



**GLOBAL ASSET  
MANAGEMENT**

**ANNUAL INFORMATION FORM  
("AIF")**

*Investment Fund:*

**JFT STRATEGIES FUND**

*Securities Covered by AIF:*

**CLASS A TRUST UNITS (TSX: JFS.UN)  
CLASS F TRUST UNITS**

*Period Covered by AIF:*

**JANUARY 1, 2022 TO DECEMBER 31, 2022**

*Date of AIF:*

**March 31, 2023**

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## **SECTION 1 - CERTAIN DEFINITIONS**

In this AIF:

<b><u>Term:</u></b>	<b><u>Means:</u></b>
<b><i>“Annual Redemption Date”</i></b>	The second last Business Day of January of each year
<b><i>“Auditor”</i></b>	Ernst & Young LLP
<b><i>“Business Day”</i></b>	Any day on which the TSX is open for business
<b><i>“CDS”</i></b>	CDS Clearing and Depository Services Inc.
<b><i>“CDS Participant”</i></b>	A participant in CDS
<b><i>“CI”</i></b>	CI Global Asset Management. CI Global Asset Management is a registered business name for CI Investments Inc.
<b><i>“CI Financial”</i></b>	CI Financial Corp.
<b><i>“Class A Meeting”</i></b>	A meeting of Holders of Class A Units called in accordance with the Declaration of Trust
<b><i>“Class A Units”</i></b>	Class A Units of the Fund
<b><i>“Class F Meeting”</i></b>	A meeting of Holders of Class F Units called in accordance with the Declaration of Trust
<b><i>“Class F Units”</i></b>	Class F Units of the Fund
<b><i>“Closing Market Price”</i></b>	On a particular date: (i) an amount equal to the closing price of the Class A Units on the principal exchange or market on which the Class A Units are quoted for trading if there was a trade on such date and the exchange or market provides a closing price; (ii) an amount equal to the weighted average of the highest and lowest prices of the Class A Units if there was trading on such date on the principal exchange or market on which the Class A Units are quoted for trading and the exchange or market provides only the highest and lowest trading prices of the Class A Units traded on such date; and (iii) the weighted average of the last bid and last ask prices if there was no trading on that date
<b><i>“CRA”</i></b>	Canada Revenue Agency
<b><i>“Custodian”</i></b>	CIBC World Markets Inc., the custodian of the assets of the Fund, and its assigns and successors as may be appointed by the Manager from time to time.

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<b>“Declaration of Trust”</b>	The declaration of trust of the Fund dated as of April 23, 2012, as it may be supplemented, amended and/or restated from time to time
<b>“ETF”</b>	Exchange traded fund
<b>“Fund”</b>	JFT Strategies Fund
<b>“Holder”</b>	A holder of Units of the Fund
<b>“IRC”</b>	Independent Review Committee
<b>“Long Exposure”</b>	The long exposure of the Portfolio calculated as the absolute value of all long positions held in the Portfolio, excluding cash and cash equivalents (as defined in NI 81-102), measured on a daily marked-to-market basis
<b>“Manager”</b>	CI Global Asset Management, in its capacity as manager of the Fund
<b>“Monthly Redemption Amount”</b>	The redemption price per Class A Unit equal to the lesser of (i) 95% of the weighted average trading price of the Class A Units on the principal exchange or market on which the Class A Units are quoted for trading for the 10 Business Days immediately preceding the applicable Monthly Redemption Date and (ii) 100% of the Closing Market Price on the applicable Monthly Redemption Date, less, in each case, any costs and expenses associated with the redemption including commissions and other such costs, if any, related to the liquidation of any portion of the Portfolio required to fund such redemption
<b>“Monthly Redemption Date”</b>	The second last Business Day of each month (other than the Annual Redemption Date)
<b>“Moody’s”</b>	Moody’s Investors Service, Inc.
<b>“NAV”</b>	Net asset value
<b>“NAV of the Fund”</b>	On a particular date will be equal to (i) the aggregate fair value of the assets of the Fund, less (ii) the aggregate fair value of the liabilities of the Fund
<b>“NAV of the Units”</b>	On a particular date will be equal to (i) the aggregate fair value of the assets of the Fund attributable to the Units, less (ii) the aggregate fair value of the liabilities of the Fund attributable to the Units
<b>“NAV per Class A Unit”</b>	On any date, the number obtained by dividing the NAV of the Fund attributable to the Class A Units on such date by the total number of Class A Units outstanding on such date

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<b>“NAV per Class F Unit”</b>	On any date, the number obtained by dividing the NAV of the Fund attributable to the Class F Units on such date by the total number of Class F Units outstanding on such date
<b>“NAV per Private Placement Unit”</b>	On any date, the number obtained by dividing the NAV of the Fund attributable to the Private Placement Units on such date by the total number of Private Placement Units outstanding on such date
<b>“NAV per Unit”</b>	For a class of Units on any date, the number obtained by dividing the NAV of the Fund attributable to the class of Units on such date by the total number of Units of the class outstanding on such date
<b>“NI 81-102”</b>	National Instrument 81-102 – <i>Investment Funds</i>
<b>“NI 81-107”</b>	National Instrument 81-107 – <i>Independent Review Committee for Investment Funds</i>
<b>“Portfolio Manager”</b>	Timelo Investment Management Inc., in its capacity as portfolio manager of the Fund
<b>“Registered Plan”</b>	A trust governed by a registered retirement savings plan, registered retirement income fund, registered disability savings plan, registered education savings plan, deferred profit sharing plan or a tax-free savings account (or a first home savings account when available), each as defined in the Tax Act
<b>“Registrar”</b>	TSX Trust Company
<b>“S&amp;P”</b>	Standard & Poor’s, a division of The McGraw-Hill Companies, Inc.
<b>“Short Exposure”</b>	The short exposure of the Portfolio calculated as the absolute value of all short positions held in the Portfolio, excluding cash and cash equivalents (as defined in NI 81-102), measured on a daily marked-to-market basis
<b>“SIFT Rules”</b>	The provisions of the Tax Act providing for a tax on certain income earned by a “SIFT partnership” or distributed by a “SIFT trust”, as those terms are defined in the Tax Act
<b>“Tax Act”</b>	<i>Income Tax Act</i> (Canada) and the regulations thereunder, as the same may be amended from time to time
<b>“Trustee”</b>	CI Global Asset Management
<b>“TSX”</b>	Toronto Stock Exchange
<b>“Units”</b>	Collectively, the Class A Units and the Class F Units

**“Valuation Agent”** CIBC Mellon Global Securities Services Company

Unless otherwise indicated, the information set out in this AIF is current to December 31, 2022.

## **SECTION 2 - NAME, FORMATION AND HISTORY OF THE FUND**

### **2.1 Full Name and Registered Office**

*Name:* JFT Strategies Fund

*Registered Office:* 15 York Street, Second Floor, Toronto, Ontario M5J 0A3

### **2.2 Formation**

*Structure:* Closed-end investment trust

*Laws:* Province of Ontario

*Date:* April 23, 2012

*Manner:* Declaration of Trust dated April 23, 2012 by the Manager and the Trustee

### **2.3 Constating Documents**

The Declaration of Trust, as may be supplemented, amended and/or restated from time to time.

### **2.4 Previous Names**

None.

### **2.5 Major Events**

- (1) On **April 23, 2012**, the Fund was created.
- (2) On **May 18, 2012**, the Fund closed its initial public offering (the “**Offering**”) raising gross proceeds of approximately \$120 million pursuant to the offering of Units. The Class A Units were issued at a price of \$10.00 per Class A Unit and began trading on the TSX under the symbol “JFS.UN”.
- (3) On **February 27, 2014**, the Fund closed its follow-on treasury offering of Class A Units and Class F Units for gross proceeds of \$50,000,000.
- (4) On **March 14, 2014**, the Fund’s syndicate of agents for its follow-on treasury offering exercised its over-allotment option and acquired an additional 209,000 Class A Units. In total the Fund issued 3,299,822 Class A Units and 950,831 Class F Units for total gross proceeds of approximately \$52,600,000.
- (5) On **November 30, 2015**, First Asset Investment Management Inc., as manager of the Fund, announced that CI Financial acquired all of the issued and outstanding shares of First Asset Capital Corp. which indirectly owned all of the issued and outstanding shares of First Asset Investment

Management Inc. (the “**Transaction**”). The Transaction resulted in a change of control of First Asset Investment Management Inc., the investment fund manager of the Fund.

- (6) On **December 1, 2015**, the Fund completed a private placement of 353,107 Class F Units for total gross proceeds of \$4,999,995.12.
- (7) On **February 8, 2016**, the Fund completed a private placement of 418,040 Class F Units for total gross proceeds of \$5,831,658.
- (8) On **May 8, 2017**, the Fund completed a private placement of 417,000 Class F Units for total gross proceeds of \$6,300,870.
- (9) On **July 1, 2019**, First Asset Investment Management Inc. amalgamated with and continued as CI (the “**Amalgamation**”). Pursuant to the Amalgamation, CI became the Manager and Trustee of the Fund.
- (10) On **February 27, 2023**, the Fund filed a prospectus supplement dated February 27, 2023 to its short form base shelf prospectus dated February 21, 2023 (together, the “**2023 Prospectus**”) for the distribution of Class A Units to the public having an aggregate value of up to \$100,000,000 and entered into an equity distribution agreement dated February 27, 2023 (the “**2023 Distribution Agreement**”) with National Bank Financial Inc. (the “**Agent**”) pursuant to which the Fund can distribute Class A Units under the 2023 Prospectus from time to time through the Agent, as agent, in accordance with the terms of the 2023 Distribution Agreement. Sales of Class A Units under the 2023 Prospectus are completed as “at-the-market distributions” as defined in National Instrument 44-102 *Shelf Distributions* and, pursuant to the 2023 Distribution Agreement, the Class A Units are distributed at the market prices prevailing at the time of the sale. The Fund paid to the Agent compensation for its services in acting as agent in connection with the sale of Class A Units pursuant to the 2023 Distribution Agreement of up to 2.5% of the gross sale price per Class A Unit sold. As a result of the filing of the 2023 Prospectus and the receipt that was issued, certain investment exemptions that were available to the Fund under NI 81-102 are no longer available.

The Fund complies with the requirements of NI 81-102 that are applicable to it, subject to any exemptions therefrom applicable to the Fund. The terms of the Declaration of Trust and other agreements of the Fund should be considered in conjunction with NI 81-102.

### **SECTION 3- INVESTMENT OBJECTIVES, RESTRICTIONS AND PRACTICES**

#### **3.1 Investment Objectives**

The Fund’s investment objective is to maximize return on investment to Holders while seeking to mitigate market risk and volatility by investing in an actively managed portfolio (the “**Portfolio**”) of long and short positions in any one or a combination of equities, debt securities or other securities.

#### **3.2 Investment Strategy**

The Portfolio is managed by the Portfolio Manager. The Portfolio Manager employs an opportunistic approach to investment, which means that it concentrates on the best investment opportunities that it can identify from time to time without being restricted as to the asset classes or the securities that the

Portfolio may invest in, the investment techniques that the Portfolio Manager may use or the geographic or industry sectors or markets that the Portfolio may focus on.

The Portfolio Manager selects investments based primarily on fundamental factors that the Portfolio Manager believes will increase or decrease the trading value of a particular security or investment in the short term or the longer term. The Portfolio Manager also considers other important factors, such as macro-economic factors, technical analysis and perceived market trends, which the Portfolio Manager believes will increase or decrease the trading value of securities that are in a particular industry or geographical area, are denominated in a particular currency or trade in a particular market, whether in the short term or the longer term.

The Portfolio consists of long/short positions in any one or a combination of equities, debt securities or other securities that seek to generate positive returns by selecting what the Portfolio Manager believes to be superior quality investments for long positions and inferior quality investments for short positions. Through its long positions the Fund seeks to participate in price appreciation while through its short positions the Fund seeks to benefit from downward price movements and/or to hedge against long positions. The combination of these long and short positions may have the effect of mitigating overall market risk and may reduce volatility of returns over time, which it is believed will maximize return on investment to Holders in relation to risks. The Portfolio's net exposure (the value of the long positions less the short positions) at any given time will vary depending upon the Portfolio Manager's view of macro-economic factors, changes in the value of the securities in the Portfolio and other factors that affect the performance of the markets generally. Investment opportunities will be considered by the Portfolio Manager if in its view based on, among other things, its knowledge, experience and analysis, the potential returns outweigh the potential risk of loss of some or all of the investment. As the Portfolio Manager looks at investments in an opportunistic way, the Portfolio, at any particular time, may hold a substantial amount of cash and/or cash equivalents (as defined in NI 81-102).

There is no restriction on the types of securities that the Fund may invest in. The Portfolio Manager expects that the Portfolio may include, at any time, equities, warrants, options on equities, government treasury instruments, corporate bonds (including non-investment grade bonds), convertible bonds, ETFs and similar securities, such as American Depositary Receipts (ADRs). The Fund may also have exposure to commodities through ETFs.

The Portfolio Manager may make selective use of derivatives and other securities for both hedging and non-hedging purposes in order to increase returns and/or to mitigate the downside risk of one or more of the Portfolio's investments. These instruments may include, without limitation, warrants, options, swaps, convertible securities, notional principal contracts, contracts for differences, structured notes, forward contracts and other over-the-counter derivatives.

In executing its investment strategies, the Portfolio Manager is not restricted in the types of investment strategies that it may use. The Portfolio Manager intends to employ some or all of the following core investment techniques with respect to the Portfolio:

- **Long Positions:** Investing in securities that the Portfolio Manager views as undervalued. These securities are typically (but not always) issued by companies that, in the Portfolio Manager's view, provide improving fundamentals, superior growth potential and free



cash flow. The objective of a “long position” is to purchase a security now with the intention of selling it later at a higher price.

- **Short Positions:** Short selling securities that the Portfolio Manager views as overvalued and/or having deteriorating fundamentals. The objective of a “short position” is to sell a security now (the Fund must borrow the security first) with the intention of buying it later at a lower price (at which time the borrowed security can be returned). Any profit made on a short sale would be reduced by the cost to the Fund of borrowing the security. Short sales may also be used as a hedge against some component of risk related to one or more of the Fund’s long positions.
- **Private Placements:** Participating in select private placements that have compelling growth characteristics. Private placements of securities are sometimes made at a price that is below the market value of the securities because there are typically restrictions on selling those securities for a period of time. In some cases, a private placement includes an equity “kicker” (such as a warrant to purchase additional securities in the future at a fixed price) that makes the private placement attractive to the Portfolio Manager. A private placement may also present an opportunity for the Fund to acquire a significant block of the issuer’s securities that would not otherwise be available in the market.

From time to time, depending upon market conditions and the opportunities identified by the Portfolio Manager, the Portfolio Manager will also employ other strategies, including:

- **Pairs Trading:** Taking a short position in securities of a particular company while taking a long position in securities of another company in an attempt to take advantage of relative valuation differences between the two companies. The objective of a pairs trade is to identify two companies in the same or similar industries whose relative values are not, in the Portfolio Manager’s view, fully reflected in the difference in their share prices. The Portfolio Manager will take a short position in the company it perceives to have the higher valuation relative to its “fundamentals” (indicators of future value) and a long position in the company with the perceived lower relative valuation. The Portfolio Manager may employ this technique when it believes that the long position will appreciate in value when compared to the short position.
- **Tax Loss Season Strategy:** Investing in securities to take advantage of opportunities presented by the seasonal sales of securities to create tax losses. This can occur, for example, at the end of a tax year when investors sell off securities that have lost money over the year (“crystallizing their loss”) so as to offset or “shelter” profits that they realized that year from other investments. When a sell-off of securities occurs, the market tends to react by lowering the price at which such securities may be sold. The objective of this strategy is to identify securities whose share price is suppressed due to tax-loss selling (and not due to other, longer term factors), purchase them at the suppressed price and sell them later when the market “corrects” the trading price.
- **Short or Long ETFs, Treasury Bonds and/or Currencies:** Taking positions to express a macro view of markets and sectors and to either pursue returns or protect the value of the Fund’s holdings. If the Portfolio Manager strongly believes that a particular asset class, industry sector, geographical area or particular country is poised to go up or down

in value relative to another asset class, industry sector, geographical area or single country, the Portfolio Manager may purchase or sell short those ETFs, treasury bonds and/or currencies that best reflect its view. Short positions in these instruments can also hedge risks in other portfolio positions. For example, shorting a particular treasury bond can hedge a currency risk of a portfolio security that is denominated in the same currency.

- **Short Term Trading:** Participating in short term trading including, without limitation, in opportunities presented by new issues, blocks available at a discount and oversold or overbought charts. The objective of short term trading is to capitalize on what the Portfolio Manager believes are temporary market anomalies regardless of the Portfolio Manager's longer term view of the value of the securities.
- **Merger Arbitrage:** Taking positions in securities the value of which is dependent upon corporate restructurings, mergers, acquisitions, takeovers, spin-offs and legislative changes and which the Portfolio Manager believes provide reasonable rates of return.

The Fund limits its investment in any one issuer to 15% of the value of the Portfolio at the time of investment, measured at the time an investment in that issuer is made. If the value of that issuer's securities goes up, or the relative value of the rest of the Portfolio goes down, resulting in net exposure to that issuer of more than 15% of the NAV of the Fund, the Portfolio Manager may, but is not required to, sell down its position in that issuer so as to bring the Portfolio's net exposure to that issuer back down to 15% or less of the NAV of the Fund.

The Fund may utilize various forms of leverage, including through bank loans, repurchase arrangements, margin purchases, the short selling of securities and the use of derivative instruments. The amount of leverage, subject to the limits described below, and the cost of such leverage will vary and will depend on the strategy of the Portfolio.

The Manager and the Portfolio Manager anticipate that the lenders or brokers with respect to such borrowing or leverage will require the Fund to provide a security interest in some or all of its assets to secure any borrowing or other form of leverage.

The Long Exposure of the Portfolio will not exceed 125% of the NAV of the Fund and the Short Exposure of the Portfolio will not exceed 75% of the NAV of the Fund. The Portfolio Manager manages the aggregate exposure of the Fund on a daily basis to ensure that these maximum levels of leverage are not exceeded. Accordingly, the maximum amount of leverage that the Fund could employ will never exceed 2:1.

The Fund has appointed CIBC World Markets Inc. as its prime broker to facilitate the Fund's leverage.

The Portfolio may hold investments denominated in currencies other than the Canadian dollar for both hedging and investment purposes. Although the Portfolio Manager may adopt a hedging strategy in respect of some or all of these currencies, it is possible that some or all of such foreign currency exposure will remain unhedged. In addition, the Portfolio Manager may take long/short speculative positions on currencies based on the Portfolio Manager's view of macro-economic and other factors.

