

AMENDED AND RESTATED OFFERING MEMORANDUM 2018

BMO AM GLOBAL ABSOLUTE RETURN BOND FUND

March 23, 2018

Offering Advisor Series Units, Series F Units, Series I Units, Series N Units and BMO Private Global Absolute Return Bond Fund Series O Units of the Fund in each of the provinces and territories of Canada.

This Offering Memorandum constitutes an offering of the securities described herein only in those jurisdictions where they may be lawfully offered for sale and is not, and under no circumstances is to be construed as, a prospectus or public offering of such securities. **No securities commission or similar authority in Canada has in any way passed upon the merits of the securities offered hereunder nor has it reviewed this Offering Memorandum and any representation to the contrary is an offence.**

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Glossary of terms

Accredited Investor means a person who is permitted by Securities Legislation in the Offering Jurisdictions to make an investment in the Fund by virtue of being an “accredited investor” as defined in the Securities Legislation.

Business Day means any day on which the Toronto Stock Exchange is open for business.

CRA means the Canada Revenue Agency.

Custodian means CIBC Mellon Trust Company, in its capacity as custodian of the Fund, or any successor appointed as the custodian of the Fund.

Dealers means dealers who are registered or are exempt from registration (and not otherwise restricted) under applicable Securities Legislation to sell Units and who are acceptable to the Manager.

Declaration of Trust means the master declaration of trust creating the Fund, as amended or amended and restated from time to time, which acknowledges that the Manager is holding legal title to the property on behalf of the investors in the Fund and provides for the management of the Fund by the Manager.

Fund means BMO AM Global Absolute Return Bond Fund.

Investment Objective means the investment objective of the Fund as described under *Investment objective*.

Investment Strategy means the investment strategy of the Fund to be implemented by the Manager in respect of the Fund.

long position means ownership of a security with the expectation that its value will appreciate.

Manager (or Manager-Trustee) means BMO Asset Management Inc., in its capacity as manager and trustee of the Fund, or any successor appointed as the manager and trustee of the Fund.

Net Asset Value means the net asset value of the Fund calculated in accordance with the Declaration of Trust; “**Series Net Asset Value**” means the net asset value of a particular Series of the Fund calculated in accordance with the Declaration of Trust; “**Series Net Asset Value per Unit**” means the portion of the Series Net Asset Value attributed to each Unit of the particular Series of the Fund.

Offering Jurisdictions means all the provinces and territories of Canada.

Offering Memorandum means this offering memorandum of the Fund as it may be amended from time to time.

Portfolio Manager means BMO Asset Management Inc. or such other portfolio manager as may be retained by the Manager to provide investment advice in respect of the Fund’s investment portfolio.

RDSP means a registered disability savings plan.

RESP means a registered education savings plan.

RRIF means a registered retirement income fund.

RRSP means a registered retirement savings plan.

Registered Plan means a RDSP, RESP, RRIF, RRSP, TFSA and deferred profit sharing plan.

Registrar and Transfer Agent means BMO Asset Management Inc., in its capacity as registrar and transfer agent of the Fund.

Risk-adjusted returns means a measure of how much an investment returned in relation to the amount of risk it took on.

Securities Legislation means the laws and regulations in each province and territory of Canada that are applicable to the Fund and the requirements, rules, policies, instruments and decisions of the local securities authorities that are applicable to the Fund.

Series means the Advisor Series Units, Series F Units, Series I Units, Series N Units and Series O Units, as applicable, and any additional series issued by the Fund in the future.

Series O Units means BMO Private Global Absolute Return Bond Fund Series O Units.

Sub-Advisor means F&C Management Limited or such other sub-advisor as may be retained by the Portfolio Manager to provide investment advice in respect of the Fund’s investment portfolio.

TFSA means a tax-free savings account.

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

Unitholder means an investor who holds Units.

Units mean the units of each Series of the Fund.

Valuation Date means each day that the Toronto Stock Exchange is open for trading, the last day in each fiscal year of the Fund and any other day as the Manager-Trustee may designate as a Valuation Date for the Fund.

Valuation Time means 4:00 p.m. Eastern Time on each Valuation Date or, if the Toronto Stock Exchange closes earlier that day, then the time as of which the market closes, or any other time as the Manager may from time to time determine.

All dollar references in this Offering Memorandum are to Canadian dollars unless otherwise indicated.

The offering

BMO AM Global Absolute Return Bond Fund is an open-ended mutual fund established on June 20, 2016 as a trust under the laws of the Province of Ontario pursuant to the Declaration of Trust. The Manager is the trustee of the Fund. As part of its management of the Fund, the Manager is responsible for providing or arranging for the provision of portfolio management services for the Fund and currently provides portfolio management services to the Fund. The Portfolio Manager has arranged for F&C Management Limited to provide sub-advisory services to the Fund. The head office address of the Fund and the Manager is 1 First Canadian Place, 100 King St. W., 43rd Floor, Toronto, Ontario M5X 1A1.

At present, the Fund is offering the following Series of Units through authorized dealers:

- Advisor Series Units are available to Accredited Investors who meet the minimum purchase amount;
- Series F Units are available to Accredited Investors who are enrolled in dealer-sponsored wrap programs or flat fee accounts, who meet the minimum purchase amount and whose dealer has entered into a Series F agreement with the Manager. Instead of paying a sales charge and service fees, investors pay an annual fee based on the value of their assets;
- Series I Units are available to institutional investors for use within managed asset programs or structured products of such institutional investors, provided the investors have entered into a Series I agreement with the Manager. The Fund doesn't pay a management fee on Series I securities because Series I investors negotiate and pay a separate fee directly to the Manager;
- Series N Units are available to investors who participate in a separate managed account or discretionary management program through a dealer who has entered into an agreement with the Manager and only with our prior approval. The Fund doesn't pay a management fee on Series N Units because Series N investors pay a separate fee directly to their dealer, a portion of which is paid to the Manager by the dealer on behalf of Series N investors; and
- Series O Units are available to investors who have entered into an investment management agreement with BMO Trust Company and BMO Private Investment Counsel Inc. Investors pay a wealth management fee directly to BMO Trust Company and to BMO Private Investment Counsel Inc. The Fund may not pay a management fee on Series O Units because Series O investors pay a separate fee directly to their dealer, a portion of which may be paid to the Manager by that dealer on behalf of Series O investors.

Units are offered on a continuous basis to investors resident in each of the provinces and territories of Canada pursuant to the accredited investor exemption from the prospectus requirement in Securities Legislation. **National Instrument 45-106 *Prospectus Exemptions* ("NI 45-106") requires that individuals who invest on the basis that they are accredited investors (other than certain high-net worth individuals) must sign a risk acknowledgement form, which is included in the accompanying Subscription Agreement.**

Purchasers will be required to make certain representations in the Subscription Agreement and the Manager will rely on such representations to establish the availability of the exemption from the prospectus requirement described above. No subscription will be accepted unless the Manager is satisfied that the subscription is in compliance with applicable securities laws.

The Fund is not available for U.S. residents. If a Unitholder is or becomes a U.S. resident, the Manager may, in the Manager's sole discretion, compulsorily redeem such Unitholder's Units at any time.

Investment objective, strategies and restrictions

Investment objective

The primary objective of the Fund is to deliver a return through a combination of income and capital growth irrespective of market conditions by investing primarily in fixed income instruments from across the global fixed income universe.

Investment strategies and restrictions

The Sub-Advisor uses the following strategies to achieve the Fund's objectives:

- invests primarily in a globally diversified multi-sector portfolio of fixed income instruments
- will typically have at least two thirds of its total assets invested in corporate bonds, with the remaining allocated amongst non-corporate bonds, including those from sovereign and supranational issuers
- focus on security, sector, credit and yield curve analysis along with detailed examination of economic indicators such as, but not limited to, growth, inflation rate, interest rate and monetary policy, as a framework in making investment decisions
- may invest up to 30% of its Net Asset Value at the time of investment in securities of exchange-traded funds and other mutual funds, which may include

funds that are managed by the Manager or one of its affiliates or associates

- employs investment strategies to reduce significant downside risks of the fixed income instruments in which the Fund invests in and to reduce the overall level of risk within the portfolio
- the Fund may use financial derivative instruments for:
 - hedging investment risk to protect the Fund against potential losses. For example, the Sub-Advisor may be concerned about the impact of rising interest rates may have on the Fund. The Sub-Advisor may reduce the impact of security price fluctuations by using interest rate swaps
 - reducing the impact of volatility on the Fund. For example, the Sub-Advisor may attempt to reduce the impact of any adverse changes in exchange rates by purchasing currency futures
 - investment purposes, such as to gain exposure to securities without buying the securities directly
- the use of financial derivative instruments, if any, includes, but is not limited to, financial futures contracts, currency forwards involving any currency, interest rate and inflation swaps, single name and index credit default swaps, interest rate futures, exchange traded futures and currency futures contracts, along with buying put and call options and writing covered call options in respect of currencies or financial futures contracts if, in the opinion of the Sub-Advisor, such contracts will protect the value of the Fund's assets from adverse movements in interest rates or currency exchange rates. Synthetic long positions as well as synthetic short positions may be taken through these financial derivative instruments
- will employ the absolute Value-at-Risk (“VaR”) approach for calculating the Fund’s global exposure to financial derivative instruments. VaR reports will be produced and monitored on a daily basis based on the following criteria:
 - 1 month holding period
 - 99% confidence levels
 - stress testing applied on an ad hoc basis
- the Fund’s typical level of notional leverage is between 0% to 300% of its net assets, although it is possible that the notional leverage might exceed this level from time to time. The maximum notional leverage is 750%. The Fund’s leverage is calculated as the total notional value of the derivatives held in the Fund
- the Fund may enter into securities lending, repurchase and reverse repurchase transactions to earn additional income. These transactions will be used in conjunction with the other investment strategies in a manner

considered appropriate to achieving the Fund’s investment objectives

- investments will be managed in accordance with the sections 9 and 11 of Schedule III to the Pension Benefits Standards Regulations, 1985 (Canada)

