inflation; and
- Increase the longer-term risk adjusted return potential of the fund.

Rebalancing:

The actual asset mix of the portfolio will be monitored on a regular basis (at least quarterly) for compliance to the foregoing allowable asset mix ranges. Should either of the asset classes be outside the allowable minimum or maximum limits, the portfolio will be rebalanced back into compliance as soon as reasonably possible.

The target for rebalancing the asset class that has breached the respective limit will be the mid-point between the target allocation and the limit that has been breached.

Types of Eligible Investment Assets:

Investments will not contravene the investment restrictions set out in Section 5 of the *Memorial University Act* (Appendix A).

Publicly traded fixed income instruments can include:

- Money market securities; and
- Bonds, debentures, term loans.

Publicly traded equity or equity-related investments can include:

- Canadian stocks;
- U.S. stocks;
- Non-North American stocks;
- Income trusts; and
- Other.

Mortgages will be accessed via an open-ended pooled fund and include:

- Primarily 1st mortgages on income generating Canadian commercial property;
- Broad diversification by geography and sector; and
- Conservative management from a debt perspective.

Real Estate investments will be accessed via an open-ended pooled fund and include:

- Primarily freehold or leasehold interests in income generating buildings and land;
- Broad diversification, but focused on major urban centers in Canada;
- Conservative management from a debt perspective; and
- Investments in Canadian REITs, which will be classified under publicly traded equity.

Restrictions on Investments:

The Managers will be governed by the mandates as outlined in Appendix D.

Investment restrictions apply within the context of overall fund objectives and the asset mix policy described above.

Minimum Quality Standards for Debt Securities in the Fixed Income Asset Allocation:

Municipal bonds, corporate bonds, debentures and other corporate debt securities purchased for the fund shall have, at a minimum a rating of "Investment Grade" (e.g. "BBB"), according to a recognized bond rating service.

In the event that two distinct rating services have different ratings for the same bond issue, the lower rating will be considered for compliance purposes.

Short-term notes and other evidence of indebtedness of corporations, banks and trust companies shall have a rating of R1 or the equivalent thereof according to a recognized bond rating service; and

All bonds and debentures issued by or guaranteed by Provincial or Federal Government will not be subject to a minimum quality restriction.

Limitations on Securities of a Single Issuer:

No more than 10% of the equity portfolio based on market value should be invested in the securities of any one issuing corporation; and

No more than 5% of market value of the fund in any single corporate bond with the exception of fixed income issuances by one of the six largest Canadian chartered banks, which are capped at 10%. No limitation on bonds guaranteed by a Federal or Provincial government. Only fixed income instruments denominated in Canadian dollars will be purchased.

All investments should exhibit a reasonable level of liquidity and, where appropriate, investments should be well-diversified by sector, industry and issuer.

Pooled Fund Investments:

Investments in any of the above securities can be made by holding units of pooled and/or mutual funds.

The Investment Committee shall monitor, or cause to be monitored, the contents of such funds for their degree of compliance with the foregoing expectations, and may make, or cause to be made, such changes in their choice of such funds as are deemed appropriate to meet the objectives of this Policy.

It is understood that a pooled fund has a separate investment policy that can be modified by the underlying Investment Manager(s). In the event that the underlying pooled fund investment policy is modified, and that modification would be in conflict with this Policy, the Investment Committee will decide what, if any, action is required.

Rate of Return Objectives:

The investment portfolio shall be designed and managed with the objective of obtaining a market rate of return throughout economic cycles, commensurate with the investment risk tolerance noted above and the cash flow needs and the spending rate of the Endowment Spending Policy (Appendix C).

While the stated performance evaluation period will be rolling 4-years periods, performance (risk and return) of the portfolio will be compared, over various time periods, to indices of securities based on the following comparative composite benchmark:

FTSE TMX Universe Bond Index	10%
FTSE TMX All Corporate Bond Index	10%
S&P TSX Composite Index	25%
MSCI ACWI C\$ Index	30%
Custom Mortgage Benchmark ¹	5%
Real Estate Benchmark (Canadian CPI + 4.0%)	20%

1. Custom Mortgage Benchmark: 60% FTSE TMX Short-Term Bond Index + 40% FTSE TMX Mid-Term Bond Index +0.50%

Evaluation over shorter time periods will provide insight into the ability of the manager to achieve the longer-term performance objectives, while considering longer time periods allows the evaluation to temper over-weighting towards shorter term volatility.

Calculation of Rates of Return:

Market Value-Based Returns – investment returns for the investment objectives will be calculated gross of investment management fees.

Annual Results and Reporting:

Within six months subsequent to the fiscal year end, the Investment Committee will be required to submit an annual report to the Finance Committee on the performance of the Endowment Pooled Investment Fund for the previous fiscal year.

Section 9: Non-Endowed Investment Funds

The University's non-endowed investment fund, which is also a pooled fund, includes, but is not restricted to, the following types of funds:

- Faculty Research and Education Trusts – These funds provide resources for development of research and education within each faculty. These funds come under the control of the Dean or applicable Vice-President at Grenfell Campus or the Marine Institute assigned responsibility for the particular trust. Expenditures over \$5,000 must be approved by the applicable Vice-President;
- Other Unrestricted Trusts – These funds are unrestricted in that the fund may be spent in its entirety for the purposes defined in the terms and conditions of the particular trust;
- Administered Trusts – These funds are administered by parties external to the University; and
- Term Awards – These funds are used to provide scholarships and other finite term funding for various purposes, according to the specific agreement. These funds are not endowed; therefore, the amount of the donation plus interest will be expended in its entirety.

Spending Rate and Liquidity Needs:

The University's Endowment Spending Policy (Appendix C) does not apply to these non-endowed funds.

These funds could be accessed on short notice; however, the time horizon of the pool is five to eight years as it is unlikely that greater than twenty-five percent of the pool will be drawn down within one year.

As a result these funds require a higher rate of liquidity than the Endowed Funds. The actual spending rate of these funds will be reviewed annually, and if deemed appropriate by the Investment Committee, the asset mix will be revised to meet the needs of the majority of the funds in this pool.

Asset Mix Considerations

The prime investment consideration for these funds is the protection of principal and the selection of maturities appropriate to anticipated cash flow needs.

The non-endowed funds shall be invested mainly in bonds, money market securities, Canadian mortgages and other such classes of assets, with a portion invested in equities subject to the constraints outlined below.

Securities purchased for the non-endowed investments shall normally mature within ten years, and some with a one-year maturity; however, with the approval of the Director of Financial and Administrative Services, in consultation with the Investment Committee, maturities of more than ten years may be selected.

Asset Mix:

Category (Benchmark)	Minimum	Maximum	Target
Cash and Short-Term Investments (FTSE TMX 91-Day T-Bill Index)	35%	45%	40%
Canadian Core Fixed Income (FTSE TMX Universe Bond Index)	7.5%	17.5%	12.5%
Canadian Corporate Fixed Income (FTSE TMX All Corporate Bond Index)	7.5%	17.5%	12.5%
Canadian Commercial Mortgages (Custom Benchmark ¹)	5%	15%	10%
Canadian Equities (S&P TSX Composite Index)	5%	15%	10%
Global Equities (MSCI ACWI C\$ Index)	10%	20%	15%

1. Custom Mortgage Benchmark: 60% FTSE TMX Short-Term Bond Index + 40% FTSE TMX Mid-Term Bond Index +0.50%

Notwithstanding the asset mix limits above, in the event that a large cash outflow will be anticipated, to raise liquidity, the fund may temporarily breach these limits.

All investments will be undertaken with a view to preserving the principal and to meet the cash flow needs of the users.

The asset mix goal will be determined by these factors:

- Forecasted cash flows determined in conjunction with users of the funds; and
- The historic pattern of equity investments producing higher rates of returns than debt investments over the longer term which pattern is expected to persist.

The objectives of portfolio diversification are to:

- Reduce the fund's total return variability;
- Reduce exposure to any single asset class or market sector in the capital market; and
- Obtain a higher rate of return than if only invested in fixed income investments.

Rebalancing:

The actual asset mix of the portfolio will be monitored on a regular basis (at least quarterly) for compliance to the foregoing allowable asset mix ranges. Should either of the asset classes be outside the allowable minimum or maximum limits, the portfolio will be rebalanced back into compliance as soon as reasonably possible.

The target for rebalancing the asset class that has breached the respective limit will be the mid-point between the target allocation and the limit that has been breached.

Types of Eligible Investment Assets:

Investments will not contravene the investment restrictions set out in Section 5 of the *Memorial University Act* (Appendix A).

Publicly traded fixed income instruments can include:

- Money market securities;

- Bonds, debentures, term loans; and
- Mortgage funds.

Publicly traded equity or equity-related investments can include:

- Canadian stocks;
- U.S. stocks; and
- Non-North American stocks.

Mortgages will be accessed via an open-ended pooled fund and include:

- Primarily 1st mortgages on income generating Canadian commercial property;
- Broad diversification by geography and sector; and
- Conservative management from a debt perspective.

Restrictions on Investments:

The Managers will be governed by the mandates as outlined in Appendix D.

Investment restrictions apply within the context of overall fund objectives and the asset mix policy described above.

Minimum Quality Standards for Debt Securities in the Fixed Income Asset Allocation:

Municipal bonds, corporate bonds, debentures and other corporate debt securities purchased for the fund shall have, at a minimum a rating of “Investment Grade” (e.g. “BBB”), according to a recognized bond rating service.

In the event that two distinct rating services have different ratings for the same bond issue, the lower rating will be considered for compliance purposes.

Short-term notes and other evidence of indebtedness of corporations, banks and trust companies shall have a rating of R1 or the equivalent thereof according to a recognized bond rating service; and

All bonds and debentures issued by or guaranteed by Provincial or Federal Government will not be subject to a minimum quality restriction.

Limitations on Securities of a Single Issuer:

No more than 10% of the equity portfolio based on market value should be invested in the securities of any one issuing corporation; and

No more than 5% of market value of the fund in any single corporate bond with the exception of fixed income issuances by one of the six largest Canadian chartered banks, which are capped at 10%. No limitation on bonds guaranteed by a Federal or Provincial government. Only fixed income instruments denominated in Canadian dollars will be purchased.

All investments should exhibit a reasonable level of liquidity and, where appropriate, investments should be well-diversified by sector, industry and issuer.

Rate of Return Objectives:

The investment portfolio shall be designed and managed with the objective of obtaining a market rate of return throughout economic cycles, commensurate with the investment risk tolerance noted above and the cash flow needs of the users.

While the stated performance evaluation period will be rolling 4-years periods, performance (risk and return) of the portfolio will be compared, over various time periods, to indices of securities based on the following comparative composite benchmark:

FTSE TMX 91-Day T-Bill Index	50%
FTSE TMX Universe Bond Index	30%
S&P TSX Composite Index	10%
MSCI ACWI C\$ Index	10%

Evaluation over shorter time periods will provide insight into the ability of the manager to achieve the longer-term performance objectives, while considering longer time periods allows the evaluation to temper over-weighting towards shorter term volatility.

Calculation of Rates of Return:

Market Value-Based Returns – investment returns for the investment objectives will be calculated gross of investment management fees.

Annual Results and Reporting:

Within six months subsequent to the fiscal year end, the Investment Committee will be required to submit an annual report to the Finance Committee on the performance of the Non-Endowed Pooled Investment Fund for the previous fiscal year.

Section 10: Specifically Invested Trust Funds

The assets of the Specifically Invested Trust Funds shall be invested in accordance with the constraints or direction of the contractual agreement, condition of the estate or by administrative arrangement. Should no instructions exist; the assets will be invested in accordance with the policy for the Endowment Pooled Investment Fund.

Section 10.1: Jarislowsky Chair in Culture Change

Asset Mix

Category	Minimum	Maximum	Target
Cash and Short-Term Investments (FTSE TMX 91-Day T-Bill Index)	0%	50%	0%
Canadian Core Fixed Income (FTSE TMX Universe Bond Index)	45%	55%	50%
Equity and Equity Related Securities	45%	55%	50%
Canadian Equities (S&P TSX Composite Index)	20%	30%	25%
Global Equities (MSCI ACWI C\$ Index)	20%	30%	25%

Rebalancing:

The actual asset mix of the portfolio will be monitored on a regular basis (at least quarterly) for compliance to the foregoing allowable asset mix ranges. Should either of the asset classes be outside the allowable minimum or maximum limits, the portfolio will be rebalanced back into compliance as soon as reasonably possible.

The target for rebalancing the asset class that has breached the respective limit will be the mid-point between the target allocation and the limit that has been breached.

Calculation of Rates of Return:

Market Value-Based Returns – investment returns will be calculated gross of investment management fees.

Annual Results and Reporting:

Within six months subsequent to the fiscal year end, the Investment Committee will be required to submit an annual report to the Finance Committee on the performance of the Jarislowsky Chair in Culture Change Fund for the previous fiscal year.

Section 10.2: Bruneau Centre for Excellence in Choral Music Term Fund

Asset Mix

Category	Minimum	Maximum	Target
Fixed Income (laddered maturities 1-10 years)	100%	100%	100%

Calculation of Rates of Return:

The funds were invested in 2012 to provide annual maturities of \$120,000 from 2013 to 2022. The return to maturity was locked in at that time at 2.5%.

Annual Results and Reporting:

Within six months subsequent to the fiscal year end, the Investment Committee will be required to submit an annual report to the Finance Committee on the performance of the Bruneau Centre for Excellence in Choral Music Term Fund for the previous fiscal year.

Section 11: Investment Manager Structure

The Investment Committee has fiduciary responsibility for the pooled investment funds and will appoint the Managers and other service providers (e.g. custodian, consultant) after being satisfied as to their suitability and competence to act in that capacity.

For a Manager to be considered for appointment, the firm must have sufficient professional investment staff with relevant experience and expertise, must be able to clearly demonstrate that they are financially sound, have experienced low turnover of key personnel, must be able to clearly demonstrate an acceptable level of performance over at least the last five consecutive years and have the long term capacity to undertake the mandate.

In addition, the Managers must have stringent internal and external audit processes and procedures in place to ensure compliance with all appropriate industry rules and regulations.

The Investment Committee will agree with each Manager upon a broad total portfolio mandate which will be a set of written investment guidelines within which the Investment Management Firm is expected to operate.

In implementing the portfolios herein, the Investment Committee has leveraged the expertise of the University Pension Plan governance and oversight. To the extent possible, the investment managers selected to manage the Fund assets are the same managers used by the University Pension Fund.

Appendix D contains the specific Manager mandates.

Section 12: Performance Monitoring and Review

Quarterly Review

The Investment Committee will review the investment performance of the total portfolio to be measured, monitored and reviewed every three months.

The performance of the individual Managers will be reviewed in the context of their respective mandates, as per the performance benchmarks in Appendix D.

Format of Quarterly Investment Report

The quarterly investment monitoring report will be prepared by an independent third party and, at a minimum, include the following:

- Executive summary (provides a concise one page risk and performance summary at the total fund level);
- Brief market overview (for the most recent reporting period);
- Risk and return analysis (annualized rates of return by fund, added value analysis by fund, 5-year risk, return and volatility analysis, 10-year risk, return and volatility analysis);
- Trend analysis (various fund metrics per quarter on a 5-year rolling basis);
- Quarterly market value change (by individual asset class and as a whole);
- Asset allocation chart showing actual vs. target asset allocation for each asset class and allowable ranges;
- Policy compliance (assessment of compliance with the investment policy);
- Managers on watch (any manager that should be under closer scrutiny and the reasons why);
- Consolidated manager approval rating (manager and mandate review on a 4 & 5 year basis with pass or fail ratings, manager updates);
- Detailed performance analytics by asset class (annualized and annual returns per fund and how they rank vs. benchmark and peers, value added charts, 5-year risk analysis, risk vs. return charts);
- Detailed asset summary (breakdown of assets in each fund);
- Summary performance tables (returns for each fund for the quarter, YTD, and on a 1, 2, 3, 4, 5 and 10 year annualized basis);
- Annual returns for the past 5 individual years;
- Summary risk tables (5-year risk metrics per fund); and
- Market update (brief synopsis of key market indicators).

Annual Review

In addition to reviewing the quarterly report that coincides with the year end, the investment committee will:

- Undertake a complete review of this Policy;
- Review the Awards/Endowment Spending Policy (Appendix C), including spending rates, minimum endowment amounts, the shortfall policy and the inflation policy
- Review activities of the individual managers as it relates to ESG reporting; and
- Review the asset mix of this Policy with consideration for the sustainability of the spending rate.

Section 13: Conflict of Interest Guidelines

Any employee of the University directly or indirectly responsible for the investment activities of the University funds and any member of the Investment Committee shall immediately disclose to the President of the University any actual or perceived conflict of interest that could be reasonably expected to impair or could be reasonably interpreted as impairing, his/her ability to render unbiased and objective advice or to fulfill his/her fiduciary responsibilities to act in the best interest of the beneficiaries of the fund.

A member of the Investment Committee required to make such a disclosure shall not vote on any resolution to recommend a transaction in relation to which the disclosure is required.

Similarly, any member of the Board of Regents shall immediately disclose to the Chair of the Board, at the time of its discussion of this policy or of matters related to the investment of the pooled investment fund, any actual or perceived conflict of interest that could be reasonably expected to impair, or could be reasonably interpreted as impairing his/her ability to render unbiased and objective advice or to fulfill his/her fiduciary responsibility to act in the best interests of the fund.

Any member of the Board of Regents required to make such a disclosure shall not participate in the discussion or vote on any resolution in relation to which the disclosure is required.

No person directly or indirectly responsible for the investment activity of the university funds shall knowingly permit the person's interest to conflict with the person's duties and powers in respect of the University funds.

Section 14: Custody

To maintain a proper segregation of duties and adequate controls, all investments held should remain in segregation with a corporation authorized to carry on the business of custodianship in Canada.

The Department of Financial and Administrative Services maintains a record of all investments.

Section 15: Policy Review

This statement shall be reviewed annually, or whenever changes in conditions warrant a review, by the Investment Committee and either confirmed or amended as necessary, with appropriate recommendations made to the Finance Committee who in turn makes appropriate recommendations to the Board of Regents.

Memorial University Act, RSN1970 c231 – Section 5

5. (1) Subject to the terms of a trust relating to a donation and to the express terms of a donor making a donation, the university may convert trust property held by the university and may invest or reinvest the proceeds of that conversion, other trust money, money belonging to the university and available for investment and other property and rights of the university in

- (a) bonds or debentures of a municipality in Canada or in a public school corporation or other corporation, which are guaranteed by the Government of Canada or a province;
- (b) investments in which life insurance companies are authorized by the Parliament of Canada to invest funds, subject to the limitation on investments in stocks, bonds, debentures and real estate mortgage as set out in the *Insurance Companies Act* (Canada);
- (c) other securities on terms and conditions that are approved for the purpose by the Lieutenant-Governor in Council; or
- (d) securities or investments referred to in paragraphs (a), (b) and (c).

(2) Nothing in this section prevents the university from holding a type of bond, debenture, stock, share or other investment donated or bequeathed to it or from carrying out the terms of a deed of trust.

APPENDIX B

Terms of Reference

The Board of Regents shall appoint an **Investment Committee** as a subcommittee of the Finance Committee in accordance with the following terms:

A. COMPOSITION

The Committee shall comprise:

1. Two (2) Board members from the Finance Committee to be appointed by the Chair of the Board of Regents who shall designate one (1) member to be Chair and (1) member to be Vice-Chair.
2. At least (2) members to be appointed by the Chair of the Board from the business community with investment knowledge and experience who shall agree to abide by the Board's Conflict of Interest policy.
3. One (1) member to be appointed by the Chair of the Board from C-CORE.
4. The following ex-officio members:
 - a) The Chair of the Board of Regents;
 - b) The President and Vice-Chancellor;
 - c) The Vice-President (Administration and Finance);
 - d) The Executive Director of Development;
 - e) The Director of Financial and Administrative Services;
 - f) The Manager of Pensions and Benefits; and
 - g) The Manager of Financial Reporting, who shall serve as Secretary

The appointed members shall serve for two years.

B. QUORUM

Quorum shall be a majority provided at least one (1) is from A.1.

C. OBJECTIVE

To recommend to the Finance Committee the most attractive investment options available for short-term and long-term investment of operating and trust funds in accordance with applicable sections of The Memorial University Act.

D. RESPONSIBILITIES

1. To develop procedures and guidelines for the investing of available funds

with the Office of the Director of Financial and Administrative Services being responsible for day-to-day management decisions relating to such investments.

2. To recommend to the Board of Regents selected investment managers for the endowed, non-endowed and specifically invested trust funds and to recommend to the Board of Regents changes in the investment managers if deemed advisable.
3. To review, on a quarterly basis, the performance of the investments and of the investment managers.
4. To recommend to the Board of Regents amendments to the Statement of Investment Policy and Objectives as deemed advisable.
5. To recommend to the Board of Regents the appointment of a custodian of the investments and changes in the custodian if deemed advisable.
6. To recommend to the Board of Regents the appointment of investment consultants to assist in portfolio analysis, performance evaluation, investment manager review and such other services as required.

Awards / Endowment Spending Policy

General Policy

The mandate of the university in managing its awards program is to distribute its resources to current and future generations. The university must balance its current requirements and the provision for growth in the underlying assets to ensure the same level of support in inflation adjusted dollars in the future as in the present.

With expected wide fluctuations in investment returns this general policy must be viewed as a long term goal. This is our longer term target and not a policy that can be used to set the spending rate each year.

This general policy applies to the university awards program, including scholarships, awards (prizes) and bursaries, as well as other endowments such as endowed chairs.

This policy does not apply to the unrestricted special trusts such as faculty research and education trusts.

Types of Awards Programs

The donor has the option to select one of the following programs provided minimum specifications have been met.

1. *Annual Awards*

This option allows the donor to make an annual payment to the university to be used to make an annual award. The award may be given as a scholarship, award or bursary.

2. *Term Award*

This option allows the donor to make a specific donation stating the annual award amount to be issued. The amount of the donation, plus accrued interest, will be expended in its entirety, at which time the award will cease to exist. Any residual balance remaining in the fund will be transferred to the General Entrance Scholarship Fund.

3. *General Entrance Scholarship Fund*

This endowed fund will be created by donations that do not meet the minimum endowment amount where the donor wishes their contribution to be used in perpetuity. Also, any residual balances from term awards can be transferred to this fund. The fund will be used to enhance the entrance scholarship program.

4. *Endowments*

In order to create an endowed fund, a donor must make the following minimum contributions:

Endowed scholarship	\$22,500
Endowed award	\$10,000
Endowed bursary	\$22,500
Endowed chairs	
Teaching chair	\$2,500,000
Research chair	\$3,500,000
Postdoctoral Fellowship	\$750,000

The endowment will be created by allocating 90% of the contribution to restricted capital and 10% to unrestricted capital. The university will never infringe on the restricted capital portion of the fund in order to meet the annual payout. The restricted capital portion will be multiplied by the annual spending rate in order to determine the amount that is paid in the current year.

The first two years of the payout will be taken from the unrestricted balance. The restricted and unrestricted balance will attract investment income to prepare for the 3rd and subsequent annual year payouts.

Donors will have the option to contribute the donation over a period of time but not to exceed 10 years. If the endowment is not fully funded by this time, the balance can be converted to a term award. Endowed chairs are exempt from this part of the policy.

Shortfall Policy

If the investment returns are less than the previously set spending rate, the shortfall will be taken from the unrestricted balance. If the balance in the unrestricted portion is insufficient to make up the shortfall, the donor can be approached to fund the difference or the payment from the endowment can be waived for that year. It is not the intention to draw upon restricted endowment capital to fund shortfalls.

Deferment Policy

At times it may be desirable to defer a payout to a subsequent year (for example, due to no suitable candidate or insufficient unrestricted funds) in which case multiple payouts may be made in future years.

Inflation Policy

Our general policy is to ensure that, over time, the rate of growth in the restricted capital value of endowed funds matches inflation. Every 3 years the endowments will be reviewed to determine whether the level of scholarship funding can be increased. This will be accomplished by transferring funds from the unrestricted portion to the restricted capital portion, giving consideration to inflation, real rate of return and the spending rate.

Annual Policy Review

This policy will be formally reviewed by the Investment Committee on an annual basis to confirm spending rates, minimum endowment amounts, the shortfall policy, the inflation policy and any other items within the policy.

Glossary of Terms

Spending rate – This rate is set by the President annually taking into consideration the five year rate of return on the portfolio and the inflation rate.

Real rate of return – The rate of return used to establish the spending rate defined as the rate of return earned minus the inflation rate.

Rate of inflation – For the purpose of this policy, on a calendar year basis, the increase in the Consumer Price Index for Canada expressed as a percentage.