See also, Section 10.4 – *Securities Lending, Repurchase Transactions, Etc.*

### 3.3 Investment Restrictions

In addition to the investment restrictions set out in NI 81-102, which are designed to ensure that the investments of the Fund are diversified and relatively liquid and to ensure the proper administration of the Fund, the Declaration of Trust provides that the investment activities of the Fund are to be conducted in accordance with the following investment restrictions which provide that the Fund will not:

- (a) purchase securities of an issuer if, as a result of such purchase, the Fund would be required to make a take-over bid that is a “formal bid” for the purposes of the *Securities Act* (Ontario) or the equivalent provision of applicable securities laws of any other jurisdiction;
- (b) employ leverage exceeding 200% of the NAV of the Fund;
- (c) purchase securities pursuant to a private placement if, after such purchase, more than 10% of the NAV of the Fund would consist of privately placed securities (excluding privately placed securities that have become freely tradeable);
- (d) have Long Exposure in excess of 125% of the NAV of the Fund;
- (e) have Short Exposure in excess of 75% of the NAV of the Fund;
- (f) invest more than 15% of the net assets of the Fund in securities of any single issuer;
- (g) enter into any derivative transaction with a counterparty that does not have an approved credit rating (as defined in NI 81-102);
- (h) enter into any arrangement (including the acquisition of securities for the Portfolio) where the result is a “dividend rental arrangement” for the purposes of the Tax Act;
- (i) invest in or hold any investment other than cash, cash equivalents (as defined in NI 81-102), securities or positions purchased or entered into in accordance with the Fund’s investment strategy, or securities issued in respect of such securities;
- (j) with the exception of securities of the Fund’s own issue, purchase securities from, sell securities to, or otherwise contract for the acquisition or disposition of securities with the Manager, or any of its affiliates, any officer, director or shareholder of the Manager, any person, trust, firm or corporation managed by the Manager, or any of its affiliates or any firm or corporation in which any officer, director or shareholder of the Manager may have a material interest (which, for these purposes, includes beneficial ownership of more than 9.9% of the voting securities of such entity) unless, with respect to any purchase or sale of securities, either: (i) any such transaction is effected through normal market facilities, and the purchase price approximates the prevailing market price; or (ii) such purchase or sale is approved by a majority of the IRC;
- (k) invest in or hold (i) securities of or an interest in any non-resident entity, an interest in or a right or option to acquire such property, or an interest in a partnership which holds any such property if the Fund (or the partnership) would be required to include any significant amounts in income pursuant to section 94.1 of the Tax Act, (ii) an interest in a trust (or a partnership which holds such an interest) which would require the Fund (or the

partnership) to report significant amounts of income in connection with such interest pursuant to the rules in section 94.2 of the Tax Act, or (iii) any interest in a non-resident trust other than an “exempt foreign trust” for the purposes of section 94 of the Tax Act (or a partnership which holds such an interest);

- (l) purchase or hold any securities of an entity that would be a foreign affiliate of the Fund for purposes of the Tax Act;
- (m) invest in any security that would be a “tax shelter investment” within the meaning of section 143.2 of the Tax Act; and
- (n) make or hold any investments that would result in the Fund itself being subject to the tax for SIFT trusts as provided for in section 122 of the Tax Act.

If a percentage restriction on investment or use of assets or borrowing or financing arrangements set forth above as an investment restriction is adhered to at the time of the transaction (other than the restriction in (n)), later changes to the market value of the investment or the NAV of the Fund will not be considered a violation of the investment restrictions. If the Fund receives from an issuer subscription rights to purchase securities of that issuer, and if the Fund exercises those subscription rights at a time when the Fund’s holdings of securities of that issuer would otherwise exceed the limits set forth above, the exercise of those rights will not constitute a violation of the investment restrictions if, prior to the receipt of securities of that issuer on exercise of these rights, the Fund has sold at least as many securities of the same class and value as would result in the restriction being complied with.

### **3.4 Variations from Investment Objectives, Strategy, Practices & Restrictions**

Except as disclosed below in Section 17, the Fund has not sought nor received the approval of the securities regulatory authorities to vary any of the investment restrictions and practices contained in securities legislation.

In accordance with NI 81-107, the Manager has obtained standing instructions from the IRC with respect to certain matters including inter-fund trades, investments in related funds and investments in a related issuer (CI Financial). Provided it complies with these standing instructions, and the provisions of NI 81-107, these standing instructions permit the Manager to engage in these activities without having to adhere to investment restrictions and practices contained in securities legislation that may otherwise apply. The Manager has relied on these standing instructions and the relevant requirements of NI 81-107 to engage in trading between investment funds that it (or its affiliates) manages, and to acquire securities of other funds that it (or its affiliates) manages and/or to acquire securities of a related issuer.

The Fund has not sought nor relied on the approval of the IRC and the relevant requirements of NI 81-107 to vary any of the investment restrictions and practices contained in securities legislation, nor to implement a reorganization with, or transfer of assets to, another fund or to proceed with a change of auditor of the Fund.

Any amendment to the Fund’s investment objectives, investment strategy or investment restrictions as described in the Declaration of Trust requires the approval of Holders by Extraordinary Resolution (as defined under Section 4.8 – *Meetings of Holders and Extraordinary Resolutions*), unless such change or changes are necessary to ensure compliance with applicable laws, regulations or other requirements imposed from time to time by applicable regulatory authorities.

## **SECTION 4 - SECURITIES OFFERED BY THE FUND**

### **4.1 General**

Except as described in Section 4.2 and Section 16.1, each Unit entitles the Holder thereof to the same rights and obligations as a Holder of any other Unit and no Holder is entitled to any privilege, priority or preference in relation to any other Holder. Each Holder is entitled to one vote for each Unit held at all meetings of the Holders except for meetings at which only Holders of another class are entitled to vote separately as a class and is entitled to participate equally with respect to any and all distributions made by the Fund, including distributions of net income and net realized capital gains, if any.

On termination or liquidation of the Fund, Holders of record are entitled to receive on a *pro rata* basis, based on the NAV of each class of Units, all of the assets of the Fund remaining after payment of all debts, liabilities and liquidation expenses of the Fund.

### **4.2 Authorized and Issued Securities**

The Fund is authorized to issue an unlimited number of units of three classes: Class A Units, Class F Units and Private Placement Units (as defined below). The beneficial interests in the net assets and net income of the Fund are divided into these classes. Units are freely transferable, except as restricted by the Trustee in order to comply with any applicable laws, regulations or other requirements imposed by regulatory authorities or to obtain, maintain or renew any licences, rights, status or powers pursuant to any applicable laws, regulations or other requirements imposed by any stock exchange or other applicable regulatory authorities.

The Class F Units are designed for fee-based and/or institutional accounts and differ from the Class A Units in the following ways: (i) the Class F Units are not listed on a stock exchange; and (ii) the Management Fee (as defined below) payable in respect of Class F Units is lower than the Management Fee payable in respect of the Class A Units by an amount equal to the Servicing Fee (as defined below). Accordingly, the NAV per Unit of each class will not be the same as a result of the different fees allocable to each class of Units.

Concurrently with the Offering, First Asset Investment Management Inc. and the Portfolio Manager and/or their directors and officers acquired units of a separate class of the Fund on a private placement basis (the “**Private Placement Units**”). The Private Placement Units are redeemable on the Annual Redemption Date at the NAV per Private Placement Unit and on the Monthly Redemption Date at a price equal to the product of (i) the Monthly Redemption Amount, and (ii) a fraction, the numerator of which shall be the most recently calculated NAV per Private Placement Unit and the denominator of which shall be the most recently calculated NAV per Class A Unit, may be converted on a Conversion Date (as defined below) into Class A Units in accordance with the Declaration of Trust, and may be issued from time to time. No Management Fee, Performance Fee (as defined below) or other fee is payable in respect of the Private Placement Units. The Private Placement Units are non-voting except in circumstances in which amendments may disproportionately affect the rights of the holders of the Private Placement Units as a class.

	Issued and Outstanding Capital as at December 31, 2022
Class A Units	2,803,200
Class F Units	4,468,496
Private Placement Units	285,093

#### **4.3 Conversion of Units**

A Holder of Class F Units may convert Class F Units into whole Class A Units in accordance with the Declaration of Trust and it is expected that liquidity for the Class F Units will be largely obtained by means of conversion into Class A Units and the sale of those Class A Units through the facilities of the TSX. Class F Units may be converted in any month on the second last Business Day of such month (each a “**Conversion Date**”) by delivering a notice and surrendering such Class F Units by 5:00 p.m. (Toronto time) at least 10 Business Days prior to the Conversion Date. For each Class F Unit so converted, a holder will receive that number of whole Class A Units that is equal to the NAV per Class F Unit as of the close of trading on the Conversion Date divided by the NAV per Class A Unit as of the close of trading on the Conversion Date. No fractions of Class A Units will be issued upon any conversion of Class F Units. Any remaining fraction of a Class F Unit will be redeemed at its NAV.

A Holder of Class A Units may convert Class A Units into whole Class F Units, in accordance with the Declaration of Trust, on a Conversion Date by delivering a notice and surrendering such Class A Units by 5:00 p.m. (Toronto time) at least 10 Business Days prior to the relevant Conversion Date. For each Class A Unit so converted, a Holder will receive that number of whole Class F Units equal to the NAV per Class A Unit as of the close of trading on the relevant Conversion Date divided by the NAV per Class F Unit as of the close of trading on such Conversion Date. No fractions of Class F Units will be issued upon conversion of Class A Units. Any remaining fraction of a Class A Unit will be redeemed at its NAV.

Based in part on the current published administrative policies and assessing practices of the CRA, a conversion of Class F Units into whole Class A Units or Class A Units into whole Class F Units will not constitute a disposition of the Class F Units or Class A Units, as applicable, for the purposes of the Tax Act. The redemption of any fraction of a Unit will generally result in a capital gain (or capital loss) for the redeeming Holder. See Section 12.4 – *Taxation of Holders*.

#### **4.4 Termination of the Fund; Rights on Termination**

The Fund does not have a fixed termination date. The Fund may be terminated at any time by the Manager provided that the prior approval of Holders has been obtained by a majority vote at a meeting of Holders called for that purpose; provided, however, that the Manager may, in its discretion, terminate the Fund without the approval of Holders if, in the opinion of the Manager, it is no longer economically practical to continue the Fund or it would be in the best interests of the Fund.

Upon termination, the net assets of the Fund will be distributed to Holders on a *pro rata* basis based on the NAV of each class of Units. Immediately prior to the termination of the Fund, including on the termination date, the Manager will, to the extent possible, convert the assets of the Fund to cash and after paying or making adequate provision for all of the Fund’s liabilities, distribute the net assets of the Fund to the Holders as soon as practicable after the date of termination. Any unliquidated assets may be distributed in specie rather than in cash, subject to compliance with any securities or other laws applicable to such distributions.

**4.5 Distributions The Fund does not currently, and is not anticipated to, make any regular distributions.**

If, in any year after the distributions made in the year to Holders, if any, there would otherwise remain in the Fund additional net income or net realized capital gains, the Fund will be required to pay or make payable one or more special year-end distributions in such year to Holders as is necessary to ensure that the Fund will not be liable for income tax on such amounts under the Tax Act (after taking into account all available deductions, credits and refunds). Such special distributions may be paid in the form of Units and/or cash. Any special distributions payable in Units will increase the aggregate adjusted cost base of a Holder's Units. Immediately following payment of such a special distribution in Units, the number of Units outstanding will be automatically consolidated such that the number of Units outstanding after such distribution will be equal to the number of Units outstanding immediately prior to such distribution, except in the case of a non-resident Holder to the extent tax was required to be withheld in respect of the distribution. See Section 12 – *Income Tax Considerations*.

**4.6 Book-Entry Only System**

Registration of interests in, and transfers of, the Units are made only through the book-entry only system of CDS. Units must be purchased and transferred only through a CDS Participant. All rights of an owner of Units must be exercised through, and all payments or other property to which such owner is entitled will be made or delivered by, CDS or the CDS Participant through which the owner holds such Units. Upon purchase of any Units, the owner will receive only the customary confirmation. References in this AIF to a Holder means, unless the context otherwise requires, the owner of the beneficial interest in such Units.

The ability of a beneficial owner of Units to pledge such Units or otherwise take action with respect to such owner's interest in such Units (other than through a CDS Participant) may be limited due to the lack of a physical certificate.

The Fund has the option to terminate registration of the Units through the book-entry only system in which case certificates for Units in fully registered form would be issued to beneficial owners of such Units or to their nominees.

**4.7 Amendments to the Declaration of Trust**

Any matter to be considered at a meeting of Holders, other than certain matters requiring the approval of Holders by Extraordinary Resolution (as defined in Section 4.8 – *Meetings of Holders and Extraordinary Resolutions*) or unanimous approval of Holders as discussed below and in the Declaration of Trust, requires the approval of Holders by a resolution passed by Holders of not less than 50% of the Units voting thereon at a meeting duly convened for the consideration of such matter.

In addition, the Manager is entitled, without the consent of the Holders, to make all such amendments to the Declaration of Trust as the Manager believes are necessary or desirable for the purpose of (i) making any change or correction which is of a typographical nature or is required to cure or correct a clerical omission, mistake or manifest error contained therein, (ii) amending the existing provisions or adding any provisions which are for the protection or benefit of the Holders, (iii) curing any ambiguity or correcting any administrative difficulty in the Declaration of Trust, (iv) supplementing any provision which may be defective or inconsistent with another provision, (v) maintaining the status of the Fund as a "unit trust" and a "mutual fund trust" for the purposes of the Tax Act or to respond to amendments to the Tax Act or to the interpretation thereof, (vi) complying with applicable law including the rules and policies of

Canadian securities regulatory authorities, (vii) conforming the Declaration of Trust with current market practice within the securities or investment funds industries, (viii) changing the name of the Fund, and (ix) adding additional redemption rights.

These amendments made by the Manager without the consent of Holders must be disclosed in the next regularly scheduled report to Holders. Such amendments may be made only if they will not materially adversely affect the interest of any Holder.

The Manager may also amend the Declaration of Trust without the consent of the Holders for the purpose of removing any conflicts or other inconsistencies which may exist between the Declaration of Trust and applicable law, changing the Fund's taxation year-end as permitted under the Tax Act or providing the Fund with the right to acquire Units from any Holder for the purpose of maintaining the status of the Fund as a "mutual fund trust" for purposes of the Tax Act.

#### **4.8 Meetings of Holders and Extraordinary Resolutions**

A meeting of Holders may be convened by the Manager at any time and must be convened if requisitioned by the Holders of not less than 10% of the Units then outstanding by a written requisition specifying the purpose of the meeting. The Manager may convene a Class A Meeting or Class F Meeting if the nature of the business to be transacted at that meeting is only relevant to Holders of the applicable class. A Class A Meeting must be convened if requisitioned by Holders holding not less than 10% of the Class A Units then outstanding by a written requisition specifying the purpose of the meeting. A Class F Meeting must be convened if requisitioned by Holders holding not less than 10% of the Class F Units then outstanding by written requisition specifying the purpose of the meeting. Not less than 21 days and not more than 50 days' notice will be given of any meeting of Holders. The quorum for a meeting of all Holders is one or more Holders present in person or by proxy holding not less than 5% of the outstanding Units. The quorum for a Class A Meeting is one or more Holders present in person or by proxy holding not less than 5% of the Class A Units then outstanding and the quorum for a Class F Meeting is one or more Holders present in person or by proxy holding not less than 5% of the Class F Units then outstanding. Quorum for a meeting held to consider an Extraordinary Resolution is one or more Holders present in person or by proxy holding not less than 15% of the outstanding Units. If no quorum is present within one-half hour after the time fixed for the holding of such meeting, the meeting, if called on the requisition of Holders, will be cancelled and otherwise will be adjourned for not less than 10 days nor more than 21 days and at the adjourned meeting the Holders then present in person or represented by proxy will form the necessary quorum. At any such meeting, each Holder will be entitled to one vote for each whole Unit registered in the Holder's name.

The Fund does not intend to hold annual meetings of Holders.

Any matter to be considered at a meeting of Holders, other than certain matters requiring the approval of Holders by Extraordinary Resolution or unanimous approval of Holders as discussed under Section 4.7 - *Amendments to the Declaration of Trust*, will require the approval of Holders by a resolution passed by holders of not less than 50% of the Units voting thereon at a meeting duly convened for the consideration of such matter.

In addition to the voting rights provided in NI 81-102, the following matters may be undertaken only with the approval by Holders of not less than 66 2/3% of the votes cast by the Holders who voted in respect of that resolution, whether at a meeting or by way of written resolution (an "Extraordinary Resolution"):



- (a) any change in the investment objectives or investment restrictions of the Fund, unless such change is necessary to ensure compliance with applicable laws, regulations or other requirements imposed by applicable regulatory authorities from time to time;
- (b) any change of the Manager, other than as described herein;
- (c) the removal of the Trustee, other than as described herein;
- (d) the removal of the Portfolio Manager;
- (e) any change in the basis of the calculation of a fee or expense charged to the Fund by the Trustee, the Manager or the Portfolio Manager in a way that will result in an increase in charges to the Fund;
- (f) the liquidation, dissolution or early termination of the Fund, other than as described under Section 4.4 -*Termination of the Fund; Rights on Termination*;
- (g) the sale of all or substantially all of the assets of the Fund other than in the ordinary course of its activities;
- (h) the reorganization with, or transfer of assets to, another issuer, if the Fund ceases to continue after the reorganization or the transfer of assets, and the transaction results in the Holders becoming securityholders in the other issuer;
- (i) the reorganization with, or the acquisition of assets from, another issuer, if the Fund continues after the reorganization or the acquisition of assets, and the transaction results in the securityholders of the other issuer becoming Holders and the transaction would be a significant change to the Fund;
- (j) the issuance of Units for net proceeds less than the most recently calculated NAV per Unit prior to the date upon which the price of the Units for such issuance is determined;
- (k) any material amendment, modification or variation in the provisions or rights attaching to the Units; and
- (l) a change in the frequency of calculating the NAV per Unit to less often than every Business Day.

#### **4.9 Information and Reports to Holders**

The Fund furnishes to Holders such financial statements (including interim unaudited and annual audited financial statements, accompanied by management reports of fund performance) and other reports as are from time to time required by applicable law, including prescribed forms needed for the completion of Holders' tax returns under the Tax Act and equivalent provincial legislation.

The Fund complies with all of the continuous disclosure requirements applicable to it as a reporting issuer under applicable securities laws. Prior to any meeting of Holders, the Fund provides to Holders (along with notice of such meeting) all such information as is required by applicable law to be provided to Holders.

**SECTION 5 - VALUATION OF PORTFOLIO SECURITIES**

**5.1 Valuation**

In calculating the NAV, the Fund values the various assets as described below. CI may deviate from these valuation practices in circumstances where this would be appropriate, for example, if trading in a security is halted because of significant negative news about the company.