Any change to these investment strategies, policies and restrictions of the Fund that would be considered important by a reasonable investor in determining whether to purchase or continue to hold Units of the Fund may only be implemented on not less than 60 days’ notice to Unitholders of the Fund.

Investment risks

An investment in the Fund may be deemed to be speculative and is not intended as a complete investment program. A subscription for Units should be considered only by persons financially able to maintain their investment and who can bear the risk of loss associated with an investment in the Fund. Investors should review closely the investment objective and investment strategies to be utilized by the Fund as outlined herein and should familiarize themselves with the risks associated with an investment in the Fund, including the following risks.

General risks

Unitholders’ investments in the Fund are not guaranteed. The Fund owns different types of investments, the value of which will change from day to day, reflecting changes in interest rates, economic conditions, market and company news, and unforeseeable events. As a result, the value of the Fund investments may go up and down, and the value of Unitholders’ investments may be more or less when they redeem their Units than when they purchased them. The Fund is not subject to the normal mutual fund regulations and disclosure requirements for publicly offered mutual funds which limit such mutual funds’ ability to short sell securities, use leverage, concentrate investments and use derivatives, but is instead subject to the investment restrictions set out herein.

Business risk

While the Manager believes that the Fund's investment policies will be successful over the long term, there can be no guarantee against losses resulting from an investment in Units and there can be no assurance that the Fund's investment approach will be successful or that its investment objective will be attained. No assurance can be given that the Fund's investment portfolio will generate any income or will appreciate in value. The Fund

could realize substantial losses, rather than gains, from some or all of the investments described herein. A trust, such as the Fund, cannot flow through losses to investors. However, such losses will be reflected in the Net Asset Value per Unit which, if the Units are redeemed, would give rise to capital losses which may be used by investors.

Credit risk

Credit risk is the risk that the company, government or other entity (including a special purpose vehicle) that issued a bond or other fixed income security (including asset backed and mortgage backed securities) can't pay interest or repay principal when it's due. This risk is lowest among issuers that have a high credit rating from a credit rating agency. It's highest among issuers that have a low credit rating or no credit rating. Investments with a lower credit rating usually offer a better return than higher grade investments, but have the potential for substantial loss as well as gain, as will the Fund when it buys such fixed income securities.

High yielding, higher risk income securities in which the Fund may invest are subject to greater risk of loss of principal and income than higher rated fixed income securities, and are considered to be less certain with respect to the issuer's capacity to pay interest and repay principal.

A specialized credit rating agency, such as Standard & Poor's or DBRS, may reduce the credit rating of an issuer's debt securities. Unexpected downgrades in credit rating typically decrease the value of such securities.

Counterparty and settlement risk

Some of the markets in which the Fund will affect its transactions may be "over the counter" or "interdealer" markets. The participants in such markets are typically not subject to credit evaluation and regulatory oversight as are members of "exchange based" markets. This exposes the Fund to the risk that a counterparty will not settle a transaction in accordance with its terms and conditions because of a dispute over the terms of the contract (whether or not bona fide) or because of a credit or liquidity problem or because of bankruptcy, fraud, or regulatory sanction, which could significantly impair the operational capabilities or the capital position of the Fund or cause the Fund to suffer a loss. In addition, in the case of a default, the Fund could become subject to adverse market movements while replacement transactions are executed. Such "counterparty risk" is accentuated for contracts with longer maturities where events may intervene to prevent settlement, or where the Fund has concentrated its transactions with a single or small group of counterparties. The Fund is not restricted from dealing with any particular counterparty or from concentrating any

or all of its transactions with one counterparty. The Sub-Advisor will use reasonable efforts to mitigate such risks. There can be no guarantee that transactions between such counterparties will always be completed in the manner contemplated by, and favourable to, the Fund. Furthermore, neither the Fund nor the Manager or Sub-Advisor has an internal credit function which evaluates the creditworthiness of the Fund's counterparties. The ability of the Fund to transact business with any one or number of counterparties, the lack of any meaningful and independent evaluation of such counterparties' financial capabilities and the absence of a regulated market to facilitate settlement may increase the potential for losses by the Fund.

Currency risk

When the Fund invests in foreign securities, it will buy the securities using foreign currency. For example, the Fund will use U.S. dollars to buy U.S. stocks or bonds. Because currencies change in value against each other, it's possible that an unfavourable move in the exchange rate may reduce, or even eliminate, any increase in the value of that investment. The opposite can also be true – the Fund can benefit from changes in exchange rates.

Custody risk and broker or dealer insolvency risk

The Fund does not control the custodianship of all of its securities. The Fund's assets will be held in one or more accounts maintained for the Fund at the custodian, a clearinghouse or at other brokers. Such brokers are subject to various laws and regulations in various jurisdictions that are designed to protect their customers in the event of their insolvency. However, the practical effect of these laws and their application to the Fund's assets are subject to substantial limitations and uncertainties. Because of the large number of entities and jurisdictions involved and the range of possible factual scenarios involving the insolvency of the custodian, clearinghouse or any sub-custodians, agents or affiliates, it is impossible to generalize about the effect of their insolvency on the Fund and its assets. Investors should assume that the insolvency of any of the custodian, clearinghouse or such other service providers would result in the loss of all or a substantial portion of the Fund's assets held by or through such custodian or clearinghouse and/or the delay in the payment of redemption proceeds.

Cybersecurity risk

With the increased use of technologies such as the Internet to conduct business, the Manager and the Fund are susceptible to operational, information security, and related risks. In general, cyber incidents can result from deliberate attacks or unintentional events. Cyber attacks include, but are not limited to, gaining unauthorized

access to digital systems (e.g., through “hacking” or malicious software coding) for purposes of misappropriating assets or sensitive information, corrupting data, or causing operational disruption. Cyber attacks also may be carried out in a manner that does not require gaining unauthorized access, such as causing denial-of-service attacks on websites (i.e., efforts to make network services unavailable to intended users). Cyber incidents affecting the Fund, the Manager or the Fund’s service providers (including, but not limited to, the Fund’s Portfolio Manager, Sub-Advisor, transfer agent, custodian and subcustodians) have the ability to cause disruptions and impact each of their respective business operations, potentially resulting in financial losses, interference with the Fund’s ability to calculate its Net Asset Value, impediments to trading, the inability of Unitholders to transact business with the funds and the inability of the funds to process transactions including redeeming Units, violations of applicable privacy and other laws, regulatory fines, penalties, reputational damage, reimbursement or other compensation costs, or additional compliance costs associated with the implementation of any corrective measures. Similar adverse consequences could result from cyber incidents affecting the issuers of securities in which the Fund invests and counterparties with which the Fund engages in transactions.

In addition, substantial costs may be incurred to prevent any cyber incidents in the future. While the Manager on behalf of the Fund has established business continuity plans in the event of, and risk management systems to prevent, such cyber incidents, inherent limitations exist in such plans and systems including the possibility that certain risks have not been identified. Furthermore, the Manager and the Fund cannot control the cyber security plans and systems of the Fund’s service providers, the issuers of securities in which the Fund invests or any other third parties whose operations may affect the Fund and Unitholders. As a result, the Fund and the Unitholders could be negatively affected.

Derivative risk

While derivatives can be useful for hedging against losses or as a substitute for the underlying assets, they involve a number of risks:

- The hedging strategy used by the Fund may not be effective;
- There’s no guarantee that a market will exist when the Fund wants to meet the terms of the derivative contract. This could prevent the Fund from making a profit or limiting its losses;
- The other party to a derivative contract may not be able to meet its obligations;

- Stock exchanges may set daily trading limits on futures contracts. This could prevent the Fund from closing a contract;
- The price of stock index options may be distorted if trading in some or all of the stocks that make up the index is interrupted. If the Fund could not close out its position in these options because of interruptions or imposed restrictions, it may experience losses;
- The price of a derivative may not accurately reflect the value of the underlying security or index;
- An acceptable counterparty may not be willing to enter into contracts that allow the Fund to link its performance to the underlying security;
- If the Fund is required to give a security interest in order to enter into a derivative, there is a risk that the other party may try to enforce the security interest against the Fund’s assets;
- The cost of the derivative contracts may increase.