Restricted capital – 90% of the amount of the initial donation given to create an endowment plus 90% of any subsequent contributions, additions or transfers.

Unrestricted portion – 10% of the amount of the initial donation given to create an endowment plus any investment earnings on the total endowment (restricted and unrestricted) plus 10% of any subsequent contributions or transfers.

The Manager Mandates

Memorial University of Newfoundland's Statement of Investment Policy and Objectives for Endowment Funds and Non-Endowed Funds establishes the investment principles and guidelines that are appropriate to meet Memorial University's investment needs.

This document provides the building blocks from which an investment portfolio can be built. All statements of policy, rules, terms, conditions, etc. outlined in this document will be carefully followed by the Managers as they implement their respective portion of the total investment portfolios.

The foundation of the investment philosophy of the Investment Committee is centered on three basic themes:

1. The level of risk must be controlled and be at a level lower than most long term investment portfolios of endowment and/or pension funds. (i.e. balanced funds);
2. The Investment Committee believes active management rather than passive management will provide better long-term performance; and
3. In making investment decisions, all parties involved will exercise such discretion with the care, diligence and skill that a person of ordinary prudence would use in dealing with the property of another and shall use all relevant knowledge and skill that they possess.

All individual investment decisions will be made so there is a reasonable expectation of fair return or appreciation given the nature of the investment, without undue risk of loss or impairment.

The long-term rate of return objective for the Endowment portfolio is to meet the spending rate after adjusting for inflation. The long-term rate of return objective for the Non-Endowed portfolio is 2-3%.

It is the responsibility of the Investment Committee to conduct a thorough due diligence process, to select the best available Managers for Memorial.

This due diligence process will consider such things as historic rate of return, style, investment process, organizational structure, personnel, client service, etc.

In addition, the Investment Committee must maintain an ongoing due diligence process to monitor Managers as to rate of return, adherence to style or mandate, personnel, etc.

Canadian Cash and Short-Term Investments

The mandate will be a short term fixed income mandate that will primarily invest in Canadian government, provincial, municipal and corporate issues with maturities less than 1 year. Specific investments may include treasury bills, commercial paper, bankers acceptances and other short term investments.

ASSET ALLOCATION

Approximately: 50% of the Non-Endowed Portfolio.

PORTFOLIO LIMITATIONS, CHARACTERISTICS AND DIVERSIFICATION LIMITS

As per the underlying pooled fund investment policy.

PERFORMANCE OBJECTIVES (4-YEAR)

The mandate is expected to produce a gross rate of return equal to:

- 100% of the FTSE TMX 91 Day T-Bill Index, plus
- 0.25%.

The mandate will be placed “on watch” when performance fails to achieve the objective within the following tolerance limits:

- 4-year rolling annualized performance below the objective for 2 consecutive quarters.

Notwithstanding the investment performance, the Investment Committee may place a mandate on watch for reasons that they believe could reasonably impair the ability of the mandate to achieve performance objectives.

Performance for periods shorter than 4-years will be reviewed to the extent that shorter term performance would impair the ability of the portfolio to achieve the longer term objectives.

Canadian Core Fixed Income Investments

The mandate will be a universe bond mandate that will primarily invest in Canadian government, provincial, municipal and corporate issues. Cash will be expected to be held at a minimum.

ASSET ALLOCATION

Approximately: 10% of the Endowment Portfolio;
 30% of the Non-Endowed Portfolio; and
 50% of the Jarislowsky Chair.

PORTFOLIO LIMITATIONS, CHARACTERISTICS AND DIVERSIFICATION LIMITS

As per the underlying pooled fund investment policy.

PERFORMANCE OBJECTIVES (4-YEAR)

The mandate is expected to produce a gross rate of return equal to:

- 100% of the FTSE TMX Universe Bond Index, plus
- 0.25%.

The mandate will be placed “on watch” when performance fails to achieve the objective within the following tolerance limits:

- 4-year rolling annualized performance below the objective for 2 consecutive quarters.

Notwithstanding the investment performance, the Investment Committee may place a mandate on watch for reasons that they believe could reasonably impair the ability of the mandate to achieve performance objectives.

Performance for periods shorter than 4-years will be reviewed to the extent that shorter term performance would impair the ability of the portfolio to achieve the longer term objectives.

Canadian Corporate Fixed Income Investments

The mandate will be a fixed income mandate that will primarily invest in Canadian corporate issues. Cash will be expected to be held at a minimum.

ASSET ALLOCATION

Approximately: 10% of the Endowment Portfolio.

PORTFOLIO LIMITATIONS, CHARACTERISTICS AND DIVERSIFICATION LIMITS

As per the underlying pooled fund investment policy.

PERFORMANCE OBJECTIVES (4-YEAR)

The mandate is expected to produce a gross rate of return equal to:

- 100% of the FTSE TMX All Corporate Bond Index, plus
- 0.25%.

The mandate will be placed “on watch” when performance fails to achieve the objective within the following tolerance limits:

- 4-year rolling annualized performance below the objective for 2 consecutive quarters.

Notwithstanding the investment performance, the Investment Committee may place a mandate on watch for reasons that they believe could reasonably impair the ability of the mandate to achieve performance objectives.

Performance for periods shorter than 4-years will be reviewed to the extent that shorter term performance would impair the ability of the portfolio to achieve the longer term objectives.

Canadian Equity Investments

The Canadian equity mandates will primarily invest in the common stocks and other equity securities of Canadian issuers, including securities that are convertible into or exchangeable against such equities, or in equivalent securities. Cash will be expected to be held at a minimum.

ASSET ALLOCATION

Approximately: 25% of the Endowment Portfolio;
 10% of the Non-Endowed Portfolio; and
 25% of the Jarislowsky Chair.

PORTFOLIO LIMITATIONS, CHARACTERISTICS AND DIVERSIFICATION LIMITS

As per the underlying pooled fund investment policy.

PERFORMANCE OBJECTIVES (4-YEAR)

Return Objective: produce a gross rate of return equal to:

- 100% of the S&P/TSX Composite Index, plus
- 1.25%.

Volatility Objective: Produce a volatility measure (standard deviation) less than or equal to:

- 100% of the volatility of the S&P/TSX Composite Index.

The mandate will be placed “on watch” when performance fails to achieve the objective within the following tolerance limits:

- 4-year rolling annualized performance below the objective for 2 consecutive quarters.

In the event that only one of the objectives are met, a risk adjusted comparison between the mandate and the index will be factored into determining if the mandate is to be placed on watch.

Notwithstanding the investment performance, the Investment Committee may place a mandate on watch for reasons that they believe could reasonably impair the ability of the mandate to achieve performance objectives.

Performance for periods shorter than 4-years will be reviewed to the extent that shorter term performance would impair the ability of the portfolio to achieve the longer term objectives.

Global Equity Investments

The global equity mandates will primarily invest in the common stocks and other equity securities of global issuers, including securities that are convertible into or exchangeable against such equities, or in equivalent securities. Cash will be expected to be held at a minimum.

ASSET ALLOCATION

Approximately: 30% of the Endowment Portfolio;
 10% of the Non-Endowed Portfolio; and
 25% of the Jarislowsky Chair.

PORTFOLIO LIMITATIONS, CHARACTERISTICS AND DIVERSIFICATION LIMITS

As per the underlying pooled fund investment policy.

PERFORMANCE OBJECTIVES (4-YEAR)

Return Objective: Produce a gross rate of return equal to:

- 100% of the MSCI ACWI C\$ Index, plus
- 1.25%.

Volatility Objective: Produce a volatility measure (standard deviation) less than or equal to:

- 100% of the volatility of the MSCI ACWI C\$ Index.

The mandate will be placed “on watch” when performance fails to achieve the objective within the following tolerance limits:

- 4-year rolling annualized performance below the objective for 2 consecutive quarters.

In the event that only one of the objectives are met, a risk adjusted comparison between the mandate and the index will be factored into determining if the mandate is to be placed on watch.

Notwithstanding the investment performance, the Investment Committee may place a mandate on watch for reasons that they believe could reasonably impair the ability of the mandate to achieve performance objectives.

Performance for periods shorter than 4-years will be reviewed to the extent that shorter term performance would impair the ability of the portfolio to achieve the longer term objectives.

Canadian Commercial Mortgage Investments

The mandate will be a core, broadly diversified mortgage pooled fund with an open, liquid structure. The Fund is expected to be diversified across geography and property type and invest primarily in first mortgages on income generating buildings and land. Cash will be expected to be held at a minimum.

ASSET ALLOCATION

Approximately: 5% of the Endowment Portfolio.

PORTFOLIO LIMITATIONS, CHARACTERISTICS AND DIVERSIFICATION LIMITS

As per the underlying pooled fund investment policy.

PERFORMANCE OBJECTIVES (4-YEAR)

The mandate is expected to produce a gross rate of return equal to:

- 100% of 60% FTSE TMX Short Term Bond Index + 40% FTSE TMX Mid Term Bond Index, plus
- 0.50%.

The mandate will be placed “on watch” when performance fails to achieve the objective within the following tolerance limits:

- 4-year rolling annualized performance below the objective for 2 consecutive quarters.

Notwithstanding the investment performance, the Investment Committee may place a mandate on watch for reasons that they believe could reasonably impair the ability of the mandate to achieve performance objectives.

Performance for periods shorter than 4-years will be reviewed to the extent that shorter term performance would impair the ability of the portfolio to achieve the longer term objectives.

Canadian Real Estate Investments

The Canadian real estate mandate will be a core, broadly diversified real estate pooled fund with an open, liquid structure. The Fund is expected to be diversified across geography and property type and invest primarily in income generating freehold or leasehold interests in income generating buildings and land. Cash will be expected to be held at a minimum.

ASSET ALLOCATION

Approximately: 20% of the Endowment Portfolio.

PORTFOLIO LIMITATIONS, CHARACTERISTICS AND DIVERSIFICATION LIMITS

As per the underlying pooled fund investment policy.

PERFORMANCE OBJECTIVES (4-YEAR)

The mandate is expected to produce a gross rate of return equal to:

- 100% of the Canadian CPI, plus
- 4.00%.

The mandate will be placed “on watch” when performance fails to achieve the objective within the following tolerance limits:

- 4-year rolling annualized performance below the objective for 2 consecutive quarters.

Notwithstanding the investment performance, the Investment Committee may place a mandate on watch for reasons that they believe could reasonably impair the ability of the mandate to achieve performance objectives.

Performance for periods shorter than 4-years will be reviewed to the extent that shorter term performance would impair the ability of the portfolio to achieve the longer term objectives.

Pooled Fund Investment Policies

CIBC Asset Management Inc.

CIBC Canadian Active Universe Bond Pool

CIBC Canadian Bond Corporate Investment Grade Pool

CIBC Canadian Money Market Pool

Fidelity Canadian Focused Equity Institutional Trust

Fiera Global Equity Fund

Greystone Mortgage Fund

Greystone Real Estate LP Fund

IAM Real Property Fund

Jarislowsky Fraser

Wellington Management Funds



CIBC ASSET MANAGEMENT INC. INVESTMENT POLICY STATEMENT

Fund: CIBC Canadian Active Universe Bond Pool

Strategy: Canadian Bond

The Pool is subject to the overall eligible assets and guidelines as set forth in the General Statement of Investment Policy for the CIBC Pools and the following constraints and objectives:

Portfolio Composition (%):

- All guidelines and constraints are based on market value, unless otherwise specified

	<u>Portfolio Mix</u>	
	<u>Min</u>	<u>Max</u>
Cash & Equivalents	0%	10%
Canadian Fixed Income	90%	100%

Asset Mix (Detailed)/Diversification Constraints

- All credit ratings are based on "DBRS" or an equivalent recognized agency, at the time of purchase
- In the case of a split credit rating on a security, the higher of the ratings will prevail

Cash & Equivalents

- Minimum credit rating for any single security: "R-1"
- Maximum remaining term to maturity of a single security: 1 year

Fixed-Income

- Minimum average credit rating of the fund (market value weighted): "A"
- Minimum credit rating for any single security: "BBB"
- Maximum aggregate exposure to corporate securities: 60%
- Maximum aggregate exposure to corporate securities with a credit rating of less than "A": 20%
- Maximum aggregate exposure to a corporate issuer and its related issuers: 10%
- Maximum aggregate exposure to unrated fixed income securities: 5%
- Maximum exposure to any single unrated fixed income security: 2%
- Maximum aggregate exposure to provincially issued, backed, or guaranteed securities: 75%
- Maximum exposure to a single provincial issuer: 30%
- Maximum aggregate exposure to municipal issuers: 10%
- Maximum exposure to a single municipal issuer: 5%
- Maximum duration range compared to Index: ± 1 year
- Maximum aggregate exposure to private placements not in the Index (excluding Maple bonds and CMBS): 6.5%
- Maximum aggregate exposure to Maple bonds: 5%
- Maximum exposure to private placements not in the Index from a single issuer: 3%
- Maximum aggregate exposure to foreign currency bonds: 20%
- Maximum aggregate exposure to mortgage-backed securities: 5%
- Maximum aggregate exposure to mortgage loans: 10%

Other

- Equity holdings that have been received as a result of a corporate restructuring of debt must be sold as soon as possible and no later than 180 days after they have been received.

Currency Exposure

- The intention is to hedge the currency exposure of a foreign pay bond back into the base currency of the account. The manager may decide not to hedge given market conditions. Generally at initiation of a foreign pay bond the currency exposure is expected to be hedged back to Canadian dollars. Hedges will be realigned in accordance with operational parameters and market conditions.

Permitted Derivatives

- Derivatives may be used for both hedging and non-hedging purposes. Derivatives may be either traded on a recognized exchange or over-the-counter (OTC). When applying the portfolio and asset mix constraints above, derivatives, physical securities and cash must be aggregated.

Hedging Purposes:

- Derivatives may be used to hedge currency and certain fixed income exposures.
 - Currency exposure may be hedged using only the following permitted derivatives:
 - Currency forwards
 - Currency options
 - Cross hedging is permitted to return to base currency
 - Fixed Income exposure may be hedged using only the following permitted derivatives:
 - Forwards
 - Swaps
 - Futures

Non-hedging purposes:

- Derivatives may be used to gain fixed income exposure.
 - Fixed income exposure may be gained using only the following permitted derivatives:
 - Futures
 - Options

Performance Objectives

- The primary objective is to exceed the return of the benchmark on a 3-year rolling average basis, before management fees and expenses, by 50 basis points.

Benchmarks (CDN\$)

- FTSE/TMX Canada Universe Bond Index: 100%



CIBC ASSET MANAGEMENT INC. INVESTMENT POLICY STATEMENT

Fund: CIBC Canadian Bond Corporate Investment Grade Pool

Strategy: Canadian Corporate Investment Grade Bond

The Pool is subject to the overall eligible assets and guidelines as set forth in the General Statement of Investment Policy for the CIBC Pools and the following constraints and objectives:

Portfolio Composition (%):

All guidelines and constraints are based on market value, unless otherwise specified

	<u>Portfolio Mix</u>	
	<u>Min</u>	<u>Max</u>
Cash & Equivalents	0%	10%
Canadian Fixed Income	90%	100%
Global Fixed Income	0%	10%

Asset Mix (Detailed)/Diversification Constraints

- All credit ratings are based on "DBRS" or an equivalent recognized agency, at the time of purchase
- In the case of a split credit rating on a security, the higher of the ratings will prevail

Cash & Equivalents

- Minimum credit rating for any single security: "R-1"
- Maximum remaining term to maturity of a single security: 1 year

Fixed-Income

- Minimum credit rating for any single security: "BBB"
- Maximum aggregate exposure to securities rated "BBB": Index +5%
- Maximum in BBB rated issues: 45%
- Maximum exposure to a single issuer rated "BBB": 4%
- Maximum aggregate exposure to securities backed by, or guaranteed by the Government (including Supranational): 20%
- Maximum exposure to commercial mortgage backed securities: 10%
- Maximum duration range compared to Index: ± 0.5 years
- Maximum aggregate exposure to an illiquid rated private placements: 10%
- Maximum aggregate exposure to Maple bonds: 10%
- Maximum exposure to a single Maple Issuer: 3%
- Maximum exposure to illiquid private placements from a single issuer: 3%
- If a fixed income security is downgraded below "BBB", the Manager will divest the holding as market conditions allow.
- Any bond that is an index constituent is permitted.



Global Fixed-Income

- Maximum in non-Canadian Dollar denominated securities: 10%
- Maximum in a single non-Canadian issuer: 3%
- Non-U.S. fixed income securities permitted under approved conditions¹

¹Non-U.S. issuer permitted after confirmation that the acquisition and holding of such investment(s) will not have adverse tax implications to the Pool or its unitholders.

Currency Exposure

- Exposure to non-Canadian dollar denominated securities will be hedged back to Canadian dollars at initiation of the position. Hedge will be realigned in accordance with operational parameters.

Other

- Non-investment grade and non-rated bonds must be sold within 120 days of the downgrade or of the notice of the issue being removed from the FTSE TMX Index, if the security is trading.
- Equity received following reorganization or corporate action must be sold as soon as possible and no later than 180 days after equities have been received, if the security is trading.

Permitted Derivatives

- Derivatives may be used for hedging purposes only. Derivatives may be either traded on a recognized exchange or over-the-counter (OTC). When applying the portfolio and asset mix constraints above, derivatives, physical securities and cash must be aggregated.

Hedging Purposes:

- Derivatives may be used to hedge fixed income exposures.
 - Fixed income exposure may be hedged using only the following permitted derivatives:
 - Futures
 - Options
 - Swaps
- Derivatives may be used to hedge currency exposures.
 - Currency exposure may be hedged using only the following permitted derivatives:
 - Currency forwards
 - Currency options
 - Currency futures
 - Currency Swaps

Performance Objectives

- The primary objective is to exceed the returns of the benchmark on a 3-year rolling average basis, before management fees and expenses, by 35 basis points.

Benchmark (CDN\$)

- FTSE TMX Canada Corporate Bond Index: 100%



CIBC ASSET MANAGEMENT INC. INVESTMENT POLICY STATEMENT

Fund: CIBC Canadian Money Market Pool

Strategy: Money Market

The Pool is subject to the overall eligible assets and guidelines as set forth in the General Statement of Investment Policy for the CIBC Pools and the following constraints and objectives:

Portfolio Composition (%):

- All guidelines and constraints are based on market value, unless otherwise specified

	<u>Portfolio Mix</u>	
	<u>Min</u>	<u>Max</u>
Cash & Equivalents	100%	100%

Asset Mix (Detailed)/Diversification Constraints

- All credit ratings are based on "DBRS" or an equivalent recognized agency, at time of purchase
- In the case of a split credit rating on a security, the higher of the ratings will prevail

Cash & Equivalents

- Minimum credit rating for any single security: "R-1"
- Minimum credit rating for any bond with a maturity under 1 year: "BBB"
- Maximum remaining term to maturity of a single security*: 1 year
- Maximum term of floating rate notes having a coupon reset of no less than once a year: 5 years
- Maximum aggregate exposure to floating rate notes: 25%
- Maximum aggregate exposure to securities issued by corporations: 100%
- Maximum exposure to a single security issued by a corporation**: 10%
- Maximum aggregate exposure to foreign issuers in Canadian dollars: 30%

*With the exception of floating rate notes

** includes ABCP and Overnight Term Deposits with a Financial Institution

Permitted Derivatives

- No derivatives permitted.

Performance Objectives

- The primary objective is to exceed the return of the benchmark on a 3-year rolling average basis, before management fees and expenses, by 25 basis points.

Benchmark (CDN\$)

- FTSE TMX Canada 91-day T- Bill Index: 100%

INVESTMENT MANDATE

FIDELITY CANADIAN FOCUSED EQUITY INSTITUTIONAL TRUST

I. INVESTMENT OBJECTIVE

The Trust's investment objective is to seek long-term capital appreciation by investing in a diversified portfolio of Canadian equities.

II. INVESTMENT GUIDELINES

The Manager will follow an active management style based on bottom-up fundamental research and security selection. The primary emphasis will be on providing excess return relative to the S&P/TSX Capped Composite Index (the "Index") through individual stock selection.

The Manager may invest across all market capitalizations (small-, mid- and large-cap issuers).

The Manager may invest in all types of equity securities including, without limitation, common, preferred and other capital stock, rights, REITs, debt securities that are convertible into equity securities and depository receipts for these securities.

The Manager may also invest in money market securities for funds awaiting reinvestment.

The Trust may engage in reverse repurchase transactions for the purpose of earning interest on cash balances. In a reverse repurchase transaction, the Trust buys a security at one price from a party and agrees to sell the same security back to the same party at a higher price at a specific future date. The other party in a reverse repurchase transaction is required to deposit collateral of not less than 102% of the market value of the purchase price paid by the Trust. The value of the collateral is checked and reset according to the term of the repurchase agreement.

The Investment Manager may also buy and sell futures contracts, index options, and other index-linked derivatives in order to maintain a fully invested position while at the same time accommodating liquidity requirements. When required, the Investment Manager may also invest in Canadian treasury bills to be deposited as collateral for the derivatives.

The Investment Manager may also buy and sell exchange-traded funds in order to maintain a fully invested position while at the same time accommodating liquidity requirements.

III. INVESTMENT RESTRICTIONS

The Trust will comply with the investment restrictions applicable under Canadian pension law.

The Trust will be managed to ensure that units of the Trust will be Canadian content for registered plans under the Income Tax Act (Canada).

The Trust will invest only in securities of Canadian issuers.

The Trust will not engage in securities lending or repurchase transactions (excluding reverse repurchase transactions).

Except during the initial investment phase of the Trust and during the liquidation of the Trust, the Investment Manager will comply with the following investment restrictions, which apply at the time of purchase of the securities.

The purchase of securities of any issuer will be limited so that no more than 10% of the Trust's net assets, measured at market value, is invested in the securities of such issuer.

The purchase of securities of any issuer will be limited so that the Trust will not hold 10% or more of any class of securities of such issuer.

Except during the initial investment phase of the Trust and during the liquidation of the Trust, the Investment Manager will also comply with the following investment restrictions¹, which apply on an ongoing basis.

Investments in any one of GIC sector, as categorized by Standard and Poor's, will be limited to ± 7.5 percentage points from the GIC sector weights in the Index.

The Trust will invest in forty (40) to eighty (80) companies.

Investments in a security of an issuer that is a constituent of the Index will be no greater than +5 percentage points and no less than -5 percentage points compared to the security's weight in the Index (e.g. if a security is 4% of value of the Index, the Trust will invest up to 9% of its net assets in the security).

No more than 5% of the Trust's net assets, measured at market value, will be cash, other than on a short-term basis to facilitate settlement of transactions or to accommodate portfolio rebalancing.

¹ In the event of a breach of one of these restrictions due to adverse market conditions, the Investment Manager will use its best efforts to modify the Trust's investments so that it complies with those restrictions within 30 days.



FIERACAPITAL

Investment Policy

Fiera Global Equity Fund

Fiera Global Equity Fund

(the Fund)

Investment Policy

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1. INVESTMENT AND PERFORMANCE OBJECTIVES

1.1 Investment objective

The fundamental investment objective of the Fund is to provide total long term returns through both capital appreciation and distribution income. To attain this objective, the Fund will invest mainly in a well-diversified portfolio (the “**Portfolio**”) of established companies across world markets.

1.2 Performance objective

The Fund seeks to generate a total return of 1.75% higher than the Morgan Stanley Capital International (“**MSCI**”) World Index, on an annualized basis, cap-weighted, with net dividends reinvested, and measured in Canadian Dollars, over four-year moving periods.

1.3 Target allocation

The target allocation of the portfolio is as follows:

Asset Class	Minimum	Target	Maximum	Reference Index
Cash and money market	0%	0%	10%	–
Global equities	90%	100%	100%	MSCI World Index

2. AUTHORIZED INVESTMENTS

Only the investments stated below are permitted, in accordance with the constraints specified for each asset class. All constraints are based on market value unless otherwise specified.

2.1 Cash and money market

- Permitted securities: cash, demand deposits, treasury bills, banker’s acceptance, guaranteed investment certificates and government paper.
- The maturity for permitted securities must not exceed one year.
- A maximum of 2% of the value of the Fund shall be invested per issuer excluding, Canadian government issuers, developed market government issuers, and overnight term deposits.
- All corporate securities must have a minimum credit rating of R-1 Low by the DBRS rating agency or equivalent.

2.2 Global equities

- Permitted securities: Common stocks, subscription rights or warrants, participation units, Income trust, Global Depositary Receipt (GDR), American Depositary Receipts (ADR) and other securities with equity characteristics. In the case of rights and warrants, the underlying securities must be listed on recognized stock exchanges.
- The Fund's equity portfolio must include at least thirty-five (35) securities and a maximum of fifty-five (55) securities.
- A maximum of 10% of the market value of the Fund shall be invested per issuer.
- The Fund shall be invested in at least 6 sectors of the Reference Index, as defined by the Global Industry Classification Standard (GICS).
- The market value invested in each sector is limited to +/-20% of the sector's weight within the MSCI World Index.
- A maximum of 15% of the value of the Fund may be invested in securities from Emerging markets.