Type of asset	Method of valuation
Liquid assets, including cash on hand, on deposit or on call; bills and notes and accounts receivables; prepaid expenses; cash dividends to be received; and interest accrued but not yet received	Valued at full face value unless CI determine the asset is not worth full face value, in which case CI will determine a fair value.
Money market instruments	The purchase cost amortized to the instrument's due date.
Bonds, debentures or other debt obligations	The mid-price, which is the average of the bid and ask prices quoted by a pricing vendor selected by CI. The pricing vendor will determine the price from quotes received from one or more dealers in the applicable bond, debenture, or debt obligation market, selected for this purpose by the pricing vendor.
Shares, subscription rights and other securities listed or traded on a stock exchange	The latest available sale price reported by any means in common use. If a price is not available, CI will determine a price not higher than the latest available asked price and not lower than the latest available bid price. If the securities are listed or traded on more than one exchange, CI will calculate the value in a manner that it believes accurately reflects fair value. If CI believes stock exchange quotations do not accurately reflect the price the Fund would receive from selling a security, it can value the security at a price CI believes reflects fair value.
Shares, subscription rights and other securities not listed or traded on a stock exchange	The price quotation or valuation that CI believes best reflects fair value.
Restricted securities as defined in NI 81-102	The market value of securities of the same class which are not restricted, multiplied by the percentage that the Fund's acquisition cost was of the market value of such securities at the time of acquisition. The extent of the restrictions (including materiality) will be taken into consideration, provided that a gradual taking into account of the actual value of the securities may be made where the date on which the restrictions will be lifted is known or such lower value as may be available from reported quotations in common use.
Long positions in clearing corporation options, options on futures, over-the-counter	The current market value.

Type of asset	Method of valuation
options, debt-like securities, warrants, and rights	
Premiums received from written clearing corporation options, options on futures or over-the-counter options	Treated as deferred credits and valued at an amount equal to the market value that would trigger closing the position. The deferred credit is deducted when calculating the NAV of the Fund. Any securities that are the subject of a written clearing corporation option or over-the-counter option will be valued as described above.
Futures contracts, forward contracts, and swaps	Valued according to the gain or loss the Fund would realize if the position were closed out on the day of the valuation. If daily limits are in effect, the value will be based on the current market value of the underlying interest. Margin paid or deposited in respect of futures contracts, forward contracts and swaps will be reflected as an account receivable and margin consisting of assets other than cash shall be noted as held as margin.
Assets valued in foreign currency; deposits and contractual obligations payable to the Fund in foreign currency; and liabilities and contractual obligations the Fund must pay in foreign currency	Valued using the exchange rate at 4:00 p.m. Eastern time that valuation day.
Precious metals (certificates or bullion) and other commodities	Precious metals (certificates or bullion) and other commodities are valued at their fair market value, generally based on prevailing market prices as reported on exchanges or other markets.
Securities of other mutual funds, other than exchange-traded mutual funds	The value of the securities will be the NAV per security on that day, or if the day is not a valuation day, the NAV per security on the most recent valuation day. The Manager may also use fair value to value the securities.

If a security cannot be valued under the foregoing principles or if the foregoing principles are at any time considered by the Manager to be inappropriate under the circumstances for any reason, then notwithstanding such principles, the Manager may make such valuation as it considers fair and reasonable.

The Valuation Agent calculates the value of the Fund's securities for which there exists a published market on the basis of quoted prices in such market. For this purpose, a published market means any market on which such securities are traded if the prices are regularly published in a newspaper or business or financial publication of general and regular paid circulation. The process of valuing investments for which no published market exists is based on inherent uncertainties and the resulting values may differ from values that would have been used had a ready market existed for the investments and may differ from the prices at which the investments may be sold.

## **5.2 Discretion**

The Manager notifies the Valuation Agent of any adjustments in the holdings of the Portfolio and of any circumstances which would necessitate an adjustment from a valuation equal to the cost of the investment. The Manager reviews daily and, from time to time, considers the appropriateness of the valuation policies adopted by the Fund, as such policies are modified from time to time in the discretion of the Manager acting reasonably and in the best interests of Holders.

Since inception of the Fund, the Fund has not deviated from its valuation policies.

## **SECTION 6 - CALCULATION OF NET ASSET VALUE**

The NAV per Unit is calculated as of 4:00 p.m. (Toronto time), or such other time as the Manager deems appropriate, on every Business Day, and includes any other date on which the Manager elects, in its discretion to calculate the NAV per Unit (each, a “**Valuation Date**”).

The NAV of the Fund on a particular date will be equal to the aggregate fair value of the assets of the Fund less the aggregate fair value of the liabilities of the Fund.

The NAV per Unit for each class of Units on a particular date will be equal to the NAV of the Fund attributable to that class, including an allocation of any net realized capital gains or other amounts payable to Holders of that class on or before such date, divided by the number of Units of that class then outstanding.

The NAV per Unit is calculated in Canadian dollars. The NAV and NAV per Unit are available to Holders on request, at no cost, and are available on the Internet at [www.ci.com](http://www.ci.com). The Fund publishes its NAV per Unit on a daily basis.

## **SECTION 7 - REDEMPTION OF SECURITIES**

### **7.1 Redemptions**

#### **(1) Annual Redemptions**

Units may be surrendered annually for redemption during the period from the first Business Day in December until 5:00 p.m. (Toronto time) on the 10<sup>th</sup> Business Day in December of each year (the “**Notice Period**”) subject to the Fund’s right to suspend redemptions in certain circumstances. Units properly surrendered for redemption during the Notice Period will be redeemed on the Annual Redemption Date and the Holder will receive payment on or before the 15<sup>th</sup> day following the Annual Redemption Date. Redeeming Holders will receive a redemption price per Unit equal to 100% of the NAV per Class A Unit or NAV per Class F Unit, as applicable, as determined on the Annual Redemption Date, less any costs and expenses incurred by the Fund in order to fund such redemption.

#### **(2) Monthly Redemptions**

Units may be surrendered for redemption at any time. Units may be redeemed at the option of Holders on a Monthly Redemption Date, subject to the Fund’s right to suspend redemptions in certain circumstances, and in order to effect such a redemption, the Units must be surrendered by no later than 5:00 p.m. (Toronto time) on the date which is the 10<sup>th</sup> Business Day of the month preceding the Monthly

Redemption Date. Payment of the redemption price will be made on or before the 15<sup>th</sup> Business Day of the month following the Monthly Redemption Date, subject to the Manager's right to suspend redemptions in certain circumstances. Holders surrendering a Class A Unit for redemption, except during the Notice Period, will receive the Monthly Redemption Amount. Holders surrendering the Class F Units for redemption, except during the Notice Period, will receive an amount equal to the product of (i) the Monthly Redemption Amount, and (ii) a fraction, the numerator of which is the most recently calculated NAV per Class F Unit and the denominator of which is the most recently calculated NAV per Class A Unit.

(3) **Redemption Procedures**

A Holder of Units who desires to exercise redemption privileges thereunder must do so by causing a CDS Participant through which he or she holds his or her Units to deliver to CDS at its office in the City of Toronto on behalf of the Holder, a written notice of the holder's intention to redeem Units by no later than 5:00 p.m. (Toronto time) on the applicable notice date described above. A Holder of Units who desires to redeem Units should ensure that the CDS Participant is provided with notice of his or her intention to exercise his or her redemption right sufficiently in advance of the redemption deadline so as to permit the CDS Participant to deliver a notice to CDS by 5:00 p.m. (Toronto time) on the notice date described above.

By causing a CDS Participant to deliver to CDS a notice of the holder's intention to redeem Units, the Holder of Units will be deemed to have irrevocably surrendered his or her Units for redemption and appointed such CDS Participant to act as his or her exclusive settlement agent with respect to the exercise of the redemption privilege and the receipt of payment in connection with the settlement of obligations arising from such exercise, provided that the Manager may from time to time prior to the redemption date permit the withdrawal of a redemption notice on such terms and conditions as the Manager may determine, in its sole discretion, provided that such withdrawal will not adversely affect the Fund. Any expenses associated with the preparation and delivery of the redemption notice will be for the account of the Holder of Units exercising the redemption privilege.

Any redemption notice that CDS determines to be incomplete, not in proper form or not duly executed will, for all purposes, be void and of no effect and the redemption privilege to which it relates shall be considered, for all purposes, not to have been exercised thereby. A failure by a CDS Participant to exercise redemption privileges or to give effect to the settlement thereof in accordance with the owner's instructions will not give rise to any obligations or liability on the part of the Fund, the Portfolio Manager or the Manager to the CDS Participant or to the Holder of the Units.

The Manager may, without the approval of Holders, change the redemption rights attached to the Units on not less than 30 days' notice to Holders by increasing the number of times in each year that Units may be redeemed by Holders (at a redemption price per Unit to be determined by the Manager), so long as such change does not result in the Fund being a mutual fund for securities law purposes and provided that no such change may be made without Holder approval if it would eliminate the rights of Holders to redeem their Units on a Monthly Redemption Date.

Pursuant to the Declaration of Trust, the Fund may allocate and designate as payable any capital gains realized by the Fund to permit or facilitate the redemption of Units to a Holder whose Units are being redeemed. Any such allocations will reduce the redemption price otherwise payable to the redeeming Holder and therefore the redeeming Holder's proceeds of disposition.

(4) **Suspension of Redemptions**

The Manager may suspend the redemption of Units or payment of redemption proceeds: (i) during any period when normal trading is suspended on stock exchanges or other markets on which securities owned by the Fund are listed and traded, if these securities represent more than 50% by value or underlying market exposure of the Fund and if these securities are not traded on any other exchange that represents a reasonably practical alternative for the Fund, or (ii) for a period not exceeding 30 days during which the Manager determines that conditions exist which render impractical the sale of assets of the Fund or which impair the ability of the Manager to determine the value of the assets of the Fund. The suspension may apply to all requests for redemption received prior to the suspension but as to which payment has not been made, as well as to all requests received while the suspension is in effect. All Holders making such requests shall be advised by the Manager of the suspension and that the redemption will be effected at a price determined on the first Business Day following the termination of the suspension. All such Holders shall have and shall be advised that they have the right to withdraw their requests for redemption. The suspension shall terminate in any event on the first day on which the condition giving rise to the suspension has ceased to exist, provided that no other condition under which a suspension is authorized then exists. To the extent not inconsistent with official rules and regulations promulgated by any government body having jurisdiction over the Fund, any declaration of suspension made by the Manager shall be conclusive.

**7.2 Purchases for Cancellation or Resale**

The Declaration of Trust provides that, subject to applicable law, the Fund may at any time or times purchase Class A Units for cancellation or, subject to receipt of all required regulatory approvals, hold for resale by the Fund, in each case, at prices per Class A Unit not exceeding the NAV per Class A Unit on the Business Day immediately prior to such purchase up to a maximum in any 12 month period of 10% of the outstanding public float of Class A Units.

**SECTION 8 - RESPONSIBILITY FOR FUND OPERATIONS**

**8.1 Manager**

(1) **Contact Information**

**CI Global Asset Management**  
15 York Street, Second Floor  
Toronto, Ontario M5J 0A3  
1-800-792-9355  
service@ci.com ♦ [www.ci.com](http://www.ci.com)

(2) **Duties and Services Provided**

Pursuant to the Declaration of Trust, the Manager is responsible for providing and arranging for the execution of the investment strategy and the required administrative services to the Fund including, without limitation: authorizing the payment of operating expenses incurred on behalf of the Fund; preparing or causing to be prepared financial statements, financial and accounting information as required by the Fund; ensuring that the Holders are provided with financial statements (including semi-

annual and annual financial statements) and other reports as are required by applicable law from time to time; ensuring that the Fund complies with regulatory requirements; preparing or causing to be prepared the reports of the Fund to Holders and the Canadian securities regulatory authorities; providing each of the Custodian and Valuation Agent with information and reports necessary for it to fulfil its responsibilities; determining the amount of distributions to be made by the Fund, if any; obtaining the services of dealers in exchange for payment of the Servicing Fee; and negotiating contractual agreements with third party providers of services, including but not limited to, investment advisors, custodians, valuation agents, registrars, transfer agents, distribution agents, auditors and printers.

Pursuant to the Declaration of Trust, the Manager shall exercise the powers and discharge the duties of its office honestly, in good faith and in the best interests of the Fund and, in connection therewith, shall exercise the degree of care, diligence and skill that a reasonably prudent manager would exercise in similar circumstances. The Declaration of Trust provides that the Manager will not be liable in any way for default, failure or defect in the Portfolio if it has satisfied the duties and standard of care, diligence and skill set forth above.

(3) **Directors and Executive Officers of the Manager**

The name and municipality of residence of each of the directors and executive officers of the Manager and their principal occupations are as follows:

Name and municipality of residence	Office held with CI	Principal occupation in the last five years
Darie Urbanky Toronto, Ontario	Director, President, Chief Operating Officer and Ultimate Designated Person	President and Ultimate Designated Person (since April 2021), Director (since December 2019) and Chief Operating Officer, CI, since September 2018  President (since June 2019) and Chief Operating Officer, CI Financial Corp. since September 2018
Yvette Zhang Toronto, Ontario	Director and Chief Financial Officer	Director and Chief Financial Officer, CI Global Asset Management, since October 2022
William Chinkiwsky Toronto, Ontario	Chief Compliance Officer	Chief Compliance Officer, CI, since February 2021  Head, Global Asset Management Compliance, Bank of Montreal, from October 2012 to February 2021

Name and municipality of residence	Office held with CI	Principal occupation in the last five years
Elsa Li Toronto, Ontario	Director, Senior Vice-President, General Counsel and Corporate Secretary	Director (since October 2022), Senior Vice-President and General Counsel (since March 2022), and Corporate Secretary, CI Global Asset Management, since March 2017

Except where another company is disclosed above, all directors and executive officers have held position(s) with the Manager for the last five (5) consecutive years. Where a director or executive officer has held multiple positions within the Manager or another company for the last five (5) consecutive years, the above table generally sets out only the current or most recently held position(s) held at such company. The start date for each position generally refers to the date on which the director or executive officer commenced the applicable position(s).

(4) **Termination of Manager**

The Manager may resign as manager of the Fund upon 60 days' notice to the Holders and the Fund. If the Manager resigns it may appoint its successor but, unless its successor is an affiliate of the Manager, its successor must be approved by Holders. If the Manager is in material default of its obligations under the Declaration of Trust and such default has not been cured within 30 days after notice of same has been given to the Manager or upon certain actions relating to the bankruptcy or insolvency of the Manager and/or the Fund, as applicable, the Fund shall give notice thereof to Holders and the Holders may remove the Manager and appoint a successor manager.

The Manager will be reimbursed by the Fund for all reasonable costs and expenses incurred by the Manager on behalf of the Fund as described under Section 11 - *Fees and Expenses*. In addition, the Manager and each of its directors, officers, employees, shareholders and agents will be indemnified by the Fund for all liabilities, costs and expenses incurred in connection with any action, suit or proceeding that is proposed or commenced, or other claim that is made against, the Manager, or any of its directors, officers, employees, shareholders or agents, in the exercise of its duties as Manager, except those resulting from the Manager's wilful misconduct, bad faith, negligence, disregard of the Manager's standard of care or material breach or default by the Manager of its obligations under the Declaration of Trust.

The management services of the Manager under the Declaration of Trust are not exclusive and nothing in the Declaration of Trust prevents the Manager from providing similar management services to other investment funds and other clients (whether or not their investment objectives and policies are similar to those of the Fund) or from engaging in other activities.

The Manager may resign on 20 Business Days' written notice to the Trustee if the Fund is in breach or default of the provisions of the Declaration of Trust and, if capable of being cured, such breach or default has not been cured by the Trustee on behalf of the Fund within 20 Business Days' written notice of such breach or default being given to the Trustee. The Manager may be removed upon the approval by Holders of an Extraordinary Resolution at a meeting of Holders duly convened for the consideration of such a matter, in the event that the Manager is in breach or default of the provisions of the Declaration of Trust and, if capable of being cured, such breach or default has not been cured within 20 Business Days' written



notice of such breach or default to the Manager or if the Manager becomes bankrupt or insolvent. The Manager is deemed to resign if an order is made or a resolution is passed or other proceeding is taken for the dissolution of the Manager, or upon certain events of insolvency or bankruptcy with respect to the Manager.

In the event that the Manager resigns or is removed as described above, the Trustee shall promptly appoint a successor manager to carry out the activities of the Manager until a meeting of the Holders is held to confirm such appointment by Extraordinary Resolution. The removal or resignation of the Manager will only become effective upon the appointment of a replacement manager. If, within 90 days from the notice of resignation or removal of the Manager, the Trustee has not appointed a replacement manager, the Fund will be terminated.

## **8.2 Portfolio Manager**

### **(1) Contact Information**

**Timelo Investment Management Inc.**

372 Hollandview Trail, Suite 305

Aurora, Ontario L4G 0A5

info@riskreward.ca ♦ www.timeloinvest.ca

### **(2) Duties and Services Provided**

The Portfolio Manager provides investment advisory and portfolio management services to the Fund with respect to the Portfolio pursuant to a portfolio management agreement (the “**Portfolio Management Agreement**”) between the Fund, the Manager and the Portfolio Manager. Decisions regarding the purchase and sale of Portfolio securities and the execution of transactions for the Portfolio are made by the Portfolio Manager, in accordance with and subject to the terms of the Portfolio Management Agreement. Subject to the terms of the Portfolio Management Agreement, the Portfolio Manager implements the investment strategies of the Portfolio on an ongoing basis.

Under the Portfolio Management Agreement, the Portfolio Manager covenants to act at all times on a basis which is fair and reasonable to the Manager and the Fund, to act honestly and in good faith with a view to the best interests of the Fund and, in connection therewith, to exercise the degree of care, diligence and skill that a reasonably prudent portfolio manager would exercise in comparable circumstances. The Portfolio Management Agreement provides that the Portfolio Manager will not be liable in any way under the Portfolio Management Agreement for any default, failure or defect in any of the securities comprising the Portfolio if it satisfied the standard of care, diligence and skill set forth above. The Portfolio Management Agreement provides that the Portfolio Manager will not be liable for any losses if it has satisfied the standard of care, diligence and skill set forth above. Pursuant to the Portfolio Management Agreement, the Portfolio Manager and its officers, directors and employees shall be indemnified by the Trustee, from the assets of the Fund, against all losses (other than loss of profits), expenses, costs, claims, actions, damages or liabilities (including legal costs on a solicitor-and-client basis) which they may suffer or incur as a result of the wilful misconduct, fraud, negligence, breach or reckless disregard of the duties of the Fund, the Manager or its directors, officers or employees under the Portfolio Management Agreement or a material breach of the Fund’s and/or the Manager’s obligations under the Portfolio Management Agreement. CI, its directors, officers and employees shall not be liable in any manner to the Portfolio Manager, its directors, officers or employees with respect to any claims resulting

from an act or omission of the Portfolio Manager involving wilful misconduct, fraud, negligence, breach or reckless disregard of the duties and standard of care of the Portfolio Manager or a material breach of the Portfolio Manager's obligations under the Portfolio Management Agreement.

(3) **Directors and Officers of the Portfolio Manager**

<b><u>Name and Municipality of Residence</u></b>	<b><u>Length of Service with Portfolio Manager</u></b>	<b><u>Principal Occupation in the Last 5 Years</u></b>
JEAN-FRANCOIS TARDIF Aurora, Ontario Director, President and Portfolio Manager	12 years	Director, President and Portfolio Manager, Timelo Investment Management Inc. since August 2011
ALEXANDER BLANCHARD Toronto, Ontario Chief Compliance Officer and Manager, Trading and Operations	10 years	Chief Compliance Officer (since December 2018) and Manager, Trading and Operations, Timelo Investment Management Inc. since November 2017  Prior to November 2017, Senior Associate Trading and Operations and Associate, since 2013

Jean-Francois Tardif is the individual with the Portfolio Manager who will be principally responsible for the portfolio management of the Fund. Investment decisions made by the Portfolio Manager are not subject to the oversight, approval or ratification of a committee.