Floating rate note risk

Floating rate notes generally are subject to legal or contractual restrictions on resale. The liquidity of floating rate notes, including the volume and frequency of secondary market trading in such loans, varies significantly over time and among individual floating rate notes. During periods of infrequent trading, valuing a floating rate note can be difficult, and buying and selling a floating rate note at an acceptable price can be more difficult and delayed. Difficulty in selling a floating rate note can result in a loss to the Fund.

A decline in the credit quality of a floating rate note may reflect a decline in the financial condition of the issuer of the note. Credit ratings assigned by rating agencies are based on a number of factors and may not reflect the issuer’s current financial condition or the volatility or liquidity of the floating rate note. In the event of bankruptcy of the issuer of the floating rate note, if the Fund invested in such note then it could experience delays or limitations with respect to its ability to realize the benefits of any collateral securing the note. In order to enforce its rights in the event of a default, bankruptcy or similar situation, the Fund may be required to retain legal or similar counsel, which may increase operating expenses and adversely affect its net asset value.

In addition, floating rate notes generally can be prepaid before maturity. If this happens, the floating rate note can offer less income and/or potential for capital gains.

Foreign investment risk

If the Fund invests in foreign securities, its value will be affected by financial markets and general economic trends

in the countries where the securities are issued. While the U.S. market has standards that are similar to those in Canada, other foreign markets may not. For example, some foreign markets may not be as strictly regulated as Canadian and U.S. markets. Their laws might make it difficult to protect investor rights. The political climate might be less stable and social, religious and regional tensions may exist. Business disclosure and accounting standards may be less stringent than in Canada and the U.S., making it difficult to obtain complete information about a potential investment. Securities markets may be smaller than in more developed countries, making it more difficult to sell securities in order to take profits or avoid losses. As a result, the value of foreign securities, and the value of the Fund if it holds foreign securities, may rise or fall more rapidly and to a greater degree than Canadian and U.S. investments. In general, securities issued in more developed markets have lower foreign investment risk. Securities issued in emerging or developing markets have higher foreign investment risk.

If the Fund concentrates its investments in a single country or region of the world it will likely be riskier than funds with greater geographic diversification because prices of securities in the same markets tend to move up and down together.

Fund of fund risk

The Fund may invest directly in, or obtain exposure to, other investment funds as part of its investment strategy. Therefore, the Fund will be subject to the risk of such underlying funds. Also, if the Fund invests in an underlying fund and that underlying fund suspends redemptions, the Fund will be unable to value part of its portfolio and may be unable to redeem its investment in the underlying fund.

Indexing risk

The Fund may have exposure to underlying funds that use indexing strategies. Indexing strategies involve tracking the performance of an index by tracking the performance of the investments included in the index. It's unlikely that an underlying fund will be able to track an index perfectly because the underlying fund has its own operating and trading costs, which lower returns. Indices don't have these costs.

Further, concentrating its investments in the securities of a particular index allows an underlying fund to focus on that index's potential, but it also means that the underlying fund may tend to be more volatile than an underlying fund that invests in the securities of a variety of indices because prices of securities on the same index tend to move up and down together. If required by its investment objectives, the underlying fund must continue to invest in

the securities of the index, even if the index is performing poorly. That means the underlying fund won't be able to reduce risk by diversifying its investments into securities listed on other indices.

Also, if the stock market upon which the index is based is not open, the underlying fund may be unable to determine its net asset value per security, and so may be unable to satisfy redemption requests.

Interest rate risk

The value of the Fund, which invests primarily in fixed income securities can move up or down as interest rates change. Here's why. Fixed income securities – including bonds, mortgages, treasury bills and commercial paper – pay a rate of interest that's fixed when they're issued. Their value tends to move in the opposite direction to interest rate changes. For example, when interest rates rise, the value of an existing bond will fall because the interest rate on that bond is less than the market rate. The opposite is also true. These changes in turn affect the value of the Fund when it invests in fixed income securities.

Large transaction risk

The Fund may have one or more investors (including another investment fund) who hold or acquire a significant amount of Units.

If one or more of these investors (including these other investment funds) decides to redeem its investment in the Fund, the Fund may have to make large sales of securities in its portfolio to meet these requests. The Sub-Advisor may have to change the composition of the Fund's portfolio significantly or may be forced to sell investments at unfavourable prices, which can negatively impact the Fund's returns. Conversely, if one or more of these investors decides to increase its investment in the Fund, the Fund may have to hold a relatively large position in cash for a period of time while the Sub-Advisor attempts to find suitable investments. This could negatively impact the Fund's return.

A trust, such as the Fund, is subject to a "loss restriction event" for the purposes of the Tax Act if a person becomes a "majority-interest beneficiary" of the Fund, or a group of persons becomes a "majority-interest group of beneficiaries" of the Fund, as those terms are defined in the Tax Act. Generally, a majority-interest beneficiary of the Fund is a Unitholder who, together with persons and partnerships with whom the Unitholder is affiliated, owns securities with fair market value that is greater than 50% of the fair market value of all securities of the Fund. If the Fund experiences a "loss restriction event" (i) it will be deemed to have a year-end for tax purposes (which would

result in an allocation of the Fund's taxable income at such time to Unitholders so that the Fund is not liable for income tax on such amounts), and (ii) it will become subject to the loss restriction rules generally applicable to corporations that experience an acquisition of control, including a deemed realization of any unrealized capital losses and restrictions on their ability to carry forward losses. As a result of the application of these rules, the amount of distributions paid by the Fund after a loss restriction event may be larger than it otherwise would have been. However, no person or group of persons should become a majority-interest beneficiary or majority-interest group of beneficiaries of the Fund as long as the Fund qualifies as an "investment fund" under the Tax Act by satisfying certain investment diversification and other conditions. There can be no assurance that the Fund has not been, or will not in the future, become subject to the loss restriction event rules and there can be no assurance regarding when distributions resulting from a loss restriction event will be made.

Liquidity risk

Some securities may be difficult to buy or sell because they're not well known or because political or economic events significantly affect them. These include investments in specific sectors, especially commodity sectors, and investments in developing or smaller markets. In addition, smaller companies may be hard to value because they're developing new products or services for which there is not yet a developed market or revenue stream. They may only have a small number of shares in the market, which may make it difficult for the Fund to buy or sell shares when it wants to. The value of the Fund when it holds these investments may rise or fall substantially.

Net asset value risk

The Net Asset Value of the Fund will fluctuate with changes in the market value of the Fund's investments. Such changes in market value may occur as a result of various factors, including those factors identified above with respect to foreign investments and emerging market securities and material changes in the intrinsic value of an issuer whose securities are held by the Fund.

Notional Leverage

By design, certain financial instruments employ leverage to gain market exposure such as when investing in options, futures, derivatives, and currencies. When investing in financial instruments that employ leverage, the aggregate exposure is referred to as "notional leverage" and a very small amount of invested money can control a large position of the Fund. As the calculation does not take into account whether a particular financial

instrument increases or decreases investment risk, nor does it take into account the varying sensitivities of the notional exposure of the financial instruments to market movements, this may not be representative of the level of investment risk within the Fund.

When calculating notional leverage, there is no distinction between financial instruments that are used for speculative purposes and those that are used for hedging or defensive purposes. As a result, strategies that aim to reduce risk will contribute to an increased level of leverage for the Fund. In addition, for the purpose of calculating notional leverage, levered positions are not netted. For example, derivative roll-overs may contribute to a large increase of the level of leverage, while no increase or only a moderate increase of the overall investment risk would be caused.

Securities lending, repurchase and reverse repurchase transactions risk

The Fund may engage in securities lending, repurchase and reverse repurchase transactions. These transactions will be used in conjunction with the other investment strategies in a manner considered appropriate to achieving the Fund's investment objectives. Securities lending is an agreement whereby the Fund lends securities through an authorized agent in exchange for a fee and a form of acceptable collateral. Under a repurchase transaction, the Fund agrees to sell securities for cash while, at the same time, assuming an obligation to repurchase the same securities for cash (usually at a lower price) at a later date. A reverse repurchase transaction is a transaction pursuant to which the Fund buys securities for cash while, at the same time, agreeing to resell the same securities for cash (usually at a higher price) at a later date.

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

To limit these risks:

- the collateral held by the Fund must equal at least 102% of the market value of the security sold, loaned

or cash paid (the collateral is adjusted on each business day to ensure that this value is maintained);

- repurchase transactions and securities lending agreements are limited to 50% of the Fund's assets. Collateral held for loaned securities and cash paid for received securities are not included when making this calculation; and
- the Fund will only enter into such transactions with parties who appear to have the resources and the financial strength to fulfill the terms of the agreements.