2.3 Derivatives instruments

Futures and forwards are permitted on currencies for hedging or risk management purposes. Forwards may only be employed if the Fund is qualified as a mutual fund trust.

2.4 Pooled funds

- The Fund may invest in, or enter into derivative transactions for which the underlying interest is based on, securities of pooled investment vehicles such as mutual funds or pooled funds (open-end or closed-end) managed by Fiera Capital Corporation ("**Fiera Capital**") or one of its associates or affiliates (the "**Fiera Funds**").
- The Fund has not dedicated any fixed percentage of its assets to investing in Fiera Funds. Instead, these investments will be made at the Fund manager's discretion from time to time and could range from none to all of the Fund's assets at any point of time.
- The Fund will invest in Fiera Funds only when it is consistent with the investment objective stated in section 1.1 above and this Investment Policy. When a decision is made to invest the Fund's assets in Fiera Funds, the Fund manager selects the Fiera Funds by assessing various criteria including their suitability for the Fund, management style, investment performance, risk and volatility.

3. INVESTMENT RESTRICTIONS

- The Fund shall not borrow or use the assets of the fund as a loan guarantee. However, the Fund may originate an unexpected short-term overdraft when available cash is insufficient to cover a purchase or Fund redemption.
- Margin purchases and short sales are prohibited.

4. SECURITIES LENDING

The Fund may conclude written securities lending agreements with the Fund's securities custodian. Collateral equal to no less than 102% of the market value of the loaned securities, evaluated on the basis of the daily market price, shall be maintained in liquid securities. This percentage may vary according to the applicable legal or contractual requirements. Income from securities lending is shared between the Fund and its custodian.

5. ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG) CONSIDERATIONS

Environmental, social and governance (ESG) factors are integrated into the fundamental investment decision-making process of the Fund. Fiera Capital is of the view that well-managed companies are generally those that demonstrate high ethical and environmental standards and respect for their employees, for human rights and for the communities in which they do business. These factors are taken into consideration in our fundamental analysis of the investments.


Fiera Capital's Proxy Voting Guidelines document is a key element of its integration of ESG factors in the investment process. Consistent with its proxy voting guidelines, Fiera Capital will exercise its voting rights in order to maintain the highest standard of corporate governance, sustainability of the business and practices of the companies whose shares Fiera Capital holds.

APPROVAL

This amended and restated Investment Policy is hereby approved and effective as of July 4th, 2016.

FIERA CAPITAL CORPORATION


Per: _____
Name: Sylvain Roy
Title: President and Chief Operating Officer, Canadian division


Per: _____
Name: Jean-Philippe Lemay
Title: Chief Investment Officer

Greystone Mortgage Fund

Policy effective as of April 1, 2018

The Greystone Mortgage Fund (the “Fund”) is a separate entity managed by Greystone Managed Investments Inc. (“Greystone”) and is an open-ended unit trust. Eligible investors include accredited investors and may include pension plans, workers’ compensation boards, foundations, endowments, trusts, professional associations and other investors who are not individuals.¹

Objective

The investment objective of the Fund is to provide a vehicle to invest in Canadian commercial real estate mortgages.

The investment objective of the Fund is to achieve superior long-term total returns while maintaining long-term stability of capital. The performance objective is to exceed the Fund’s benchmark return, gross of fees, over a rolling four-year period.

Investment Strategy

The Fund will invest in a diversified portfolio of Canadian commercial real estate mortgages and other permissible investments. The Fund is actively managed to enhance returns and control risks.

To meet its superior long-term total return objective, the portfolio management process focuses on investments providing predictable and stable income. Analysis is undertaken in the context of the overall market and emphasis is placed on the quality of the underlying commercial real estate, the strength, both financial and managerial, of the borrower and/or the guarantor, and the strength and continuity of income paid by tenant(s) occupying space in the mortgaged property.

Performance Benchmark

The performance benchmark index for the Fund is comprised of 60% of the FTSE TMX Canada Short Term Bond Index (maturities of 1 to 5 years) and 40% of the FTSE TMX Canada Mid Term Bond Index (maturities of 5 to 10 years) plus a premium of 50 basis points on an annual basis.

¹ Greystone employees may invest in the Fund from time to time.

Allowable Investments

The Fund will invest only in assets that are allowable investments under applicable legislation.

The assets of the Fund may include first and subsequent priority mortgages which may include leasehold loans, construction loans, land loans, participation loans, wraparound loans, bridge loans, mezzanine debt, and equity investments in Canadian real estate. Equity investments will be acquired only as a result of foreclosure or other compromise arrangements and will be held only until a reasonable sale can be arranged.

Other permissible investments include closed or open ended pooled mortgage funds, and securities or bonds where the asset underlying the securities or bonds is a mortgage or other debt securities secured by real property mortgage or charge.

In order to meet liquidity needs, the Fund may hold cash or short-term investments such as notes, investment certificates, term deposits, treasury bills or similar investments, including the Greystone Money Market Fund. Short-term investments made by the Fund, either directly or indirectly through the Greystone Money Market Fund, must have a rating of R-1 (DBRS) or equivalent and must have maturity dates of no longer than 365 days from the date of purchase.

Asset Guidelines

Based on total current market value, investment classes will be within the following ranges:

	Minimum	Maximum
Mortgages Investments	90%	100%
Cash and Short-term Investments ¹	0%	10%

¹ Cash and short-term investments are primarily used to facilitate portfolio operational and liquidity requirements.

Risk Controls

All risk controls are measured in terms of the Fund's Total Current Market Value.

PROPERTY TYPE

The Fund will own a portfolio that is prudently diversified in terms of underlying property type. The following chart indicates the diversification categories and associated discretionary ranges. The ranges have been established to provide Greystone the flexibility to rebalance the Fund's portfolio mix subject to market conditions and mortgage availability.

Property Type	Minimum	Maximum
Office	10%	45%
Retail	10%	45%
Industrial	10%	45%
Multi-Unit Residential	0%	70%
Mixed Use	0%	20%

GEOGRAPHICAL LOCATION

The Fund will own a portfolio that is prudently diversified in terms of geographical location of the underlying real property. The following chart indicates the diversification categories and associated discretionary ranges. The ranges have been established to provide Greystone the flexibility to rebalance the Fund's portfolio mix subject to market conditions and mortgage availability.

Geographic Location	Minimum	Maximum
Ontario	25%	60%
Quebec	0%	40%
British Columbia	5%	35%
Alberta	10%	40%
Prairies	0%	20%
Atlantic Canada	0%	20%

UNDERWRITING CRITERIA

The Fund's investment decisions will be based upon the demonstration of strong underlying real estate fundamentals, and underwriting of all aspects of the lending opportunity, including but not limited to loan economics, market fundamentals, income stability, collateral security, strength of borrower and/or guarantor, tenant strength, structural condition, and environmental risks.

LOAN-TO-VALUE RATIO

With the exception of CMHC-insured mortgages, the Fund will not make mortgage investments that exceed 85% of the market value of the underlying real property, as supported by an arm's length professionally accredited appraisal. The loan-to-value ratio ("LTV") is calculated: in the case of a first charge, as a percentage of the appraised value; and in the case of a second or subsequent charge, as the second or subsequent charge combined with the prior charged loan(s), as a percentage of the market value (the prior charged loan(s) may be held either by the Fund or an unrelated party).

If the loan is a CMHC-insured first charge, it will not exceed 100% of the appraised value.

DEBT SERVICE COVERAGE RATIO

The appropriate debt service coverage ratio ("DSC") for an investment will be governed by prudent evaluation of relevant factors. These include nominal interest rates, market vs. actual rental rates of the underlying real property, income stability, collateral security, strength of borrower and/or guarantor, strength of tenants, and LTV.

HIGH RATIO LOANS

With the exception of CMHC-insured loans, participation in High Ratio Loans will not, on an aggregate basis, exceed 15% of the market value of the Fund, as determined at the time of a new investment.

SUBSEQUENT PRIORITY DEBT (Non-First Charge Mortgages)

Participation in Subsequent Priority Debt will not, on an aggregate basis, exceed 15% of the market value of the Fund, as determined at the time of a new investment. However, where the Fund is also the holder of the prior charged loan(s), the non-first priority mortgage(s) will not be classified as Subsequent Priority Debt.

HIGH RATIO LOANS/SUBSEQUENT PRIORITY DEBT – PORTFOLIO LIMIT

Notwithstanding the category limits described above, investment in High Ratio Loans and Subsequent Priority Debt will not, on an aggregate basis, exceed 20% of the market value of the Fund, as determined at the time of a new investment.

SINGLE ASSET RESTRICTION

The Fund will not invest more than 10% of the Total Current Market Value of the Fund (as determined at the time of a new investment) in any single loan.

SINGLE BORROWER RESTRICTION

The Fund will not invest in additional loans to any single borrower if such investment would result in the aggregate market value of loans made to the same borrower or group of affiliated borrowers (within the meaning of the Canada Business Corporations Act) held in the Fund exceeding 20% of the Total Current Market Value of the Fund, as determined at the time of the investment.

SHARED LOANS

The Fund may participate in loans on a shared basis with other like-minded lenders.

DURATION

The Fund's average investment duration will be managed within a range determined by the Greystone Alternative Investment team's assessment of market conditions and consultation with Greystone's Fixed Income team.

LIQUIDITY POSITION

The Fund will attempt to keep its liquidity position to a minimum level given the operational requirements of the Fund. To that end, Greystone will not allow new client deposits to enter the Fund if the Liquidity Available for Investment is greater than 10% of the total market value of the assets (excluding cash and cash equivalents) of the Fund.

For these purposes, "Liquidity Available for Investment" is calculated as the aggregate of Total Liquidity and Projected Liquidity where:

- "Total Liquidity" is defined as cash plus short-term investments; and
- "Projected Liquidity" is a negative or positive number representing a conservative estimate made by Greystone of the net of projected and known cash flows of the Fund over a two-year projection period, including but not limited to projected principal and interest payments by borrowers, projected investment income, monthly cash distributions to clients, known client redemption requests, known client subscriptions to the Fund, known mortgage repayments at maturity, and known mortgage acquisition commitments.

Best Execution

Greystone, in carrying out its fiduciary duties to the Fund, seeks to obtain the most favourable terms reasonably available under the circumstances for every Fund transaction.

In seeking the most favourable terms, the overriding determinative factor is whether the transaction represents the best qualitative execution for the Fund, in light of all applicable circumstances.

Conflicts of Interest

Disclosure procedures and guidelines for conduct are in place to identify, manage and disclose conflicts of interest.

General Policy

Greystone shall exercise the care, diligence and skill in making investment decisions at the level that a person knowledgeable in mortgage investments of ordinary prudence would exercise in dealing with the property of another person.

Prohibited Dealings

The Fund is prohibited from engaging in any activity that could reasonably be expected to result in a liability with recourse to the beneficial owners of the Fund.

Performance Measurement

Greystone measures investment performance of the Fund and provides it to unitholders on a monthly basis.

Safekeeping

The Fund's custodian, State Street Trust Company Canada, safekeeps the securities and settles trades.

Prohibited Trading

The Fund is prohibited from short selling, margin trading and maintaining negative cash positions.

Related Parties

Greystone is a private company. Except for any mortgage servicing and administrative services performed by its wholly-owned subsidiary as described below, Greystone is not associated with, nor related to, any parties providing services to the Fund, including but not limited to mortgage brokers, professional appraisers, property managers, asset managers and custodians.

Mortgage servicing and administration services for the Fund may (but will not necessarily) be performed by Greystone or a wholly-owned subsidiary of Greystone formed for such purposes.

Greystone and its employees, Greystone's Funds and Greystone's employee pension plan may hold units in the Fund from time to time.

Valuation

The Fund's investments will be valued at least on a monthly basis, as at the last day of each month. The Fund trustee will strike the unit price at least on a monthly basis.

The Fund's loans will be valued based upon the market interest rate spread, over Government of Canada bonds with a similar term to maturity, at which the loans would be priced if originated on the valuation date. Consideration will be given to general market conditions, and also to the characteristics and risk profile of each individual loan.

Non-performing loans will be valued at the lesser of market value or par, and loans in enforcement proceedings or foreclosure will be valued at the lesser of market value, par, or appraised value of the underlying real estate. Foreclosed real estate will be appraised on an annual basis by qualified external accredited appraisers.

The Fund will be audited by an independent accounting firm on an annual basis. The audit process will include a review of the valuation process and the appropriateness of the values used in the financial statements of the Fund.

Non-compliance

The Fund will adhere to the guidelines contained in this document. In the event that a situation arises that would require a material deviation from the policy, Greystone may make such an investment, provided the investment falls within the General Policy and Greystone subsequently advises in writing, the unitholders of the Fund. This advisement will include a rationale for the non-compliance action, as well as a plan to correct the non-compliance item.

Amendments to the Investment Policy

From time to time, this Investment Policy will be reviewed and revised, if necessary, and as required by legislation. These amendments will become Policy three months following written notification to unitholders, or such earlier date as may be required by changes to legislation or regulations.

Schedule A: Redemption Procedures

1. Greystone Managed Investments Inc. ("Manager") shall have the right to defer any redemption (other than monthly interest income redemptions done in accordance with valid elections accepted by the Manager) and extend the redemption date, for such period of time as the Manager deems necessary, in its sole and absolute discretion, if such redemption would:
 - i. result in the material diminution in the Unit Value;
 - ii. require the sale of assets of the Fund outside the parameters established by these Client Redemption Procedures;
 - iii. be contrary to law;
 - iv. exceed the aggregate of the cash and short-term equivalents of the Fund on the redemption date; or
 - v. result in the reduction in Liquidity Available for Investment, as defined in the Fund's Investment Policy to a level below which the Manager determines to be required in order for the Fund to continue to meet its obligations as they become due.
2. Client redemption requests will be handled on a monthly basis and redemptions will be made, and the Unit Value determined, as at the end of each calendar month.
3. Except as specifically provided, all redemption requests received in a calendar month will have equal priority regardless of when they are received in the month.
4. In the event that all redemption requests cannot be fulfilled, a priority system will be set up among the Clients awaiting fulfilment. This priority system shall be based on the calendar month in which their request was received. All requests received in the same calendar month will have equal priority and will be fulfilled before the redemption requests of subsequent calendar months. Within the same calendar month, requests shall be fulfilled on a pro rata basis.
5. In all cases, unfilled redemption requests will be included by the Manager in its determination of Projected Liquidity of the Fund.
6. The amount payable on a full or partial fulfilment of a Client's redemption request will be equal to the number of Units redeemed multiplied by the Net Asset Value per Unit calculated as at the end of the calendar month most recently proceeding such redemption. Where Units are actually redeemed on the last day of a calendar month, the redemption price payable in respect of those Units will be based on the Net Asset Value per Unit calculated as of such date.
7. The Manager will employ commercially reasonable efforts to cause the Fund to sell assets if the Manager's projections indicate insufficient cash to fulfil any redemption request within 18 months following the Redemption Notification Date. The Manager will have 18 months to execute the sale. Notwithstanding the foregoing, the Manager shall have no obligation to sell assets in the following circumstances:
 - (a) if the sale is not for "market value" (as defined below); or
 - (b) if the sale of assets results in a "material loss" (as defined below) to the Fund.

For the purposes of this section, "market value" shall mean the Manager's best estimate of the market value of a particular asset, acting reasonably and using its professional judgment having regard to all of the asset's circumstances. A "material loss" for the purposes of this section shall be determined by the Manager acting reasonably, and shall include a loss that is material in relation to the value of the asset being considered for sale.
8. Capitalized terms not defined herein have the meanings ascribed to such terms in the Fund's Investment Policy.

Schedule B: Definitions

In this Investment Policy, unless there is something in the subject matter or context inconsistent therewith:

“Appraised value” means value of a property determined at a certain point in time by an accredited professional appraiser.

“Appraiser” means a person qualified as an accredited appraiser by the Appraisal Institute of Canada

“Asset manager” means a professional manager who provides a recommendation for property acquisition, strategic planning and implementation, debt financing, property development, property disposition, corporate administration, and financial reporting services. Asset managers act on behalf of the property owner who provides directions.

“Atlantic Canada” means the provinces of New Brunswick, Newfoundland and Labrador, Nova Scotia, and Prince Edward Island.

“Bridge loan” means a short-term real-estate loan provided to the borrower until a permanent mortgage is secured.

“Broker” means an intermediary between lenders and borrowers who arranges mortgage financing. The broker acts on behalf of the borrower who pays the broker a commission for services.

“CMHC-insured loan” means a loan guaranteed by Canada Mortgage and Housing Corporation.

“Construction loan” means a loan used to finance the construction of a property.

“Custodian” means a financial institution legally responsible for safekeeping of a Fund’s securities.

“DSC (debt service coverage) ratio” is calculated on forecasted annual net operating income of the property divided by annual principal and interest payments. DSC is used to determine the amount of cash flow available to meet annual interest and principal payments on a mortgage.

“Duration” means the degree of sensitivity of the market value of a fixed income instrument (e.g. mortgage, bond) to changes in interest rates. The longer the duration, the more sensitive the mortgage value is to interest rate movements. Key inputs used to calculate duration are current mortgage value, yield, amount and frequency of principal and interest payments, term to maturity, and mortgage value at maturity. For example, a mortgage with duration of approximately 4 years will depreciate approximately 4% in value if interest rates rise 1%; and vice versa, the mortgage value will appreciate approximately 4% if the interest rates fall 1%.

“Foreclosure” means a process by which the lender seizes and sells the mortgaged property due to the borrower’s inability to repay the mortgage. Proceeds of a sale are used to repay all or a part of the mortgage.

“Guarantor” means a third party that pledges assets to pay the mortgage if the borrower defaults on mortgage payments.

“High ratio loan” means a first or subsequent charge mortgage that exceeds 75% of the appraised value of the property.

“Leasehold loan” means a loan on a building located on land leased from a third party.

“Mezzanine debt” means a subsequent priority mortgage that provides additional short-term liquidity to the borrower.

“Mixed use” An income-producing property that comprises multiple significant uses within a single site or building such as retail, office, residential or lodging facilities. For example, office buildings that contain ground-level retail and housing; sites that have separate office, retail and multi-family properties.

“Mortgage” means a loan secured by land and buildings. Additional security may be an assignment of rents and leases and often corporate or personal guarantees.

"Mortgage servicer and administrator" means a third party (which may include Greystone or a wholly-owned subsidiary of Greystone as described above) that performs ongoing administration of mortgages by accepting and recording mortgage payments, remitting payments to the lender, ensuring that property taxes are paid, reviewing insurance, collecting the borrower's and property's financial statements, providing assistance in mortgage workouts and modifications, etc.

"Multi-unit residential" is multi-unit properties including apartments, retirement residences, nursing homes and student housing.

"Net Asset Value per Unit" means the aggregate of the Net Asset Values of each security of the Fund plus cash and short-term investments and any other assets of the Fund less liabilities of the Fund. Divide this by the total units outstanding of the Fund equals the Net Asset Value per Unit.

"Participation loan" means a fixed-rate mortgage loan that enables a lender to benefit from income growth of the mortgaged property if the property income rises above a certain threshold.

"Prairies" means the provinces of Manitoba and Saskatchewan.

"Property manager" means a professional manager that has the responsibility to manage all aspects of the ongoing operation, maintenance, and repair of a property in the best interests of the owner of the property.

"Subsequent priority mortgage" means a mortgage on a property, which is not a first charge (e.g. second, third, etc.).

"Total Current Market Value" includes the market value of all mortgage holdings, the fair market value of real estate owned (if applicable) and cash and short-term investments.

"Wraparound loan" means a loan that enables a borrower with an existing mortgage to obtain more financing from a second lender. The borrower uses a portion of the proceeds to service the existing mortgage.

Greystone Real Estate LP Fund

Policy effective as of April 1, 2018

The Greystone Real Estate LP Fund (the "LP Fund") is a separate entity managed by Greystone Managed Investments Inc. (Greystone). Eligible partners are accredited investors and may include foundations, endowments, trusts, professional associations and other institutional investors who are not individuals.¹

Objective

The investment objective of the LP Fund is to seek superior long-term total returns by investing in a diversified Canadian real estate portfolio that complies with the risk controls set forth herein.

The performance objective of the LP Fund is to outperform the LP Fund's benchmark return by 1% annually over a moving four-year period.

Based on historic returns, this should allow for unitholders to achieve a rate of return equal to the annualized change in the Consumer Price Index plus 4% to 6%; an absolute return that should be measured over a period of 5 to 10 years.

Investment Strategy

The LP Fund invests in a diversified portfolio of Canadian real estate investments and other allowable investments as described below. The LP Fund is actively managed to enhance returns and control risks.

To meet the investment objective, the LP Fund follows an income/income growth investment strategy. The portfolio management process is focused on deriving income/income growth from investments that offer reliable rental revenue from a stable tenant base with the potential to increase that revenue stream over time. Capital appreciation also generally accompanies income growth. Emphasis is placed on income quality and financial strength. The strategy of the LP Fund is to protect, grow and build the income profile of the portfolio.

Performance Benchmark

The performance benchmark index for the LP Fund is the REALpac / IPD Canada Annual Property Index. For further clarity, the benchmark shall include actively managed standing investments, transactions and developments in the REALpac/IPD index.

Allowable Investments

The assets of the LP Fund may include equity interests in, and mortgages of, Canadian real estate. In addition, the assets of the LP Fund may also be invested in securities or bonds where the asset underlying the security or bond is a mortgage or real estate equity.

¹ Greystone's employees may invest in the LP Fund from time to time.

In addition, in order to meet liquidity needs, the LP Fund may hold cash or short-term investments such as notes, investment certificates, term deposits, treasury bills or similar investments, including the Greystone Money Market Fund.

Asset Guidelines

Based on net market value, investment classes will be within the following ranges:

	Minimum	Maximum
Real Estate Investments	90%	100%
Cash and Short-term Investments ⁽¹⁾	0%	10%

⁽¹⁾ Cash and short-term investments are primarily used to facilitate portfolio operational requirements.

Risk Controls

PROPERTY TYPE

The LP Fund will own a portfolio that is prudently diversified in terms of property type. The following chart indicates the discretionary ranges applicable to each property type. The ranges have been established to provide Greystone the flexibility to rebalance the portfolio mix subject to market conditions and property availability. The percentages are based on net market values.

Property Type	Minimum	Maximum
Office	10%	45%
Retail	10%	45%
Industrial	10%	45%
Multi-unit Residential	0%	45%
Mixed use	0%	20%

GEOGRAPHICAL LOCATION

The LP Fund will own a portfolio that is prudently diversified in terms of geographical location. The following chart indicates the discretionary ranges applicable to location. The ranges have been established to provide Greystone the flexibility to rebalance the portfolio mix subject to market conditions and property availability. The percentages are based on net market values.

Region	Minimum	Maximum
Ontario	25%	60%
Quebec	0%	25%
British Columbia	5%	35%
Alberta	10%	40%
Prairies	0%	20%
Atlantic Canada	0%	20%

RISK STRATEGY

The LP Fund will own a portfolio that is prudently diversified in terms of risk strategy. The following chart indicates the discretionary ranges applicable to each risk strategy. The ranges have been established to provide Greystone the flexibility to rebalance the portfolio mix subject to market conditions and property availability. The percentages are based on net market values.

Risk Strategy	Minimum	Maximum
Core	60%	100%
Value-Add	0%	30%
Opportunity	0%	20%
Transition	0%	20%

PROPERTY MANAGER DIVERSIFICATION

The LP Fund is diversified by property manager given consideration to the positioning and strategy of the property within the portfolio and the expertise of the property manager to achieve the strategic objective of the property.

LIQUIDITY POSITION

Greystone will attempt to keep the LP Fund's liquidity position to a minimum level given the operational requirements of the LP Fund. To that end, Greystone will not allow new client deposits to enter the LP Fund if the Liquidity Available for Investment is greater than 10% of the gross market value of the assets of the LP Fund (excluding cash and short-term investments) without deduction for any indebtedness attributable to the underlying assets.

"Total Liquidity" is defined as cash plus short-term investments.

"Liquidity Obligations" is a negative or positive number representing a conservative estimate made by Greystone of the net of projected and known cash flows of the LP Fund over a five-year projection period, including but not limited to projected property income, projected investment income, client redemption requests, cash requirements on properties, ongoing development commitments, debt obligations committed to be discharged, real estate acquisition commitments and real estate dispositions.

"Liquidity Available for Investment" is calculated as Total Liquidity plus Liquidity Obligations. Greystone may from time to time modify this formula as conditions warrant.