**Jean-Francois Tardif.** Jean-Francois Tardif founded the Portfolio Manager in August 2011. Prior thereto, Mr. Tardif was a senior portfolio manager with Sprott Asset Management Inc. from November 2001 to July 2009, where he was the lead manager of a hedge fund from April 2004 to July 2009. Prior to that, he was a portfolio manager at ING Investment Management Ltd. and, prior to August 1997, was an analyst at St-Bruno-based Cote 100. Mr. Tardif graduated with a Bachelor of Business Administration from Sherbrooke University in 1991 and received his Chartered Financial Analyst designation in 1996.

**Alexander Blanchard.** Alexander Blanchard joined the Portfolio Manager in November 2013. Mr. Blanchard is responsible for managing certain operational, trading, client services and compliance activities of the Portfolio Manager and its funds. Prior to joining the Portfolio Manager, he worked in relationship management at TD Canada Trust. Mr. Blanchard holds a Bachelor of Commerce degree from the University of Guelph.

(4) **Termination Provisions**

The Portfolio Management Agreement, unless terminated as described below, will continue until (i) the effective date of the termination of the Manager as the trustee and the manager of the Fund or (ii) the

date of termination of the Fund. The Portfolio Manager may terminate the Portfolio Management Agreement, without payment of any penalty, after the third anniversary of the closing of the Offering on 180 days' notice to the Fund or immediately: (i) in the event that either the Fund or the Manager is in material breach of the Portfolio Management Agreement and the material breach has not been cured within 30 Business Days' notice thereof to the Manager, or where a material breach cannot be cured within 30 Business Days' notice, but the Manager has commenced the cure within the 30 Business Day period, within 45 Business Days of such notice; (ii) if there is a material change in the investment strategies objectives or restrictions of the Fund to which the Portfolio Manager has not previously agreed; (iii) if the Manager or the Fund becomes bankrupt or insolvent or makes a general assignment for the benefit of its creditors or a receiver is appointed in respect of the Manager or the Fund or a substantial portion of its respective assets; and (iv) if the assets of the Fund become subject to seizure or confiscation by any public or governmental organization.

The Manager may terminate the Portfolio Management Agreement, without payment of any penalty, including in the following circumstances on 180 days written notice to the Portfolio Manager if the NAV of the Units remains below the high water mark (as such term is defined in the Portfolio Management Agreement) for three consecutive Determination Dates; or immediately (i) in the event that the Holders vote to remove the Portfolio Manager; (ii) in the event that the Portfolio Manager is in material breach of the Portfolio Management Agreement and the material breach has not been cured within 30 Business Days' notice thereof to the Portfolio Manager, or where a material breach cannot be cured within 30 Business Days' notice, but the Portfolio Manager has commenced the cure within the 30 Business Day period, within 45 Business Days of such notice; (iii) if the Portfolio Manager becomes bankrupt or insolvent or makes a general assignment for the benefit of the creditors or a receiver is appointed in respect of the Portfolio Manager or a substantial portion of the assets of the Portfolio Manager; (iv) if the assets of the Portfolio Manager become subject to seizure or confiscation by any public or governmental organization; (v) if the Portfolio Manager has lost any required registration, license or other authorization or is otherwise deemed legally unable to perform its obligations under the Portfolio Management Agreement; or (vi) if the Portfolio Manager has breached its standard of care or acted with wilful misconduct, fraud or negligence.

In the event that the Portfolio Management Agreement is terminated as provided above the Manager shall promptly appoint one or more successor investment advisors to carry out the activities of the portfolio manager of the Fund.

In addition to receiving the Performance Fee from the Fund, as described under Section 11 – *Fees and Expenses*, the Portfolio Manager will also receive from the Manager such portion of the Management Fee as they may agree.

### 8.3 **Trustee**

#### (1) **Contact Information**

##### **CI Global Asset Management**

15 York Street, Second Floor  
Toronto, Ontario M5J 0A3  
1-800-792-9355  
service@ci.com ♦ www.ci.com

#### (2) **Duties and Services Provided**

The Manager also acts as trustee of the Fund pursuant to the provisions of the Declaration of Trust. The Trustee is responsible for certain aspects of the day-to-day management of the Fund as described in the Declaration of Trust, including calculating, or arranging for the calculation of NAV of the Fund, net income and net realized capital gains of the Fund, and executing instruments on behalf of the Fund.

Pursuant to the Declaration of Trust, the Trustee is required to exercise its powers and discharge its duties honestly, in good faith and in the best interests of the Fund and to exercise the degree of care, diligence and skill that a reasonably prudent trustee would exercise in comparable circumstances. The Declaration of Trust provides that the Trustee will not be liable in carrying out its duties under the Declaration of Trust except in cases of wilful misconduct, bad faith, negligence or the disregard of its obligations or duties or breach of its standard of care and duty. The Declaration of Trust provides that the Trustee will not be liable in any way for any default, failure or defect in any of the Portfolio securities if it has satisfied the duties and the standard of care, diligence and skill set forth above. The Trustee and each of its directors, officers, and employees will be indemnified by the Fund for all liabilities and expenses reasonably incurred in connection with any action, suit or proceeding that is proposed or commenced or other claim that is made against the Trustee or any of its officers, directors or employees in the exercise of its duties under the Declaration of Trust, except those resulting from such person's wilful misconduct, bad faith, negligence, disregard of such person's obligations or duties or breach of their standard of care in relation to the matter in respect of which indemnification is claimed.

#### (3) **Directors and Executive Officers of the Trustee**

The directors and executive officers of the Trustee are the same individuals listed in Section 8.1(3) – *Directors and Executive Officers of the Manager*, as CI is both the manager and trustee of the Fund.

#### (4) **Termination Provisions**

The Trustee may resign upon 60 days' written notice to Holders and the Manager. The Trustee may be removed by an Extraordinary Resolution approved at a meeting of Holders called for such purpose or by the Manager (if the Manager is then not the Trustee), if the Trustee ceases to be a resident of Canada for purposes of the Tax Act, if the Trustee has committed certain events of bankruptcy or insolvency or is in material breach or default of its obligations under the Declaration of Trust which breach has not been cured within 30 days after notice thereof has been given to the Trustee. Any such resignation or removal shall become effective only upon the acceptance of appointment by a successor. If the Trustee resigns or is deemed to resign, its successor may be appointed by the Manager. The successor must be approved by

Holders at the meeting at which the Trustee's removal was approved if the Trustee is removed by Holders. If no successor has been appointed within 60 days, the Trustee or any Holder may apply to a court of competent jurisdiction for the appointment of a successor.

#### **8.4 Brokerage Arrangements**

The Portfolio Manager is responsible for selecting brokers and investment dealers for the execution of transactions in respect of the Fund's investments and, when applicable, the negotiation of commissions in connection therewith. The Fund is responsible to pay those commissions.

The Portfolio Manager's allocation of brokerage business to companies, including those that furnish statistical, research or other services to the Fund, is based on decisions made by the portfolio managers, analysts and traders of the Portfolio Manager and will only be made in compliance with applicable law and in accordance with the Portfolio Manager's policies and procedures. The Portfolio Manager does not generally allocate brokerage business to affiliates. The allocation of business among brokers is based on a number of factors, including: (i) the nature and character of the security or instrument being traded and the markets in which it is purchased or sold; (ii) the desired timing of the transaction; (iii) the Portfolio Manager's knowledge of the expected commission rates and spreads currently available; (iv) the activity existing and expected in the market for the particular security or instrument; (v) the full range of brokerage services provided; (vi) the broker's or dealer's capital strength and stability, as well as its execution, clearance and settlement capabilities; (vii) the quality of research and research services provided; (viii) the reasonableness of the commission or its equivalent for the specific transaction; and (ix) the Portfolio Manager's knowledge of any actual or apparent operational problems of a broker or dealer.

The Portfolio Manager utilizes a wide variety of Canadian and international brokerage and investment dealers that specialize in macroeconomic and security specific analysis. Since the date of the last annual information form, dealers or third parties provided research and order execution goods and services that included advice, analyses and reports regarding various subject matters relating to investments (including portfolio strategy, economic analysis, and statistic data about capital markets and securities). These reports and advice were provided either directly or through publications or writings, including electronic publications, telephone contacts and personal meetings with security analysts, economists and corporate and industry spokespersons, and included analysis and reports concerning issuers, industries, securities, economic factors and trends, accounting and tax law interpretations and political developments. The research and order execution goods and services also included trading software, market data, and custody, clearing and settlement services that were directly related to executed orders, as well as databases and software that supported these goods and services. Dealers and third parties may provide the same or similar goods and services in the future. The users of these research and order execution goods and services are portfolio managers, analysts and traders. The names of such dealers and third parties are available upon request by calling the Manager toll-free at 1-800-792-9355, by sending the Manager an email at [service@ci.com](mailto:service@ci.com) or by writing to CI.

#### **8.5 Directors, Officers and Trustees**

The Fund does not have any directors or officers. The Trustee is CI. Please refer to Section 8.3 - *Trustee*.

## 8.6 **Custodian**

### (1) **Contact Information**

CIBC World Markets Inc.  
161 Bay Street  
Toronto, Ontario M5J 2S8

### (2) **Duties and Services Provided**

The Custodian has been appointed to provide custody services pursuant to the custodian agreement between the Manager, in its capacity as trustee of the Fund, and the Custodian dated as of July 12, 2017 (the "**Custodian Agreement**"). The Custodian's principal place of business in respect of the Fund is Toronto, Ontario.

The Custodian holds, or directs its sub-custodians to hold, for the account of the Fund, all securities, collateral security and other non-cash property (other than securities which are in a book-based system). In carrying out its duties, the Custodian is required to exercise the degree of care, diligence and skill that a reasonably prudent person would exercise in the circumstances or, if higher, the degree of care, diligence and skill that the Custodian uses in respect of its own property of a similar nature. The Fund will indemnify and hold harmless the Custodian, its affiliates, and its sub-custodians, and their respective directors, officers, employees, partners, agents, advisors and shareholders from and against any and all losses, claims, actions, suits, proceedings, damages, liabilities or expenses of whatsoever nature or kind to which an indemnified party may become subject or involved in that relate to, are caused by, result from, arise out of or are based upon, directly or indirectly, the Custodian Agreement or the services set forth in the Custodian Agreement and will reimburse each indemnified party for any legal or other expenses incurred in connection therewith, provided that such indemnity shall not extend to any loss, claim, action, suit, proceeding, damages, liability or expense resulting from the gross negligence or wilful misconduct of the indemnified party or a breach by the Custodian of the standard of care set forth in the Custodian Agreement.

### (3) **Termination Provisions**

The Custodian Agreement shall terminate upon the termination of the prime brokerage services agreement between the Manager, in its capacity as trustee of the Fund, and CIBC World Markets Inc. dated July 12, 2017. The Custodian Agreement may be terminated by either the Fund or the Custodian by giving 60 Business Days' prior written notice to the other. The appointment of the Custodian pursuant to the Custodian Agreement may also be terminated immediately in the event that (i) the Custodian becomes bankrupt, insolvent or makes a general assignment for the benefit of its creditors or a receiver is appointed in respect of the Custodian and such event is not cured within 30 days, (ii) an order is made or an effective resolution is passed for the winding-up, dissolution or liquidation of the Custodian, or (iii) the Custodian fails to comply with NI 81-102.

## **8.7 Auditor**

**Ernst & Young LLP**  
100 Adelaide Street West, P.O. Box 1  
Toronto, Ontario M5H 0B3

The Auditor has been the auditor of the Fund since its formation.

## **8.8 Registrar**

### **(1) Contact Information**

**TSX Trust Company**  
301-100 Adelaide Street West  
Toronto, ON, M5H 1S3

### **(2) Duties and Services Provided**

The Registrar acts as registrar and transfer agent for the Fund at its principal office in Toronto, Ontario. In addition to performing registrar and transfer agency services, the Registrar provides certain record-keeping, Holder reporting and general administration services pursuant to the service agreement between the Fund and the Registrar dated as of October 7, 2019 (the “**Service Agreement**”).

The Fund is responsible for payment of the fees and reimbursement of expenses of the Registrar, which are included in the ongoing expenses of the Fund. Pursuant to the Service Agreement, the Fund agrees to indemnify the Registrar and its directors, officers, employees and agents in certain circumstances, including from any liability or loss which may arise out of acts performed or omitted to be performed by them in accordance with the agreement, except liability arising out of bad faith, wilful misconduct or gross negligence on the part of the Registrar or its directors, officers, employees or agents.

The register of Units is kept by the Registrar in Toronto, Ontario.

### **(3) Termination Provisions**

The Service Agreement may be terminated on three months’ prior written notice.

## **8.9 Valuation Agent**

### **(1) Contact Information**

**CIBC Mellon Global Securities Services Company**  
One York Street, Suite 500  
Toronto, Ontario M5J 0B6

### **(2) Duties and Services Provided**

The Valuation Agent performs accounting, valuation and certain other services for the Fund pursuant to an amended and restated fund administration services agreement between the Manager and the Valuation Agent made as of January 11, 2011, as amended from time-to-time (the “**Valuation Services**”).

**Agreement**”). The Fund is responsible for payment of the fees of the Valuation Agent which are included in the ongoing expenses of the Fund, and will indemnify the Valuation Agent in certain circumstances, including from any loss, damage or expense (including reasonable counsel fees and expenses) suffered or incurred by the Valuation Agent in connection with performing its duties under the agreement, except in certain circumstances such as the Valuation Agent’s gross negligence, wilful misconduct, fraud or lack of good faith.

(3) **Termination Provisions**

The Valuation Services Agreement may be terminated on 90 days’ prior written notice by any party, or immediately in the event that any involuntary action or proceeding is initiated – and not discontinued within 30 days after initiation - against another party under any applicable insolvency, bankruptcy or reorganization legislation or similar law.

**SECTION 9 - CONFLICTS OF INTEREST**

The information provided in this Section 9 is as at March 1, 2023, unless stated otherwise.

**9.1 Principal Holders of Securities**

CI is a wholly-owned subsidiary of CI Financial. CI Financial is an independent, Canadian-owned wealth management firm, the common shares of which are traded on the Toronto Stock Exchange. CI Financial owns all of the shares of CI.

Except as set out in the below table, to the knowledge of the Manager, no person or company owns, beneficially or of record, either directly or indirectly, more than 10% of the outstanding Units or Private Placement Units. All of the Units (other than the Private Placement Units) are registered in the name of CDS.

<b>Security Holder</b>	<b>Relationship</b>	<b>Designation of Securities</b>	<b>Type of Ownership</b>	<b>Percentage of Designated Securities Owned</b>
Investor A	Unitholder	Private Placement Units	Beneficial	70%
Investor B	Unitholder	Private Placement Units	Beneficial	11%
Investor C	Unitholder	Private Placement Units	Beneficial	10%

To the knowledge of the Manager, as of March 24, 2023, the directors and executive officers of the Manager did not beneficially own, directly or indirectly, in aggregate, any material amount of issued and outstanding securities of the Fund; (ii) any material amount of any class or series of voting or equity securities of the Manager or (iii) any material amount of any class or series of voting or equity securities of any material service provider to the Fund or to the Manager.

To the knowledge of the Manager, as at March 24, 2023, the members of the Fund’s IRC did not beneficially own, directly or indirectly, in aggregate, any material amount of issued and outstanding securities of the Fund, (ii) any material amount of any class or series of voting or equity securities of the



Manager or (iii) any material amount of any class or series of voting or equity securities of any material service provider to the Fund or to the Manager.

## 9.2 Services Not Exclusive

The Declaration of Trust acknowledges that the Trustee may provide services to the Fund in other capacities, provided that the terms of any such arrangements are no less favourable to the Fund than those which would be obtained from parties which are at arm's length for comparable services.

The Manager, the Portfolio Manager and their affiliates are engaged in a wide range of investment management, investment advisory and other business activities. The services provided by the Manager under the Declaration of Trust and the Portfolio Manager under the Portfolio Management Agreement are not exclusive and nothing in those agreements prevents the Manager, the Portfolio Manager or any of their affiliates from providing similar services to other investment funds (some of which may invest primarily in securities held in the Fund) or clients (whether or not their investment objectives, strategies and policies are similar to those of the Fund) or from engaging in other activities. The Portfolio Manager's investment decisions for the Fund will be made independently of those made on behalf of its other clients or for its own investments. On occasion, however, the Portfolio Manager will make the same investment for the Fund and for one or more of its other clients. If the Fund and one or more of the other clients of the Portfolio Manager, or any of its affiliates, are engaged in the purchase or sale of the same security, the transactions will be effected on an equitable basis. In this regard and subject to the investment strategies, the investment restrictions and the increase or decrease of assets under management of the Fund and such other clients, the Portfolio Manager will generally endeavour to allocate investment opportunities to the Fund and such clients on a *pro rata* basis, subject to cash available and portfolio liquidity.

Where the Manager, the Portfolio Manager or their affiliates otherwise perceive in the course of business, that they are or may be in a material conflict of interest position, the matter will be referred to the IRC. The IRC will consider all matters referred to it and provide its recommendations to the Manager as soon as possible.

## SECTION 10 - FUND GOVERNANCE

### 10.1 Independent Review Committee

Set out below is a list of the individuals who comprise the IRC for the Fund.

<b>Name and municipality of residence</b>	<b>Principal occupation in the last 5 years</b>
Karen Fisher Newcastle, Ontario	Chair of the IRC Corporate director
Thomas Eisenhauer Toronto, Ontario	Chief Executive Officer of Bonnefield Financial Inc.
James McPhedran Toronto, Ontario	Corporate director Senior Advisor, McKinsey & Company, since 2018 Supervisory Board Director, Maduro & Curiel's Bank (Curacao), since 2018

Name and municipality of residence	Principal occupation in the last 5 years
	Executive Vice-President, Canadian Banking, Scotiabank, from 2015 to 2018
Donna Toth Thornbury, Ontario	Corporate director
John Sheedy Oakville, Ontario	Independent Director and Audit Committee Chair, Fjordland Exploration Inc., since 2021  Managing Director, Ontario Teachers' Pension Plan, from 2018 to 2021  Relationship Investing, Ontario Teachers' Pension Plan, from 2015 to 2018

*\*Effective October 6, 2022, John Sheedy became a member of the IRC.*

Each member of the IRC is independent of the Manager, the Manager's affiliates and the Fund. The IRC provides independent oversight and impartial judgment on conflicts of interest involving the Fund. Its mandate is to consider matters relating to conflicts of interest and recommend to the Manager what action the Manager should take to achieve a fair and reasonable result for the Fund in those circumstances; and to review and advise on or consent to, if appropriate, any other matter required by the Declaration of Trust and by applicable securities laws, regulations and rules. The IRC meets at least quarterly.

Among other matters, the IRC prepares, at least annually, a report of its activities for unitholders of the Fund which will be available at [www.ci.com](http://www.ci.com) and upon request by any unitholder, at no cost, by calling 1-800-792-9355 or e-mailing [service@ci.com](mailto:service@ci.com).