Series risk

The Fund issues more than one Series of Units. Each Series has its own fees and expenses, which are tracked separately; however, if a Series can't meet its financial obligations, the other Series are responsible for making up the difference. This is because the Fund as a whole is legally responsible for the financial obligations of all of the Series.

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

Distribution policy

The Fund distributes any net income quarterly and any net realized capital gains to Unitholders in December. The Fund may distribute income and capital gains at other times as well. Distributions are automatically reinvested in additional Units of the applicable Series of the Fund, unless the Manager receives written notice from a Unitholder of the desire to withdraw from the automatic reinvestment program and, in such case, the Unitholder will receive cash distributions from the Fund (the "Cash Distribution Option").

The Cash Distribution Option shall take effect for a particular Unitholder on the next scheduled distribution date after receipt of such notice, provided that the Manager has received the notice at least 2 Business Days (or such shorter period as may be determined by the Manager in response to changes in applicable law or general changes to settlement procedures in applicable markets), prior to the next scheduled distribution date. If notice is received by the Manager less than 2 Business Days (or such shorter period as may be determined by the Manager in response to changes in applicable law or general changes to settlement procedures in applicable markets) prior to the next scheduled distribution date, the

Cash Distribution Option shall take effect on the next distribution date following the end of the 2 Business Day notice period (or such shorter period as may be determined by the Manager in response to changes in applicable law or general changes to settlement procedures in applicable markets). See *Income tax considerations* for more information.

Management of the Fund

Manager and trustee

BMO Asset Management Inc. has been appointed as manager and trustee of the Fund pursuant to the Declaration of Trust. The Manager is an indirect wholly-owned subsidiary of Bank of Montreal.

As manager, the Manager is responsible for the business, operations and affairs of the Fund, including managing or arranging for the management of the Fund's investment portfolio as well as providing or arranging for the administrative services of the Fund such as valuation services, fund accounting and Unitholder records. In this capacity, the Manager will receive the management fees described later in this Offering Memorandum. As trustee, the Manager has overall authority over the assets and affairs of the Fund and has a fiduciary responsibility to act in the best interest of the Unitholders. The Manager receives compensation from the Fund for the services it provides to the Fund in its capacity as manager, but does not currently receive any compensation for acting as trustee.

The Manager may resign as manager and trustee on 60 days' prior written notice to Unitholders.

The Manager can be reached at 1 First Canadian Place, 100 King St. West, 43rd Floor, Toronto, Ontario M5X 1A1, via telephone at 1-800-361-1392 or via e-mail at alternativeproducts@bmo.com. The Manager's website is www.bmo.com/gam/ca.

Portfolio Manager and Sub-Advisor

As part of the services it provides to the Fund, the Manager will provide, or cause to be provided, investment analysis and recommendations, make decisions relating to the investment of the Fund's assets and supervise the Fund's investment portfolio on a continuous basis.

The Manager is registered as an adviser in Ontario and in all of the other Canadian provinces and territories. The Manager does not receive a separate fee for acting as Portfolio Manager. Instead, it is compensated for its portfolio management services as part of the management fees earned by the Manager that are described later in the Offering Memorandum.

The Manager may appoint another portfolio manager for the Fund, or acting as Portfolio Manager, may retain a sub-advisor for the Fund. The Manager, acting as portfolio manager, has appointed F&C Asset Management Limited to act as sub-advisor to the Fund and to manage all of the assets of the Fund.

The Sub-Advisor is a wholly owned, indirect subsidiary of the Bank of Montreal and is thus an affiliate of the Manager. As at December 31, 2016, the Sub-Advisor has approximately US\$98.6 billion in assets under management. The Sub-Advisor is compensated for providing its services to the Fund out of the management fees earned by the Manager, on such terms and in such manner as may be agreed between the Manager, the Portfolio Manager and the Sub-Advisor.

The Sub-Advisor is not registered as an advisor under the securities or commodity futures legislation in Ontario and is providing advice to the Manager pursuant to an exemption from such registration requirements. The Manager remains responsible for the advice received from the Sub-Advisor in respect of the Fund. It may be difficult to enforce legal rights against the Sub-Advisor because it is resident in England and all or substantially all of its assets are located outside Canada.

The Sub-Advisor currently manages the assets of a number of investment funds and other clients. While all advice and recommendations made to the Fund will be consistent with its obligations to exercise its powers and discharge its duties honestly, in good faith and in the best interests of the Fund, the Sub-Advisor will continue to provide investment advice to its other clients, who may have similar investment needs to those of the Fund. There may, therefore, be potential conflicts of interest between the Fund and other portfolios managed by the Sub-Advisor.

All decisions as to the purchase and sale of portfolio securities and decisions as to the execution of these portfolio transactions, including the selection of market, dealer and the negotiation, where applicable, of commissions will be made by the Sub-Advisor. The Sub-Advisor will seek to obtain prompt execution of orders on favourable terms. To the extent that the executions and prices offered by more than one dealer are comparable, the Sub-Advisor may choose to effect portfolio transactions with dealers who provide research, statistical and other services to the Fund, the Portfolio Manager or the Sub-Advisor.

Where the Fund and one or more other portfolios or clients of the Sub-Advisor are engaged in the purchase or sale of the same security, the transaction will be effected on an equitable basis in accordance with the Sub-Advisor's Security Allocation Policy dealing with trade allocation.

The Sub-Advisor uses a team approach in making investment decisions, which are overseen by an investment committee. The following is a description of the lead people:

Keith Patton

Head of Multi-Strategy, Fixed Income

Keith joined the F&C Multi-Strategy team in May 2012 and is responsible for fixed income and asset allocation strategies. Prior to joining, Keith was a Managing Director and the Global Head of Fixed Income for UBS Wealth Management in Zurich, responsible for in excess of CHF 40bn of fixed assets within the discretionary business. Previously, Keith held senior positions at Brevan Howard, Aberdeen Asset Management, as a Managing Director of Deutsche Asset Management and as the Head of Europe Fixed Income at Robert Flemings after starting his career at the United Bank of Kuwait in 1990.

Keith graduated with a BA (Hons) from South Bank University, London and completed the Investment Management Programme at the London Business School in 1991.

Ian Robinson

Fund Manager and Head of Credit

Ian is Head of Credit at F&C. He joined F&C in 2002. Prior to this, Ian worked at WestLB Asset Management as a Fund Manager in the Global Fixed Income and Currencies team, with responsibilities for Sterling investments and global credit exposure. In 1996, Ian joined MGM Assurance as a Fixed Income Fund Manager, having started his career with Whittingdale in 1992.

Ian obtained an MSc (Eng) in Integrated Management Systems in 1990, having graduated from the University of Birmingham in 1989 with a First Class BSc (Hons) in Software Engineering. Ian holds the Institute of Investment Management Research (IIMR).

Auditor

The auditor of the Fund is PricewaterhouseCoopers, LLP, Chartered Professional Accountants, Licensed Public Accountants of Toronto, Ontario.

Valuation Agent

BMO Asset Management Inc. is the valuation agent of the Fund and provides certain fund accounting and valuation services to the Fund including, without limitation: calculating the Net Asset Value per Unit, net income and net realized capital gains of the Fund.

Registrar and Transfer Agent

BMO Asset Management Inc. is the registrar and transfer agent of the Fund. As Registrar and Transfer Agent, BMO Asset Management Inc. provides certain unitholder record keeping services for the Fund. The registers of the Units are kept in Toronto, Ontario.

Custodian

CIBC Mellon Trust Company of Toronto, Ontario, is the custodian of the Fund pursuant to a custodial services agreement. The custodial services agreement may be terminated in respect of the Fund by any party upon 90 days' written notice.

The custodian holds the Fund's cash and securities on behalf of the Fund. The custodian is independent of the Manager.

Fund governance

The Manager is responsible for the day-to-day administration and operation of the Fund. To ensure these duties are carried out in the best interests of the Fund and its Unitholders, the Manager has adopted a Code of Business Conduct (the "**Code**") consisting of "BMO's Code of Conduct" and "Information Security – Safeguarding Our Customers' Trust" which requires that the Manager puts the interests of the Fund ahead of all self-interests. Among other subjects, the Code deals with standards of conduct, confidential information, conflicts of interests and insider trading and other areas, including compliance with laws and regulations, and sanctions for breach of the Code.

The Manager has a Personal Trading Policy, which must be followed by directors, officers and employees of the Manager and by specific employees of its affiliates, that includes obtaining prior approval, as required, before placing any trades for their personal accounts.

The Code and Personal Trading Policy is administered by the compliance department of the Manager.

The Manager has the exclusive authority over the assets and affairs of the Fund and is ultimately responsible for the Fund. The Manager also has an Investment Management Committee that meets monthly to examine and review investment performance, compliance, industry trends, ideas, opportunities and related matters in connection with the Fund. This committee reports performance and significant issues to the Manager.