SHORT-TERM INVESTMENTS

Short-term investments made by the LP Fund, either directly or indirectly through the Greystone Money Market Fund, must have a minimum rating of 'R1' or equivalent as rated by a recognized rating service, and must have maturity dates of no longer than 365 days from the date of purchase.

LEVERAGE

The LP Fund's portfolio shall not be leveraged more than 50% in aggregate (based on gross market value) and the maximum leverage on any one investment shall not be greater than 75% (based on gross market value when the debt is placed or assumed).

Temporary debt and term debt committed to be discharged are excluded from these requirements.

No debt shall be permitted to have recourse to the unitholders of the LP Fund.

SINGLE ASSET RESTRICTION

Greystone will not invest more than 10% of the net market value of the LP Fund in any one real estate entity, based on book value of the asset at the time of investment.

NON-INCOME-PRODUCING PROPERTIES

Greystone will not invest more than 20% of the net market value of the LP Fund in non-income-producing properties, based on book value of the asset at the time of investment.

Best Execution

Greystone strives to achieve “best execution” on all acquisitions, dispositions and management of properties and other investments on behalf of the LP Fund.

Greystone, in carrying out its fiduciary duties to the LP Fund, seeks to obtain the most favourable terms reasonably available under the circumstances for every LP Fund transaction.

In seeking the most favourable terms, Greystone considers the full range and quality of real estate services, including among other things, the value of research provided as well as execution capability, fees charged, financial stability and responsiveness to Greystone.

The determinative factor is not necessarily the lowest possible cost, but whether the transaction represents the best qualitative execution for the LP Fund, in light of the above circumstances.

General Policy

Greystone shall exercise the care, diligence and skill in making investment decisions at the level that a person knowledgeable in real estate of ordinary prudence would exercise in dealing with the property of another person.

Prohibited Dealings

The LP Fund is prohibited from engaging in any activity that could reasonably be expected to result in a liability with recourse to the unitholders of the LP Fund.

Performance Measurement

Greystone measures investment performance of the LP Fund and provides it to shareholders on a monthly basis.

Related Parties

The Greystone Real Estate Fund Inc., managed by Greystone, may be a co-investor alongside with the LP Fund. Greystone, or an affiliate, may also invest in the LP Fund from time to time. GMI Real Estate Inc., a subsidiary of Greystone, will act as General Partner to the LP Fund.

Asset management services for real estate properties in which the LP Fund is invested may (but will not necessarily) be performed by Greystone (or by one or more wholly-owned subsidiaries of Greystone formed for such purposes) pursuant to a separate service agreement between the applicable property level investment entity and Greystone (or a wholly-owned subsidiary of Greystone). Fees payable to Greystone (or one or more of its wholly-owned subsidiaries) by the applicable investment entity for asset management services will be reasonable and reflect prevailing real estate market conditions.

Greystone's Funds, Greystone's employee pension plan and Greystone's employees may hold units in the LP Fund from time to time.

Valuation

Greystone will maintain an appraisal process to establish the fair market value of the real estate investments of the LP Fund. This process utilizes external firms to determine the fair market value of the real estate investments.

The LP Fund will be audited by an independent accounting firm on an annual basis. The audit process will include a review of the valuation process and the appropriateness of the values used in the financial statements of the LP Fund. Annual audited financial statements will be distributed to the unitholders of the LP Fund.

Greystone shall maintain an objective of quarterly appraisals for each property investment of the LP Fund. The appraisal process, including the duration between each appraisal, shall be in compliance with all standards set by the Appraisal Institute of Canada, or other legislation that may be applicable to the LP Fund.

Tax Status

The LP Fund is not a legal taxpaying entity. Income or loss is calculated at the Partnership level and allocated to the partners for inclusion of each partner's individual taxable income. Greystone recommends each active and prospective partner consult professional tax advice.

Non-compliance

The LP Fund will adhere to the guidelines contained in this document. In the event that a situation arises that would require a material deviation from the policy, Greystone may make such an investment, provided the investment falls within the General Policy and Greystone subsequently advises in writing, the unitholders of the LP Fund. This advisement will include a rationale for the non-compliance action, as well as a plan to correct the non-compliance item.

Amendments to the Investment Policy

From time to time, this Investment Policy will be reviewed and revised by the Board of Directors of the General Partner, if necessary, and as required by legislation. The amendments will become Policy three months following written notification to unitholders, or such earlier date as may be required by changes to legislation or regulations.

Schedule A: Redemption Procedures

1. Greystone shall have the right to defer any redemption, and extend the Redemption Date, for such period of time as Greystone deems necessary, in its sole and absolute discretion, if such redemption would:
 - (i) result in the material diminution in the LP Fund Value Per Unit;
 - (ii) involve the sale of assets of the LP Fund, except as provided in Section 7 hereof;
 - (iii) be contrary to law; or
 - (iv) exceed the aggregate of the cash and liquid securities of the LP Fund on the Redemption Date.
2. Unitholder redemption requests will generally be handled on a quarterly basis. For purposes of client redemption requests, the quarters will be defined as February 1 to April 30, May 1 to July 31, August 1 to October 31 and November 1 to January 31. Except as specifically provided, all requests received in a quarter will have equal priority no matter when they are received in the quarter.
3. Despite Section 1., above, "Non-Significant" redemption requests may be fulfilled, at Greystone's discretion at the end of the month in which they are received at the LP Fund Value Per Unit determined at the end of the relevant month. A Non-Significant redemption request will be defined as a redemption request that is less than the greater of \$1,000,000 and 10% of the Liquidity Available for Investment (as defined in the LP Fund Investment Policy). All redemption requests that are not Non-Significant redemption requests are "Significant" redemption requests. If Greystone refuses a Non-Significant request, it will be processed along with all other requests received in that redemption quarter. Unitholders will be allowed only one Non-Significant redemption request per fiscal quarter.
4. All Significant redemption requests will be fulfilled at the LP Fund Value Per Unit determined at the end of a calendar quarter. This is due to the timing of the appraisal information received. This will ensure that the most current appraisal information is used in determining the Unit values. This produces the greatest equity between staying and departing unitholders.
5. Unitholders may request a cash distribution or a cash redemption schedule. Greystone may refuse any schedule that may possibly be to the detriment of the remaining unitholders, as determined by Greystone in its discretion. If a schedule is elected, this obligation will become part of the Liquidity Obligation portion of the Total Liquidity (as such terms are defined in the LP Fund's Investment Policy). Greystone may, at its option and at any time, accelerate the payments requested in any redemption schedule if it determines that a continuation of that schedule is to the detriment of the remaining unitholders. Scheduled payments will generally be made on a quarterly basis.
6. In the event that all redemption requests cannot be fulfilled, a priority system will be set up among the unitholders awaiting fulfillment. This priority system shall be based on the redemption quarter in which their request was received. All requests received in the same redemption quarter will have equal priority and will be fulfilled before the redemption requests of subsequent redemption quarters. Within the same redemption quarter, requests shall be fulfilled on a pro rata basis unless a unitholder had a fulfilled Non-Significant redemption request in that quarter, in which case all unitholders who did not receive a Non-Significant redemption will have priority on distributions (on a pro rata basis if more than one) until all unitholders have received an equal amount, in which case it will revert to an overall pro rata basis.
7. Any pro rata entitlement will be based on the amount of unfulfilled redemption requests.

8. Greystone will employ commercially reasonable efforts to sell assets if Greystone's projections indicate insufficient cash to fulfill redemptions in the ensuing nine months following a request for redemption. Greystone will have 12 months to execute the sale. Notwithstanding the foregoing, Greystone shall have no obligation to sell assets in the following circumstances:

- a) if the sale is not for "Market Value" (as defined below); or
- b) if the sale of assets results in a "Material Loss" (as defined below) to the LP Fund.

For the purposes of this section, "Market Value" shall mean Greystone's best estimate of the market value of a particular asset, acting reasonably and using its professional judgment having regard to all of the circumstances, including without limitation: the most recent third party appraisal; current market conditions; Greystone's projections for the future performance of the property and recent comparables.

A "Material Loss" for the purposes of this section shall be determined by Greystone acting reasonably, and shall include a loss that is material in relation to the value of the property being considered for sale as determined by the most recent third party appraisal.

9. This Redemption Procedure is included in and forms a part of the LP Fund's Investment Policy.

Schedule B: Definitions

In this Investment Policy, unless there is something in the subject matter or context inconsistent therewith:

“Appraiser” means a person who is qualified as an accredited appraiser by the Appraisal Institute of Canada.

“Atlantic Canada” means the Provinces of New Brunswick, Newfoundland and Labrador, Nova Scotia and Prince Edward Island.

“Consumer Price Index” means the Consumer Price Index calculated and published by Statistics Canada and shall include all items in the basket of goods and services used in the calculation of the index.

“Debt” means Term Debt and Temporary Debt, collectively.

“Fair Market Value” means the definition of market value as defined by the Appraisal Institute of Canada as the most probable price, as of a specified date, in cash, or in terms equivalent to cash, or in other precisely revealed terms, for which the specified property rights should sell after reasonable exposure in a competitive market under all conditions requisite to a fair sale, with the buyer and seller each acting prudently, knowledgeably, and for self-interest, and assuming that neither is under undue duress.

“Gross Market Value(s)” means the total of the Fair Market Values of the Real Estate Investments of the Fund which, for greater certainty: (i) does not make any deduction for mortgage debt or other financing arrangements in respect of such investments; and (ii) does not include cash and short term investments.

“LP Fund Value per Unit” means the aggregate of the Net Market Values of the Real Estate Investments of the LP Fund plus cash and short-term investments and any other assets of the LP Fund less liabilities of the LP Fund divided by the total units outstanding equals the LP Fund Value per unit.

“Mixed use” An income-producing property that comprises multiple significant uses within a single site or building such as retail, office, residential or lodging facilities. For example, office buildings that contain ground-level retail and housing; sites that have separate office, retail, and multi-family properties.

“Net Market Value(s)” means the total of the Fair Market Values of the Real Estate Investments of the LP Fund including assets of the Real Estate Investments and less the liabilities related to the Real Estate Investments.

“Non-Income-Producing Properties” means a property that is not generating any significant rental revenue and includes land and/or development with a clearly stated development plan. For greater clarity, a property is not considered a Non-Income Producing Property if the property was generating rental revenue but, as a result of a tenant vacating the property, it is no longer generating rental revenue if the property is actively being marketed for a tenancy.

“Prairies” means the provinces of Manitoba and Saskatchewan.

“Property Manager” means a third-party arm’s length professional manager that has the responsibility to manage all aspects of the on-going operation, maintenance and repair of a property in the best interests of the owner of the property.

“Real Estate Investments” means: (i) direct or indirect ownership of real property, where real property is the freehold, leasehold, strata, and undivided interests, benefits, and rights inherent in the ownership of real estate. Real estate means land, buildings, and other affixed improvements that are found upon the land, in addition to all leases and contracts associated with the land and buildings; and (ii) any other allowable investments of the Fund.

“Temporary Debt” means a shorter duration loan that is usually structured with a variable interest rate. Temporary Debt is mainly utilized for the financing of the construction of developments.

“Term Debt” means a loan that usually has a fixed interest rate and is longer term in duration, usually with a term of two or more years. The loan is secured by real property where the lender is granted a security interest in the real property as security for the debt.

TERM SHEET

GPM 13 OPEN-END REAL PROPERTY FUND LIMITED PARTNERSHIP

Operating as IAM Real Property Fund

ISSUER	GPM 13 Open-End Real Property Fund Limited Partnership is an Ontario limited partnership (the "Fund").
MANAGER	IAM Real Estate Group ("IAM").
GENERAL PARTNER	The Fund operates under a general partner which is wholly owned by IAM.
INVESTMENT COMMITTEE	The Investment Committee is comprised of nominees of the Manager representing a wide range of professional expertise. The Investment Committee will approve all acquisitions, dispositions and debt financings of the Fund from time to time.
ADVISORY COMMITTEE	The Advisory Committee is comprised of not less than 3 representatives from limited partners. Each Limited Partner owning in excess of 20% of the Fund shall be entitled to a nominee on the Advisory Committee. The Advisory Committee has the authority to review and approve any proposed changes to accounting policies, any modifications to the Investment Guidelines, any non-arm's-length or related party transactions, and any deviation from the leverage restrictions.
MINIMUM INVESTMENT	\$5,000,000 or such lower amount not less than \$2,000,000 from one or more investors having, in the reasonable opinion of the General Partner, investment objectives similar to the Limited Partners.
OPEN-END FUND	The Fund will be open quarterly for both redemptions and new subscriptions, subject to compliance with the terms and conditions of the Limited Partnership Agreement. New subscriptions will be accepted at net asset value per Unit ("NAV per Unit").
INVESTMENT GUIDELINES	The Fund will invest in industrial, retail and office investments generating stable income in Canadian cities (the "Real Property"). See the Investment Guidelines appended hereto.
LEVERAGE	<p>Third party debt financing will not exceed a maximum of 40% of gross asset value of the Fund, and 60% on a per property basis. Leverage in excess of these limitations would require prior approval by the Advisory Committee. Portfolio leverage rules will apply on a fully-invested basis and not apply to short term financing arranged for acquisition or construction.</p> <p>The anticipated range of portfolio leverage from time to time will be approximately 25% of gross asset value of the Fund.</p>
FEE SCHEDULE	(a) Annual investment management fee equal to 0.85% of the Fund's net asset value ("NAV") subject to adjustment, as

follows:

- (i) for Investors with committed equity of greater than \$15 million but not greater than \$30 million, such Investors shall be entitled to a rebate calculated as 0.1% of such Investors' pro rata indirect share of the investment management fee; and
 - (ii) for Investors with committed equity of greater than \$30 million, such Investors shall be entitled to a rebate calculated as 0.2% of such Investors' pro rata indirect share of the investment management fee.
- (b) Acquisition fee applied to equity portion of purchase price of Real Property acquired by the Fund from time to time, as follows:
 - (i) 1.5% on acquisitions up to \$10 million;
 - (ii) 1.25% on acquisitions greater than \$10 million and up to \$15 million; and
 - (iii) 1.0% on acquisitions over \$15 million.
- (c) Development, project management, leasing, property, financing and property management fees to the extent such services are performed by the Manager, without duplication, in accordance with prevailing local market rates and tariffs.
- (d) No disposition fee on asset sales by the Fund.

LIQUIDITY

Investors in the Fund may transfer their interest to any other Canadian tax exempt institutional investor, with the consent of the General Partner not to be unreasonably withheld, provided that any transferee agrees to be bound by the material contracts of the Fund as if it had been an original party thereto.

FINANCIAL REPORTING

Audited annual financial statements are to be distributed within 120 days of fiscal year ending on December 31. Unaudited financial statements, and reports on NAV and NAV per Unit, will be distributed within 45 days of the end of each fiscal quarter. Acquisition reports will be distributed within 30 days of each Real Property acquisition. Annual Partners' meetings of the Fund will be convened within 180 days of fiscal year end.

APPRAISAL POLICY

Each Real Property will be initially appraised within twelve months of acquisition, and thereafter will be subject to independent appraisal update quarterly. IAM will rotate all independent appraisers not less frequently than every three years.

ELIGIBILITY

Investors in the Fund must be Accredited Investors under applicable securities legislation, and provide satisfactory evidence thereof at closing.

INVESTMENT

Investors in the Fund will subscribe for limited partnership units of the Fund on the basis of the NAV per Unit as at the applicable Quarter Date.

**REDEMPTION OF
UNITS**

Redemptions are permitted quarterly at 100% of NAV per Unit on not less than sixty days' notice to the Fund prior to the applicable quarterly redemption date. Redemptions may be limited by the General Partner to not more than 15% of all outstanding Units with respect to any four consecutive quarterly redemption dates. In the event that Limited Partners tender redemption for Units ("Redemption Requests") that represent more than this amount, the General Partner may in its sole discretion permit redemptions in excess thereof but shall first notify all other Limited Partners so as to allow them a 30 day period to file additional Redemption Requests. All Redemption Requests in excess of the 15% threshold shall be treated on a *pari passu* basis by the General Partner *pro rata* to the aggregate amount of all Redemption Requests received by it, and Redemption Requests in excess of the 15% threshold shall be entitled to a redemption price calculated as 95% of the NAV per unit.

DISTRIBUTIONS

Distributions of distributable cash will be declared and paid quarterly at the discretion of the General Partner on the last days of March, June, September and December. Limited Partners are entitled in their discretion to reinvest such distributions for additional Units in the Partnership.

LEGAL

All the foregoing is subject to definitive legal documentation which is available for review by investors upon request.

INVESTMENT GUIDELINES

INVESTMENTS

All assets as permitted for Investment Corporations pursuant to Section 149(1)(o.2)(iii) of the *Income Tax Act*.

All of the following criteria shall be applicable and assessed as at completion of the Initial Investment Period. In addition, such criteria shall apply as at the date of acquisition of any Investments after the Initial Investment Period.

DIVERSIFICATION

Property Size

- Not greater than 20% of the equity in the Partnership in any one Property, with maximum acquisition value per Property of \$50,000,000

Property Type

- 70% to 100% in light industrial / distribution / service; not less than 70% of this permitted allocation to have an acquisition value per Property between \$1,000,000 and \$25,000,000
- Not greater than 30% in retail
- Not greater than 30% in office

The actual allocations of Property type for the Partnership may vary within these minimum and maximum percentages.

Geography

- Focus on the greater areas of Vancouver, Calgary, Edmonton, Ottawa, Montreal, Halifax and Toronto (for greater clarity Greater Toronto Area includes the Golden Horseshoe and Waterloo Region) along with selected secondary Canadian markets and business centres with weighting guidelines as follows:
- Not greater than 75% in the greater Toronto area
- Not greater than 40% in the greater Vancouver area
- Not greater than 60% in greater Calgary and greater Edmonton areas combined
- Not greater than 30% in the greater Montreal area
- Not greater than 20% in the greater Ottawa area
- Not greater than 10% in the greater Halifax area

- Not greater than 30% in secondary Canadian markets

The actual allocations for the Partnership within these geographic areas may be less than these maximum percentages.

LEVERAGE

- Maximum permissible leverage is 40% of the Gross Asset Value for the entire Partnership on a fully invested basis, and 60% for an individual Property
- The actual portfolio leverage for the Partnership from time to time is anticipated to be 25% of the Gross Asset Value of the Fund

CO-OWNERSHIP

As noted on Exhibit "A"

Exhibit "A" to Investment Guidelines

The Partnership shall not enter into any third party co-ownership arrangements with respect to Property unless:

- (a) The Manager will have the right to require either that (i) 100% of such Property be sold, or (ii) the other co-owner(s) be required on written notice to purchase all of the interest of the Partnership on terms satisfactory to the General Partner. Any sale decision pertaining to Property shall be implemented on a timely basis not in excess of six months; and
- (b) The Partnership and such co-owner enter into a mutually satisfactory co-ownership agreement providing that all cash flow, funding and capital obligations with respect to the underlying Property be assumed by the co-owners pro rata to their respective percentage ownership of such Property, that each co-owner shall indemnify the other for any breach of co-ownership obligations, and that the Partnership shall not bear any costs in respect of such other co-owner's pro rata share of liabilities, expenses and obligations.

THE JF POOLED FUNDS

INVESTMENT POLICY GUIDELINES

For Canadian Resident clients of Jarislowsky, Fraser Limited

The firm's Investment Strategy Committee (ISC) meets at least weekly to evaluate the market, existing security selections in the Funds and prospective new additions to the Funds. The Funds invest in various industries where the Committee sees growth and reasonable valuations. The Funds also tend to avoid highly cyclical industries. If at any time an investment or group of investments within the Funds does not conform with the limitations set out below, the ISC will exercise its best judgment as to the action required to correct the situation. If it appears that the situation will be corrected within a short period, possibly through deployment of new contributions to the Fund, it may elect not to liquidate the non-conforming investments. Under normal circumstances, the liquidity reserve of each Fund will be between 0% and 10% of the Fund's market value. All Funds may include investment in the JF Money Market Funds. All income and capital gains are distributed in the form of additional units of each Fund.

SECURITIES LENDING:

Jarislowsky Fraser Pooled Funds' Trust Agreements permit securities lending for the benefit of the Funds.

11 AM CUT OFF TIME:

No subscriptions or redemptions will be accepted for same-day processing if received after 11AM EST.

REDEMPTIONS:

In order to protect the value of each Fund, reasonable notice is required in the event an investor wishes to make a material withdrawal. As Manager of the Funds, Jarislowsky, Fraser Limited must pre-approve all subscription and redemption activity and reserves the right to deny frequent traders. In-kind transfers may be arranged, subject to Manager approval.

JF CANADIAN EQUITY FUND

Daily

Valuation

- The S&P/TSX Composite Index serves as the benchmark for the Fund.
- Securities of the Fund will be categorized as follows with the holdings limited to the ranges set forth:

	Minimum	Maximum
Group I - High Quality Growth	50%	100% at market
Group II - Cyclical	0%	35% at market
Group III - Junior Growth	0%	15% at market

- Maximum sector weight of the Fund as defined by the Global Industry Classification Standard (GICS®) is the greater of 25% or Index sector weight plus 15%.
- Maximum 10% of the total market value of the Fund will be invested in the securities of any single issuer.
- The Fund may invest up to 20% in non-Canadian North American equities.
- The Fund may invest in the JF Special Equity Fund, up to a maximum of 10%.
- Quarterly distribution.

JF MONEY MARKET FUND & JF US MONEY MARKET FUND

Daily

Valuation

- The minimum quality rating of any short-term note purchased in the Funds will be R-1 Low as rated by DBRS. Should DBRS not rate an issuer the order of priority for Rating Agencies will be S&P, Moody' s and then Fitch.
- For purposes of measuring diversification, issuers will be classified into groups according to the FTSE TMX Universe methodology.
- The average term to maturity of the invested assets will generally be 90 days.
- The Funds will be diversified between Corporate and Government notes with the latter used primarily for purposes of liquidity and adjusting term, bearing in mind that their yields are lower than those in corporate category.
- The maximum aggregate holdings of notes of any one corporate issuer will be 8% of the total market value of each Fund.
- Not more than 25% of the total market value of each Fund will be invested in any one Index-defined corporate group, except Financials where the limit will be 60%.
- Floating Rate Notes (FRNs) with maturities of up to three years for government borrowers may be purchased. Not more than 20% of the overall market value of the Fund is to be invested in FRNs. Corporate FRNs will be limited to 10% of the total market value of the Fund.
- With the exception of FRNs, Notes and Bonds with remaining terms of one year or less may be purchased.
- Under normal circumstances, the liquidity reserve of each Fund will be between 0% and 10% of each Fund' s market value.
- The Funds will not invest in any asset-backed paper or structured products of any kind.
- Monthly distribution.

I / We approve the above investment guidelines and approve the use of these Funds, when deemed appropriate, by my/our investment counsel.

☐

Please DO NOT send me copies of the Financial Statements for the JF Pooled Funds held in my account(s).
Or

☐

Please send copies of the Financial Statements for the JF Pooled Funds held in my account(s) to the following email address: _____.

(Client)

(Client' s Signature)

Date

(Client)

(Client' s Signature)

Date

(Client)

(Client' s Signature)

Date

Number _____

CONFIDENTIAL OFFERING MEMORANDUM

January 19, 2018

PRIVATE OFFERING OF CLASS A (HEDGED) UNITS AND CLASS A (UNHEDGED) UNITS OF WELLINGTON MANAGEMENT FUNDS (CANADA):

WELLINGTON GLOBAL OPPORTUNITIES FUND (CANADA)
WELLINGTON INTERNATIONAL OPPORTUNITIES FUND (CANADA)
WELLINGTON GLOBAL PERSPECTIVES FUND (CANADA)
WELLINGTON GLOBAL VALUE FUND (CANADA)
WELLINGTON CANADA UNIVERSE BOND PLUS FUND
WELLINGTON CANADA LONG BOND PLUS FUND

Manager:

Wellington Management Funds LLC

280 Congress Street
Boston, Massachusetts 02210
phone: 1-617-951-5000
www.wellington.com

The securities in this confidential offering memorandum are being offered on a private placement basis. This offering memorandum constitutes an offering of the securities described herein 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 such securities. This document, though it is entitled "Confidential Offering Memorandum", does not and is not intended to be an offering memorandum in compliance with the requirements of section 2.9 of National Instrument 45-106 Prospectus Exemptions.

Class A (Hedged) and Class A (Unhedged) units (collectively, the "**Units**") of the Wellington Management Funds (Canada) (each a "**Fund**" and collectively the "**Funds**") are being offered hereunder on a continuous and private placement basis in accordance with applicable securities legislation.