The IRC members perform a similar function as the independent review committee for other investment funds managed by the Manager or the Manager's affiliates. IRC members are paid a fixed annual fee for their services. The annual fees are determined by the IRC and are disclosed in its annual report to Holders of the Fund. Generally, the Chair of the IRC is paid \$88,000 annually and each member other than the Chair is paid \$72,000. Members of the IRC are also paid a meeting fee of \$1,500 per meeting after the sixth meeting attended. Annual fees are allocated across all investment funds managed by the Manager with the result that only a small portion of such fees are allocated to any single fund. Members of the IRC are also reimbursed for their expenses which are typically nominal and associated with travel and the administration of meetings.

## **10.2 Business Practices, Sales Practices, Risk Management Controls and Internal Conflicts of Interest**

CI (as Trustee and Manager of the Fund) has responsibility for the governance of the Fund. Specifically, in discharging its obligations in its capacity as Trustee and Manager, CI is required to:

- (a) act honestly, in good faith and in the best interests of the Fund; and
- (b) exercise the degree of care, diligence and skill that a reasonably prudent person would exercise in similar circumstances.

NI 81-107 requires the Manager to have policies and procedures relating to conflicts of interest. The Manager has adopted the CI Financial's Code of Conduct, CI Conflicts of Interest Policy, and CI Personal Trading Policy (the "**Codes**"), which establish rules of conduct designed to ensure fair treatment of the Fund's securityholders and to ensure that at all times the interests of the Fund and its securityholders are placed above personal interests of employees, officers and directors of CI, and each of its subsidiaries, affiliates and portfolio sub-advisers. The Codes apply the highest standards of integrity and ethical business conduct. The objective is not only to remove any potential for real conflict of interest, but also to avoid any perception of conflict. The Codes address the area of investments, which covers personal trading by employees, conflict of interest, and confidentiality among departments and portfolio sub-advisers. They also address confidentiality, fiduciary duty, enforcement of rules of conduct and sanctions for violations.

### **10.3 Use of Derivatives**

The Fund may use derivatives and other securities for both hedging and non-hedging purposes. The Portfolio Manager is responsible for initiating, approving and supervising all derivative transactions, under the oversight and monitoring of the Manager. All portfolio transactions, including derivative transactions, are reviewed regularly to ensure that they are consistent with the policies, strategies and procedures for the Fund. Derivative transactions are regularly assessed by derivative type, term, and counterparty. The Portfolio Manager and the Manager regularly test the derivative management activities in order to: (a) ensure that derivatives activities are in compliance with the Portfolio Manager's derivatives policies and procedures and with the laws and regulations to which these activities are subject; (b) ensure that derivative transactions are duly authorized and accurately and completely recorded on the books and records of the Fund; (c) ensure that securities are properly valued on the books and records of the Fund and that required cash or security coverage of market exposures is in place; and (d) ensure that hedging activities are consistent with the Portfolio Manager's derivatives/securities portfolio management policies and procedures for the Fund. Risk measurement procedures or simulations are not used to test the Portfolio under stress conditions. The Manager does not have day-to-day involvement in the risk management process.

### **10.4 Securities Lending, Repurchase Transactions, Etc.**

In order to generate additional returns, the Fund may lend Portfolio securities in accordance with NI 81-102. Any securities lending by the Fund must be pursuant to a securities lending agreement (a "**Securities Lending Agreement**") to be entered into between the Manager on behalf of the Fund and a securities borrower acceptable to the Fund pursuant to which the Fund will loan Portfolio securities to the securities borrower on the terms therein, which terms shall include that: (i) the borrower will pay to the Fund a negotiated securities lending fee and will make compensation payments to the Fund equal to any distributions received by the borrower on the securities borrowed; (ii) the securities loans must qualify as "securities lending arrangements" for the purposes of the Tax Act; and (iii) the Fund will receive collateral security.

The Manager is responsible for setting and reviewing any securities lending agreements. If a securities lending agent is appointed for the Fund, such agent will be responsible for the ongoing administration of the securities loans, including the obligation to mark-to-market the collateral on a daily basis.

The Manager, the IRC and any securities lending agent will review at least annually any policies and procedures that prescribe the risk management procedures applicable to securities lending to ensure that

the risks associated with securities lending, repurchase and reverse repurchase transactions are being properly managed. The Manager does not simulate stress conditions to measure risk in connection with the Fund's use of securities lending, repurchase and reverse repurchase transactions.

#### **10.5 Voting Securities of Other Funds**

The Fund did not vote securities of other investment funds that it held during the year.

#### **10.6 Proxy Voting**

The Manager delegates proxy voting to the Portfolio Manager as part of the Portfolio Manager's general management of the assets of the Fund, subject to oversight by the Manager. The proxies associated with securities held by the Fund are voted by the Portfolio Manager in a manner which management believes will maximize the value of the Fund's investments and those of the Holders over the long-term. The Portfolio Manager maintains detailed guidelines for the voting of proxies; however, each vote is ultimately cast on a case-by-case basis, taking into consideration the relevant facts and circumstances at the time of the vote. The proxies and proxy voting guidelines are periodically reviewed by the Manager. The Portfolio Manager's guidelines address the procedures that are to be followed when a vote presents a conflict between the interests of Holders and those of the Portfolio Manager or an associate of the Fund or the Portfolio Manager. All proxies are voted with a view to the best interests of the Fund. The Fund may vote contrary to such guidelines, if it determined it would be in the Fund's best interests to do so.

The policies and procedures that the Fund follows when voting proxies relating to portfolio securities are available on request, at no cost, by calling or writing the Manager. The Fund's proxy voting record for the most recent period ended June 30 of each year is available free of charge to any Holder of the Fund upon request at any time after August 31 of that year and is available at [www.ci.com](http://www.ci.com).

#### **10.7 Short Selling**

The Manager has developed written policies and procedures, including risk management procedures, relating to short selling by the Fund. Any agreements, policies and procedures that are applicable to the Fund relating to short selling (including trading limits and controls in addition to those specified above) have been prepared and reviewed by senior management of the Manager. The IRC will be kept informed of the Manager's short selling policies. The decision to effect any particular short sale will be made by the Portfolio Manager and reviewed and monitored as part of the Manager's ongoing compliance procedures and risk control measures. The Manager does not simulate stress conditions to measure risk in connection with the Fund's short selling transactions.

### **SECTION 11- FEES AND EXPENSES**

#### **11.1 Fees**

<b><u>Fee Payable To:</u></b>	<b><u>Amount and Description</u></b>
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<b>Manager</b>	An annual management fee (the " <b>Management Fee</b> ") will be paid to the Manager: (i) with respect to the Class F Units equal to 1.5% per annum of the NAV of the Class F Units, calculated daily and payable monthly in arrears; and (ii) with respect to the Class A Units equal to 2.0% per annum of the NAV of the Class A Units
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<b>Fee Payable To:</b>	<b>Amount and Description</b>
	comprised of 1.5% per annum of the NAV of the Class A Units, calculated daily and payable monthly in arrears, plus an amount calculated quarterly and paid as soon as practicable after the end of each calendar quarter equal to the Servicing Fee; plus, in the case of (i) and (ii) above, applicable taxes.
<b>Portfolio Manager</b>	The Portfolio Manager will be remunerated by the Manager out of the Management Fee and will be entitled to receive the Performance Fee from the Fund.
<b>IRC</b>	The Fund pays a fee to each IRC member. See Section 10.1 – <i>Independent Review Committee</i> .
<b>Dealers</b>	The Manager pays to registered dealers a servicing fee (the “ <b>Servicing Fee</b> ”) equal to 0.50% annually of the NAV per Class A Unit for each Class A Unit held by clients of the registered dealers, calculated and paid at the end of each calendar quarter, plus applicable taxes. No Servicing Fee is paid in respect of the Class F Units or the Private Placement Units.

## 11.2 Performance Fee

The Portfolio Manager may receive from the Fund an annual performance fee (the “**Performance Fee**”), payable on December 31 (the “**Determination Date**”) of each year, equal to 20% of the appreciation in the NAV of the Units in that calendar year. For this purpose, the Performance Fee is calculated separately for each of the Class A Units and the Class F Units. The appreciation in the NAV of each class of Units is calculated by subtracting the High Water Mark for the applicable class of Units from the Adjusted NAV per Unit for that class of Units on the relevant Determination Date and multiplying the result by the number of Units of that class outstanding on such Determination Date (before giving effect to any redemption of Units of such class on such date). The “**High Water Mark**” of each class of Units on any date is the greater of: (i) \$10.00; and (ii) the NAV per Unit of that class as of the last Determination Date on which a Performance Fee was paid in respect of such class (after giving effect to the Performance Fee paid on such date). The High Water Mark for Units of a class will be appropriately adjusted in the event of a consolidation or subdivision of Units of that class. The “**Adjusted NAV per Unit**” of a class of Units is the NAV per Unit of that class on the relevant Determination Date, excluding any accrual for the Performance Fee that would otherwise be included in the NAV per Unit calculation on such date, plus the amount of any distribution declared by the Fund to the holder of that Unit since the date as of which the High Water Mark was set. The Performance Fee, plus applicable taxes, shall be calculated and accrued daily and payable on December 31, if earned.

Notwithstanding the foregoing, if any Units are redeemed in a calendar year prior to the relevant Determination Date, the amount of any accrued Performance Fee in respect of such redeemed Units will be paid to the Portfolio Manager immediately following such redemption as if the date on which the Units are redeemed was a Determination Date in respect of such Units.

If Class A Units are converted into Class F Units or Class F Units into Class A Units, and the amount of any accrued Performance Fee per Unit of the converting Units is greater than or less than the accrued

Performance Fee per Unit of the class into which such Units are converting, then the Portfolio Manager will receive an amount equal to such difference times the number of Units being converted or the Performance Fee expense is adjusted such that the amount of the Performance Fee accrued per Unit of both classes is unchanged.

The Performance Fee as calculated above will not apply to Units issued subsequent to the completion of the Offering in respect of the calendar year in which such Units are issued. Any Units issued subsequent to the completion of the Offering are, in respect of the calendar year in which they are issued, referred to as new units ("**New Units**"). In respect of the calendar year in which the New Units are issued, the Portfolio Manager will receive a performance fee as calculated above but based on the appreciation in the NAV of the New Units in that calendar year.

### **11.3 Expenses**

The Fund will pay for all ordinary expenses incurred in connection with its operation and administration. It is expected that the expenses for the Fund will include, as applicable, without limitation: all costs of portfolio transactions, fees payable to the Manager and other third party service providers, debt service and costs relating to the use of leverage, custodial fees, legal, accounting, audit and valuation fees and expenses, fees and expenses of the members of the IRC, expenses related to compliance with NI 81-107, fees and expenses relating to the voting of proxies by a third party, premiums for directors' and officers' insurance coverage for the directors and officers of the Manager and members of the IRC, costs of reporting to Holders, registrar, transfer and distribution agency costs, printing and mailing costs, listing fees and expenses and other administrative expenses and costs incurred in connection with the continuous public filing requirements and investor relations, website maintenance costs, taxes, brokerage commissions, costs and expenses of preparing financial and other reports, costs and expenses arising as a result of complying with all applicable laws, regulations and policies, extraordinary expenses that the Fund may incur and all amounts paid on account of indebtedness.

Such expenses will also include expenses of any action, suit or other proceedings in which or in relation to which the Manager, the Portfolio Manager, the Custodian, the Valuation Agent, the IRC and/or any of their respective officers, directors, employees, consultants or agents is entitled to indemnity by the Fund.

### **11.4 Additional Services**

Any arrangements for additional services between the Fund and the Manager, Portfolio Manager or Trustee, or any affiliate thereof, will be on terms that are no less favourable to the Fund than those available from arm's length persons (within the meaning of the Tax Act) for comparable services and the Fund will pay all expenses associated with such additional services.

### **11.5 Management Fee Rebate or Distribution Programs**

The Fund does not have any arrangements that result, directly or indirectly, in one Holder of a class of Units paying as a percentage of the Holder's investment in the Fund a management fee that differs from that payable by another Holder of that class.

## **SECTION 12 - INCOME TAX CONSIDERATIONS**

### **12.1 General**

The following is, as of the date hereof, a summary of the principal Canadian federal income tax considerations under the Tax Act generally applicable to a Holder who is an individual (other than a trust) and who, for the purposes of the Tax Act, and at all relevant times, is resident in Canada, deals at arm's length and is not affiliated with the Fund and holds Units directly as capital property or in a Registered Plan. Generally, the Units will be considered to be capital property to a Holder provided that the Holder does not hold the Units in the course of carrying on a business of buying and selling securities and has not acquired them in one or more transactions considered to be an adventure or concern in the nature of trade. Certain Holders who might not otherwise be considered to hold Units as capital property may, in certain circumstances, be entitled to have such Units and all other "Canadian securities" as defined in the Tax Act owned or subsequently acquired by them treated as capital property by making the irrevocable election permitted by subsection 39(4) of the Tax Act. This summary does not apply to a Holder who entered or will enter into a "derivative forward agreement" as that term is defined in the Tax Act with respect to the Units.

This summary is based on the facts set out in this AIF, the current provisions of the Tax Act, all specific proposals to amend the Tax Act publicly announced by or on behalf of the Minister of Finance (Canada) prior to the date hereof (the "**Tax Proposals**"), and an understanding of the current administrative policies and assessing practices of the CRA published in writing by it prior to the date hereof.

This summary assumes that the Tax Proposals will be enacted as currently proposed although no assurance can be given that the Tax Proposals will be enacted in the form publicly announced or at all. Except for the Tax Proposals, this summary does not take into account or anticipate any changes in the law or administrative policy or assessing practice, whether by way of legislative, governmental or judicial decision or action, nor does it take into account other federal or any provincial, territorial or foreign tax legislation or considerations.

This summary assumes that the Fund has complied and will continue to comply with its investment restrictions at all times and that none of the issuers of the Portfolio securities are foreign affiliates of the Fund or of any Holders.

This summary is not exhaustive of all possible Canadian federal income tax considerations applicable to an investment in Units and does not describe the income tax considerations relating to the deductibility of interest on money borrowed to acquire Units. Moreover, the income and other tax consequences of acquiring, holding or disposing of Units will vary according to the status of the Holder, the province or provinces in which the Holder resides or carries on business and, generally, the Holder's particular circumstances. Accordingly, this summary is of a general nature only and is not intended to constitute advice to any particular investor. **Prospective investors should consult their own tax advisors with respect to the income tax consequences of investing in Units, based on their particular circumstances.**

### **12.2 Status of the Fund**

This summary is based on the assumptions that the Fund qualifies and will continue to qualify at all times as a "mutual fund trust" within the meaning of the Tax Act, that the Fund has not been established and has not been and will not be maintained primarily for the benefit of non-residents and that not more than 50% (based on the number of Units and fair market value) of the units of the Fund will be held by non-

residents of Canada, partnerships that are not “Canadian partnerships”, or any combination thereof, all for the purposes of the Tax Act.

To qualify as a mutual fund trust (i) the Fund must be a Canadian resident “unit trust” for purposes of the Tax Act, (ii) the only undertaking of the Fund must be (a) the investing of its funds in property (other than real property or interests in real property or an immovable or a real right in an immovable), (b) the acquiring, holding, maintaining, improving, leasing or managing of any real property (or interest in real property) or of any immovable (or real right in immovables) that is capital property of the Fund, or (c) any combination of the activities described in (a) and (b), and (iii) the Fund must comply with certain minimum requirements respecting the ownership and dispersal of units of a particular class of the Fund (the “**minimum distribution requirements**”). In this connection, (i) the Manager has caused and intends to continue to cause the Fund to qualify as a unit trust throughout the life of the Fund, (ii) the Fund’s undertaking conforms with the restrictions for mutual fund trusts, and (iii) the Fund currently complies with the minimum distribution requirements and the Manager has no reason to believe that the Fund will not continue to so comply at all material times. The Manager intends to ensure that the Fund will qualify as a mutual fund trust at all times.

If the Fund were not to qualify as a mutual fund trust at all times, the income tax considerations described below would, in some respects, be materially and adversely different.

### **12.3 Taxation of the Fund**

The Fund is subject to tax in each taxation year under Part I of the Tax Act on the amount of its income for the year, including net realized taxable capital gains, less the portion thereof that it claims in respect of the amount paid or payable to Holders in the year. The Fund intends to make distributions to Holders as described in Section 4.5 – *Distributions* and to deduct, in computing its income in each taxation year, such amount as will be sufficient to ensure that the Fund will not be liable for income tax under Part I of the Tax Act for each year other than such tax on net realized capital gains that will be recoverable by the Fund in respect of such year by reason of the Capital Gains Refund (as defined below).

In computing its income for tax purposes, the Fund is required to include in its income for each taxation year any dividends received (or deemed to be received) by it in such year on a Portfolio security.

With respect to an issuer that is a trust resident in Canada whose units are included in the Portfolio and held as capital property for the purposes of the Tax Act, and that is not subject in a taxation year to tax under the SIFT Rules, the Fund is required to include in its income such portion of the net income and the taxable portion of net realized capital gains of such issuer as is paid or becomes payable to the Fund in the year, notwithstanding that certain of such amounts may be reinvested in additional units of the issuer. Provided that appropriate designations are made by the issuer, any net taxable capital gains realized by the issuer, any foreign source income of the issuer and taxable dividends received by the issuer from taxable Canadian corporations that are paid or become payable to the Fund will effectively retain their character as such in the hands of the Fund.

The Fund is generally required to reduce the adjusted cost base of the units of such issuer structured as a trust resident in Canada to the extent that all amounts paid or payable in a year by such issuer to the Fund exceed the sum of the amounts included in the income of the Fund for the year plus the Fund’s share of the non-taxable portion of capital gains of such issuer for the year, the taxable portion of which was designated in respect of the Fund in the year. To the extent that the adjusted cost base to the Fund of the



unit of such issuer would otherwise be less than zero, the negative amount is deemed to be a capital gain realized by the Fund and the Fund's adjusted cost base of such unit is increased by the amount of such deemed capital gain to zero.

With respect to an issuer that is a limited partnership whose securities are included in the Portfolio and held as capital property for the purposes of the Tax Act, and that is not subject in a taxation year to the tax under the SIFT Rules, the Fund is required to include or, subject to certain restrictions, is entitled to deduct, in computing its income, its share of the net income or loss for tax purposes of the issuer allocated to the Fund for the fiscal period of the issuer ending in the Fund's taxation year, whether or not a distribution is received. In general, the adjusted cost base of such securities is the cost of such securities to the Fund plus the share of the income and capital gains of the issuer allocated to the Fund for fiscal years of the issuer ending before the particular time less the share of losses and capital losses of the issuer allocated to the Fund for fiscal years of the issuer ending before the particular time, and less the Fund's share of any distributions received from the issuer before the particular time. If the adjusted cost base to the Fund of the securities of such an issuer would otherwise be less than zero at the end of the fiscal year of the limited partnership, the negative amount is deemed to be a capital gain realized by the Fund and the Fund's adjusted cost base of such securities is increased by the amount of such deemed capital gain to zero.