The Portfolio Manager has hired the Sub-Adviser to provide investment advice and portfolio management to the Fund. The Sub-Adviser's activities are carefully and regularly monitored by the Manager's Investment

Management Committee to help ensure observance of investment guidelines, conduct and financial performance. The Sub-Adviser may also report to the Portfolio Manager from time to time.

Valuation and Net Asset Value

Units are purchased, distributions reinvested (unless otherwise specified by the Unitholder) and redemptions implemented for the Fund on the basis of the Series Net Asset Value per Unit applicable to the transaction, which is reflected in the next calculation of the Series Net Asset Value. The Series Net Asset Value per Unit of a Series of the Fund is calculated by dividing the value of the Series Net Assets of the particular Series of the Fund (that is, the value of that Series' proportionate share of the assets of the Fund less the value of that Series' proportionate share of the liabilities of the Fund) by the total number of Units of that Series of the Fund then outstanding. The Series Net Asset Value is calculated by the Manager as of the Valuation Time on each Valuation Date.

The value of the assets of the Fund is determined with reference to the following valuation methods, depending on the type of security being valued:

1. cash on hand, on deposit or on call, prepaid expenses, cash dividends declared and interest accrued are valued at their face amount or what is considered reasonable value by the Manager;
2. securities listed on any stock exchange or in the over-the-counter market are valued at their closing price (or such other value as the securities regulatory authorities may permit), last reported at the Valuation Time on the Valuation Date on the principal stock exchange on which such security is traded. If there are no such recent sales price, the Manager may determine its best estimate of the fair value of such securities;
3. derivative securities are valued at their current market value;
4. where a covered clearing corporation option is written, the premium received is considered a deferred credit. The value of the option is equal to the current market value of an option that would have the effect of closing the position; any difference resulting from revaluation will be treated as unrealized gain or loss. The deferred credit will be deducted to arrive at the net asset value of the Fund;
5. the value of a forward contract or a futures contract is the gain or loss that would be realized if, at the Valuation Date, the position in such contract were to be closed out.

6. units of any pooled fund, if permitted to be acquired by the Fund, are valued at the net asset value for such units quoted by the trustee or manager of such fund;
7. the value of any security or other asset for which a market quotation is not readily available is the best estimate of the fair market value as determined by the Manager;
8. the value of all assets and liabilities of the Fund quoted in a currency other than Canadian dollars will be translated into Canadian dollars at the prevailing rate of exchange on the Valuation Date as quoted by customary sources selected by the Manager;
9. all expenses and liabilities of the Fund are calculated on an accrual basis; and
10. the value of all other assets is their fair value as determined by the Manager.

The value of any security or property to which, in the opinion of the Manager, the above valuation principles cannot be applied (whether because no price or yield equivalent quotations are available as above provided, or for any other reason) shall be the fair value thereof determined in such manner as the Manager from time to time provides. The Manager may also fair value securities in the following circumstances: (i) when there is a halt trade on a security which is normally traded on an exchange; (ii) on securities that trade on markets that have closed prior to the time of calculation of the Net Asset Value of the Fund and for which there is sufficient evidence that the closing price on the market is not the most appropriate value at the time of valuation; and (iii) when there are investment or currency restrictions imposed by a country that affect the Fund's ability to liquidate the assets held in that market.

For purchases of securities of Series O Units in U.S. dollars, the Series Net Asset Value per Unit is computed by converting the Canadian dollar value into U.S. dollars based on the prevailing rate of exchange on the day of conversion as quoted by customary sources selected by the Manager.

Purchases and Redemptions

Distribution of Units

Units are distributed through the Manager and Dealers in each Offering Jurisdiction.

Investing in Units

The Fund may issue an unlimited number of Units on a continuous basis in one or more Series. The Fund currently

issues Advisor Series Units, Series F Units, Series N Units, Series I Units and Series O Units. The Fund may issue additional Series in the future at the discretion of the Manager. Units may be purchased and redeemed in Canadian dollars and Series O Units may also be purchased and redeemed in U.S. dollars. If you are buying Series O Units using the U.S. dollar purchase option, the cheque must be drawn on a U.S. dollar bank account at a Canadian financial institution.

The ability to purchase and redeem Series O Units in U.S. dollars is offered only as a convenience for investors and does not act as a currency hedge between the two currencies. Investors cannot switch between securities purchased using a U.S. dollar purchase option and securities purchased in Canadian dollars, nor can they switch between securities purchased in Canadian dollars and a U.S. dollar purchase option.

Units are offered on a continuous basis to investors resident in each of the provinces and territories of Canada pursuant to the accredited investor exemption from the prospectus requirement in Securities Legislation. **NI 45-106 requires that individuals who invest on the basis that they are accredited investors (other than certain high-net worth individuals) must sign a risk acknowledgement form, which is included in the accompanying Subscription Agreement.**

Each Series of Units is intended for different types of investors.

- Advisor Series Units are available to Accredited Investors who meet the minimum purchase amount.
- Series F Units are available to Accredited Investors who are enrolled in dealer-sponsored wrap programs or flat fee accounts, who meet the minimum purchase amount and whose dealer has entered into a Series F agreement with the Manager. Instead of paying a sales charge and service fees, investors pay an annual fee based on the value of their assets.
- Series I Units are available to institutional investors who have an available prospectus exemption, for use within managed asset programs or structured products of such institutional investors, provided such investors have entered into a Series I agreement with the Manager. The Fund doesn't pay a management fee on Series I securities because Series I investors negotiate and pay a separate fee directly to us.
- Series N Units are available to investors who participate in a separate managed account or discretionary management program through a dealer

who has entered into an agreement with the Manager and only with our prior approval. The Fund doesn't pay a management fee on Series N Units because Series N investors pay a separate fee directly to their dealer, a portion of which is paid to the Manager by the dealer on behalf of Series N investors.

- Series O Units are available to investors who have entered into an investment management agreement with BMO Trust Company and BMO Private Investment Counsel Inc. Investors pay a wealth management fee directly to BMO Trust Company and to BMO Private Investment Counsel Inc. The Fund may not pay a management fee on Series O Units because Series O investors pay a separate fee directly to their dealer, a portion of which may be paid to the Manager by that dealer on behalf of Series O investors.

If the Manager becomes aware that a Unitholder no longer qualifies to own Series F Units, Series N Units or Series O Units, the Manager may, in its sole discretion and on 30 days' notice to the Unitholder, either switch the Unitholder's Series F Units, Series N Units or Series O Units into Advisor Series Units or redeem the Unitholder's Series F Units, Series N Units or Series O Units, as applicable.

Each initial purchase of Advisor Series Units and Series F Units of the Fund is subject to a minimum of \$5,000. Subsequent purchases must be in increments of not less than \$100 or such other amount required by applicable securities laws. The initial and subsequent purchases of Series O Units are not subject to any minimum subscription amount and therefore any subscriptions received for Series O Units are available to the Fund, subject to any applicable securities laws.

Each initial and subsequent purchase of Series I Units is determined when the investor enters into a Series I agreement with the Manager.

There are no minimum purchase amounts for Series N Units.

The Manager may, in its sole discretion, redeem Units if an investment in the Fund has a value of less than \$1,000 at any time. Prior to redeeming such investment, the Manager shall provide the Unitholder with 30 days' written notice that such a redemption will occur in order to provide the Unitholder with the opportunity to invest an additional amount in the Fund to meet the minimum threshold to continue to hold Units.

Purchases

Orders to purchase Advisor Series Units, Series F Units, Series I Units, Series N Units and Series O Units may be made by an investor at any time. Advisor Series Units may

require Unitholders to pay their Dealer a sales commission at the time of purchase. No sales commissions are paid on the purchase of Series F Units, Series I Units, Series N Units or Series O Units.

In order to receive the Series Net Asset Value per Unit of the applicable Series of the Fund determined on the Valuation Date upon which the purchaser intends the Units to be purchased, a purchase order must be received by the Manager before 4:00 p.m. (Eastern Time) on that Valuation Date. If a purchase order is received after this time, the purchase order will be processed at the Series Net Asset Value per Unit of the applicable Series calculated on the next Valuation Date.

The Manager is entitled in its discretion to reject subscriptions for purchases of Units in whole or in part. Any decision to reject a subscription for purchases of Units in whole or in part will be made by the Manager promptly, and in any event, within 2 Business Days (or such shorter period as may be determined by the Manager in response to changes in applicable law or general changes to settlement procedures in applicable markets) of the relevant Valuation Date. If a subscription is rejected, the Manager will refund the subscription amount without interest.

Settlement of purchases will generally be made within the timelines that are standard in the industry but the Manager reserves the right to settle purchases up to 2 Business Days (or such shorter period as may be determined by the Manager in response to changes in applicable law or general changes to settlement procedures in applicable markets) following the Valuation Date. If the subscription proceeds and, on an initial purchase, the documents the Manager requires have not been received by the Manager within 2 Business Days of processing a purchase order for any Units, the Manager will redeem Units on the next Business Day. If the proceeds from the redemption are greater than the payment owed, the Fund keeps the difference. If the proceeds are less than the payment owed, the Manager will pay the difference to the Fund on the Unitholder's behalf, and collect this amount together with additional costs from the Unitholder's Dealer who may collect these amounts from the Unitholder.