From commencement of business by each Fund until its first Valuation Date (as hereinafter defined), Units will be offered at a price of C\$10.00 per Unit. Thereafter, Units will be offered at the applicable Net Asset Value (defined below) per Unit for the applicable class ("**Class Net Asset Value per Unit**") as determined in accordance with the amended and restated trust agreement governing the Funds (the "**Trust Agreement**"). Units are not transferable except with the consent of Wellington Management Funds LLC (the "**Manager**"), the Manager of the Funds.

Units are subject to restrictions on resale under applicable securities legislation, rules and regulations, unless a further statutory exemption may be relied upon by the investor. As there is no market for the Units, it may be difficult or even impossible for subscribers to sell their Units. However, Units may be redeemed at their Class Net Asset Value per Unit determined in accordance with the Trust Agreement on each Valuation Date.

No securities regulatory authority has assessed the merits of the Units or reviewed this offering memorandum. Any representation to the contrary is an offence. An investment in a Fund is speculative and involves a high degree of risk and is not intended as a complete investment program. Such an investment should only be made after consultation with independent and qualified investment and tax professionals. The purchase, holding and disposition of Units of any class of a Fund should be considered only by investors who do not require immediate liquidity of their investment and who can reasonably afford a substantial impairment or loss of their entire investment. Please read the "Risk Factors" section carefully.

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SUMMARY

Prospective investors are encouraged to consult their own professional advisors as to the tax, legal and other consequences of investing, holding and redeeming units of the Wellington Management Funds (Canada). The following is a summary only and is qualified by the more detailed information contained below beginning on page 7.

Funds

The following investment funds are open-ended unincorporated trusts established in the Province of Ontario pursuant to an amended and restated trust agreement dated September 28, 2017 (as previously amended and restated as of February 19, 2016) (the “**Trust Agreement**”) made between State Street Trust Company Canada and Wellington Management Funds LLC (f/k/a WMP Management, LLC):

- Wellington Global Opportunities Fund (Canada) (“**Global Opportunities Fund**”)
- Wellington International Opportunities Fund (Canada) (“**International Opportunities Fund**”)
- Wellington Global Perspectives Fund (Canada) (“**Global Perspectives Fund**”)
- Wellington Global Value Fund (Canada) (“**Global Value Fund**”)
- Wellington Canada Universe Bond Plus Fund (“**Canada Universe Bond Plus Fund**”)
- Wellington Canada Long Bond Plus Fund (“**Canada Long Bond Plus Fund**”)

(individually a “**Fund**” and collectively the “**Funds**”)

Investment Objective

The investment objective of each of the Funds is to seek long-term total returns.

See “Investment Objective and Policies” for more information.

The Offering

Each Fund, except Canada Universe Bond Plus Fund and Canada Long Bond Plus Fund (the “**Hedged Funds**”), offers two classes (each a “**Class**”) of Units – Class A (Hedged) Units and Class A (Unhedged) Units. Canada Universe Bond Plus Fund and Canada Long Bond Plus Fund offer one Class of units – Class A (Unhedged) Units. Class A (Hedged) Units will use derivatives to hedge the Net Asset Value from U.S. dollars to Canadian dollars. In contrast, the Net Asset Value of the Class A (Unhedged) Units will not normally be hedged. *See “Description of Units” for more information.*

Units will initially be issued at C\$10.00 per Unit until the first Valuation Date and thereafter will be issued at their Net Asset Value per Unit for the applicable Class (“**Class Net Asset Value per Unit**”).

The Funds are only available to investors that qualify as a “permitted

client” under National Instrument 31-103 *Registration Requirements, Exemptions and Ongoing Registrant Obligations*.

The Units

Each Unit represents a beneficial interest in the Fund. The Fund is authorized to issue an unlimited number of Units and may issue fractional Units so that subscription funds may be fully invested. Each whole Unit has equal rights with respect to voting, the right to receive distributions (other than certain special distributions), liquidation and other events in respect of the Fund and, similarly, each Unit of a Fund of a particular Class has equal rights to each other Unit of the same Class. *See “Description of Units”.*

Each Class is denominated in Canadian dollars.

Class A (Hedged) Units and Class A (Unhedged) Units of each Fund will derive their return from a common pool of assets and together constitute a single investment fund. However, investors may desire different foreign currency exposure with respect to an investment in a Fund and, accordingly, can choose the appropriate Class:

Class A (Hedged) Units - will use derivatives to substantially hedge the Net Asset Value of the portion of the Fund that is attributable to the Class A (Hedged) Units from U.S. dollars to Canadian dollars. Unit Class hedging is designed to reduce, but not eliminate all currency exposure between U.S. dollars and Canadian dollars.

Class A (Unhedged) Units - will have a return that is based on the performance of the Fund’s investments and the performance of the underlying currency positions within the Fund relative to the Canadian dollar.

In determining the value of a Fund that will be attributed to each of the Class A (Hedged) Units and Class A (Unhedged) Units, the value of all of the Fund’s holdings, other than the value of any foreign currency hedging derivatives, less any Fund expenses, will be determined and divided between the Class A (Hedged) Units and Class A (Unhedged) Units of that Fund on a pro rata basis. The value of any currency hedging derivatives will be allocated solely to the Class A (Hedged) Units of the Fund, and all material expenses related to such currency hedging activities will also be allocated solely to such Class A (Hedged) Units of that Fund.

The returns on the Class A (Hedged) Units and Class A (Unhedged) Units will be different, because the entire effect of the foreign currency hedging activities, as well as the material costs associated with employing the hedging strategy, will be reflected only in the Class Net Asset Value relating to Class A (Hedged) Units.

Valuation Date	Units will be valued as of the close of business (EST), on each Business Day (as defined below) or such other calendar days as the Manager with the consent of the Trustee may in its discretion determine (each a “ Valuation Date ”).
Business Day	A business day (“ Business Day ”) means any day on which (i) the New York Stock Exchange is open; (ii) the Toronto Stock Exchange and banks are open for business in Ontario; and (iii) principal securities markets, as defined by the Manager, in which a Fund invests are open for business. At the discretion of the Manager, other days may also be designated as a Business Day.
Minimum Initial Investment	The minimum initial investment requirement is C\$5 million. The Manager may waive this minimum in its sole discretion.
Minimum Subsequent Investment	The minimum subsequent investment requirement is C\$1,000. The Manager may waive this minimum in its sole discretion.
Minimum Holding	The minimum holding requirement is C\$5 million. The Manager may waive this minimum in its sole discretion.
Subscriptions	Units of a Fund may be purchased as of any Valuation Date upon receipt by (i) the Manager, for an initial subscription to a Fund, of an account opening agreement (the “Account Opening Agreement”) and (ii) the Trustee, for initial and subsequent subscriptions to a Fund, of a transaction form for the purchase of Units, no later than 10:00 a.m. (EST) on the applicable Valuation Date (the “Order Cut-off Time”). Settlement for Units must be made by 4:00 p.m. (EST), on the second Business Day after the applicable Valuation Date or such earlier or later times as the Trustee, acting at the direction of the Manager, may require. The Manager must approve all requests for initial or subsequent subscriptions prior to processing by the Trustee. <i>See “Subscription and Issue of Units”.</i>
Redemptions	A Unitholder is entitled to request a redemption of all or part of its Units as of any Valuation Date by delivering a completed transaction form in good order to the Trustee by the Order Cut-off Time. The Manager must approve all requests for redemption prior to processing by the Trustee. If a redemption request is approved by the Manager, Units will be redeemed at the Class Net Asset Value per Unit calculated as at the relevant Valuation Date. Settlement will be made normally by wire transfer as soon as funds are available, which typically is expected to be on or before the second Business Day after the relevant Valuation Date.
Risk Factors	An investment in a Fund is subject to certain risks. Prospective investors should consult their investment, tax and legal advisers when evaluating the merits and suitability of an investment in a Fund. <i>See “Risk Factors”.</i>
Manager	Wellington Management Funds LLC (the “ Manager ”), a Delaware limited liability company, acts as the manager of the Funds pursuant to

the Trust Agreement. Under the terms of the Trust Agreement, the Manager is responsible for, among other things, directing the business, operations and affairs of the Funds.

The Manager is not registered in any of Ontario, Québec or Newfoundland & Labrador as an investment fund manager and is relying upon an exemption from such registration contained in Multilateral Instrument 32-102 *Registration Exemptions for Non-Resident Investment Fund Managers*. The Manager's head office and principal place of business is located in Boston, U.S.A. The names and addresses of the agent for service of process of the Manager are as follows: Ontario: Borden Ladner Gervais LLP (Attention: Prema K. R. Thiele), Bay Adelaide Centre, East Tower, 22 Adelaide Street West, Toronto, Ontario M5H 4E3; Québec: Borden Ladner Gervais LLP (Attention: Neil Hazan), 1000 de La Gauchetière Street West, Suite 900, Montréal, Québec H3B 5H4 and Newfoundland & Labrador: Stewart McKelvey (Attention: Dennis J. Ryan), Cabot Place, 100 New Gower Street, PO Box 5038, Stn. C, St. John's, Newfoundland A1C 5V3. There may be difficulty enforcing legal rights against the Manager because all or substantially all of its assets may be situated outside of Canada

**Investment Advisor and
Sub-Advisors**

The Manager has appointed its affiliate, Wellington Management Canada LLC (the “**Investment Advisor**”), a Delaware limited liability company, as investment advisor to each Fund under the provisions of an investment management agreement and, in such capacity, the Investment Advisor is responsible for all portfolio management activities relating to each Fund. The Investment Advisor may delegate some or all of its portfolio management responsibilities with respect to a Fund to one or more of its affiliates.

The Investment Advisor has appointed its affiliate Wellington Management Company LLP, a Delaware limited liability partnership, as a sub-adviser to each of the Funds except Global Value Fund. The Investment Advisor has appointed its affiliate Wellington Management International Ltd., a company incorporated under the laws of England and Wales, a sub-adviser to Global Value Fund.

Trustee

State Street Trust Company Canada (the “**Trustee**”) acts as trustee of the Funds under the terms of the Trust Agreement. The Trustee owns actual title to the assets of the Funds on behalf of investors and will conduct certain administrative duties, including acting as registrar, with respect to the Funds. The Trustee may delegate certain of its duties and responsibilities.

Custodian

State Street Trust Company Canada (the “**Custodian**”) serves as custodian of the Funds.

Auditor

PricewaterhouseCoopers LLP acts as auditor of the Funds.

Counsel

Borden Ladner Gervais LLP serves as legal counsel to the Funds.

Conflict of Interest

Neither the Manager nor the Investment Advisor will be devoting its time exclusively to the affairs of the Funds. In addition, the Manager and the Investment Advisor will each perform similar or different services for others and may sponsor or establish other investment funds during the same period that it acts in relation to the Funds. Therefore, the Manager and the Investment Advisor will each have conflicts of interest in allocating investment opportunities, management time, services and functions among the Funds and such other clients for which it provides services. However, the Manager and the Investment Advisor each seeks to treat all of its clients (including the Funds) fairly and equitably.

Fund Fees and Expenses

Each Fund will pay its own administrative and operating expenses, including commissions, brokerage fees, taxes, borrowing fees, registrar and transfer agency fees, safekeeping fees, the costs necessary to ensure compliance with applicable securities legislation (including costs to ensure the availability for use of exemptions from the prospectus requirements), Unitholder servicing costs, costs of offering documents and reports, interest, audit and legal fees. These administrative and operating expenses paid by the Funds will vary from year to year.

Each Class is responsible for the material expenses specifically related to that Class and a proportionate share of expenses that are common to all Classes. The Manager shall allocate expenses to each Class in its sole discretion as it deems fair and reasonable in the circumstances.

At the Managers discretion, Unitholders may be responsible for transaction costs involved in subscribing for or redeeming Units.

The Manager has voluntarily agreed to cap the operating expenses of each Fund, with the exception of Canada Universe Bond Plus Fund, (exclusive of any brokerage and trading costs or extraordinary expenses) at 0.15% of each Fund's Net Asset Value per annum. The Manager has voluntarily agreed to cap the operating expenses of Canada Universe Bond Plus Fund (exclusive of any brokerage and trading costs or extraordinary expenses) at 0.12% of the Fund's Net Asset Value per annum. The Manager will pay any operating expenses of the Fund in excess of the cap. The Manager may increase or eliminate the operating expense cap at any time and in its sole discretion provided that affected Unitholders are given 30 days prior written notice of such change. *See "Fees and Expenses"*.

Management Fees

Each investor will separately pay an investment management fee directly to the Investment Advisor pursuant to the terms of the Account Opening Agreement. Different investors may pay different investment management fees based on the size of their investment or other factors reserved to the judgement of the Investment Advisor.

Canadian Federal Income Tax Considerations

Each Fund will distribute sufficient net income and net realized capital gains such that it will not be liable for tax under Part I of the *Income Tax Act (Canada)* (the “**Tax Act**”), other than alternative minimum tax.

Prospective investors are advised to consult their own investment, tax and legal advisors as to the consequences of an investment in the Funds. *See “Tax Considerations”.*

Non-Eligibility Registered Plans: Units are not qualified investments for registered retirement savings plans, registered retirement income funds, deferred profit sharing plans, registered education savings plans, registered disability savings plans or tax-free savings accounts.

Distributions

Each Fund will distribute sufficient net income and net realized capital gains such that it will not be liable for tax under Part I of the Tax Act, other than alternative minimum tax. The Funds may also make such other distributions as the Trustee at the direction of the Manager, may determine. *See “Computation and Distribution of Income and Gains”.*

Unless an investor has elected to receive distributions in cash, all distributions automatically will be reinvested in additional Units of the relevant Fund.

Purchasers Rights

Investors in some of the provinces are entitled to the benefit of certain statutory and contractual rights of action. *See “Purchasers Rights”.*

THE FUNDS

The following investment funds are open-ended unincorporated trusts established in the Province of Ontario pursuant to an amended and restated trust agreement dated September 28, 2017 (the “**Trust Agreement**”) made between State Street Trust Company Canada (the “**Trustee**”) and Wellington Management Funds LLC (f/k/a WMP Management, LLC).

The Funds were initially established pursuant to the terms of a trust agreement dated October 8, 2008 between Wellington Management Company, LLP, an affiliate of the Manager, and the Trustee (the “**Original Trust Agreement**”). The Original Trust Agreement was amended and restated as of March 31, 2010 (the “**2010 Amended and Restated Trust Agreement**”) and was subsequently assigned by Wellington Management Company, LLP to the Manager as of 12:01 a.m. Eastern Standard Time on January 1, 2015. The 2010 Amended and Restated Trust Agreement was amended and restated by the Trustee, on instructions from the Manager, as of 12:01 a.m. Eastern Standard Time January 1, 2015 (the “**2015 Amended and Restated Trust Agreement**”); the 2015 Amended and Restated Trust Agreement was amended and restated by the Trustee, on instructions from the Manager, as of February 19, 2016 (the “**2016 Amended and Restated Trust Agreement**”) and the 2016 Amended and Restated Trust Agreement was amended and restated by the Trustee, on instructions from the Manager, as of September 28, 2017.

*Equity Funds (collectively, the “**Equity Funds**”):*

- Wellington Global Opportunities Fund (Canada) (“**Global Opportunities Fund**”)
- Wellington International Opportunities Fund (Canada) (“**International Opportunities Fund**”)
- Wellington Global Perspectives Fund (Canada) (“**Global Perspectives Fund**”)
- Wellington Global Value Fund (Canada) (“**Global Value Fund**”)

*Fixed Income Funds (collectively, the “**Fixed Income Funds**”):*

- Wellington Canada Universe Bond Plus Fund (“**Canada Universe Bond Plus Fund**”)
- Wellington Canada Long Bond Plus Fund (“**Canada Long Bond Plus Fund**”)

(individually a “**Fund**” and collectively the “**Funds**”)

INVESTMENT OBJECTIVES AND POLICIES

The investment objective and policies of each Fund are described below. Notwithstanding the investment objective and policies of a Fund, Wellington Management Canada LLC (the “**Investment Advisor**”), an affiliate of the Manager and the investment advisor to the Funds, may, from time to time, in light of prevailing economic, market or other relevant conditions, deviate from the investment objectives and policies of that Fund in order to ensure that the principal of the Fund is invested in an orderly fashion or to protect the principal of the Fund.

The Manager may change a Fund’s investment policies from time to time without notice. A material change in a Fund’s fundamental investment objective will only be made by the Manager after 30 days prior written notice is provided to all of the Unitholders of that Fund.

The following disclosure of investment objectives and policies may constitute “forward-looking information” for purposes of applicable securities legislation, as it contains statements of the intended course of conduct and future operations of the Funds. These statements are based on assumptions made by the Investment Advisor of the success of its investment strategies in certain market conditions, relying on the experience of

the Investment Advisor's officers and employees and their knowledge of historical economic and market trends. Investors are cautioned that the assumptions made by the Investment Advisor and the success of its investment strategies are subject to a number of mitigating factors. For example, economic and market conditions could change which may materially impact the success of the intended strategies as well as the Investment Advisor's actual course of conduct. Investors are urged to read "Risk Factors" below for a discussion of other factors that will impact the operations and success of the Funds.

Global Opportunities Fund

Investment Objective

The investment objective of the Fund is to seek long-term total returns.

Investment Policies

The Investment Manager will actively manage the Fund against the MSCI All Country World Index (the "Index"), seeking to achieve the objective through investing in companies where opportunities to improve or sustain returns are misunderstood by the market place. The Index is market capitalization weighted and is designed to measure equity market performance of developed and emerging markets.

Eligible Investments

The Fund invests primarily in common stock, depositary receipts and real estate securities (including REITs) of companies worldwide. In addition, the Fund may invest in preferred stock, rights, warrants and exchange-traded funds ("ETFs") and similar liquid equity equivalents, as well as cash and cash equivalents, and derivative instruments, all as deemed appropriate by the Investment Advisor consistent with the investment discipline.

Generally, less than 5% of Fund net assets will be invested in cash and cash equivalents, subject to a maximum of 10% of Fund net assets.

Private Placements

Up to 20% of the Fund's assets may be invested in private placements and other restricted securities deemed appropriate by the Investment Advisor. Private placements include, but are not limited to, securities issued pursuant to Regulation D, under the United States Securities Act of 1933.

Diversification

The Fund generally will have exposure to at least 70 companies and typically no individual position will be greater than 5% of Fund net assets, measured at the time of purchase. The Fund's exposure to emerging markets is typically within +/- 10% of the benchmark weight.

International Opportunities Fund

Investment Objective

The investment objective of the Fund is to seek long-term total returns.

Investment Policies

The Investment Manager will actively manage the Fund against the MSCI All Country ex USA (the “Index”), seeking to achieve the objective by investing in companies, outside of the United States, where opportunities to improve or sustain returns are misunderstood by the market place. The Index is market capitalisation weighted and designed to measure the equity market performance of developed and emerging markets excluding the United States.

Eligible Investments

The Fund invests primarily in common stock, depositary receipts and real estate securities (including REITs) of companies outside the United States. In addition, the Fund may invest in preferred stock, rights, warrants and exchange-traded funds (“ETFs”) and similar liquid equity equivalents, as well as cash and cash equivalents, and derivative instruments, all as deemed appropriate by the Investment Advisor consistent with the investment discipline. The Fund may also hold securities issued pursuant to Rule 144A and/or Regulation S securities (Regulation S securities are those offered outside the United States without registration under the United States Securities Act of 1933 (as amended)) the liquidity of which the Investment Advisor deems consistent with the Fund’s investment objective.

Generally, less than 5% of Fund net assets will be invested in cash and cash equivalents, subject to a maximum of 10% of Fund net assets.

Diversification

The Fund generally will have exposure to at least 70 companies and generally no individual position will be greater than 5% of Fund net assets, measured at time of purchase. The Fund’s exposure to emerging markets is typically within +/- 10% of the benchmark weight.

Global Perspectives Fund

Investment Objective

The investment objective of the Fund is to seek long-term total returns.

Investment Policies

The Investment Manager will actively manage the Fund against the MSCI All Country World Small Cap Index (the “Index”), seeking to achieve the objective primarily by investing in non-large cap companies with a market capitalization usually below \$10 billion at the time of purchase. The Investment Manager will invest in companies identified through the use of macroeconomic analysis as well as bottom-up inputs from both quantitative and fundamental research resources of the Investment Advisor and its affiliates. The Index is a market capitalisation weighted index designed to measure equity market performance of smaller companies in both developed and emerging markets.

Eligible Investments

The Fund invests primarily in equity and other securities with equity characteristics, common stock and depositary receipts. In addition, subject to the restrictions outlined below, the Fund may invest in real estate securities (including REITs), convertible bonds, preferred stock, rights, warrants, exchange-traded funds (“ETFs”), and similar liquid equity equivalents, as well as debt securities, cash and cash equivalents, and derivative instruments, all as deemed appropriate by the Investment Advisor consistent with the investment discipline.

Generally, less than 5% of Fund net assets will be invested in cash and cash equivalents, subject to a maximum of 10% of Fund net assets.

Private Placements

Up to 15% of the Fund’s assets may be invested in private placements and other restricted securities that contain registration rights for future public sale. Private placements include, but are not limited to, securities issued pursuant to Regulation D, under the United States Securities Act of 1933. The Fund may not purchase private placements that do not contain conversion or other rights for future public registration.

Diversification

The Fund is well diversified, and will generally invest in small to mid capitalisation companies. The Fund generally will have exposure to at least 50 companies, and typically no individual position will be greater than 10% of Fund net assets based on market value. The Fund typically will be diversified across a range of industries, but will be unconstrained with respect to sector or region.

Global Value Fund

Investment Objective

The investment objective of the Fund is to seek long-term total returns.

Investment Policies

The Investment Advisor will actively manage the Fund against the MSCI World Index (the “Index”) seeking to achieve the objective by principally investing in stocks of financially sound but out-of-favour companies that provide above-average total return potential and generally sell at below-average price-earnings multiples. The Index is market capitalisation weighted and designed to measure the equity market performance of developed markets.

Eligible Investments

The Investment Advisor employs a bottom up investment approach with security selection diversified by style, region, country, sector or industry. The Fund may invest in securities of companies domiciled in emerging markets.

The Fund invests primarily in common stock and depositary receipts. In addition, the Fund may invest in real estate securities (including REITs), convertible bonds, preferred stock, rights, warrants, exchange-traded funds (“ETFs”), and similar liquid equity equivalents, as well as debt securities, cash and cash equivalents, and derivative instruments, all as deemed by the Investment Advisor to be consistent with the investment discipline. The Fund is generally fully invested, the normal cash level is below 3% of Fund net assets, and the maximum is 10% of Fund net assets.

Private Placements

Up to 15% of the Fund’s assets may be invested in private placements and other restricted securities deemed appropriate by the Investment Advisor. Private placements include, but are not limited to, securities issued pursuant to Regulation D under the United States Securities Act of 1933.

Diversification

The Fund generally will have exposure to between 50 and 90 companies, and the maximum position in any individual security typically will be less than 7% of Fund net assets. The Fund’s exposure to emerging markets is typically limited to 20% of Fund net assets.

Common Investment Policies - All Equity Funds

Derivatives

For the purposes of reducing risk and/or obtaining efficient investment exposure, the Equity Funds may invest in exchange-traded funds (ETFs) and derivative instruments and transactions including, but not limited to, forward contracts, futures contracts, options contracts, currency derivatives, and swaps. In addition, in order to gain efficient investment exposure to issuers in certain countries or geographic regions, the Equity Funds may invest in market-access products.

FIXED INCOME FUNDS

Canada Universe Bond Plus Fund

Investment Objective

The investment objective of the Fund is to seek long-term total returns.

Investment Policies

The Investment Manager will actively manage the Fund against the FTSE TMX Canada Universe Bond Index (the “Index”) seeking to achieve the objective through investment in a portfolio of debt obligations within a rigorous risk management framework. The Index is comprised of fixed income securities issued in the Canadian market with short, intermediate and longer term maturities.

Eligible Investments

The Fund may buy and sell bonds issued by government, agency, and supranational issuers, mortgage, commercial mortgage, and asset-backed securities, corporate and real estate investment trust (REIT) debt, credit-linked, index-linked, and capital securities, as well as other debt securities, both fixed and floating-rate, including forward contracts on such securities. These debt obligations may be denominated in Canadian dollars or other currencies. The Fund may also hold cash and cash equivalents in multiple currencies without restriction. Repurchase, reverse repurchase, and dollar roll transactions are permitted.

Private Placements

The Fund may acquire securities offered in private placements, bank loans, trade finance loans, and other restricted securities, the liquidity of which the Investment Advisor deems consistent with the Fund’s investment objective.