Under the SIFT Rules, each issuer in the Portfolio that is a "SIFT trust" or "SIFT partnership" as defined under the SIFT Rules (which generally includes income trusts, other than certain real estate investment trusts, and certain partnerships, the units of which are listed or traded on a stock exchange or other public market) is subject to a special tax in respect of (i) income from business carried on in Canada, and (ii) certain income and capital gains respecting "non-portfolio properties" (collectively, "**Non-Portfolio Earnings**"). Non-Portfolio Earnings that are earned by a SIFT partnership or are distributed by a SIFT trust to its unitholders are taxed at a rate that is equivalent to the federal general corporate tax rate plus a prescribed amount on account of provincial tax. Any Non-Portfolio Earnings that become payable by a SIFT trust or are earned by a SIFT partnership are taxed as a taxable dividend from a taxable Canadian corporation and are deemed to be an "eligible dividend" eligible for the enhanced gross-up and tax credit rules under the Tax Act.

The Portfolio Manager expects that the portfolio of the Fund will not include material investments in issuers that are non-resident trusts, limited partnerships, SIFT trusts or SIFT partnerships (the latter two, as defined under the SIFT Rules).

With respect to indebtedness, including a convertible debenture, the Fund is required to include in its income for a taxation year all interest thereon that accrues (or is deemed to accrue) to it to the end of that year (or until the disposition of the indebtedness in the year) or that has become receivable or is received by the Fund before the end of that year, including on a conversion, redemption or repayment on maturity, except to the extent that such interest was included in computing the Fund's income for a preceding year and excluding any interest that accrued prior to the time of the acquisition of the indebtedness by the Fund.

On a conversion by the Fund of a convertible debenture into shares of a corporation, the Fund is considered not to have disposed of the convertible debenture and to have acquired the shares at a cost equal to the adjusted cost base to the Fund of the convertible debenture immediately before the exchange.

On a conversion by the Fund of a convertible debenture into units of an income fund that is a trust or a limited partnership, the Fund is considered to have disposed of the convertible debenture for proceeds of disposition equal to the aggregate of the fair market value of the units so acquired at the time of the conversion (other than any units received in payment of interest) and the amount of any cash received in lieu of fractional units.

On a redemption or repayment of a convertible debenture, the Fund is considered to have disposed of the convertible debenture for proceeds of disposition equal to the amount received by the Fund (other than an amount received on account of interest) on such redemption or repayment.

On any other disposition by the Fund of a convertible debenture, interest accrued thereon to the date of disposition and not yet due is included in computing the Fund's income, except to the extent such amount was otherwise included in the Fund's income, and is excluded in computing the Fund's proceeds of disposition of the convertible debenture.

The Fund is entitled to deduct an amount equal to the reasonable expenses that it incurs in the course of issuing units of the Fund. Such issue expenses paid by the Fund and not reimbursed are deductible by the Fund ratably over a five-year period subject to reduction in any taxation year which is less than 365 days. Generally, the Fund is also entitled to deduct reasonable administrative expenses and interest payable by it on money borrowed to purchase the securities in the Portfolio. Any losses incurred by the Fund may not be allocated to Holders but may generally be carried forward and back and deducted in computing the taxable income of the Fund in accordance with the detailed rules in the Tax Act.

The CRA has expressed a view that, in certain circumstances, the deductibility of interest on money borrowed to invest in an income trust may be reduced on a *pro rata* basis in respect of distributions from the income trust that are a return of capital and which are not reinvested for an income earning purpose. While the ability to deduct interest depends on the facts, based on the jurisprudence and the anticipated nature of income trust distributions, the CRA's view should not affect the Fund's ability to deduct interest on money borrowed to acquire units of income trusts included in the Portfolio. If the CRA's view were to apply to the Fund, part of the interest payable by the Fund in connection with money borrowed to acquire certain Portfolio securities could be non-deductible, increasing the net income of the Fund for tax purposes and the taxable component of distributions to Holders.

Upon the actual or deemed disposition of a Portfolio security, the Fund will realize a capital gain (or capital loss) to the extent the proceeds of disposition net of any amounts included as interest on the disposition of the security and any reasonable costs of disposition exceed (or are less than) the adjusted cost base of such security unless the Fund were considered to be trading or dealing in securities or otherwise carrying on a business of buying and selling securities or the Fund has acquired the security in a transaction or transactions considered to be an adventure or concern in the nature of trade. The Fund purchases the Portfolio securities with the objective of receiving distributions and income thereon and takes the position that gains and losses realized on the disposition thereof are capital gains and capital losses. The Fund has also made an election under subsection 39(4) of the Tax Act so that all Portfolio securities that are "Canadian securities" (as defined in the Tax Act), including Canadian securities acquired in connection with a short sale, are deemed to be capital property to the Fund.

Generally, the Fund will include gains and deduct losses on income account in connection with investments made through certain derivatives, including certain other short sales of securities, except where such derivatives are used to hedge Portfolio securities held on capital account provided there is

sufficient linkage, subject to the DFA Rules discussed below, and will recognize such gains or losses for tax purposes at the time they are realized by the Fund.

One-half of the amount of any capital gain (a “**taxable capital gain**”) realized by the Fund in a taxation year on the disposition of Portfolio securities that are capital property of the Fund must be included in computing the Fund’s income for the year, and one-half of the amount of any capital loss (an “**allowable capital loss**”) realized by the Fund in a taxation year must be deducted against any taxable capital gains realized by the Fund in the year. Allowable capital losses for a taxation year in excess of taxable capital gains may be carried back and deducted by the Fund in any of the three preceding taxation years or carried forward and deducted in any subsequent taxation year against net realized taxable capital gains in accordance with the provisions of the Tax Act.

The Fund is entitled for each taxation year throughout which it is a mutual fund trust for purposes of the Tax Act to reduce (or receive a refund in respect of) its liability, if any, for tax on its net realized capital gains by an amount determined under the Tax Act based on the redemptions of units of the Fund during the year (the “**Capital Gains Refund**”). The Capital Gains Refund in a particular taxation year may not completely offset the tax liability of the Fund for such taxation year which may arise upon the sale or other disposition of Portfolio securities in connection with the redemption of units of the Fund.

The Fund may enter into transactions denominated in currencies other than the Canadian dollar, including the acquisition of Portfolio securities. The cost and proceeds of disposition of securities, interest and all other amounts are determined for the purposes of the Tax Act in Canadian dollars using the appropriate exchange rates determined in accordance with the detailed rules in the Tax Act in that regard. The amount of income, gains and losses realized by the Fund may be affected by fluctuations in the value of foreign currencies relative to the Canadian dollar. Gains or losses in respect of currency hedges entered into in respect of amounts invested in the Portfolio will constitute capital gains and capital losses to the Fund if the Portfolio securities are capital property to the Fund provided there is sufficient linkage.

The Tax Act contains rules (the “**DFA Rules**”) that target certain financial arrangements (described in the DFA Rules as “derivative forward agreements”) that seek to reduce tax by converting, through the use of derivative contracts, the return on an investment that would have the character of ordinary income to capital gains. The DFA Rules are broad in scope and could apply to other agreements or transactions. If the DFA Rules were to apply in respect of derivatives utilized by the Fund, gains realized in respect of the property underlying such derivatives could be treated as ordinary income rather than capital gains.

The Fund may derive income or gains from investments in countries other than Canada, and as a result, may be liable to pay income or profits tax to such countries. To the extent that such foreign tax paid by the Fund exceeds 15% of the amount included in the Fund’s income from such investments, such excess may generally be deducted by the Fund in computing its net income for the purposes of the Tax Act. To the extent that such foreign tax paid does not exceed 15% of such amount and has not been deducted in computing the Fund’s income, the Fund may designate in respect of a Holder a portion of its foreign source income that can reasonably be considered to be part of the Fund’s income distributed to such Holder so that such income and a portion of the foreign tax paid by the Fund may be regarded as foreign source income of, and foreign tax paid by, the Holder for the purposes of the foreign tax credit provisions of the Tax Act.

## **12.4 Taxation of Holders**

A Holder is generally required to include in computing income for a taxation year the amount of the Fund's net income for the taxation year, including net realized taxable capital gains, paid or payable to the Holder (whether in cash or in Units) in the taxation year. Provided that appropriate designations are made by the Fund, such portion of the net realized taxable capital gains of the Fund, the foreign source income of the Fund and the taxable dividends received or deemed to be received by the Fund on shares of taxable Canadian corporations as is paid or payable to a Holder will effectively retain its character and be treated as such in the hands of the Holder for purposes of the Tax Act. Amounts designated as taxable dividends from taxable Canadian corporations will be subject to the gross-up and dividend tax credit rules, including the enhanced gross-up and tax credit applicable to designated eligible dividends.

Under the Tax Act, the Fund is permitted to deduct in computing its income for a taxation year an amount that is less than the amount of its distributions of income for the year to the extent necessary to enable the Fund to utilize, in the taxation year, losses from prior years without affecting the ability of the Fund to distribute its income annually. Such amount distributed to a Holder but not deducted by the Fund will not be included in the Holder's income. However, the adjusted cost base of the Holder's Units will be reduced by such amount. The non-taxable portion of the Fund's net realized capital gains for a taxation year, the taxable portion of which was designated in respect of a Holder in the taxation year that is paid or payable (whether in cash or in Units) to the Holder in the taxation year will not be included in the Holder's income for the year. Any other amount in excess of the Holder's share of the Fund's net income for a taxation year paid or payable to the Holder in the year will not generally be included in the Holder's income, but will generally reduce the adjusted cost base of the Holder's Units. To the extent that the adjusted cost base of a Unit would otherwise be less than zero, the negative amount will be deemed to be a capital gain realized by the Holder from the disposition of the Unit and the Holder's adjusted cost base will be increased by the amount of such deemed capital gain to zero.

Any losses of the Fund for purposes of the Tax Act cannot be allocated to, and cannot be treated as a loss of, a Holder.

The NAV per Unit will reflect any income and gains of the Fund that have accrued or have been realized but have not been paid or made payable at the time Units are acquired. A Holder who acquires Units may become taxable on the Holder's share of such income and gains notwithstanding that such amounts may have been reflected in the price paid by the Holder for the Units. The consequences of acquiring Units late in a calendar year will generally depend on whether one or more special distributions to Holders are necessary late in the calendar year to ensure that the Fund will not be liable for non-refundable income tax on such amounts under Part I of the Tax Act.

On the disposition or deemed disposition of a Unit (whether on a sale, redemption or otherwise), a Holder will realize a capital gain (or capital loss) to the extent that the Holder's proceeds of disposition (which do not include any amount of capital gains made payable by the Fund to the Holder which represent capital gains realized by the Fund in connection with its disposition of securities in order to fund the redemption) exceed (or are less than) the aggregate of the adjusted cost base of the Unit and any reasonable costs of disposition. For the purpose of determining the adjusted cost base of Units of a particular class to a Holder, when Units of that class are acquired, the cost of the newly acquired Units of that class will be averaged with the adjusted cost base of all Units of that class owned by the Holder as capital property immediately before that time. The cost of Units acquired as a distribution of net income or capital gains from the Fund will generally be equal to the amount of the distribution. A consolidation of Units following a distribution

paid in the form of additional Units will not be regarded as a disposition of Units and will not affect the aggregate adjusted cost base of Units to a Holder. See Section 4.5 – *Distributions*.

If a Holder redeems Units during a year, a portion of the net realized taxable capital gains of the Fund may be allocated to the Holder. The amount(s) so allocated will be limited to the Holder's accrued gains realised on their redemption of Units.

Based in part on the current published administrative policies and assessing practices of the CRA, a conversion of Class F Units into whole Class A Units or Class A Units into whole Class F Units will not constitute a disposition of the Class F Units or Class A Units, as applicable, for the purposes of the Tax Act. The redemption of any fraction of a Unit will result in a capital gain (or capital loss) for the redeeming Holder.

Pursuant to the Declaration of Trust, the Fund may, in its discretion, determine what portion, if any, of the amount paid to a redeeming Holder on a redemption of Units is an allocation and designation to the Holder of net realized capital gains of the Fund that were realized by the Fund to facilitate the redemption of Units. Any such allocation and designation will reduce the redemption price otherwise payable to the redeeming Holder, and therefore, the Holder's proceeds of disposition. Pursuant to recent amendments to the Tax Act, a taxable capital gain in respect of an amount so allocated and designated to a redeeming Holder may only be deductible to the Fund to the extent of one-half of the amount of the gain that would otherwise be realized by the Holder on the redemption of Units. Accordingly, the taxable component of distributions by the Fund to non-redeeming Holders could be greater than it would be in the absence of such amendments.

If, at any time, the Fund delivers Portfolio securities to any Holder upon a redemption of a Holder's Units on the termination of the Fund, the Holder's proceeds of disposition of the Units will generally be equal to the aggregate of the fair market value of the distributed property and the amount of any cash received. The cost of any property distributed by the Fund in specie will generally be equal to the fair market value of such property at the time of the distribution less any amount that is deductible as interest accrued on such property to the date of distribution and not yet due. Such distributed property may or may not be a qualified investment for Registered Plans. If such distributed property is not a qualified investment for Registered Plans, such Registered Plans (and, in the case of certain Registered Plans, the annuitants, beneficiaries or subscribers thereunder or holders thereof) may be subject to adverse tax consequences.

One-half of the amount of any capital gain (a "**taxable capital gain**") realized by a Holder or a taxable capital gain designated in respect of a Holder in a taxation year of the Holder will be included in the Holder's income for that year and one-half of any capital loss (an "**allowable capital loss**") realized by the Holder in a taxation year of the Holder must be deducted from taxable capital gains realized by the Holder or designated by the Fund in respect of the Holder in the taxation year in accordance with the detailed provisions of the Tax Act. Allowable capital losses for a taxation year in excess of taxable capital gains for that taxation year may be carried back and deducted in any of the three preceding taxation years or carried forward and deducted in any subsequent taxation year against net realized taxable capital gains in accordance with the provisions of the Tax Act.

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

## **12.5 Eligibility for Investment**

Provided the Fund qualifies at all times as a mutual fund trust for purposes of the Tax Act or the Units are listed on the TSX (or other designated stock exchange), the Units will be qualified investments for Registered Plans (and first home savings accounts once the rules in the Tax Act applicable to first home savings accounts come into force).

The Units will not be a “prohibited investment” for trusts governed by a tax-free savings account, registered disability savings plan, registered education savings plan, registered retirement savings plan or registered retirement income fund (or a first home savings account once the rules in the Tax Act applicable to first home savings accounts come into force) unless the holder of the tax-free savings account or registered disability savings plan (or a first home savings account once the rules in the Tax Act applicable to first home savings accounts come into force), the annuitant under the registered retirement savings plan or registered retirement income fund or the subscriber of the registered education savings plan, as applicable, (i) does not deal at arm’s length with the Fund for purposes of the Tax Act; or (ii) has a “significant interest” as defined in the Tax Act in the Fund. Generally, a holder, annuitant or subscriber, as the case may be, will not have a significant interest in the Fund unless the holder, annuitant or subscriber, as the case may be, owns interests as a beneficiary under the Fund that have a fair market value of 10% or more of the fair market value of the interests of all beneficiaries under the Fund, either alone or together with persons and partnerships with which the holder, annuitant or subscriber, as the case may be, does not deal at arm’s length. In addition, the Units will not be a “prohibited investment” if the Units are “excluded property” as defined in the Tax Act for trusts governed by a tax-free savings account, registered disability savings plan, registered education savings plan, registered retirement savings plan or registered retirement income fund (or a first home savings account once the rules in the Tax Act applicable to first home savings accounts come into force). The rules in the Tax Act applicable to first home savings accounts are scheduled to come into force on April 1, 2023.

Holders, annuitants or subscribers should consult their own tax advisors with respect to whether Units would be prohibited investments, including with respect to whether the Units would be excluded property.

## **SECTION 13 - REMUNERATION OF DIRECTORS, OFFICERS AND TRUSTEE**

### **13.1 Directors and Officers**

The Fund has no officers or directors.

### **13.2 Trustee**

The Trustee does not receive an annual fee for its services as trustee, but is reimbursed for expenses it incurs on behalf of the Fund. The Trustee did not incur expenses on behalf of the Fund in 2022.

## **SECTION 14 - MATERIAL CONTRACTS**

The only material contracts entered into by the Fund or the Manager with respect to the Fund, other than those entered into in the ordinary course of business, are as follows:

- (a) The Declaration of Trust as supplemented, amended and/or restated from time to time;

- (b) The Portfolio Management Agreement; and
- (c) The Custodian Agreement.

Prospective or existing Holders can obtain copies of the foregoing on SEDAR at [www.sedar.com](http://www.sedar.com) or may examine such documents during normal business hours at the principal office of the Fund.

## **SECTION 15 - LEGAL AND ADMINISTRATIVE PROCEEDINGS**

### ***Class Action***

The Manager is a party to two class action proceedings brought by investors in the Manager's mutual funds (which did not include the Fund), in each case asking for unspecified damages resulting from the Manager's alleged failure to implement measures to fully protect the funds' investors against costs of frequent trading activity. These proceedings were instituted in 2004 in the provinces of Ontario and Quebec. The liability trial of the Ontario class action was completed in June 2022, and the court released its decision on February 13, 2023. The court found that the Manager did not breach its fiduciary duties but was negligent, and therefore directed the matter to proceed to a damages trial. The Manager is considering the reasons and its legal position. The issues addressed by the court were the subject of a settlement reached with the Ontario Securities Commission on December 10, 2004. The Manager paid \$49.3 million to investors as part of that settlement, which will be accounted for when considering damages. The Quebec class action has completed the discovery stage. The parties are preparing expert reports and anticipate being ready for a pre-trial in 2024. It is unlikely a trial will be held until 2025.

### ***2016 OSC Settlement***

In April 2015, the Manager discovered an administrative error affecting certain CI funds. Approximately \$156.1 million of interest had not been properly recorded as an asset in the accounting records of certain CI funds, on total assets of approximately \$9.8 billion as of May 29, 2015, with the result being that the NAVs of these CI funds, and any mutual funds that had invested in the CI funds, had been understated for several years. The interest at all times remained in bank accounts as an asset of these CI funds and was never comingled with the property of the Manager. Once the error was discovered, the Manager, with the assistance of an independent consulting firm, undertook a comprehensive investigation into how the error occurred and developed a plan to put affected investors into the economic position they would have been in if the interest had been recorded (the "**Plan**"). The Manager also enhanced its systems and processes to help prevent similar errors from occurring in the future. The Manager self-reported the error to the Ontario Securities Commission ("**OSC**"). On February 10, 2016, the Manager entered into a no-contest settlement agreement with the OSC in connection with the administrative error. As part of the no-contest settlement agreement, the Manager agreed to, among other things, implement the Plan and make a voluntary payment of \$8 million (and \$50,000 towards costs) to the OSC. The implementation of the Plan was completed in July 2022.