For purchases of Series O Units in U.S. dollars, the Series Net Asset Value per Unit is computed by converting the Canadian dollar value into U.S. dollars based on current exchange rates.

Redemptions

Redemptions may be made at the Series Net Asset Value per Unit of the applicable Series of the Fund determined on the relevant Valuation Date. In order to receive the

Series Net Asset Value per Unit of the applicable Series of the Fund determined on a Valuation Date, an order for redemption of Units must be received before 4:00 p.m. (Eastern Time) on that Valuation Date. Any redemption order not received in time to be processed will be processed on the next Valuation Date.

Redemption payments will be made in Canadian dollars for all purchases made in Canadian dollars and redemption payments will be made in U.S. dollars for all purchases made in U.S. dollars. For redemptions of Units in U.S. dollars, the net asset value per Unit is computed by converting the Canadian dollar value into U.S. dollars based on current exchange rates. Settlement of redemptions will generally be made within the timelines that are standard within the industry but the Manager reserves the right to settle redemptions up to 2 Business Days (or such shorter period as may be determined by the Manager in response to changes in applicable law or general changes to settlement procedures in applicable markets) following the applicable Valuation Date. A portion of the redemption price may include a distribution of capital gains. The remaining portion of the redemption price will be proceeds of disposition.

The Manager shall suspend the calculation of the Series Net Asset Value per Unit and the right to request a redemption for each Series of Units for any period when required to do so under the Declaration of Trust or any applicable Securities Legislation and may do so when it believes such a course of action is in the best interests of the Fund and it is permitted to do so under any applicable Securities Legislation.

The Fund will not accept any orders for the purchase or redemption of Units during any period when the calculation of the Series Net Asset Value per Unit has been suspended.

Short-term redemption fee

If an investor redeems all or part of its investment in the Fund within 30 days of the initial purchase, the Manager may, in its discretion, impose a redemption fee of up to 5% of the applicable Series Net Asset Value of the Units to be redeemed, such amount being paid to the Fund. This short-term redemption fee is in addition to all of the fees that the investor is subject to that are described in this Offering Memorandum. Further purchase orders from the same investor may also be refused by the Manager.

Fees and expenses

Management fees

For its management services, the Manager receives a monthly management fee (expressed as an annual rate)

from the Fund calculated daily on each Valuation Date and payable monthly, based on the Series Net Asset Value of each Series on that date as follows:

Advisor Series Units	Series F Units	Series I Units	Series N Units	Series O Units
1.20%	0.35%	N/A ⁽¹⁾	N/A ⁽²⁾	N/A ⁽³⁾

- (1) A Series I management fee is negotiated and paid by each Series I investor to the Manager.
- (2) Series N Unitholders pay a separate fee directly to their dealer, a portion of which is paid to us as Manager. The Series N fee is set by the dealer.
- (3) BMO Private Global Absolute Return Bond Fund Series O Unitholders pay a separate fee directly to their dealer, a portion of which is paid to us as Manager. The Series O fee is set by the dealer.

The Fund is also required to pay HST on the management fees payable by the Fund in respect of each applicable Series.

The Manager may increase the management fee applicable to a Series upon not less than 60 days' prior written notice to Unitholders of that Series.

Fund transaction costs

The Fund is responsible for payment of all fees and expenses relating to its investment portfolio, which may include but is not limited to: brokerage fees, commissions and expenses, banking fees, interest on borrowings, commitment fees and related expenses payable to lenders and counterparties. Certain of these expenses are subject to applicable taxes.

These expenses are allocated proportionately among the Series. The Manager may, at its discretion, waive or absorb all or a portion of these expenses at any given time.

Operating expenses

Except as described for Series I and Series O Units below, the Fund pays its operating expenses directly. These expenses may include, without limitation: accounting and legal costs; insurance premiums; custodial fees; registrar and transfer agency fees and expenses; bookkeeping and recordkeeping costs, fees, cost and expenses relating to the issue, re-designation and redemption of Units; Unitholder communication expenses; costs to prepare and amend disclosure documents and other documents required to comply with securities legislation or other applicable laws, regulations and policies; organizational expenses and the cost of maintaining the Fund's existence; regulatory fees and expenses, including those

incurred by the Manager, and all extraordinary or non-recurring expenses, including litigation expenses; and, if it becomes applicable, fees and expenses payable to independent members of advisory bodies for the Fund appointed by the Manager (collectively, “**Operating Expenses**”). Certain Operating Expenses are subject to applicable taxes.

Operating Expenses are allocated proportionately among the Series. Operating Expenses that are specific to a Series are allocated to that Series. The Manager may, at its discretion, waive or absorb all or a portion of these expenses at any given time.

For Series I Units, each Series I investor separately negotiates with the Manager the payment of the Operating Expenses allocated to its investment.

The Manager absorbs all the Operating Expenses allocated to Series O Units, other than as described below, and in return receives a fixed administration fee of 0.10% from Series O Unitholders, plus HST on that amount. The administration fee is a fixed annual percentage of the average net assets of Series O Units. The Manager may increase the administration fee for the Series O Units if it provides not less than 60 days’ prior written notice to the Series O Unitholders. At its discretion, the Manager may choose to not absorb Operating Expenses allocated to Series O Units for extraordinary or non-recurring expenses, including litigation expenses; and, if it becomes applicable, fees and expenses payable to independent members of advisory bodies for the Fund appointed by the Manager.

Redemption fees

Other than the short term redemption fee described above, if applicable, there are no redemption fees for Advisor Series Units, Series F Units, Series I Units, Series N Units or Series O Units.

Dealer compensation

Advisor Series Units

Advisor Series Units of the Fund may require Unitholders to pay their Dealer a sales commission at the time of purchase. The maximum amount of the commission is 5% of the amount invested. The sales commission is negotiable between each Unitholder and its Dealer.

For Advisor Series Units, out of the management fees that are received by the Manager, the Manager pays each Unitholder’s Dealer a service fee or trailing commission, calculated daily and paid quarterly. The service fee will be payable by the Manager to the Dealer at an annualized rate of 0.50% based on the average of the Series Net Asset Value of all the Advisor Series Units held by the

clients of the Dealer during the previous calendar quarter. The Manager may modify or discontinue payment of the service fee at any time.

Series F Units, Series I Units, Series N Units and Series O Units

No sales commissions are paid on the purchase of Series F Units, Series I Units, Series N Units and Series O Units and no fee applies on the redemption of such Units (other than the redemption penalty described above, if applicable). The Manager does not pay a service fee to Dealers for Series F Units, Series I Units, Series N Units or Series O Units.

Summary of the Declaration of Trust

The rights and obligations of the Manager-Trustee and the Unitholders of the Fund are governed by the Declaration of Trust (as amended from time to time). The following is a summary of certain portions of the Declaration of Trust. This summary supplements the other information contained in this Offering Memorandum but is not intended to be complete, and each investor should carefully review the Declaration of Trust itself for full details of these provisions. The Declaration of Trust is available from the Manager upon request.

Unitholder Meetings

Meetings of the Unitholders as a whole or of any Series of Unitholders of the Fund may be convened by the Manager-Trustee from time to time as it may deem advisable. Meetings of Unitholders as a whole of the Fund shall be convened to consider and approve (i) any matter which pursuant to Securities Legislation must be submitted to Unitholders for approval; and (ii) the appointment of a successor trustee. Details regarding the calling and holding of Unitholder meetings are set out in the Declaration of Trust.

A written resolution signed by the holders of a majority of the Units otherwise entitled to be voted at a meeting shall be effective as if it had been passed at a meeting, provided all Unitholders are provided a copy of the proposed resolution (and all such other information they would have otherwise been entitled to pursuant to the Declaration of Trust) as soon as is practicable and in any event prior to the effective date of such resolution.

Unitholder Liability and Indemnification

No Unitholder shall incur or be subject to any liability whatsoever, in tort, contract or otherwise, to any person in connection with the property of the Fund or the obligations or affairs of the Fund or with respect to any agreement relating to the Fund or with respect to any act

or omission of the Manager-Trustee or any other person in the performance or exercise, or purported performance or exercise, of any obligation, power, discretion or authority conferred upon the Manager-Trustee or such other person, whether under the Declaration of Trust or otherwise. The Fund shall indemnify and hold each of its Unitholders harmless from and against all claims and liabilities to which any such Unitholder may become subject by reason of being or having been a Unitholder of the Fund and shall reimburse such Unitholder for all legal and other expenses reasonably incurred in connection with any such claim or liability. The rights accruing to a Unitholder under the Declaration of Trust shall not exclude any other right to which such Unitholder may be lawfully entitled nor shall anything herein contained restrict the right of the Fund to indemnify or reimburse a Unitholder in any appropriate situation even though not specifically provided for herein; provided, however, that the Fund shall not have liability to reimburse Unitholders for taxes assessed against them by reason of their ownership of Units nor for any losses suffered by reason of changes in the value of Units.