Derivatives

The Fund may buy and sell exchange-traded and over-the-counter derivative instruments, including interest rate, credit, index, and currency futures, currency, interest rate, total rate of return, and credit default swaps, currency, bond, and swap options, deliverable and non-deliverable currency forward contracts, and “to-be-announced” (TBA) securities. The Fund may also hold short positions in these instruments for hedging purposes, and in pursuit of the Fund’s investment objective.

Currency

The Fund will be denominated in Canadian dollars, and typically will maintain at least 90% exposure to Canadian dollars. Currency exposure including cross-currency positions, which are not related to the Fund’s bond and cash equivalent positions, may be assumed. Net exposure to any single currency will not represent more than the benchmark $\pm 10\%$ of Fund net assets at the time of purchase.

Credit Quality

Investments will represent a broad credit spectrum, including issues rated below investment-grade. There is no minimum credit rating for individual securities or currencies.

The Fund will maintain a minimum investment of 60% of Fund net assets in securities rated investment grade, including: bonds issued by government, agency, and supranational issuers, mortgage, commercial mortgage, and asset-backed securities, corporate and real estate investment trust (REIT) debt, credit-linked, index-linked, and capital securities, as well as other debt securities, both fixed and floating-rate, including forward contracts on such securities.

Net exposure to non-investment grade securities, private placements, and non-investment grade emerging market debt will not represent more than +/-20% of the Fund net assets at the time of purchase.

Net credit exposure to securities rated in the range of Baa by Moody's, BBB by S&P, or BBB by Fitch will not represent more than benchmark $\pm 20\%$ of Fund assets at the time of purchase. Net credit exposure to securities rated below investment-grade will not represent more than $\pm 15\%$ of Fund net assets at the time of purchase.

Credit ratings for issues will be the highest of Moody's, S&P's, or Fitch's long-term ratings. If an issue is unrated, then an equivalent credit rating, as deemed by the Investment Advisor, may be used.

Diversification

The Fund generally will be diversified by country, currency, issuer, and investment strategy, but may hold concentrated positions from time to time.

Net credit exposure to any single issuer (including known affiliates) will not represent more than the benchmark $\pm 5\%$ of Fund net assets at the time of purchase. This restriction does not apply to securities issued or guaranteed by member countries of the OECD and/or securities issued or guaranteed by countries rated Aa by Moodys, AA by S&P, or AA by Fitch; by their agencies, government-sponsored corporations, or subdivisions thereof; or by supranational community, regional, or world institutions and organisations.

Net credit exposure to corporate debt will not represent more than the benchmark $\pm 30\%$ of Fund net assets at the time of purchase.

Net exposure to securities backed by mortgages will not represent more than the benchmark $\pm 30\%$ of Fund net assets at the time of purchase.

Holdings of cash or cash equivalents are not subject to the net exposure restrictions above.

Interest Rate Exposure

Interest rate anticipation at the Fund level will be limited to the benchmark ± 2 years of duration. There are no limits on the duration of individual holdings, and certain defensive investment strategies may result in negative duration positions at the individual security and country levels.

Credit Exposure

Net long credit exposures to individual issuers, when aggregated, should not exceed 100% of Fund net assets. Net short credit exposures to individual issuers, when aggregated, should not exceed 100% of Fund net assets. This restriction does not apply to cash or cash equivalent securities issued or guaranteed by member countries of the OECD and/or securities issued or guaranteed by countries rated Aa by Moody's, AA by S&P, or AA by Fitch; by their agencies, government-sponsored corporations, or subdivisions thereof; or by supranational community, regional, or world institutions and organizations.

Canada Long Bond Plus Fund

Investment Objective

The investment objective of the Fund is to seek long-term total returns..

Investment Policies

The Investment Manager will actively manage the Fund against the FTSE TMX Canada Long Term Bond Index (the “Index”) seeking to achieve the objective through investment in a portfolio of debt obligations within a rigorous risk management framework. The Index is comprised of fixed income securities issued in the Canadian market with a maturity of 10 years or greater.

Eligible Investments

The Fund may buy and sell bonds issued by government, agency, and supranational issuers, mortgage, commercial mortgage, and asset-backed securities, corporate and real estate investment trust (REIT) debt, credit-linked, index-linked, and capital securities, as well as other debt securities, both fixed and floating-rate, including forward contracts on such securities. These debt obligations may be denominated in Canadian dollars or other currencies. The Fund may also hold cash and cash equivalents in multiple currencies without restriction. Repurchase, reverse repurchase, and dollar roll transactions are permitted.

Private Placements

The Fund may acquire securities offered in private placements, bank loans, trade finance loans, and other restricted securities, the liquidity of which the Investment Advisor deems consistent with the Fund’s investment objective.

Derivatives

The Fund may buy and sell exchange-traded and over-the-counter derivative instruments, including interest rate, credit, index, and currency futures, currency, interest rate, total rate of return, and credit default swaps, currency, bond, and swap options, deliverable and non-deliverable currency forward contracts, and “to-be-announced” (TBA) securities. The Fund may also hold short positions in these instruments for hedging purposes, and in pursuit of the Fund’s investment objective.

Currency

The Fund will be denominated in Canadian dollars, and typically will maintain at least 90% exposure to Canadian dollars. Currency exposure including cross-currency positions, which are not related to the Fund’s bond and cash equivalent positions, may be assumed. Net exposure to any single currency will not represent more than the benchmark $\pm 10\%$ of Fund net assets at the time of purchase.

Credit Quality

Investments will represent a broad credit spectrum, including issues rated below investment-grade. There is no minimum credit rating for individual securities or currencies.

The Fund will maintain a minimum investment of 60% of Fund net assets in securities rated investment grade, including: bonds issued by government, agency, and supranational issuers, mortgage, commercial mortgage, and asset-backed securities, corporate and real estate investment trust (REIT) debt, credit-linked, index-linked, and capital securities, as well as other debt securities, both fixed and floating-rate, including forward contracts on such securities.

Net exposure to non-investment grade securities, private placements, and non-investment grade emerging market debt will not represent more than +/-20% of the Fund net assets at the time of purchase.

Net credit exposure to securities rated in the range of Baa by Moody's, BBB by S&P, or BBB by Fitch will not represent more than the benchmark $\pm 20\%$ of Fund net assets at the time of purchase. Net credit exposure to securities rated below investment-grade will not represent more than $\pm 15\%$ of Fund net assets at the time of purchase.

Credit ratings for issues will be the highest of Moody's, S&P's, or Fitch's long-term ratings. If an issue is unrated, then an equivalent credit rating, as deemed by the Investment Advisor, may be used.

Diversification

The Fund generally will be diversified by country, currency, issuer, and investment strategy, but may hold concentrated positions from time to time.

Net credit exposure to any single issuer (including known affiliates) will not represent more than the benchmark $\pm 5\%$ of Fund net assets at the time of purchase. This restriction does not apply to securities issued or guaranteed by member countries of the OECD and/or securities issued or guaranteed by countries rated Aa by Moodys, AA by S&P, or AA by Fitch; by their agencies, government-sponsored corporations, or subdivisions thereof; or by supranational community, regional, or world institutions and organisations.

Net credit exposure to corporate debt will not represent more than the benchmark $\pm 30\%$ of Fund net assets at the time of purchase.

Net exposure to securities backed by mortgages will not represent more than the benchmark $\pm 30\%$ of Fund net assets at the time of purchase.

Holdings of cash or cash equivalents are not subject to the net exposure restrictions above.

Interest Rate Exposure

Interest rate anticipation at the Fund level will be limited to the benchmark ± 2 years of duration. There are no limits on the duration of individual holdings, and certain defensive investment strategies may result in negative duration positions at the individual security and country levels.

Credit Exposure

Net long credit exposures to individual issuers, when aggregated, should not exceed 100% of Fund net assets. Net short credit exposures to individual issuers, when aggregated, should not exceed 100% of Fund net assets. This restriction does not apply to cash or cash equivalent securities issued or guaranteed by member countries of the OECD and/or securities issued or guaranteed by countries rated Aa by Moody's, AA by S&P, or AA by Fitch; by their agencies, government-sponsored corporations, or subdivisions thereof; or by supranational community, regional, or world institutions and organizations.

Definitions For the Purposes of the Investment Policies of the Fixed Income Funds:

- **Agency or agencies** are issuers whose securities carry direct guarantees of timely payment of interest and principal from central governments, are majority owned by a central government, or carry out government policies and benefit from “closeness” to the central government.
- **Baa/BBB/BBB range** includes securities whose long term rating is between Baa1 and Baa3 by Moody’s, between BBB+ and BBB by S&P, or between BBB+ and BBB by Fitch.
- **Cash and cash equivalents** are securities rated investment grade with duration not greater than one year, regardless of the final maturity of the securities.
- **Derivative positions** will be measured in delta weighted market value equivalent terms, according to the Investment Advisor’s standard calculation for derivative exposure, applied in good faith and in accordance with standard industry practice.
- **Duration** means effective duration, determined and applied in good faith and in accordance with standard industry practice.
- **Investment grade securities** are securities whose long term debt is rated at least Baa3 by Moody’s, BBB by S&P, or BBB by Fitch.
- **Net exposure** will be measured by subtracting the Fund’s short exposure to a particular country, sector, credit quality, issuer, bond, or currency instrument, including any derivative positions, from the Fund’s long exposure to that country, sector, credit quality, issuer, bond, or currency instrument, including any derivative positions, according to the Investment Advisor’s standard calculation, applied in good faith and in accordance with standard industry practice.
- **Net credit exposure** will be the net loss the Fund would experience from an immediate, no recovery default by a particular issuer or group of issuers, including any gains or losses on credit derivative positions, according to the Investment Advisor’s standard calculation, applied in good faith and in accordance with standard industry practice. The net credit exposure to an issuer or group of issuers would be deemed negative if a default would result in a net gain to the Fund.
- **OECD** refers to the Organisation for Economic Cooperation and Development, headquartered in Paris.

Currency Exposure – Unit Class Hedging for All Funds

In addition to the foregoing investment policies, each of the Hedged Funds will use derivatives to substantially hedge the Net Asset Value of that portion of the Fund that is attributable to the Class A (Hedged) Units from U.S. dollars to Canadian dollars. Unit Class hedging is designed to reduce, but not eliminate all currency exposure between U.S. dollars and Canadian dollars.

Class A (Unhedged) Units will have a return that is based on the performance of the Fund’s investments (including, in the case of the Fixed Income Funds, any active currency positions that may have been assumed under the Fund’s investment policies) and the performance of the underlying currency positions within the Fund relative to the Canadian dollar.

RISK FACTORS

An investment in the Units involves risk common to all investments in international financial markets. Prospective investors should give careful consideration to the following factors, among others, in evaluating the merits and suitability of an investment in the Units. There is no assurance that a Fund's investment objective will be achieved.

Investors should consider the following risk factors in evaluating the merits and suitability of an investment in a Fund. The following does not purport to be a summary of all the risks associated with an investment in the Units. Rather, the following are only certain risks to which the Units are subject.

Borrowing Risk

The Funds will not enter into long-term borrowing. However, the Funds may borrow from time to time in order to manage overnight cash flows or for extraordinary or emergency purposes.

Changes in Legislation and Administrative Practice Risk

There can be no assurance that income tax, securities and other laws will not be changed or administered in a manner that adversely affects the Funds or the Unitholders. There are some tax proposals that may alter or adversely affect the taxation of the Funds and the Unitholders, including rules relating to the deductibility of losses where there is no reasonable expectation of profit. There can be no assurance that the tax proposals will be enacted in their current proposed form, in a different form or at all, or that any enactment will not adversely affect the Funds and the Unitholders.

Class Risk

The Funds currently offer two classes of Units – Class A (Hedged) Units and Class A (Unhedged) Units. The assets attributed to and liabilities incurred by a Class are not legally segregated from the assets attributed to and liabilities incurred by any other Class issued by the same Fund. Accordingly, there is the possibility that creditors relating to the activities of one Class of a Fund could look to the assets attributable to another Class of the Fund to satisfy obligations to such creditors.

Concentration Risk

If a Fund concentrates its investments in a relatively small number of securities, certain sectors or specific regions or countries, it will be susceptible to higher volatility since the value of the Fund's investment portfolio will vary more in response to changes in the market value of these securities, sectors, regions or countries.

Derivatives Risk

A Fund may utilize derivatives and may take short positions in derivatives, in all such cases, for risk management purposes, including hedging, and/or for obtaining efficient investment exposure in pursuit of the Fund's investment objective.

Although a Fund may use derivatives to minimize risk, derivatives have their own kinds of risk:

- The use of derivatives for hedging may not be effective.
- Some derivatives, such as call options, may limit a Fund's potential for gain as well as loss.

- The cost of entering and maintaining derivative contracts may reduce a Fund's total return to investors.
- The price of a derivative may not accurately reflect the value of the underlying currency or security.
- There is no guarantee that a market will exist when a Fund wants to buy or sell the derivative contract. This could prevent the Fund from making a profit or limiting its losses.
- If the other party (the counterparty) to a derivative contract is unable to meet its obligations, a Fund may experience a loss.
- Exchanges may set daily trading limits on futures contracts or options. This could prevent a Fund from closing a contract.

Emerging Markets Risk

To the extent a Fund invests in foreign property or in companies that operate in emerging markets, that Fund may be influenced by world economic factors and will be affected favourably or unfavourably by changes in currency rates or other exchange control regulations. There may be less publicly available information as certain foreign companies are not usually subject to uniform accounting, auditing and financial reporting standards comparable to those imposed upon North American companies. Some foreign stock and bond markets are less liquid than in North America and at times price volatility may be greater. There may be less government supervision and regulation of stock exchanges, and fewer companies and investment dealers than in North America. In certain foreign countries, there is a possibility of expropriation of assets, confiscatory taxation, political or social instability or diplomatic developments that could affect investments and operations in those countries.

Equity Risk

To the extent that a Fund holds equity portfolio investments, it will be influenced by stock market conditions in those jurisdictions where the securities held by the Fund are listed for trading and by changes in the circumstances of the issuers whose securities are held by the Fund.

Fixed Income Risk

Fixed income risk is comprised of credit risk and interest rate risk. Credit risk is the possibility that a borrower will not be able to repay the loan, either on time or at all. Companies and governments that borrow money, and the debt securities they issue, are rated by specialised rating agencies. High-quality securities have high ratings, such as A1 or better. Some of a Fund's investments may be unrated or have a credit rating below investment grade. These investments offer a better potential return than higher-grade instruments, but have the potential for substantial loss. In other words, both the risks and potential rewards are greater.

Interest rate risk is the risk that relates to a change in interest rates. Fixed income securities, which include bonds, treasury bills and commercial paper, pay a fixed rate of interest. The value of a Fund's fixed-income securities will rise and fall as interest rates change. For example, when interest rates fall, the value of an existing bond will rise because the coupon rate on that bond is greater than prevailing interest rates. Conversely, if interest rates rise, the value of an existing bond will fall.

A Fund may invest in mortgage-backed and asset-backed securities. Mortgage-backed securities are securities representing interests in pools of mortgage loans. These securities generally provide holders with payments consisting of both interest and principal as the mortgages in the underlying mortgage pools are paid off. When interest rates fall, borrowers may refinance or otherwise repay principal on their mortgages earlier than scheduled. When this happens, certain types of mortgage-backed securities will be paid off more quickly than originally anticipated, and a Fund may be forced to reinvest in obligations with lower yields than the original obligations.

Asset-backed securities are securities for which the payments of interest and/or principal are backed by loans, leases, and other receivables. Asset-backed securities are subject to many of the same types of risks as mortgage-backed securities. In addition, issuers of asset-backed securities may have limited ability to enforce the security interest in the underlying assets, and credit enhancements provided to support the securities, if any, may be inadequate to protect investors in the event of default.

Foreign Currency Risk

Foreign currency risk is the risk that a Fund buys a security priced in a foreign currency and the exchange rate between the Canadian dollar and that foreign currency changes unfavourably.

Class A (Unhedged) Units are exposed to this foreign currency risk because each Fund may invest in securities and hold active currency positions that are denominated in currencies other than the Canadian dollar. For example, changes in exchange rates between currencies or the conversion from one currency to another may cause the value of a Fund's investments to diminish or increase. Currency exchange rates may fluctuate over short periods of time and are generally determined by supply and demand in the currency exchange markets and the relative merits of investments in different countries, actual or perceived changes in interest rates and other complex factors. Currency exchange rates can be affected unpredictably by intervention (or the failure to intervene) by government or central banks, or by currency controls or political developments.

The Net Asset Value of the Class A (Hedged) Units will be substantially hedged from U.S. dollars to Canadian dollars through the use of appropriate hedging strategies used at the discretion of the Investment Advisor in accordance with the investment style of a Fund, including the use of foreign currency forward contracts. There can be no assurance that the hedging strategy chosen by the Investment Advisor will be successful. Hedging strategies will also limit the returns of Class A (Hedged) Units in the event that the currency of U.S. dollar denominated securities held by a Fund increase relative to the exchange rate of the Canadian dollar.

General Economic and Market Conditions

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

Lack of Independent Experts Representing Unitholders

The Manager has consulted with Borden Ladner Gervais LLP regarding the formation and terms of the Funds and the offering of Units. Borden Ladner Gervais LLP represents the Manager, the Investment Advisor and the Funds and the Funds do not have separate and independent counsel to the Manager or Investment Advisor. The Unitholders have not been independently represented. Each prospective

investor should consult his or her own legal, tax and financial advisors regarding the desirability of purchasing Units and the suitability of investing in a Fund.

Large Redemption Risk

Since all Unitholders are expected to be large institutions each holding a relatively large percentage of Units, redemption of all holdings by one or more large holders could have an adverse effect on remaining Unitholders due to higher expense ratios and disruption of the investment program.

Liquidity Risk

Liquidity is an indicator of how easily an investment may be converted into cash. An investment may be less liquid if it is not widely traded or if there are restrictions on the exchange where the trading takes place. Certain securities in which a Fund invests may be unlisted, distressed or otherwise illiquid. The valuation of these securities is subject to a significant amount of subjectivity and discretion and there is no guarantee that fair value will be realized by a Fund on the sale of these securities. Investments with low liquidity can have significant changes in market value.

Marketability and Transferability of Units

There is not now, and there is not likely to develop, any market for the resale of the Units of the Funds. Units of the Funds have not been qualified for sale by prospectus under the securities laws of any of the Offering Jurisdictions. Accordingly, Units of the Funds may not be transferred unless appropriate prospectus exemptions from applicable securities laws are available and the prior consent of the Manager has been obtained.

Not a Public Mutual Fund

The Funds are not retail mutual funds and, therefore, are not subject to the restrictions and provisions contained in National Instrument 81-102 - *Investment Funds*, including Unitholder voting rights.

Purchase Risk

The Investment Advisor may place orders to purchase Fund securities prior to the receipt of a subscriber's subscription proceeds, which are intended to be paid for at settlement with such subscription proceeds. However, such timely payment cannot be assured. If subscription payments are not received by the Fund on a timely basis, the allotment of Units will be cancelled, and the Fund (and therefore all Unitholders) would bear the cost and expense, if any, resulting from non-receipt of such subscription proceeds (including, without limitation, any costs, expenses and market losses related to the unwinding of purchases of Fund securities).

Regulatory Risk

Some industries, such as financial services, health care and telecommunications, are heavily regulated and may receive government funding. Investments in these sectors may be substantially affected by changes in government policy, such as increased regulation, ownership restrictions, deregulation or reduced government funding. If a Fund buys these investments, its value may rise and fall substantially due to changes in these factors.

Securities Lending, Repurchase and Reverse Repurchase Transactions Risk

The Funds may enter into securities lending, repurchase and reverse repurchase transactions in order to seek additional returns. Securities lending is an agreement whereby a Fund lends securities through an authorized agent in exchange for a fee and some form of acceptable collateral. Under a repurchase transaction, a Fund agrees to sell securities for cash while, at the same time, assumes an obligation to repurchase the same securities for cash (usually at a lower price) at a later date. A reverse repurchase transaction is an agreement whereby a Fund buys securities for cash while, at the same time, agrees to resell the same securities for cash (usually at a higher price) at a later date.

The risks associated with securities lending, repurchase or reverse repurchase transactions arise when the counterparty to such transaction defaults under the investment agreement and the Fund is forced to make a claim in order to recover its investment. In securities lending or a repurchase transaction, a Fund could incur a loss if the value of the securities loaned or sold by the Fund has increased in value relative to the value of the collateral held by the Fund. In the case of a reverse repurchase transaction, a Fund could incur a loss if the value of the securities purchased by the Fund decreases in value relative to the value of the collateral held by the Fund.

Small Cap Risk

Small capitalization (“small cap”) companies tend to be less stable than large capitalization (“large cap”) companies as a result of such factors as limited financial resources, newer product lines and markets, smaller trading volumes and activity and being more susceptible to loss of key employees. The stocks of such small cap companies may be more volatile in price and have lower trading volumes than larger capitalization stocks.

Speculative Investment

An investment in a Fund may be deemed speculative and is not intended as a complete investment program. A subscription for Units should be considered only by investors financially able to maintain their investment and who can bear the risk of loss.

Stock Connect (China)

Some of the Funds may seek exposure to stocks issued by companies listed on China stock exchanges via Stock Connect. Stock Connect is a trading programme that links the stock markets in Shanghai and Shenzhen with Hong Kong and may be subject to additional risk factors. Investors in Hong Kong and Mainland China can trade and settle shares listed on the other market via the exchange and clearing house in their home market. Stock Connect is subject to quota limitations, which may restrict a Fund’s ability to deal via Stock Connect on a timely basis. This may impact that Fund’s ability to implement its investment strategy effectively. Currently, the scope of Stock Connect includes all constituent stocks of the SSE 180 Index, the SSE 380 Index, the SZSE Component Index, the SZSE Small/Mid Cap Innovation Index (with market capitalisation of RMB 6 billion or above) as well as all China A Shares dual-listed on either the Shanghai Stock Exchange (“SSE”) or on the Shenzhen Stock Exchange (“SZSE”) and The Stock Exchange of Hong Kong Limited (“SEHK”). Investors should note that a security may be recalled from the scope of Stock Connect. This may adversely affect the Fund’s ability to meet its investment objective, e.g. when it wishes to purchase a security which is recalled from the scope of Stock Connect.

Under Stock Connect, China A Shares listed companies and trading of China A Shares are subject to market rules and disclosure requirements of the China A Shares market. Any changes in laws, regulations

and policies of the China A Shares market or rules in relation to Stock Connect may affect share prices. Foreign shareholding restrictions and disclosure obligations are also applicable to China A Shares.

The Investment Advisor will be subject to restrictions on trading (including restriction on retention of proceeds) in China A Shares as a result of its interest in the China A Shares. The Investment Advisor is solely responsible for compliance with all notifications, reports and relevant requirements in connection with their interests in China A Shares.

Under the current Mainland China rules, once an investor holds up to 5% of the shares of a company listed on either the SSE or the SZSE, the investor is required to disclose his interest within three working days and during which he cannot trade the shares of that company. The investor also is required to disclose any change in his shareholding and comply with related trading restrictions in accordance with the Mainland China rules.

According to existing Mainland China practices, the Fund as a beneficial owner of China A Shares traded via Stock Connect cannot appoint proxies to attend shareholders' meetings on its behalf.

Tax Risk

If a Fund experiences a "loss restriction event" (i) the Fund will be deemed to have a year-end for tax purposes, and (ii) the Fund will become subject to the loss restriction rules generally applicable to corporations that experience an acquisition of control, including a deemed realization of any unrealized capital losses and restrictions on their ability to carry forward losses. Generally, a Fund could be subject to a loss restriction event when a person becomes a "majority-interest beneficiary" of the Fund, or a group of persons becomes a "majority-interest group of beneficiaries" of the Fund, as those terms are defined in the affiliated persons rules contained in the Tax Act, with appropriate modifications. Generally, a majority-interest beneficiary of a Fund will be a beneficiary who, together with the beneficial interests of persons and partnerships with whom the beneficiary is affiliated, has a fair market value that is greater than 50% of the fair market value of all interest in the income or capital, respectively, in the Fund. Generally, a Fund will be subject to these rules if a Fund meets certain requirements and qualifies as an "investment fund" under the rules.

Foreign Tax Risk

The Funds invest in securities issued by entities which are domiciled in countries other than Canada. Many of these foreign countries have laws that tax non-resident investors, such as the Funds, on income arising from that country. While many of these countries have withholding or other mechanisms that clarify the application and payment of tax, in certain countries there can be uncertainty about how tax law is applied to income earned by the Funds and as a result, uncertainty as to the amount, if any, that will ultimately be payable by the Funds. While the Funds monitor the tax posture from their investment activities, there remains a risk that any one, or several, foreign tax authorities will attempt to collect taxes on investment income earned by the Funds, or under financial accounting standards, the Funds may be required to accrue for such uncertain taxes. This could happen without any prior warning, possibly on a retrospective basis, and could result in a material loss to the Funds' Net Asset Value per Unit.