## **SECTION 16 - OTHER MATERIAL INFORMATION**

### **16.1 Non-Resident Holders**

At no time may persons who are non-residents of Canada or partnerships which are not "Canadian partnerships" for the purposes of the Tax Act (or any combination thereof) ("**non-residents**") be the

beneficial owners of a majority of the units of the Fund (on a number of units of the Fund or on a fair market value basis) and the Trustee has informed the Registrar of this restriction. The Trustee may require declarations as to the jurisdictions in which beneficial owners of units of the Fund are resident. If the Trustee becomes aware, as a result of requiring such declarations as to beneficial ownership or otherwise, that the beneficial owners of 40% of the units of the Fund then outstanding (on a number of units of the Fund or on a fair market value basis) are, or may be, non-residents, or that such a situation is imminent, the Trustee may make a public announcement thereof and shall not accept a subscription for units of the Fund from or issue or register a transfer of units of the Fund to a person unless the person provides a declaration that the person is not a non-resident. If the Trustee determines that 45% or more of the units of the Fund then outstanding (on a number of units of the Fund or on a fair market value basis) are beneficially held by non-residents, the Trustee shall send a notice to such non-resident holders, chosen in inverse order to the order of acquisition or in such other manner as the Trustee may consider equitable and practicable, requiring them to dispose of their units of the Fund or a portion thereof within a specified period of not less than 30 days to residents of Canada or partnerships which are "Canadian partnerships" for the purposes of the Tax Act. If the holders receiving such notice have not disposed of the specified number of units of the Fund or provided the Trustee with satisfactory evidence that they are not non-residents within such period, the Trustee may, on behalf of such holders, dispose of such units of the Fund and, in the interim, shall suspend the voting and distribution rights attached to such units. Upon such disposition, the affected holders shall cease to be beneficial holders of the units of the Fund and their rights shall be limited to receiving the net proceeds of disposition of such units. Notwithstanding the foregoing, the Trustee may determine not to take any of the actions described above if the Trustee has been advised by legal counsel that the failure to take any such actions would not adversely impact the status of the Fund as a mutual fund trust for purposes of the Tax Act or, alternatively, may take such other action or actions as may be necessary to maintain the status of the Fund as a mutual fund trust for purposes of the Tax Act.

## **16.2 International Information Reporting**

The Fund is required to comply with due diligence and reporting obligations in the Tax Act enacted to implement the Canada-United States Enhanced Tax Information Exchange Agreement (collectively, the "FATCA Rules"). As long as Units of the Fund are and continue to be listed on the TSX, the Fund should not have any U.S. reportable accounts and, as a result, it should not be required to provide information to the CRA in respect of Holders. However, dealers through which Holders hold the Units are subject to due diligence and reporting obligations with respect to financial accounts that they maintain for their clients. Holders may be requested to provide information to their dealer in order to allow the dealer to identify U.S. persons holding Units. If a Holder is a U.S. person (including a U.S. citizen or green card holder who is resident in Canada) or if the Holder does not provide the requested information and U.S. indicia is present, the Holder's dealer will be required under Part XVIII of the Tax Act to report certain information to the CRA about such Holder's investment in the Fund, unless the Units are held by a Registered Plan. The CRA is expected to provide that information to the U.S. Internal Revenue Service.

In addition, due diligence reporting obligations in the Tax Act which came into force on July 1, 2017, have implemented the Organization for Economic Co-operation and Development's (the "OECD") Common Reporting Standard (the "CRS Rules"). Pursuant to the CRS Rules, in order to meet the objectives of the OECD'S Common Reporting Standard (the "CRS"), Canadian financial institutions are required to have procedures in place to identify accounts held by residents of foreign countries which have agreed to a bilateral information exchange with Canada under the CRS (the "Participating Jurisdictions"), or by certain entities any of whose "controlling persons" are resident in a Participating Jurisdiction, and to report the



required information to the CRA. Similar to the FATCA Rules, as long as Units of the Fund are and continue to be listed on the TSX, it will be the responsibility of the dealers to perform the due diligence and reporting obligations under the CRS rules. Similarly, the dealer will have to forward the relevant information to the CRA in respect of any Holder who is either a resident of a jurisdiction other than Canada or the U.S., or does not provide the relevant information and non-resident indicia is present, unless the Units are held by a Registered Plan. Such information will be exchanged by the CRA on a reciprocal, bilateral basis with the Participating Jurisdictions in which the Holders, or such controlling persons, are resident. As currently drafted, the Tax Act does not address whether first home savings accounts would be treated in the same way as other Registered Plans for these purposes; however, the Department of Finance indicated in a “comfort letter” provided to the Investment Funds Institute of Canada in January 2023 that it is prepared to recommend that the Tax Act be amended to exempt first home savings accounts from the CRS Rules, although no assurances can be given that this recommendation will be accepted.

### **16.3 Risk Factors**

There are risks and other considerations which investors should carefully consider before investing (or continuing to invest) in Units, including but not limited to the following:

**No Assurances on Achieving Objectives** - There is no assurance that the Fund will be able to achieve any of its investment objectives.

**Loss of Investment** - An investment in the Fund is appropriate only for investors who have the capacity to absorb a loss on their investment.

**No Guaranteed Return** - There is no guarantee that an investment in Units will earn any positive return in the short or long term.

**Portfolio Management** - There is a risk that the strategies used by the Portfolio Manager in managing the Portfolio may fail to produce the intended results. As the performance of the Portfolio will be dependent on the Portfolio Manager, which provides investment advisory and portfolio management services to the Fund, and the Portfolio Manager will depend, to a great extent, on the services of a limited number of individuals in providing such services to the Fund, in the event that one or more of such key members of the Portfolio Manager cease to be employed by the Portfolio Manager, or if the Portfolio Manager ceases to be the portfolio manager of the Fund, the performance of the Portfolio may be adversely affected.

**Dependence on the Portfolio** - The Fund’s ability to pay distributions and the return to Holders is dependent upon the performance of, and the return on, the Portfolio.

**Use of Leverage** - In order to implement its investment strategies, the Fund may utilize various forms of leverage, including through bank loans, repurchase arrangements, margin purchases, the short selling of securities and the use of derivative instruments. The exposure under certain of these securities may be substantially larger than the actual amount invested, with the result that the Portfolio is likely to have net investment exposures that exceed the NAV of the Fund.

There can be no assurance that such leverage strategies will enhance returns and in fact such strategies may reduce returns. While leverage potentially creates the opportunity to participate in greater returns or achieve more diversification associated with greater exposure, it also creates exposure to potential increased losses. Leverage increases both the possibilities for profit and the risk of loss, and the volatility

of an investment in Units may be significantly greater than would otherwise be the case without leverage. The cumulative effect of the use of leverage in a market that moves adversely to a leveraged investment could result in a substantial loss that would be greater than if leverage was not used.

Generally, most leveraged transactions will require the Fund to provide a security interest in favour of the lender or the broker in some or all of its assets to secure any borrowing or other form of leverage. Increases in the amount of margin or similar payments could result in the need for trading activity at times and prices, which could be disadvantageous to the Fund and could result in substantial losses.

**Use of Short Selling** - The Fund may engage in short-selling of securities in anticipation of a decline in the market price of such securities or in order to hedge portfolio positions. Short selling allows the investor to profit from declines in market prices to the extent such decline exceeds the transaction costs and the costs of borrowing the securities but short selling of securities not owned by the Fund necessarily involves certain additional risks. Such transactions expose the Fund to the risk of loss in an amount greater than the initial investment, and such losses can increase rapidly and without effective limit. A short sale creates the risk of a theoretically unlimited loss, in that the price of the underlying security could theoretically increase without limit, thus increasing the cost to the Fund of buying those securities to cover the short position.

There can be no assurance that the Fund will be able to maintain the ability to borrow securities sold short. In such case, the Fund can be “bought in” (i.e., forced to repurchase securities in the open market to return to the lender). There can be no assurance that the securities necessary to cover a short position will be available for purchase at or near the price quoted in the market. Purchasing securities to close out the short position can itself cause the price of the securities to rise further, thereby exacerbating the loss.

**Use of Derivatives** - The Fund may use derivatives and other securities for both hedging and non-hedging purposes. These instruments may include, without limitation, warrants, options, swaps, convertible securities, notional principal contracts, contracts for differences, structured notes, forward contracts and other over-the-counter derivatives. The use of derivative instruments involves risks different from, and possibly greater than, the risks associated with investing directly in securities and other traditional investments. Derivatives are subject to a number of risks, including the risk of mispricing or improper valuation and the risk that changes in the value of a derivative may not correlate perfectly with the underlying asset, rate or index. Hedging with derivatives may not always be successful and could limit the Fund’s ability to have access to increases in the value of the Portfolio. The Fund may not be able to obtain or close out a derivative contract when the Portfolio Manager views it as desirable to do so, which may prevent the Fund from making a profit or limiting a loss. When the Fund invests in a derivative instrument, it could lose more than the principal amount invested. Amounts paid by the Fund as premiums and cash or other assets held in margin accounts are not otherwise available to the Fund for investment purposes.

To the extent that that Fund enters into derivatives, the Fund will be exposed to the credit risk of the counterparties of those derivatives. There is a limited choice of first tier counterparties which may lead to a concentration of exposure with counterparties.

**Changes in Legislation** - Legal and regulatory changes may occur that adversely affect the Fund and that make it more difficult, if not impossible, for the Fund to operate or to achieve its investment objectives. To the extent possible, the Manager will attempt to monitor such changes to determine the impact that they may have on the Fund and to determine what can be done, if anything, to try and limit such impact. There can be no assurance that applicable laws in Canada or in foreign jurisdictions, or other domestic or

foreign legislation, and legal and statutory rights will not be changed in a manner that adversely affects the Fund or Holders. There can be no assurance that Canadian and foreign income tax, securities, and other applicable laws or the interpretation and application of such laws by courts or government authorities will not be changed in a manner that adversely affects the Fund, Holders or distributions received by the Fund or by Holders.

**Equity Securities** - To the extent that the Fund holds equity securities, 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. Additionally, to the extent that the Fund holds any foreign investments, it will be influenced by world political and economic factors and by the value of the Canadian dollar as measured against foreign currencies which will be used in valuing the foreign investment position held by the Fund.

**Preferred Shares** - The Fund holds investments in preferred shares and debt securities which involve risks of default on interest, dividends and/or principal and price changes due to such factors such as an issuer's credit worthiness, changes in interest rates and general economic conditions. Unlike interest payments on a debt security, there is generally no obligation to make dividend payments on a preferred share (even if such dividends have accrued), and the payment of dividends on preferred shares may be suspended at any time. In the event an issuer of preferred shares experiences economic difficulties, the issuer's preferred shares may lose substantial value due to the reduced likelihood that a dividend will be declared and the fact that the preferred shares may be subordinated to other securities of the same issuer. Certain additional risks associated with the preferred shares could adversely affect investments in the Fund. In addition, the ability of the board of directors of an issuer to declare dividends (even if such dividends have accrued) on outstanding preferred shares may be constrained by restrictions imposed by such issuer's lenders.

**Sensitivity to Interest Rates** - As many preferred shares pay dividends at a fixed rate, their market price can be sensitive to changes in interest rates in a manner similar to bonds in that, as interest rates decline, the market value of fixed income securities tends to increase. Conversely, when interest rates increase, the market value of fixed income securities tends to decline. To the extent that the portfolio invests in, or is exposed to, fixed rate securities, rising interest rates may cause the value of the portfolio's investments to decline significantly. The volatility of a security's market value will differ depending upon the security's duration, the issuer and the type of instrument. The longer the time to maturity of a security, the greater the potential for variations in value.

**Prepayment or Call Risk** - Many issuers of preferred shares have a right to prepay or call their securities. If interest rates fall, the issuer of preferred shares may call (or redeem) such preferred shares and replace them with a new preferred share issued at lower rates, conventional debt, or perhaps even equity. If securities owned by the Fund are prepaid, called or redeemed, the Fund typically will be forced to reinvest proceeds at a time when yields on securities available in the market are lower than the yield on the security prepaid, called or redeemed. The Fund may also lose any premium it paid on the security.

**Extension Risk** - During periods of rising interest rates, an issuer may, if it has such rights, exercise its rights to pay the redemption amount on preferred shares later than expected. Under these circumstances, the value of the preferred shares will decrease causing the value of the Portfolio's investments to decline.

**Issuer Risk** - As many preferred shares allow holders to convert preferred shares into common shares of the issuer, their market price can be sensitive to changes in the value of the issuer's common shares. To

the extent that the Portfolio includes convertible preferred shares, declining common share values may also cause the value of the Portfolio's investments to decline.

**Fixed Income Securities** - The Fund may invest in bonds or other fixed income securities. Fixed income securities are subject to the risk of the issuer's inability to meet principal and interest payments and obligations (i.e., credit risk) and are subject to price volatility due to such factors as interest rate sensitivity, market perception of the creditworthiness of the issuer and general market liquidity (i.e., market risk). If fixed income investments are not held to maturity, the Fund may suffer a loss at the time of sale of such securities.

**High Yield Securities** - The Fund may make investments in high yield securities that are not investment grade. Securities in the lower rating categories are subject to greater risk of loss, as to repayment of principal and payment of interest or dividends, than higher-rated securities. They are also generally considered to be subject to greater risk than securities with higher ratings in the case of deterioration of general economic conditions. The yields and prices of lower-rated securities may tend to fluctuate more than those for higher-rated securities. In addition, adverse publicity and investor perceptions about lower-rated securities, whether or not based on fundamental analysis, may be contributing factors in a decrease in the value and liquidity of such securities. High yield securities that are rated BB or lower by S&P or Ba or lower by Moody's are often referred to in the financial press as "junk bonds" and may include securities of issuers in default. "Junk bonds" are considered by rating agencies to be predominantly speculative and may involve major risk exposure such as: (i) vulnerability to economic downturns and changes in interest rates; (ii) sensitivity to adverse economic changes and corporate developments; (iii) redemption or call provisions which may be exercised at inopportune times; and (iv) difficulty in accurately valuing or disposing of such securities.

**ETFs and Pooled Funds** - The Fund may trade in ETFs and pooled funds. ETFs and pooled funds are generally required to pay management fees and other fees and expenses, as applicable, that will reduce the value of, and the return on, such ETFs or pooled funds, as applicable.

**Depository Receipts** - The Fund may purchase sponsored or unsponsored depository receipts typically issued by a bank or trust company which evidence ownership of underlying securities by a corporation (collectively, "**Depository Receipts**"). Generally, Depository Receipts in registered form are designed for use in the U.S. securities market and Depository Receipts in bearer form are designed for use in securities markets outside the U.S.

Depository Receipts may not necessarily be denominated in the same currency as the underlying securities into which they may be converted and may be issued pursuant to sponsored or unsponsored programs. Although regulatory requirements with respect to sponsored and unsponsored programs are generally similar, in some cases it may be easier to obtain financial information from an issuer that has participated in the creation of a sponsored program. Accordingly, there may be less information available regarding issuers of securities underlying unsponsored programs and there may not be a correlation between such information and the market value of the Depository Receipts.

**Options Trading** - The Fund may purchase and sell calls and puts for investment purposes.

As a purchaser of options, the Fund may lose its investment in the option, which is the premium paid upon purchase, if such option is not sold or exercised when it has remaining value or if it is not profitable to exercise the option upon its expiration.

As a seller of options, the Fund is subject to the full risk of its investment position in the securities comprising the Portfolio. The Fund may be exposed to: (a) in the case of a covered call option, the risk of a decline in the market price of the underlying security to a level below the purchase price of the security (to the extent such decline exceeds the premium); (b) in the case of a covered put option, the risk of an increase in the market price of the underlying security to a level above the sales price in establishing the underlying short position (to the extent such increase exceeds the premium); and (c) in the case of “naked” short option positions, theoretically unlimited risk. As a seller of options, the Fund may also give up opportunities for gains on the underlying security.

There can be no assurance that a liquid exchange or over-the-counter market will exist to permit the Fund to write options on desired terms or to close out option positions should it desire to do so. The ability of the Fund to close out its positions may also be affected by exchange-imposed daily trading limits on options or the lack of a liquid over-the-counter market. If the Fund is unable to repurchase a call option that is in-the-money, it will be unable to realize its profits or limit its losses until such time as the option becomes exercisable or expires.

**Forward Trading** - The Fund may trade forward contracts and options thereon which, unlike future contracts, are not traded on exchanges and are not standardized; rather, banks and dealers act as principals in these markets, negotiating each transaction on an individual basis. Forward and “cash” trading is substantially unregulated; there is no limitation on daily price movements. The principals that deal in the forward markets are not required to continue to make markets in the contracts they trade and these markets can experience periods of illiquidity, sometimes of significant duration. There have been periods during which certain participants in these markets have refused to quote prices for certain currencies or commodities or have quoted prices with an unusually widespread between the price at which they were prepared to buy and that at which they were prepared to sell. Disruptions can occur in any forward market in which the Fund trades due to unusually high trading volume, political intervention or other factors. The imposition of controls by governmental authorities might also limit such forward trading to less than that which the Portfolio Manager would otherwise recommend, to the possible detriment of the Fund.

**Commodities** - To the extent that the Fund has exposure to commodities, it will be influenced by changes in the price of such commodities. Commodity prices can change significantly as a result of supply and demand, speculation, international monetary and political factors, government and central bank activity, and changes in interest rates and currency values.

**Emerging Markets** - The Portfolio will include securities of issuers that are domiciled in countries that are located in emerging markets. Because of the special risks associated with investing in emerging markets, investments in such securities should be considered speculative and investors are advised to consider carefully the special risks of investing in emerging market securities. Economies in emerging markets generally are heavily dependent upon international trade and, accordingly, have been and may continue to be affected adversely by trade barriers, exchange controls, managed adjustments in relative currency values and other protectionist measures imposed or negotiated by the countries with which they trade. These economies also have been and may continue to be affected adversely by economic conditions in the countries in which they trade.

The risk also exists that an emergency situation may arise in one or more emerging markets as a result of which trading of securities may cease or may be substantially curtailed and prices for the securities in the Portfolio in such markets may not be readily available.

Investors should note that changes in the political climate in emerging markets may result in significant shifts in the attitude to the taxation of foreign investors. Such changes may result in changes to legislation, the interpretation of legislation, or the granting of foreign investors the benefit of tax exemptions or international tax treaties. The effect of such changes can be retrospective and can (if they occur) have an adverse impact on the investment return of Holders so affected.

Emerging markets can be significantly more volatile than developed markets, so that the price of securities of issuers that are domiciled in countries that are located in emerging markets may be subject to large fluctuations.

**Illiquid Securities** - There is no assurance that an adequate market will exist for the securities included in the Portfolio and it cannot be predicted whether the investments included in the Portfolio will trade at a discount to, a premium to, or at their respective par or maturity values. If the market for a specific investment is particularly illiquid, the Fund may be unable to acquire or dispose of such investments or may be unable to acquire or dispose of such investments at an acceptable price.

**Merger Arbitrage** - The Fund may invest in issuers involved in, or the target of, corporate restructurings, mergers, acquisition attempts, tender offers, takeovers, spin-offs and similar transactions. The consummation of mergers, tender offers and exchange offers can be prevented or delayed by a variety of factors, including management or shareholder opposition, government intervention, market conditions, compliance with applicable legal requirements and inability to obtain adequate financing. Additionally, such investments can result in a distribution of cash or a new security the value of which may be less than the purchase price of the security in respect of which such distribution is received. Similarly, if an anticipated transaction does not in fact occur, the Fund may be required to sell its investment at a loss.

**Concentration** - The Portfolio Manager may take more concentrated positions within each strategy than a typical investment fund or concentrate investment holdings in specialized industries, market sectors or in a limited number of issuers. Overweighting investments in certain sectors, markets, industries or issuers involves risk that the Fund will suffer a loss because of declines in the prices of securities in those sectors, markets, industries or issuers.