Amendments

Any proposed change to the Declaration of Trust that would adversely affect the Net Asset Value of the interest of the Unitholders of the Fund as a whole and/or the Series Net Asset Value of a Series of the Fund, other than those changes which receive Unitholder approval pursuant to Unitholder meeting or through a Unitholder resolution, may only take effect upon the giving of not less than 60 days' written notice of the proposed change to the Unitholders in accordance with the Declaration of Trust and each Unitholder is given the opportunity to redeem all of such Unitholder's Units prior to the effective date of the change (in such event the Manager-Trustee shall be deemed to have waived, to the extent necessary, any lock-up and notice periods, and to have waived any redemption deductions for Units that are redeemed in the specified period).

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

Termination of the Fund

The Manager-Trustee may, in its discretion, terminate the Fund or a Series of Units of the Fund by giving notice to Unitholders of the Fund or of the Series, as the case may be, and fixing the date of termination not earlier than 60 days following the mailing or other delivery of such notice.

On the effective date of termination of the Fund, or as soon thereafter as the Manager-Trustee deems advisable,

the Manager-Trustee shall sell all non-cash assets of the Fund or such portion as may be necessary, unless the Manager-Trustee determines that it would be in the best interests of the Unitholders to distribute some or all of such assets in specie. If the Manager-Trustee has decided to terminate a Series of the Fund, and has, in its sole discretion, decided not to transfer the Unitholders of that Series into another Series of the same Fund or the Series of another Fund, then, on the effective date of termination of that Series of the Fund, or as soon thereafter as the Manager-Trustee deems advisable, the Manager-Trustee shall sell all non-cash assets of the Series of the Fund or such portion as may be necessary, unless the Manager-Trustee determines that it would be in the best interests of the Unitholders to distribute some or all of such assets in specie. In either case, the Manager-Trustee shall be entitled to retain out of any moneys in its hands full provision for all costs, charges, expenses, claims and demands incurred, made or reasonably anticipated by the Manager-Trustee in connection with or arising out of the termination of the Fund or Series, as the case may be, and the distribution of the Fund's or Series' assets to Unitholders and out of the moneys so retained to be indemnified and saved harmless against any such costs, charges, expenses, claims and demands. The Manager-Trustee shall distribute from time to time to Unitholders of record as of the effective date of termination their proportionate share of all property and assets of the Fund, as the case may be, attributable to the applicable Series of Units and available at that time for the purpose of such distribution. As of and from the effective date of termination of the Fund, or of a Series of Units, or as of such other date as the Manager-Trustee may determine, the rights of Unitholders with respect to redemption or redesignation of Units of the affected Fund or Series shall cease. If required by the Manager-Trustee, a form of release satisfactory to the Manager-Trustee shall be provided by each Unitholder prior to the distribution of the Unitholder's proportionate share of the Fund's assets attributable to the applicable series of Units.

Compulsory Redemptions

In addition to the other rights of redemption set out in this Offering Memorandum, the Manager-Trustee is entitled (so long as the calculation of Series Net Asset Value Per Unit has not been suspended), at any time and from time to time, at its discretion, to compulsorily redeem or cause to be redeemed all or any part of the Units held by any Unitholder, on such terms and conditions as the Manager-Trustee may from time to time determine, at its discretion, at the applicable Series Net Asset Value per Unit calculated as set forth in the Declaration of Trust, in any of the following circumstances:

- (i) where the holding of Units by a Unitholder is administratively burdensome to the Manager-Trustee,
- (ii) where the holding of Units by a Unitholder is detrimental to the Fund or other Unitholders,
- (iii) where the holding of Units causes the Fund to contravene the laws of any jurisdiction or to become subject to the laws of the United States of America or any other jurisdiction, if the Unitholder has fallen below a minimum investment threshold set by the Manager-Trustee and disclosed to Unitholders, provided the failure to meet the threshold amount is not as a result of a decline in the Net Asset Value of the Units,
- (iv) the Unitholder is engaging in short-term or excessive trading (see also "Purchases and Redemptions – Short Term Redemption Fee",
- (v) the Unitholder is or becomes a resident, for securities laws or tax purposes, of a foreign jurisdiction where such foreign residency may have negative legal, regulatory or tax implications on the Fund,
- (vi) the holding of Units by a Unitholder is detrimental to that Unitholder, or
- (vii) it would be in the best interest of the Fund or the other Unitholders to redeem such Unitholder's Units.

In addition, the Manager-Trustee may from time to time impose such further conditions on the redemption of Units of the Fund, or one or more series of Units within the Fund, provided that such conditions are disclosed to Unitholders and provided that such conditions would not result in the Fund ceasing to be a "unit trust" under the Tax Act. The Manager-Trustee has the discretion to waive any conditions in respect of one or more redemption requests from time to time.

Income tax considerations

The following is a summary of the principal Canadian federal income tax considerations under the Tax Act as of the date hereof generally applicable to the Fund and to a prospective purchaser of Units who is, at all relevant times, a Canadian resident individual (other than a trust) holding Units directly as capital property or in a Registered Plan, dealing at arm's length with the Fund and not affiliated with the Fund, each within the meaning of the Tax Act.

This summary is of a general nature only, is not exhaustive of all possible income tax considerations, and is not intended to be, nor should be construed to be legal or tax advice. Accordingly, prospective purchasers should consult their own tax advisor with respect to their particular circumstances.

This summary is based on the current provisions of the Tax Act in force on the date hereof, the regulations enacted pursuant thereto, all specific proposals to amend the Tax Act and the regulations publicly announced by or on behalf of the Minister of Finance (Canada) prior to the date hereof and our understanding of the administrative policies and assessing practices of the CRA published in writing prior to the date hereof. This summary does not otherwise take into account or anticipate any changes in law, whether legislative or by the assessing practices of the CRA, nor does it take into account or consider any other federal, provincial, territorial or foreign income tax considerations.

This summary assumes that the Fund will at all material times qualify as a mutual fund trust under the Tax Act.

Taxation of the Fund

The Fund will be subject to tax under Part I of the Tax Act on its net income including net taxable capital gains, as calculated according to the rules in the Tax Act, for a taxation year to the extent that it is not paid or payable to Unitholders (after taking into account loss carryforwards and the capital gains refund, if any). The Fund will distribute to Unitholders enough of its net income and net realized capital gains so that the Fund will not be liable for ordinary income tax under Part I of the Tax Act for any taxation year.

The Fund is required to calculate its net income, including net taxable capital gains, in Canadian dollars. The Canadian dollar cost and proceeds of disposition for foreign currency denominated securities is calculated based on the currency conversion rate on the date the securities are purchased and sold, as applicable. As a result, the Fund may realize gains and losses due to changes in the value of foreign currency relative to the Canadian dollar.

The Fund is generally required to include in the calculation of its income, interest as it accrues, dividends when they are received and capital gains and losses when they are realized. Each year the Fund is required to include in the calculation of its income, an amount as notional interest accrued on strip bonds, zero-coupon bonds and certain other prescribed debt obligations held by the fund even though the Fund is not entitled to receive interest on the debt instrument. Trust income that is paid or payable to the Fund during the trust's taxation year is generally

included in the calculation of the Fund's income for the taxation year of the Fund in which the trust's taxation year ends. Foreign source income will generally be received by the Fund net of any taxes withheld in the foreign jurisdiction. The foreign taxes so withheld will be included in the calculation of the Fund's income.

Gains and losses realized by the Fund on the disposition of securities (other than derivatives) are generally treated as capital gains and capital losses. Gains and losses realized on futures, forward contracts, options and other derivatives may be treated as ordinary income and loss or as capital gains and capital losses, depending on the circumstances.

Capital gains realized by the Fund during a taxation year are generally reduced by capital losses realized during the year. In certain circumstances, a capital loss realized by the Fund may be denied or suspended and, therefore, may not be available to offset capital gains. There are other loss restriction rules that may prevent the Fund from deducting losses.

Taxation of Unitholders

Generally, an individual who holds Units directly (not in a Registered Plan) will be required to include in computing his or her income the amount of the net income and the taxable portion of the net realized capital gains that is paid or payable to him or her by the Fund in the year, whether or not such amount has been reinvested in additional Units. A Unitholder may ultimately be paid and thus taxed on income, realized gains, and accrued gains that are in the Fund at the time the Units are purchased.

Distributions of capital to a Unitholder by the Fund are not included in income, but will reduce the adjusted cost base to the Unitholder of the Units on which the distribution was paid. To the extent that the adjusted cost base of a Unitholder's Units is reduced to less than zero, the Unitholder will be deemed to realize a capital gain and subsequently the adjusted cost base will be increased to nil.