The income and/or gains of the Funds from the securities and assets may suffer withholding tax in the countries where such income and/or gains arise. The Funds may not be able to benefit from reduced rates of withholding tax in double taxation agreements between Canada and such countries. The rate of withholding tax therefore, may vary from the rate applied to the benchmark against which Fund performance is measured where a net of tax benchmark is used. If this position changes in the future and

the application of a lower rate results in repayment to the Fund(s), the Net Asset Value of the Fund(s) will not be restated and the benefit will be allocated to the existing Unitholders rateably at the time of repayment.

Termination Risk

In the event of termination of a Fund, the Fund will distribute to its Unitholders pro rata their interest in the assets of the Fund, subject to the rights of the Trustee to retain monies for costs and expenses. Upon termination, the securities held by a Fund would have to be sold or distributed in-kind to Unitholders. Certain assets held by a Fund may be illiquid and might have little or no marketable value. It is also possible that the securities held by a Fund may be worth less than the initial cost of such securities, resulting in a loss to Unitholders.

THE FOREGOING LIST OF RISK FACTORS DOES NOT PURPORT TO BE A COMPLETE EXPLANATION OF THE RISKS INVOLVED IN INVESTING IN THE FUNDS. PROSPECTIVE INVESTORS SHOULD READ THIS OFFERING MEMORANDUM AND CONSULT WITH THEIR PROFESSIONAL ADVISORS BEFORE DETERMINING TO INVEST IN A FUND.

DISTRIBUTIONS

Each Fund will distribute sufficient net income and net realized capital gains such that it will not be liable for tax under Part I of the Tax Act, other than alternative minimum tax. Distributions will be paid or payable by December 31 of each year. The Funds may also make such other distributions as the Trustee, at the direction of the Manager, may determine. Unless a Unitholder has elected to receive distributions in cash, all distributions (net of any deductions or withholdings required by law) will be automatically reinvested in additional Units of the relevant Fund.

MANAGEMENT AND ADMINISTRATION

Manager

The Manager acts as the investment fund manager of the Funds under the Trust Agreement. The Manager is responsible for, among other things, directing the business, operations and affairs of the Funds as well as investing the assets of each Fund. The Manager may delegate certain of its duties and responsibilities, including investing the assets of each Fund (see “**Investment Advisor**” below).

The offices of the Manager are located at 280 Congress Street, Boston, Massachusetts 02210. The Manager is a limited liability company organized under the laws of the State of Delaware, U.S.A.

In discharging its duties and obligations under the Trust Agreement, the Manager shall exercise its powers honestly, in good faith and in the best interests of the Funds and, in connection therewith, shall exercise the degree of care, diligence and skill that a reasonable person would exercise in comparable circumstances.

The Trust Agreement provides for indemnification of the Manager and its directors, officers, employees and agents out of the property of the Funds from and against all claims whatsoever, including costs, charges and expenses in connection therewith, brought, commenced or prosecuted against it for or in respect of any act, deed, matter or thing whatsoever made, done, acquiesced in or omitted in or about or in relation to the execution of its duties as Manager and also from and against all other costs, charges (other than fees), and expenses which it sustains or incurs in or about or in relation to the affairs of the Funds; provided that, the Manager shall have acted in accordance with the standard of care required of it under the Trust Agreement.

The Manager shall have the right to resign as Manager of the Funds by giving notice in writing to the Trustee and the Unitholders of not less than 60 days prior to the date on which such resignation is to take effect. Upon the effective date of the Manager's resignation, if there is no successor Manager, the Funds will be terminated and the assets of the Funds will be distributed to Unitholders.

Investment Advisor

The Investment Advisor, an affiliate of the Manager, acts as investment advisor to the Funds pursuant to an investment management agreement dated as of 1 January 2015 (the "**Investment Management Agreement**") under which it exercises full discretionary investment powers with respect to the assets of each Fund, provided that the Investment Advisor shall comply at all times with each Fund's investment restrictions and policies. The Investment Management Agreement also provides that the Investment Advisor may delegate some or all of its portfolio management responsibilities with respect to a Fund to one or more of its affiliates. The Investment Management Agreement cannot be terminated by the Manager or a Fund on less than 90 days' prior written notice. Under the Investment Management Agreement, with respect to all securities held by a Fund, (i) the Investment Advisor (or its permitted delegatee or assignee) has sole voting power, including the power to vote, or direct the voting of, such securities, (ii) the Investment Advisor (or its permitted delegatee or assignee) has sole investment power, including the power to dispose, or direct the disposition of, such securities, and (iii) the Manager has no such voting power or investment power with respect to such securities, in each case, as such terms are determined in accordance with Section 13(d) of the U.S. Securities Exchange Act of 1934, as amended, and the rules and regulations promulgated thereunder.

The Investment Advisor also acts as distributor of the Funds.

The offices of the Investment Advisor are located at 280 Congress Street, Boston, Massachusetts 02210. The Investment Advisor is a limited liability company organized under the laws of the State of Delaware, U.S.A.

For its services provided to the Funds, each investor will separately pay to the Investment Advisor a management fee pursuant to the terms of the Account Opening Agreement, as described in the Section entitled "Fees and Expenses".

In discharging its duties and obligations under the Investment Management Agreement, the Investment Advisor shall exercise its powers honestly, in good faith and in the best interests of the Funds and, in connection therewith, shall exercise the degree of care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances.

Unitholders may have some difficulty in enforcing legal rights they may have against the Investment Advisor because it is resident outside Canada and all or a substantial portion of their assets are situated outside Canada. The name and address of the agent for service of process of the Investment Advisor in Ontario is Borden Ladner Gervais LLP, Bay Adelaide Centre, East Tower, 22 Adelaide Street West, Toronto, Ontario, M5H 4E3.

Trustee

The Trustee is a trust company continued under the laws of Canada, with its head office at 30 Adelaide Street East, Suite 1400, Toronto, Ontario, M5C 3G6. The Trustee acts as trustee of the Funds under the terms of the Trust Agreement.

The Trustee owns actual title to the assets of the Funds on behalf of investors and will conduct certain administrative duties, including acting as registrar, with respect to the Funds.

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

The Trust Agreement provides for indemnification of the Trustee out of the property of the Funds from and against all claims whatsoever, including costs, charges and expenses in connection therewith, brought, commenced or prosecuted against it for or in respect of any act, deed, matter or thing whatsoever made, done, acquiesced in or omitted in or about or in relation to the execution of its duties as Trustee and also from and against all other costs, charges (other than fees), and expenses which it sustains or incurs in or about or in relation to the affairs of the Funds; provided that the Trustee shall have acted in accordance with the standard of care required of it under the Trust Agreement.

The Trustee will act as registrar of the Funds, and will process subscriptions, redemptions and transfers of Units on the terms set forth herein, and perform all other accounting and clerical services necessary in connection with the administration of the Units. The Trustee may delegate some or all of these duties in its sole discretion to affiliates or delegates but shall remain responsible for such duties notwithstanding such delegation.

The Trustee may resign as Trustee of the Funds by giving written notice to the Manager not less than 60 days prior to the date as of which the Trustee's resignation shall take effect. The Trustee's resignation shall take effect on the date specified in the notice, unless a successor trustee is appointed by the Manager at an earlier date; in which case, the Trustee's resignation shall take effect immediately upon the appointment of such successor trustee. The Trustee may be removed by the Manager at any time by written notice to the Trustee not less than 60 days prior to the date that such removal is to take effect, provided that a successor trustee is appointed by the Manager or the Funds are terminated.

The Trustee shall be entitled to be remunerated from the Funds in such amounts as are agreed upon from time to time with the Manager payable monthly in arrears.

Custodian

The Manager has appointed the Trustee as custodian (the "**Custodian**") of the Funds under the provisions of a custodial services agreement dated October 8, 2008. The Custodian performs all necessary custodial functions to facilitate the operations of the Funds including physical custody, segregation and safekeeping responsibilities with respect to the property of the Funds. The Custodian will also be responsible for making payments to itself or others for minor expenses in respect of the handling of securities; surrendering securities in temporary form for securities in definitive form; endorsing for collection cheques, drafts and other negotiable instruments; exercising rights and collecting dividends, distributions and other payments with respect to securities held and attending to ministerial details in connection with the sale, exchange, substitutions, purchase, transfer, and other dealings with the securities and other property of the Funds. The Custodian will use or cause the Fund to use a securities depository or clearing agency. The Custodian will also select and appoint sub-custodians of the Funds.

In discharging its duties and obligations under the custodial services agreement, the Custodian shall exercise the degree of care, diligence and skill that (i) a reasonably prudent person would exercise in the circumstances; or (ii) at least the same degree of care as the Custodian exercises with respect to its own property of a similar kind in the relevant market, if this is a higher degree of care than the degree of care referred to in paragraph (i).

The Custodian will be remunerated from the Funds at such rates as may be agreed upon from time to time with the Manager.

CONFLICTS OF INTEREST

Neither the Manager nor the Investment Advisor will be devoting its time exclusively to the affairs of the Funds. In addition, the Manager, the Investment Advisor and their affiliates will each perform similar or different services for others and may sponsor or manage other investment funds during the same period that it acts in relation to the Funds, including other accounts with objectives and strategies that are substantially similar to those of a Fund. Such other accounts may, therefore, invest in the same or similar securities as a Fund but also, due to different holding periods, cash flows, the variability in subscriptions and withdrawals and other factors, may take action with respect to a particular security or securities which differs from that of a Fund. Further, various personnel of the Investment Advisor and its affiliates may have differing views on any given investment. As such, regardless of the similarities in strategy employed by the Investment Advisor or its affiliates for two different clients, the Investment Advisor or its affiliates may take opposite positions with respect to an investment for different accounts (e.g., buy securities on behalf of one account while taking a short position on behalf of another (in each case consistent with the investment objectives of the client, and the investment viewpoints of the relevant portfolio manager or managers)). As such, it is not expected that the performance of the Funds will necessarily be identical or even substantially similar to the performance of any other similar account.

The Manager, its affiliates, including the Investment Advisor, or their personnel individually may invest their own assets in any of the Funds. In that regard, certain terms of investing in a Fund (e.g., the Minimum Initial Subscription for a Class of Units) may be waived for the Manager, its affiliates, including the Investment Advisor, or their personnel. In addition, the Manager, its affiliates, including the Investment Advisor, or their personnel may have access to information about a Fund that is not available to other Unitholders in the Funds, or may have access to information on a more timely basis than other Unitholders. This may raise conflicts between and among the interests of the Investment Advisor, its affiliates and their clients and a Fund and its Unitholders. If a Fund were considered a proprietary account of the Manager or Investment Advisor, the Fund may be subject to restrictions or limitations in their trading or investment under the Manager's and Investment Advisor's respective policies and procedures designed to comply with applicable law and their obligations to their clients.

In selecting brokers or dealers to execute transactions, the Investment Advisor need not solicit competitive bids and does not have an obligation to seek the lowest available commission cost. The Investment Advisor may place transactions with brokers or dealers that provide research services to the Investment Advisor (or its affiliates) that assist the Investment Advisor (or its affiliates) in fulfilling its investment management responsibilities, but only when the broker or dealer is judged capable of providing best price and execution for that transaction without regard to other services. In assessing the terms of a particular transaction, consideration may be given to various relevant factors, including the market for the security and difficulty of executing the transaction, the price of the security, the financial condition and execution expertise of the intermediary, the reasonableness of the commission, if any, and the brokerage or research services provided by the intermediary to the Investment Advisor. Negotiated commission rates will be based upon the Investment Advisor's judgment of the rate that reflects the execution requirements of the transaction without regard to whether the broker or dealer provides research services in addition to execution. The Investment Advisor may consider the research services provided by a broker or dealer in selecting a broker or dealer to execute a transaction only when the Investment Advisor reasonably determines that more than one broker or dealer can offer the brokerage and execution services needed to seek best available price and most favorable execution on that transaction. The Investment Advisor limits its receipt of such services to research provided by brokers or dealers or other independent research providers. Research services are not linked directly to a particular transaction and

the Investment Advisor does not track the benefits of research services to the commissions associated with a particular account or group of accounts. Some research and execution services may benefit the Investment Advisor's and its affiliate's clients as a whole, while others may benefit a specific segment of clients. Research services received from equity transactions can be used by all investment personnel of the Investment Advisor and its affiliates and thus can benefit all of their clients, including the Fund.

FEES AND EXPENSES

Management Fees

Each Unitholder will separately pay a management fee to the Investment Advisor pursuant to the terms of the Account Opening Agreement. Different Unitholders may pay different management fees based on the size of their investment or other factors reserved to the judgement of the Investment Advisor. Management Fees will be subject to goods and services tax (GST) or harmonized sales tax (HST) (as applicable), which will be payable by the investor. The Investment Advisor is not registered for GST/HST in Canada because it does not carry on a business in Canada and is not a Canadian tax resident. Therefore, the Unitholder is responsible for self-assessing GST/HST.

Operating Expenses

Each Fund will pay its own administrative and operating expenses, including commissions, brokerage fees, taxes, borrowing fees, registrar and transfer agency fees, safekeeping fees, the costs necessary to ensure compliance with applicable securities legislation, Unitholder servicing costs, costs of offering documents and reports, interest, audit and legal fees, as well as any extraordinary expenses. Such administrative and operating expenses paid by the Funds will vary from year to year. In addition, each Fund will pay applicable regulatory fees arising on the filing of an exempt distribution report under National Instrument 45-106 *Prospectus Exemptions* ("**Private Placement Fee**") attributable to the subscription for Units made by a Unitholder. However, in the event that the Unitholder redeems all or any part of its interest in a Fund prior to the 12 month anniversary of its subscription, that Unitholder shall reimburse that Fund for such Private Placement Fee by means of a reduction in the amount of the redemption proceeds.

All material costs (as well as any gains or losses) associated with currency hedging transactions will be allocated to Class A (Hedged) Units of the applicable Funds engaging in such transactions.

Each Class of Units is responsible for the material expenses specifically related to that Class and a proportionate share of expenses that are common to all Classes. The Manager shall allocate expenses to each Class in its sole discretion as it deems fair and reasonable in the circumstances.

In the Managers sole discretion, Unitholders may be responsible for transaction costs arising in connection with their particular subscriptions and redemptions of Units.

The Manager has voluntarily agreed to cap the operating expenses (exclusive of brokerage and trading costs and any extraordinary expenses) of each Fund, with the exception of Canada Universe Bond Plus Fund, at 0.15% of the aggregate Net Asset Value of each Fund on a per annum basis. The Manager has voluntarily agreed to cap the operating expenses (exclusive of brokerage and trading costs and any extraordinary expenses) of Canada Universe Bond Plus Fund at 0.12% of the aggregate Net Asset Value of the Fund on a per annum basis. The Manager will pay any operating expenses of the Fund in excess of the cap. The Manager may increase or eliminate the operating expense cap at any time and in its sole discretion provided that affected Unitholders are given 30 days prior written notice of such change.

SUBSCRIPTION AND ISSUE OF UNITS

Investors

Units of each Fund are being offered hereunder on a continuous and private placement basis in accordance with applicable securities legislation to eligible investors in Canada.

Units will initially be issued at C\$10.00 per Unit until the first Valuation Date and thereafter will be issued at their Net Asset Value per Unit for the applicable Class (“**Class Net Asset Value per Unit**”) as discussed below.

The Funds are only available to investors that qualify as a “permitted client” under National Instrument 31-103 *Registration Requirements, Exemptions and Ongoing Registrant Obligations*.

Unless waived by the Manager in its sole discretion, the minimum initial investment and minimum holding requirement for any Fund is C\$5 million.

Unless waived by the Manager in its sole discretion, the minimum subsequent investment requirement for any Fund is C\$1,000.

Units are not available to, and may not be offered or sold to, investors who are United States Persons. “United States Person” is defined as any citizen or resident of the United States, any corporation, trust, partnership or other entity created or organized in or under the laws of the United States or any state thereof or having its principal place of business in the United States, any legal entity (other than an entity where all of the owners of the entity have limited liability) that is directly or indirectly majority owned by United States Persons and in which such persons bear unlimited responsibility for the obligations and liabilities of such entity, any collective investment vehicle that is majority owned by United States Persons, or any estate or trust the income of which is subject to United States federal income tax, regardless of source.

Without the prior consent of the Manager, Units may not be held legally or beneficially by (i) any person or entity defined as a “Restricted Person” in Rule 5130 of the Conduct Rules of the US Financial Industry Regulatory Authority (“**FINRA**”), (ii) any person who is an executive officer or director of (a) a company that is registered under Section 12 of the US Securities Exchange Act or files periodic reports pursuant to Section 15(d) thereof or (b) a “covered non-public company” (as defined in FINRA Conduct Rule 5131), (iii) any person materially supported by a person described in (ii) above, or (iv) any entity in which any person described in (ii) or (iii) above has a beneficial interest.

Procedure for Subscriptions

A subscriber wishing to purchase Units shall (i) submit to the Manager, for initial subscription to a Fund, an Account Opening Agreement and (ii) submit to the Trustee, for initial and subsequent subscriptions to a Fund, a transaction form specifying the aggregate subscription amount for the purchase of Units on a Valuation Date no later than the Order Cut-off Time. The Manager must approve all requests for initial or subsequent subscriptions prior to processing by the Trustee. If a subscription request received in good order by the Order Cut-Off Time is approved by the Manager, Units will be subscribed at the Class Net Asset Value per Unit for that Valuation Date, plus any amount determined by the Manager in its sole discretion with respect to the dilution of Unit value that would occur as a result of a cash subscription. Currently, such an additional amount is not imposed on any Fund. Subscriptions that are received by the Trustee as of a time that is later than the Order Cut-Off Time shall, unless the Manager decides otherwise at its sole discretion, not be implemented as of such Valuation Date but shall be implemented on the next following Valuation Date.

The Manager is solely responsible for determining investment eligibility requirements, accepting or rejecting subscriptions in whole or in part and restricting the number of Units that may be purchased by any subscriber. A decision to accept or reject a subscription shall be exercised promptly by the Manager, in its sole discretion and upon rejection of a particular subscription, the Trustee shall make a prompt refund to the subscriber of any payment tendered (without interest) for which Units have not been issued.

No certificates evidencing ownership of Units shall be issued to Unitholders.

Subscriptions can be made: (i) by cash (via wire transfer unless the Manager, with the approval of the Trustee, permits another method of payment); (ii) in securities acceptable to the Manager at a value to be determined by the Trustee in accordance with the Trust Agreement; or (iii) partly in cash and partly in securities that are acceptable to, and approved by, the Manager.

Subscription monies must be delivered by the investor to the Trustee no later than 4:00 p.m. on the second Business Day following the applicable Valuation Date, or such other times as the Trustee, acting on advice from the Manager, may permit and may be payable in either Canadian or U.S. currency.

The Investment Advisor may place orders to purchase Fund securities prior to the receipt of a subscriber's subscription proceeds, which are intended to be paid for at settlement with such subscription proceeds. However, such timely payment cannot be assured. If subscription payments are not received by the Fund on a timely basis, the allotment of Units will be cancelled, and the Fund (and therefore all Unitholders) would bear the cost and expense, if any, resulting from non-receipt of such subscription proceeds (including, without limitation, any costs, expenses and market losses related to the unwinding of purchases of Fund securities). The Trustee and Manager will make reasonable efforts to recover such cost and expense from the subscriber which failed to make timely payment through an indemnity under the relevant Account Opening Agreement.

Proceeds of Crime (Money Laundering) Legislation

In order to comply with Canadian legislation aimed at the prevention of money laundering, the Manager may require additional information concerning investors. If, as a result of any information or other matter which comes to the Managers attention, any director, officer or employee of the Manager, or its professional advisors, knows or suspects that an investor is engaged in money laundering, such person is required to report such information or other matter to the Financial Transactions and Reports Analysis Centre of Canada and such report shall not be treated as a breach of any restriction upon the disclosure of information imposed by law or otherwise.

The Manager may refuse to accept any subscription application for any reason. If a prospective investor delays in producing or fails to produce any information required by the Manager for the purpose of verification and the subscription application is rejected, then, in that event, any funds received by the Manager or Trustee will be returned without interest to the account from which the moneys were originally remitted.

REDEMPTIONS

Generally

Unitholders may request a redemption of all or part of their Units by giving notice in writing to the Trustee (in a form acceptable to the Manager) specifying the number of Units to be redeemed or the dollar amount which the Unitholder requires be paid, which is subsequently approved by the Manager. Properly completed and delivered redemption requests are irrevocable except as the Manager may otherwise agree.

A request for redemption, properly completed, must reach the Trustee at its offices not later than the Order Cut-off Time. The Manager must approve all requests for redemption prior to processing by the Trustee. If a redemption request received in good order by the Order Cut-Off Time is approved by the Manager, Units will be redeemed at the Class Net Asset Value per Unit for that Valuation Date (as may be adjusted for an anti-dilution amount and for any amount treated as a distribution of capital gains and capital on redemption as described further below). Properly completed requests for redemption received after the Order Cut-off Time shall be deemed as requests for redemption as of the Valuation Date next following the Valuation Date specified in the request for redemption. The Manager may, in its sole discretion, elect to honour requests for redemption received after the Order Cut-off Time and before the close of business on the Valuation Date as of which redemption is requested.

The amount payable on redemption of Units shall be equal to the aggregate Class Net Asset Value per Unit of the Units redeemed determined as of the relevant Valuation Date (as may be adjusted for an anti-dilution amount described below), together with any previously declared but undistributed net income, net realized capital gains or other distributions attributable to such Units which have become payable as of or prior to such Valuation Date, less any amount required to be withheld under applicable law. At the Manager's sole discretion, to address the dilution of Unit value that would occur as a result of a cash redemption, a discount may be applied to the Class Net Asset Value per Unit on redemption. In addition, in certain circumstances part of the amount payable on the redemption of Units shall be treated as a distribution of capital gains and capital by the Fund.

If a Unitholder submits a redemption request which would have the effect of reducing the value of the Unitholders remaining holdings below the minimum holding amount specified for the Fund, the Manager in its discretion may direct the Trustee to treat the redemption as a request to redeem the Unitholders entire holdings.

Payment for the Units being redeemed shall, under normal market conditions, be made on the second Business Day after the date fixed for redemption and in the event that assets of the relevant Fund are not sufficiently liquid, proceeds will be distributed as soon as reasonably practicable. Such payment may be made to the redeeming Unitholder by wire transfer. In the Managers discretion, the amount payable on redemption may also be paid through the *in specie* transfer to the redeeming Unitholder of assets of the applicable Fund. The Unitholder will bear any cost and market risk associated with converting *in specie* payment to cash. In any event, redemption payments made in the foregoing manner shall discharge the Fund, the Trustee and the Manager from all liability to the Unitholder in respect of the amount thereof plus any amount required by law to be withheld in respect of the Units redeemed.

If one or more redemption requests will reduce the Net Asset Value of a Fund by more than 10%, the Manager may, in its discretion, proportionately reduce the redemption requests in such amount that no more than 10% of the Net Asset Value of the Fund will be redeemed on a particular Valuation Date. The unredeemed portion of such redemption requests shall be redeemed on the next Valuation Date and shall be processed before any subsequent request for redemptions.

If the Manager determines that redemption requests received on a particular Valuation Date would result in the need to realise Fund assets at a discount to their carried value, the Manager may direct the Trustee to reduce the number of Units being redeemed by redeeming Unitholders as of such Valuation Date (and consequently the amount of redemption proceeds payable to such Unitholders) in an amount the Manager determines is necessary to reduce or mitigate any discount or reduction in Net Asset Value per Unit expected to be incurred by the remaining Unitholders. Alternatively, the Manager may apply a discount to the redemption Net Asset Value per Unit payable by the Fund, in an amount deemed necessary by the Manager to reduce or mitigate any such discount or reduction in Net Asset Value per Unit expected to be incurred by remaining Unitholders.

Compulsory Redemption

Units held by a Unitholder may be redeemed by or under the authority of the Manager if: (i) such redemption is to satisfy the payment of fees or charges to which such Unitholder has agreed to be subject; (ii) if any Unitholder becomes a designated beneficiary within the meaning of Section 210 of the Tax Act; (iii) the Unitholder is a “financial institution” as defined in subsection 142.2(1) of the Tax Act and the Manager determines, in its sole discretion, that the holding of Units by such Unitholders may, currently or in the future, cause the Fund to be a “financial institution” as defined in subsection 142.2(1) of the Tax Act; or (iv) required pursuant to applicable law. In the circumstances described in (ii) above, the affected Fund may (but shall not be required to), without limiting its recourse, indemnify itself in respect of taxes paid or payable by the Fund as a result of the Unitholders having become a designated beneficiary by deducting the amount of such taxes from the proceeds payable to the Unitholder on the redemption of its Units.