**Fluctuations in NAV** - Fluctuations in the NAV per Unit (and/or the trading price of the Class A Units) may occur for a number of reasons beyond the control of the Fund, the Manager or the Portfolio Manager. The NAV of the Fund varies according to, among other things, the value of the investments held in the Portfolio. The Manager, the Portfolio Manager and the Fund have no control over the factors that affect the value of such investments, including market, economic, political, regulatory and other conditions.

**Trading Price of Class A Units** - Class A Units may trade in the market at a discount to NAV per Class A Unit, and there can be no assurance that the Class A Units will trade at a price equal to (or greater than) the NAV per Class A Unit.

**Class F Units** - Class F Units will not be listed on any stock exchange. It is expected that the liquidity for Class F Units will be largely obtained by means of conversion into whole Class A Units and the sale of those Class A Units through the facilities of the TSX.

**Multiple Classes of Units** - The Management Fee determined with respect to each class of Units is charged against the NAV of the Units. However, all other expenses of the Fund generally will be allocated among the various classes of the units of the Fund, and a creditor of the Fund may seek to satisfy its claims from the assets of the Fund as a whole, even though claims relate only to a particular class of units of the Fund.

**Interest Rate Fluctuations** - It is anticipated that the market value for the Units at any given time will be affected by the level of interest rates prevailing at such time. A rise in interest rates may have a negative effect on the market value of the Units. Holders who wish to redeem or sell their Units may, therefore, be exposed to the risk that the redemption price or sale price of the Units will be negatively affected by interest rate fluctuations.

**Foreign Currency Exposure** - The Portfolio may hold investments denominated in currencies other than the Canadian dollar for both hedging and investment purposes. Accordingly, exchange rate fluctuations may cause the value of the Portfolio to diminish or increase. Transactions to hedge against changes to the exchange rates between Canadian and foreign currencies, if any, may not be effective or profitable. The use of hedges involves special risks, including the possible default by the other party to the transaction, illiquidity and, to the extent the Portfolio Manager's assessment of certain market movements is incorrect, the risk that the use of hedges could reduce total returns or result in losses greater than if hedging had not been used. In addition, the costs associated with a hedging program may outweigh the benefits of the arrangements in such circumstances.

Although the Portfolio Manager may adopt a hedging strategy in respect of some or all of these currencies, it is possible that some or all of such exposure will remain unhedged. In addition, the Portfolio Manager may take long/short speculative positions on currencies based on the Portfolio Manager's view of macro-economic and other factors.

**Performance Fees** - The estimated Performance Fee, if any, payable to the Portfolio Manager will be accrued daily as a liability of the Fund, thereby reducing the NAV per Unit. The redemption price received by an investor whose Units are redeemed during a calendar year will reflect an accrual for the Performance Fee, based on any increase in NAV per Unit from the beginning of the fiscal year through the date of redemption. The amount of such accrued Performance Fee on any redeemed Units will be paid to the Portfolio Manager immediately following such redemption. No adjustment will be made to the redemption price or to the amount payable to the Portfolio Manager for the Performance Fee if the Fund's performance subsequently declines.

Performance based payments to the Portfolio Manager, such as the Performance Fee, may create an incentive for the Portfolio Manager to engage in investment strategies and make investments that are more speculative than would be the case in the absence of such payments.

**Securities Lending** - The Fund may engage in securities lending. Although the Fund will receive collateral for such loans and such collateral will be marked to market, the Fund will be exposed to the risk of loss should the borrower default on its obligation to return the borrowed securities and the collateral be insufficient to reconstitute the portfolio of loaned securities.

**Market Disruptions** - Natural disasters, pandemic outbreaks, war and occupation, terrorism and related geopolitical risks may in the future lead to increased short-term market volatility and may have adverse long-term effects on world economies and markets generally. Those events could also have an acute effect on individual issuers or related groups of issuers in the Portfolio, including as a result of a disruption to business operations due to quarantined employees, customers and suppliers in affected areas and due to closures of offices, manufacturing facilities, warehouses and logistics supply chains. Such events could also cause disruptions to business operations resulting from travel restrictions and reduced consumer spending. These risks could also adversely affect securities markets, inflation and other factors relating to the securities that may be held from time to time by the Fund. Such events could, directly or indirectly,

have a material effect on the prospects of the Fund, the value of the securities in the Portfolio and the productivity of the Manager's or its suppliers' workforce.

**Foreign Market Exposure** - Investments made by the Fund may, at any time, include securities of issuers established in jurisdictions outside Canada and the U.S. Although most of such issuers will be subject to uniform accounting, auditing and financial reporting standards comparable to those applicable to Canadian and U.S. issuers, some issuers may not be subject to such standards and, as a result, there may be less publicly available information about such issuers than a Canadian or U.S. issuer. Volume and liquidity in some foreign markets may be less than in Canada and the U.S. and, at times, volatility of price may be greater than in Canada or the U.S. As a result, the price of such securities may be affected by conditions in the market of the jurisdiction in which the issuer is located or its securities are traded. Other risks include the application of foreign tax law, changes in governmental administration or economic or monetary policy, and the effect of local market conditions on the availability of public information. Investments in foreign markets carry the potential exposure to the risk of political upheaval, acts of terrorism and war, all of which have an adverse impact on the value of such securities.

**Global Financial Developments** - Significant events in foreign markets and economies can have material impacts on other markets worldwide, including Canada. Such events could, directly or indirectly, have a material effect on the prospects of the Fund and the value of the securities in the Portfolio.

**Counterparty Risk** - In purchasing call or put options or entering into forward contracts or other derivative instruments, the Fund is subject to the credit risk that the counterparties (whether a clearing corporation, in the case of exchange traded instruments, or other third parties, in the case of over-the-counter instruments) may be unable to meet their respective obligations and that the Fund may incur losses as a result.

**Data Security and Privacy Breaches** - The cybersecurity risks faced by the Fund, the Manager, the Fund's service providers and Holders have increased in recent years due to the proliferation of cyber-attacks that target computers, information systems, software, data and networks. Cyber-attacks include, among other things, unauthorized attempts to access, disable, modify or degrade information systems and networks, the introduction of computer viruses and other malicious codes, such as "ransomware", and fraudulent "phishing" emails that seek to misappropriate data and information or install malware on users' computers. The potential effects of cyber-attacks include the theft or loss of data, unauthorized access to, and disclosure of, confidential personal and business-related information, service disruption, remediation costs, increased cyber-security costs, lost revenue, litigation and reputational harm which can materially affect the Fund. The Manager and the Fund's service providers continuously monitor security threats to their respective information systems and implement measures to manage these threats, however the risk to the Fund, the Manager and the service providers (and therefore, Holders) cannot be fully mitigated due to the evolving nature of these threats, the difficulty in anticipating such threats and the difficulty in immediately detecting all such threats.

**Taxation of the Fund** - If the Fund ceases to qualify as a mutual fund trust under the Tax Act, the income tax considerations described in Section 12 – *Income Tax Considerations* would be materially and adversely different in certain respects. There can be no assurance that Canadian federal income tax laws and the administrative policies and assessing practices of the CRA respecting the treatment of mutual fund trusts will not be changed in a manner which adversely affects the Holders.



In determining its income for tax purposes, the Fund treats gains and losses on dispositions of securities in the Portfolio as capital gains and losses. Generally, the Fund includes gains and deducts losses on income account in connection with investments made through certain derivatives, including certain short sales of securities, except where such derivatives are used to hedge Portfolio securities held on capital account provided there is sufficient linkage and recognizes such gains or losses for tax purposes at the time they are realized by the Fund. Gains or losses realized on such derivatives hedging Portfolio securities held on capital account will be treated and reported for purposes of the Tax Act on capital account provided there is sufficient linkage. In addition, gains or losses in respect of foreign currency hedges entered into in respect of amounts invested in the Portfolio will constitute capital gains and capital losses to the Fund if the Portfolio securities are capital property to the Fund and there is sufficient linkage. Designations with respect to the Fund's income and capital gains will be made and reported to Holders on the foregoing basis. The CRA's practice is not to grant advance income tax rulings on the characterization of items as capital gains or income and no advance income tax ruling has been requested or obtained. If these dispositions or transactions of the Fund are determined not to be on capital account (whether because of the DFA Rules discussed in Section 12.3 – *Taxation of the Fund* or otherwise), the net income of the Fund for tax purposes and the taxable component of distributions to Holders could increase.

The SIFT Rules will apply to a mutual fund trust that is a SIFT trust. The Fund should not be a SIFT trust for the purposes of these rules because the Fund should not hold "non-portfolio property", as defined in the SIFT Rules, based on its investment restrictions, as described in Section 3.3 – *Investment Restrictions*. If the SIFT Rules were to apply to the Fund, they may have an adverse impact on the Fund including on the distributions received by Holders and/or the value of the Units.

A trust, such as the Fund, is subject to a "loss restriction event" for the purposes of the Tax Act each time a person or partnership becomes a "majority interest beneficiary" of the trust for the purposes of the Tax Act, which generally occurs when a beneficiary of the trust and its affiliates have beneficial interest in the trust of more than 50% of the fair market value of the trust. If the Fund experiences a "loss restriction event", the taxation year of the Fund will be deemed to end. The Fund will realize its capital losses and may elect to realize its capital gains. Unused capital losses will expire and the ability of the Fund to carry forward non-capital losses will be restricted.

### **Withholding Tax Risk**

The Fund may invest in global debt or equity securities. While the Fund intends to make investments in such a manner as to minimize the amount of foreign taxes incurred under foreign tax laws and subject to any applicable tax conventions with respect to taxes on income and on capital, investments in global debt or equity securities may subject the Fund to foreign taxes on interest or dividends paid or credited to it or any gains realized on the disposition of such securities. The return on the Fund's portfolio will be net of such foreign withholding tax, unless the terms of the securities in such portfolio require the issuers of such securities to "gross-up" payments so that a holder of such securities receives the amount that it would have received in the absence of such withholding tax. There can be no assurances that (i) interest, dividends and gains on securities held in the Fund's portfolio will not be subject to foreign withholding tax, or (ii) the terms of securities held in the Fund's portfolio will provide for the gross-up referred to above.

Canada has entered into tax treaties with certain foreign countries which may entitle the Fund to a reduced rate of tax on such income. Some countries require the filing of a tax reclaim or other forms to receive the benefit of the reduced tax rate. Whether or when the Fund will receive the tax reclaim is within

the control of the particular foreign country. Information required on these forms may not be available (such as Holder information); therefore, the Fund may not receive the reduced treaty rates or potential reclaims. Certain countries have conflicting and changing instructions and restrictive timing requirements which may cause the Fund not to receive the reduced treaty rates or potential reclaims. Certain countries may subject capital gains realized by the Fund on sale or disposition of certain securities to taxation in that country. In some instances, it may be more costly to pursue tax reclaims than the value of the benefits received by the Fund. If the Fund obtains a refund of foreign taxes, the NAV of the Fund will not be restated and the amount will remain in the Fund to the benefit of the then-existing Holders.

**Status of the Fund** - The Fund will not be a “mutual fund” as defined under Canadian securities laws and, accordingly, the Fund is not subject to the Canadian policies and regulations that apply to open-end mutual funds. As a result, the protections provided to investors in mutual funds under such laws will not be available to investors in the Units and restrictions imposed on mutual funds under Canadian securities laws do not apply to the Fund.

**Potential Conflicts of Interest** - The Manager, the Portfolio Manager and their respective directors and officers and their affiliates and associates may engage in the promotion, management or investment management of one or more funds or trusts which invest primarily in securities to be held in the Portfolio.

Although none of the directors or officers of the Manager or the Portfolio Manager will devote his or her full time to the business and affairs of the Fund, the Manager or the Portfolio Manager, each devotes as much time as is necessary to supervise the management of (in the case of the directors) or to manage the business and affairs of (in the case of officers) the Manager, the Portfolio Manager and the Fund, as applicable. Although officers, directors and professional staff of the Manager and the Portfolio Manager devote as much time to the Fund as the Manager or the Portfolio Manager, as applicable, deems appropriate to perform its duties, the staff of the Manager and the Portfolio Manager may have conflicts in allocating its time and services among the Portfolio and the other portfolios of the Manager or the Portfolio Manager, as applicable.

In addition, the Manager, the Portfolio Manager and/or their affiliates, in connection with their business activities, may acquire material non-public confidential information that may restrict it from purchasing assets or selling assets for itself or its clients (including the Fund) or otherwise using such information for the benefit of its clients or itself.

**Significant Redemptions** - If a significant number of Class A Units are redeemed, the trading liquidity of the Class A Units could be significantly reduced. In addition, if a significant number of Units are redeemed, the expenses of the Fund would be spread among fewer Units resulting in a potentially lower return per Unit.

**Custodian** - Although the Custodian is in Canada and some of the assets of the Fund may be held in Canada, some of the Fund’s assets may be held in accounts with sub-custodians in other jurisdictions and, accordingly, there may be additional defences available to any judgement obtained by the Fund in Canada which may affect enforcement in any such other jurisdictions.

**Use of a Prime Broker** - Some or all of the assets of the Fund may be held in one or more margin accounts. The margin accounts may provide less segregation of customer assets than would be the case with a more conventional custody agreement. The prime broker may also lend, pledge or hypothecate the assets of the Fund in such accounts, which may result in a potential loss of such assets. As a result, assets of the Fund could be frozen and inaccessible for withdrawal or subsequent trading for an extended period of

time if the prime broker experiences financial difficulty. In such case, the Fund may experience losses due to insufficient assets of the prime broker to satisfy the claims of its creditors, and adverse market movements while its positions cannot be traded, and which would adversely affect the total return to the Fund.

**Nature of Units** - The Units represent a fractional interest in the assets of the Fund. Holders will not have the statutory rights normally associated with ownership of shares of a corporation including, for example, the right to bring “oppression” or “derivative” actions.

**Readers may wish to consult their own investment advisors for advice in connection with an investment (or continuing to invest) in the Units.**

### **SECTION 17 - EXEMPTIONS AND APPROVALS**

Except as follows, the Fund has not applied for or obtained exemptive relief from, or approvals under, any provisions of National Instrument 81-101 – *Mutual Fund Prospectus Disclosure*, NI 81-102, National Instrument 81-105 - *Mutual Fund Sales Practices* or National Policy Statement No. 39 – *Mutual Funds*:

- The Fund has obtained an exemption from certain provisions of NI 81-102 in order to permit it, subject to certain conditions, to invest up to 10% of its net asset value in securities of exchange-traded mutual funds that are not index participation units and are not reporting issuers in Canada, but whose securities are listed for trading on a stock exchange in the United States (each, a “**U.S. Underlying ETF**”);
- The Fund has obtained an exemption from certain provisions of NI 81-102 in order to permit it to invest more than 10% of its net assets in debt obligations issued or guaranteed by either Federal National Mortgage Association (“**Fannie Mae**”) or the Federal Home Loan Mortgage Corporation (“**Freddie Mac**”) (“**Fannie or Freddie Securities**”) by purchasing securities of an issuer, entering into a specified derivative transaction or purchasing index participation units, provided that: (a) such investments are consistent with the Fund’s investment objective; (b) the Fannie or Freddie Securities or the corporate debt of Fannie Mae or Freddie Mac (“**Fannie or Freddie Debt**”), as applicable, maintain a credit rating assigned by Standard & Poor’s Rating Services (Canada) or an equivalent rating assigned by one or more other designated rating organizations to a Fannie or Freddie Security or Fannie or Freddie Debt, as applicable, that is not less than the credit rating when assigned by such designated rating organization to the debt of the United States government of approximately the same term as the remaining term to maturity of, and denominated in the same currency as, the Fannie or Freddie Security or the Fannie or Freddie Debt, as applicable; and (c) such rating is not less than a credit rating of BBB- assigned by Standard & Poor’s Rating Services or an equivalent rating by one or more other designated rating organizations.
- The Fund has obtained exemptions from certain provisions of NI 81-102 in order to permit the Fund, subject to certain conditions, to: (a) purchase and/or hold securities of TOPIX Exchange Traded Fund, NEXT FUNDS Nomura Shareholder Yield 70 ETF, iShares FTSE A50 China Index ETF and the ChinaAMC CSI 300 Index ETF (together, the “**Foreign Underlying ETFs**”); (b) purchase and/or hold securities of one or more ETFs which are, or will be, listed and traded on the London Stock Exchange and managed by BlackRock Asset Management Ireland Limited or its affiliate (each, a “**Dublin iShare ETF**”); and (c) purchase and/or hold a security of another investment fund

managed by the Manager or its affiliate that holds more than 10% of its net asset value in securities of one or more Foreign Underlying ETFs or Dublin iShare ETFs.

- The Fund has obtained exemptive relief to permit the Fund, subject to certain conditions, to appoint more than one custodian, including prime brokers, each of which is qualified to be a custodian under section 6.2 of NI 81-102, and each of which is subject to all of the other requirements in NI 81-102 Part 6 Custodianship of Portfolio Assets.
- The Fund has received permission from its IRC to (and may from time to time):
  - invest in securities (“**related party investments**”) of CI Financial Corp. (“**related party**”), including unlisted debt securities, and
  - trade in portfolio securities with other mutual funds managed by CI or any of its affiliates (“**interfund transfers**”).

Related party investments must comply with the rules relating thereto contained in NI 81-107. Additionally, among other matters, CI or the Fund’s portfolio sub-adviser(s) must certify that the related party investment (i) represented the business judgment of CI or the portfolio sub-adviser uninfluenced by considerations other than the best interests of the Fund and was, in fact, in the best interests of the Fund, (ii) was made free from any influence by the related party or any affiliate or associate thereof (other than CI) and without taking into account any consideration relevant to the related party or any associate or affiliate thereof, and (iii) was not part of a series of transactions aiming to support or otherwise influence the price of the securities of the related party or related to another form of misconduct.

Inter-fund transfers are subject to the rules relating thereto contained in NI 81-107. Additionally, among other matters, an inter-fund transfer cannot be intended to (i) smooth out or influence performance results, (ii) realize capital gains or losses, (iii) avoid taxable or distributable income or dividends, or (iv) artificially maintain or otherwise manipulate market prices of the portfolio security.

- The Fund has obtained exemptive relief to exclude purchases and holdings by the Fund of fixed income securities that qualify for, and may be traded pursuant to, the exemption from the registration requirements of the Securities Act of 1933 (U.S), for resale (“**144A Securities**”) from consideration as an “illiquid asset” under NI 81-102, provided that certain conditions are met.
- The Fund has obtained exemptive relief to permit in specie subscriptions and redemptions by a managed account or a pooled fund in relation to the Fund, provided that certain conditions are met.

*Fund:* JFT Strategies Fund  
*Manager:* CI Global Asset Management  
*Address:* 15 York Street, Second Floor, Toronto, Ontario M5J 0A3  
*Telephone:* 1-800-792-9355

Additional information about the Fund is available in the Fund's management reports of fund performance and financial statements.

You can get a copy of these documents at no cost by calling us at 1-800-792-9355, or from your dealer or by e-mail at [service@ci.com](mailto:service@ci.com).

These documents and other information about the Fund, such as information circulars and material contracts, are also available at [www.ci.com](http://www.ci.com) or at [www.sedar.com](http://www.sedar.com). For greater certainty, neither those websites nor any of the information on those websites, are incorporated by reference in this AIF.

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