In addition, the Manager may require a Unitholder who holds Units of a Fund having an aggregate Class Net Asset Value under an amount established from time to time by the Manager (herein referred to as “**Floor Amount**”) to redeem the remaining Units of a Fund held by the Unitholder by giving such Unitholder 30 days prior written notice to that effect. However, if the Unitholder increases the aggregate Class Net Asset Value to the Floor Amount or more within such 30 day period, the Manager shall not be entitled to direct the Trustee to redeem the Units of a Fund of the Unitholder.

Suspending the Right of Redemption

The Manager may suspend, in whole or in part, any Unitholders right to redeem its Units, or to receive the proceeds thereof, or suspend the date of payment of such proceeds if such proceeds are to be paid, during any period in which:

- a) normal trading is suspended on any market where securities owned or held by a Fund are traded; provided that the right of redemption shall not be suspended unless such market represents more than 25% of the Net Asset Value of a Fund;
- b) the Manager determines that conditions exist as a result of which disposal of the assets of a Fund is not reasonably practicable or it is not reasonably practicable to determine fairly the value of the Fund’s assets; or
- c) the Trustee has suspended the computation of Class Net Asset Value and Class Net Asset Value per Unit (which may occur in circumstances where (i) any market or exchange on which a significant portion of the investments of a Fund are quoted is closed (other than for ordinary holidays) or during which dealings therein are restricted or suspended; or (ii) if normal trading is suspended or if it is not reasonably practical to determine fairly the value of the Fund’s assets.

If the Manager suspends the right of redemption of Units, a Unitholder may either withdraw his request for redemption or elect in writing to the Manager to receive payment based on the Class Net Asset Value per Unit next determined after the termination of the suspension.

Any suspension of redemption or payment of proceeds of redemption shall be terminated as soon as reasonably practicable as determined by the Manager after the circumstances which gave rise to such suspension cease to exist.

DESCRIPTION OF THE UNITS

Nature of Units

The beneficial interests in the Funds are divided into, and described by reference to, Units.

Each Fund may have an unlimited number of Classes. Currently, all of the Funds except the Fixed Income Funds offer two Classes - Class A (Hedged) Units and Class A (Unhedged) Units. The Fixed Income Funds offer Class A (Unhedged) Units only. Class A (Hedged) Units and Class A (Unhedged) Units of each Fund will derive their return from a common pool of assets and together constitute a single investment fund. However, investors may desire different foreign currency exposure with respect to an investment in a Fund and, accordingly, can choose the appropriate Class:

- Class A (Hedged) Units - will use derivatives to substantially hedge the Net Asset Value of the portion of the Fund that is attributable to the Class A (Hedged) Units from U.S. dollars to Canadian dollars. Unit Class hedging is designed to reduce, but not eliminate all currency exposure between U.S. dollars and Canadian dollars.
- Class A (Unhedged) Units - will have a return that is based on the performance of the Fund's investments and the performance of the underlying currency positions within the Fund relative to the Canadian dollar.

A Class may be renamed and additional Class of each Fund may be created in the sole discretion of the Manager. Until changed by the Manager, the Units and Class of each Fund shall have the following attributes:

- a) each Unit shall be without nominal or par value;
- b) a Unit of a Class shall entitle the holder thereof to vote (i) at all meetings where all Unitholders vote together; and (ii) at all meetings where Unitholders of that particular Class vote separately as a Class;
- c) each Unit of a Class shall entitle the holder thereof to participate pro rata with respect to all distributions of the Class (other than distributions of capital gains and capital made to redeeming Unitholders) and, upon liquidation of the Fund to participate pro rata with the other Unitholders of the Class in the Class Net Asset Value of the Fund remaining after the satisfaction of outstanding liabilities of the Fund;
- d) distributions shall be allocated among the Classes in such manner and at such times as the Manager considers appropriate and equitable;
- e) there shall be no pre-emptive rights attaching to the Units;
- f) except for redemption rights, there shall be no cancellation or surrender provisions attaching to the Units;
- g) all Units shall be issued as fully paid and non-assessable so that there shall be no liability for future calls or assessments with respect to the Units;
- h) Units are only transferable with the consent of the Manager;

- i) Units of a particular Class of the Fund may, at the option of the holder, be redesignated as Units of any other Class of the Fund based on the applicable Class Net Asset Value for the relevant Class on the date of the redesignation;
- j) Units of a particular Class of the Fund may be automatically redesignated by the Manager as Units of any other Class of that Fund based on the applicable Unit Class Net Asset Value for the relevant Class on the date of the redesignation;
- k) the number of Units and Class of the Fund which may be issued is unlimited; and
- l) fractional Units of a Class may be issued and shall be proportionately entitled to all the same rights as whole Units of that same Class.

Units will be issued in registered form and no certificates will be issued, although the Trustee will deliver confirmations of the issue of Units to Unitholders. The register of Units will be conclusive evidence of ownership of a Unit, provided, however, that Units may, in the discretion of the Trustee at the direction of the Manager, be treated as validly issued pending entry in the register. Any confirmation issued will be evidence only of the position indicated on the register upon the date of issue of the confirmation.

Restrictions on Transfers

No Unitholder may transfer any Unit held by it without having obtained the prior written consent of the Manager. In connection therewith, a Unitholder proposing to transfer Units shall first supply such information as may be required by the Manager in order to comply with any statutory provision or governmental or other requirement or regulation of any relevant or applicable jurisdiction or policy of the Trustee for the time being in force or otherwise.

Every transfer of Units shall be made by an instrument in writing in such form as the Manager may from time to time approve.

Amendments to the Trust Agreement

The Trustee, on instructions of the Manager, may amend the Trust Agreement at any time and without notice where such amendment would not materially prejudice the interests of Unitholders. Otherwise, the Manager shall provide 30 days prior written notice to affected Unitholders of an amendment to the Trust Agreement.

DETERMINATION OF NET ASSET VALUE

The net asset value of each of the Funds on any Valuation Date is the value of all assets of such Fund minus all its liabilities on such Valuation Date (“**Net Asset Value**”).

The Net Asset Value per Unit for each Class for each Fund (“**Class Net Asset Value per Unit**”) is generally determined by dividing the total market value of the Fund’s investments and other assets attributable to the relevant Class, minus Class-specific liabilities and expenses and a portion of the liability and expenses common to all Classes, divided by the total number of outstanding Units of the applicable Class. Full details regarding the computation of Class Net Asset Value per Unit are set out in the Trust Agreement.

The Trustee will calculate the Class Net Asset Value per Unit of each Fund on each Valuation Day as of the close of business (EST). The Class Net Asset Value per Unit for each Fund shall be available at the offices of the Trustee or by contacting the Manager.

The determination of Class Net Asset Value per Unit and the right of any Unitholder to tender Units of a Fund for redemption may be suspended under certain circumstances – see “Suspending the Right of Redemption” for more information.

The Trustee will value the assets of each Fund utilizing prices obtained from sources agreed to by the Trustee and the Manager (“**Authorized Price Sources**”). Where the Authorized Price Sources do not apply, the following principles will be used:

- (a) the value of any liquid assets, cash on hand, on deposit or on call, and demand notes, accounts receivable, prepaid expenses, cash dividends declared and interest accrued and not yet received shall be deemed to be the full amount thereof unless the Trustee, after consultation with the Manager, shall have determined that any such deposit, bill, demand note or account receivable is worth less than the full amount, in which event the value thereof shall be deemed to be such value as the Trustee, after consultation with the Manager, shall determine to be the fair value thereof;
- (b) securities listed on a public securities exchange shall be valued at, as the case may be, the last sale price, the closing price reported on the exchange, or a reasonable market value determined by the Trustee, after consultation with the Manager, for such securities;
- (c) unlisted securities traded on an over-the-counter market shall be valued at the average closing bid and asked prices on the Valuation Date unless the security was included in the NASDAQ National Market System (in which case the security shall be valued based on its last readily available sale price);
- (d) short-term investments shall be valued at cost plus accrued interest;
- (e) securities and other Property for which market quotations are not readily available shall be valued at their fair value, as determined by the Trustee, after consultation with the Manager;
- (f) restricted securities (being any security, the resale of which is restricted or limited by means of a representation, undertaking or agreement by a Fund or by its predecessor in title, or by law) shall be valued as agreed between the Trustee and the Manager in writing from time to time;
- (g) clearing corporation options, options on futures and over-the-counter options purchased by a Fund shall be valued at their current market value, determined to be the last sale price reported on the Valuation Date, or, if no sale is reported to have taken place on the Valuation Date, at the average of the closing bid and asked prices on the Valuation Date;
- (h) where a covered clearing corporation option, option on futures and over-the-counter option is written by a Fund, the premium received by the Fund shall be reflected as a deferred credit which shall be valued at an amount equal to the current market value of an option that would have the effect of closing the position. Any difference resulting from revaluation shall be treated as an unrealized gain or loss on investment. The deferred credit shall be deducted in arriving at the Net Asset Value of a Fund. The securities which are the subject of a clearing corporation option or over-the-market option shall be valued in the manner described above for such securities;

- (i) futures contracts and forward contracts shall be valued at an amount equal to the gain or loss with respect thereto that would be realized if, on the Valuation Date, the position in the futures contract or forward contract were to be closed out, unless “daily limits” are in effect, in which event the value of such contracts shall be calculated based upon the current market value of the underlying interests; and
- (j) liquid securities or other Property quoted in foreign currencies shall be translated to Canadian dollars using the applicable exchange rate on the Valuation Date, determined in accordance with the Authorized Price Sources.

Notwithstanding the foregoing valuation principles: (i) if securities are interlisted or traded on more than one exchange or market, the last sale price, the closing price reported on the exchange, or a reasonable market value determined by the Trustee, after consultation with the Manager, for such securities may be used, and; (ii) if in respect of any securities a last sale price or closing bid price is unavailable on a Valuation Date, such securities shall be valued at their fair value as determined by the Trustee, after consultation with the Manager, on the basis of the latest reported information available.

COMPUTATION AND DISTRIBUTION OF INCOME AND GAINS

Net income and net realized capital gains of the Funds are computed as of the last day of each calendar year in accordance with the provisions of the Trust Agreement.

Net income and net realized capital gains of the Funds are distributed to Unitholders of record of each Fund as of the close of business on the last day of each calendar year, according to each Unitholder's proportionate share of the Fund, less any tax required to be deducted. Distributions are automatically reinvested in additional Units of the relevant Fund unless the Unitholder requests that distributions be made in cash as set forth in such Unitholder's Account Opening Agreement. On or before March 30 in each year, the Trustee will provide Unitholders with a statement relating to the Unitholders' interest in a Fund including all distributions and other information which is necessary to permit Unitholders to complete their Canadian income tax returns for the preceding year.

TAX CONSIDERATIONS

The following summarizes the principal Canadian federal income tax considerations under the Tax Act, as of the date hereof, generally applicable to each Fund and to Unitholders, who, for the purposes of the Tax Act, are Canadian resident individuals (other than trusts), who deal at arm's length with the Funds and hold their Units as capital property. This summary is based on the current provisions of the Tax Act and the regulations made under the Tax Act (the “**Regulations**”), specific proposals to amend the Tax Act and the Regulations that have been publicly announced by the Minister of Finance (Canada) prior to the date hereof and the published administrative practices and assessing policies of the Canada Revenue Agency. This summary does not take into account or anticipate any other changes in law whether by legislative, regulatory, administrative or judicial action. This summary is not exhaustive of all possible federal income tax considerations and does not deal with foreign, provincial or territorial income tax legislation or considerations.

The Funds will not qualify as mutual fund trusts under the Tax Act. This summary assumes that not more than 50% of the Units of each Fund will at any time be held by one or more financial institutions, as defined under subsection 142.2(1) of the Tax Act. The Manager will use its best efforts to ensure this 50% threshold is not exceeded at any time.

This summary is of a general nature only and is not intended to constitute legal or tax advice to any particular investor. **Prospective purchasers of Units are advised to consult their own tax adviser about their particular circumstances.**

Taxation of the Funds

Each Fund will distribute to its Unitholders in each year sufficient net income and net realized capital gains, if any, to such an extent 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 (if any). The Funds are not entitled to capital gains refunds under the Tax Act.

Generally, gains and losses realized from transactions in derivatives will be treated as giving rise to ordinary income or losses rather than capital gains or capital losses for tax purposes. Such gains and losses may be treated as capital gains or capital losses where the derivative is used for hedging purposes and is sufficiently linked to capital property. In certain circumstances, losses of a Fund may be suspended or restricted, and therefore would not be available to shelter income or capital gains.

If at any time in a year a Fund has a Unitholder that is a “designated beneficiary” within the meaning of the Tax Act, the Fund will, in general, be subject to a special tax at the rate of 36% under Part XII.2 of the Tax Act on its “designated income” within the meaning of the Tax Act. A “designated beneficiary” includes a non-resident person, a non-resident-owned investment corporation, a tax-person which acquired its interest in the Fund from another beneficiary of the Fund (subject to certain exceptions), certain trusts and certain partnerships. “Designated income” includes taxable capital gains from dispositions of taxable Canadian property and income from businesses carried on in Canada which may include gains from certain derivative transactions. Where a Fund is subject to tax under Part XII.2, generally, provisions in the Tax Act afford Unitholders who are not designated beneficiaries with a tax credit in respect of their proportionate amount of any such tax.

Taxation of Unitholders

Generally, Unitholders must include in computing their income for tax purposes the amount of the net income, and the taxable portion of the net realized capital gains, paid or made payable to them in the year by the Funds, even if such amount is reinvested in additional Units. As well, generally, Unitholders must report in their tax returns any capital gains realized on the disposition of Units (which would include a switch between Classes of the same Fund and / or a switch among Funds).

Unitholders should consult their own tax advisors concerning the deductibility of management fees paid directly to the Investment Advisor. **Unitholders should consult with their own tax advisors regarding the tax implications of acquiring, holding and disposing of Units in their particular circumstances.**

Registered Plans

Units of the Funds are not qualified investments under the Tax Act for registered retirement savings plans, registered retirement income funds, deferred profit sharing plans, registered education savings plans, registered disability savings plans or tax-free saving accounts.

Tax Information Reporting

Pursuant to the Intergovernmental Agreement for the Enhanced Exchange of Tax Information under the Canada-United States Tax Convention entered into between Canada and the U.S. on February 5, 2014 (the “IGA”), and related Canadian legislation, the Funds and the Manager are required to report certain

information with respect to Unitholders who are U.S. residents and U.S. citizens (including U.S. citizens who are residents or citizens of Canada), and certain other “U.S. Persons” as defined under the IGA (excluding registered plans such as RRSPs), to Canada Revenue Agency (“CRA”). It is expected that the CRA will then exchange the information with the U.S. Internal Revenue Service. The Manager and the Funds may be required to report similar information in connection with other jurisdictions.

The Organisation for Economic Cooperation and Development’s Common Reporting Standard (“CRS”) will become effective in Canada on 1 July 2017. To the extent that the Funds, the Manager and its affiliates are subject to the OECD Common Reporting Standard (“CRS”), they are fully compliant or will become fully compliant, within the deadlines established per the applicable jurisdiction under the requirements of the CRS.

PURCHASERS RIGHTS

Securities legislation in certain of the provinces and territories of Canada provides purchasers or requires purchasers to be provided with a remedy for rescission or damages where an offering memorandum or 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 or any amendment hereto not misleading in light of the circumstances in which it was made. A “material fact” means a fact that significantly affects, or would reasonably be expected to have a significant effect on, the market price or value of the Units. These remedies, or notice with respect thereto, must be exercised, or delivered, as the case may be, by the purchaser within the time limit prescribed by the applicable securities legislation.

The following is a summary of the rights of rescission or damages, or both, available to purchasers under the securities legislation of Ontario, British Columbia, Alberta, Saskatchewan, Manitoba, Québec, New Brunswick, Nova Scotia, Prince Edward Island and Newfoundland and Labrador (“**Newfoundland**”). Each purchaser should refer to provisions of the applicable securities legislation for the particulars of these rights or consult with a legal adviser. These rights are in addition to any other right that a purchaser 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 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;

4. in no case shall the amount recoverable exceed the price at which the Units were offered; 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) Canadian financial institution (as defined in National Instrument 45-106 *Prospectus Exemptions*) or a Schedule III bank;
- (b) the Business Development Bank of Canada incorporated under the *Business Development Bank of Canada Act* (Canada); or
- (c) a subsidiary of any person referred to in paragraphs (a) and (b), if the person owns all of the voting securities of the subsidiary, except the voting securities required by law to be owned by directors of that subsidiary.

Rights for Investors in British Columbia and Alberta

If this offering memorandum, together with any amendment hereto, is delivered to an investor resident in British Columbia or Alberta and 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 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 Units, for 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 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. 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 written notice (or for persons or companies in Alberta only, gave reasonable notice) to the Fund that it was delivered without the persons or company's knowledge or consent,

- (ii) on becoming aware of any Misrepresentation in the offering memorandum, the person or company withdrew the persons or company's consent to the offering memorandum and gave written notice (or for persons or companies resident in Alberta only, 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, 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 expert unless the person or company failed to conduct an investigation (or for investors resident in British Columbia only, 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, the defendant will not be liable for all or any portion of the damages that the defendant proves does not represent the depreciation in value of the Units as a result of the Misrepresentation;
 6. in no case shall the amount recoverable exceed the price at which the Units were offered to the investor under the offering memorandum; 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.

Rights for Investors in Saskatchewan

If this offering memorandum, together with any amendment hereto, is sent or delivered to an investor resident in Saskatchewan and contains a Misrepresentation, without regard to whether the Misrepresentation was relied upon by the investor, the investor will have a right for damages against the Fund, every promoter and director of the Fund (as the case may be) at the time the offering memorandum or the amendment to the offering memorandum was sent or delivered, every person or company who signed this offering memorandum and every person or company who sells Units on behalf of the Fund under the offering memorandum or amendment to the offering memorandum, or alternatively, while still the owner of the 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 (excluding the Fund) will be liable if the person or company proves that (i) the offering memorandum or amendment to the offering memorandum was sent or delivered without the person's or company's knowledge or consent and that, on becoming aware of its being sent or delivered, the person or company immediately gave reasonable general notice that it was sent or delivered without the person's or company's knowledge, (ii) after the filing of the offering memorandum or the amendment to the offering memorandum, and before the purchase of Units by the investor, on becoming aware of any Misrepresentation, the person or company withdrew the person's or company's consent to the offering memorandum or amendment to the offering memorandum and gave reasonable general notice of the withdrawal and the reason for it, or (iii) with respect to any part of the offering memorandum or the amendment to 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 or of the amendment to 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 or the amendment to the offering memorandum not purporting to be made on the authority of an expert and not purporting to be a copy of, or an extract from a report, opinion or statement of an expert, unless the person or company 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 offered 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 change in the terms or conditions of the offering as described in this offering memorandum or (iii) Units to be distributed that are in addition to the Units described herein, that occurred or arose before the investor entered into the agreement for the purchase of the Units, may within two business days of receiving the amendment deliver a notice to the Manager 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 and it was a Misrepresentation at the time of purchase of the Units, 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 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 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 that it was sent, the person or company promptly gave reasonable notice to the Fund that it was sent without the person's or company's knowledge 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 experts 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 experts report, opinion or statement, or was not a fair copy of, or an extract from, the experts 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 on 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 offered under the offering memorandum;
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 Québec

If this offering memorandum, together with any amendment hereto, delivered to an investor resident in Québec contains a Misrepresentation, the investor will have a right of action against the Fund, every director and officer of the Fund, the dealer (if any) under contract to the Fund in connection with the sale of the Units, any person who is required to sign an attestation in the offering memorandum and any expert whose opinion, containing a Misrepresentation, appeared, with the expert's consent in this offering memorandum at the date of this offering memorandum, for damages, or, without prejudice to the investor's claim for damages, for rescission of the purchase contract or revision of the price at which the units were sold to the investor, provided that:

1. no action may be commenced to enforce a right of action:
 - (a) for rescission or revision of the price more than three years after the date of the purchase; or
 - (b) for damages, the earlier of (i) three years after the investor first had knowledge of the facts giving rise to the cause of action (except on proof that tardy knowledge is imputable to the negligence of the investor), or (ii) five years after the filing of this offering memorandum with the Autorité des marchés financiers;
2. no person will be liable if the person proves that the investor purchased the Units with knowledge of the Misrepresentation;
3. in an action for damages, a person (excluding the Fund) will not be liable if that person acted prudently and diligently; and

4. 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; 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.

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 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, and (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 offered; 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 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, where payments subsequent to the initial payment were made pursuant to a contractual commitment assumed prior to, or concurrently with, the initial payment;
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 or the amendment to 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 or the amendment to the offering memorandum and before the purchase of the Units by the investor, on becoming aware of any Misrepresentation in the offering memorandum or the amendment to the offering memorandum, the person or company withdrew the person’s or company’s consent to the offering memorandum or the amendment 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 or the amendment to 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 or the amendment to 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 or the amendment to 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 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 offered under the offering memorandum or amendment to the offering memorandum;
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 or amendment to the offering memorandum, the Misrepresentation is deemed to be contained in this offering memorandum or amendment to the 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 contains a Misrepresentation, an investor resident in Prince Edward Island who purchases Units offered by the offering memorandum during the period of distribution will have, without regard to whether the investor relied on the Misrepresentation, a right of action for damages against the Fund, every director of the Fund 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'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 contains a Misrepresentation when an investor resident in Newfoundland purchases Units offered by the offering memorandum, the investor has, without regard to whether the investor relied on the Misrepresentation, 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 or company who signed the offering memorandum, or alternatively, while still the owner of the 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 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) three years after the date of the transaction that gave rise to the cause of 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 person or company proves that this offering memorandum was sent to the investor without the person's or company's knowledge or consent and that, on becoming aware of its being sent, the person or company promptly gave reasonable notice to the Fund that it was sent without the knowledge and consent of the person or company; (ii) the person or company proves that the person or company, on becoming aware of any Misrepresentation in this offering memorandum, withdrew the person's or company's consent to this offering memorandum and gave reasonable notice of the withdrawal to the Fund 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, an opinion or statement of an expert, the person or company proves that they did not have any reasonable grounds to believe and did not believe that: there had been a Misrepresentation, or the relevant part of this 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 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, opinion or statement of an expert, unless the person or company (i) did not conduct an investigation sufficient to provide reasonable grounds for a belief that there had been no Misrepresentation; or (ii) believed that there had been a Misrepresentation;
5. no person or company will be liable for a Misrepresentation in forward-looking information if:
 - (a) the 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 or projections set out in the forward-looking information;
6. in an action for damages, a person or company will not liable for all or any portion of the damages that a person or company proves do not represent the depreciation in value of the Units as a result of the Misrepresentation relied upon;

7. in no case shall the amount recoverable exceed the price at which the units were offered under the offering memorandum; and
8. if the Misrepresentation is contained in a record incorporated by reference in, or is deemed to be incorporated into, an offering memorandum, the Misrepresentation is deemed to be contained in the offering memorandum.

General

The foregoing summaries are subject to any express provisions of the securities legislation 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 purchaser may have at law.

GENERAL INFORMATION

Reports to Unitholders

Each Fund's fiscal year ends on 31st December in each year. Audited annual financial statements of the Funds will be sent to the Unitholders within 90 days after the end of each fiscal year.

Miscellaneous

This offering memorandum may be translated into other languages, but in the event of any inconsistency or ambiguity as to the meaning of any word or phrase in any such translation, the English text shall prevail, and all controversies as to the governance of the Funds shall be determined by the laws of the Province of Ontario and the federal laws of Canada applicable therein. In the event of a conflict between the provisions of this offering memorandum and the Trust Agreement, the terms of the Trust Agreement shall prevail.

DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the Trust Agreement are available for inspection during normal business hours at the office of the Trustee in Toronto, Ontario.

DIRECTORY

TRUSTEE

State Street Trust Company Canada
30 Adelaide Street East, Suite 1400
Toronto, Ontario
M5C 3G6

MANAGER

Wellington Management Funds LLC
280 Congress Street
Boston, Massachusetts 02210
U.S.A.

INVESTMENT ADVISOR

Wellington Management Canada LLC
280 Congress Street
Boston, Massachusetts 02210
U.S.A.

CUSTODIAN

State Street Trust Company Canada
30 Adelaide Street East, Suite 1400
Toronto, Ontario
M5C 3G6

AUDITOR

PricewaterhouseCoopers LLP
Suite 3000, P.O. Box 82
Royal Trust Tower, TD Centre
Toronto, Ontario
M5K 1G8

LEGAL ADVISOR

Borden Ladner Gervais LLP
Bay Adelaide Centre, East Tower
22 Adelaide Street West
Toronto, Ontario
M5H 4E3