Provided the appropriate designations are made by the Fund, the amount, if any, of net realized taxable capital gains of the Fund that is paid or payable to Unitholders (including such amounts reinvested in additional Units) will, effectively, retain its character for tax purposes and be treated as taxable capital gains of the Unitholders. Similarly, the Fund may make a designation of its foreign source income so that Unitholders are able to claim a foreign tax credit for foreign taxes paid and not deducted by the Fund.

Upon the disposition or deemed disposition of a Unit by a Unitholder, whether by redemption or otherwise, the

Unitholder will realize a capital gain (or capital loss) to the extent that the proceeds of disposition for the Unit, less any expenses of disposition, are greater (or less) than the Unitholder's adjusted cost base of the Unit as determined for the purposes of the Tax Act.

One-half of any capital gain realized by a Unitholder will generally be included in the Unitholder's income as a taxable capital gain and one-half of any capital loss ("allowable capital loss") realized by a Unitholder must be deducted from taxable capital gains in accordance with the provisions of the Tax Act. Allowable capital losses in excess of taxable capital gains in the year may be carried back three years or forward indefinitely for deduction against taxable capital gains realized in those years.

Purchasers of Series I Units, Series N Units or Series O Units should consult with their own tax advisor about the tax treatment of fees payable directly to the Manager or their dealer as applicable.

Taxation of Registered Plans

A Registered Plan that holds Units and the planholder of that Registered Plan will generally not be subject to tax on the value of the Units or the income or capital gains distributed by the Fund or a gain realized on the disposition of the Units provided the securities are a qualified investment under the Tax Act for the Registered Plan and in the case of a RDSP, RESP, RRSP, RRIF and TFSA, not a prohibited investment under the Tax Act for the Registered Plan.

Units will be a qualified investment for Registered Plans at any time the Fund qualifies as a mutual fund trust.

However, even if Units are a qualified investment for a Registered Plan, if the Units are a "prohibited investment" for a RRSP, RRIF, RESP, RDSP or TFSA, the annuitant under such RRSP or RRIF, the subscriber of such RESP, or the holder of such RDSP or TFSA, as applicable, will be subject to a penalty tax as set out in the Tax Act. The Units will not be a "prohibited investment" on the date hereof provided that the annuitant of the RRSP or RRIF, the subscriber of the RESP or, the holder of the RDSP or TFSA, as the case may be (i) deals at arm's length with the Fund for purposes of the Tax Act, and (ii) does not have a "significant interest" in the Fund. A significant interest generally means the ownership 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 whom the holder, annuitant or subscriber does not deal at arm's length. In addition, the Units will not be a prohibited investment if they are considered "excluded property" as defined in the Tax Act.

Unitholders should consult their own tax advisor for advice regarding the implications of acquiring, holding or disposing of Units in their Registered Plan, including whether or not Units are at risk of being or becoming a prohibited investment.

Exchange of tax information

As a result of due diligence and reporting obligations in the Tax Act, Unitholders may be asked to provide their dealer with information about their citizenship and tax residence. If a Unitholder is identified as a U.S. citizen (including a U.S. citizen living in Canada) or a foreign tax resident, information about the Unitholder and their investment in the Fund will be reported to the CRA, unless units of the Fund are held in a Registered Plan. The CRA is expected to provide that information to the applicable foreign tax authorities if the applicable foreign government has entered into an exchange of information agreement with Canada.

Reporting to investors

Each year, Unitholders will receive tax slips with detailed information about the distributions paid on Units held directly (not in a Registered Plan), on or before the date prescribed by law for such reporting.

The fiscal year end of the Fund is December 31. The audited annual and unaudited semi-annual financial statements of the Fund will be prepared and provided to those Unitholders who have requested to receive the financial statements.

Investors' rights of action for damages or rescission

In addition to and without derogation from any right or remedy that an investor of the Units may have at law, securities legislation in certain of the provinces and territories of Canada provides that an investor has or must be granted rights of rescission or damages, or both, where this Offering Memorandum and any amendment hereto contains a Misrepresentation. However, such rights and remedies, or notice with respect thereto, must be exercised by the investor within the time limits prescribed by the applicable securities legislation. Notwithstanding that the securities legislation of each of British Columbia and Québec does not require the Fund to provide Unitholders resident in these provinces with such rights, the Fund is providing contractual rights of rescission or damages, or both, where this Offering Memorandum and any amendment hereto contains a Misrepresentation, to Unitholders resident in British Columbia and Québec.

As used herein, "**Misrepresentation**" means an untrue statement of a material fact or an omission to state a material fact that is required to be stated or that is necessary to make any statement in this Offering Memorandum or any amendment hereto not misleading in light of the circumstances in which it was made. A "**material fact**" means a fact that significantly affects, or would reasonably be expected to have a significant effect on, the market price or value of the Units.

A summary of these rights of rescission or damages is provided below. The summary contained in this Offering Memorandum is subject to the express provisions of the securities legislation in each of the Offering Jurisdictions, and the regulations, rules and policy statements under such legislation, and reference is made to such legislation, regulations, rules and policies for the complete text of such provisions. Unitholders should consult with their legal advisers to determine whether and the extent to which they may have a right of rescission or damages in their jurisdiction of residence. The rights discussed below are in addition to and without derogation from any other rights or remedies available at law to a Unitholder.

Rights for investors in Ontario

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

1. no action may be commenced to enforce a right of action:
 - (a) for rescission more than 180 days after the date of the purchase; or
 - (b) for damages more than the earlier of (i) 180 days after the investor first had knowledge of the facts giving rise to the cause of action, or (ii) three years after the date of purchase;
2. the rights conferred here are in addition to and without derogation from any other rights or remedies available at law to the investor;
3. the Fund will not be liable if it proves that the investor purchased the Units with knowledge of the Misrepresentation;
4. the Fund will not be liable for a Misrepresentation in forward-looking information if the Fund proves that:

- (i) this Offering Memorandum contains, proximate to the forward-looking information, reasonable cautionary language identifying the forward-looking information as such, and identifying material factors that could cause actual results to differ materially from a conclusion, forecast or projection in the forward-looking information, and a statement of material factors or assumptions that were applied in drawing a conclusion or making a forecast or projection set out in the forward-looking information; and
 - (ii) the Fund had a reasonable basis for drawing the conclusions or making the forecasts and projections set out in the forward-looking information;
5. the Fund is not liable if the Fund does not receive any proceeds from the distribution of the Units and the Misrepresentation was not based on information provided by the Fund, unless the Misrepresentation:
- (i) was based on information previously publicly disclosed by the Fund;
 - (ii) was a Misrepresentation at the time of its previous public disclosure; and
 - (iii) was not subsequently publicly corrected or superseded by the Fund before completion of the distribution of the Units being distributed.
6. in an action for damages, the Fund will not be liable for all or any portion of the damages that it proves do not represent the depreciation in value of the Units as a result of the Misrepresentation relied upon;
7. in no case shall the amount recoverable exceed the price at which the Units were sold to the investor; and
8. all persons or companies referred to above that are found to be liable or accept liability are jointly and severally liable. A defendant who is found liable to pay a sum in damages may recover a contribution, in whole or in part, from a person who is jointly and severally liable to make the same payment in the same cause of action unless, in all the circumstances of the case, the court is satisfied that it would not be just and equitable.

The foregoing rights do not apply if the investor is:

- (a) a Canadian financial institution (as defined in National Instrument 45-106) or a Schedule III bank;

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

Rights for investors in Alberta

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

1. no action may be commenced to enforce a right of action:
 - (a) for rescission more than 180 days after the date of the purchase; or
 - (b) for damages more than the earlier of (i) 180 days after the investor first had knowledge of the facts giving rise to the cause of action, or (ii) three years after the date of purchase;
2. no person or company will be liable if the person or company proves that the investor purchased the Units with knowledge of the Misrepresentation;
3. no person or company (but excluding the Fund) will be liable if the person or company proves that:
 - (i) this Offering Memorandum was delivered to the investor without the person's or company's knowledge or consent and that, on becoming aware of its being sent, the person or company promptly gave reasonable notice to the Fund that it was delivered without the person's or company's knowledge or consent; or
 - (ii) on becoming aware of any Misrepresentation in this Offering Memorandum, the person or company withdrew the person's or company's consent to this Offering Memorandum and gave reasonable notice to the Fund of the withdrawal and the reason for it, or
 - (iii) with respect to any part of this Offering Memorandum purporting to be made on the

- authority of an expert or to be a copy of, or an extract from, a report, an opinion or a statement of an expert, the person or company had no reasonable grounds to believe and did not believe that there had been a Misrepresentation, or the relevant part of this Offering Memorandum did not fairly represent the report, opinion or statement of the expert, or was not a fair copy of, or an extract from, the report, opinion or statement of the expert;
4. no person or company (but excluding the Fund) will be liable with respect to any part of this Offering Memorandum not purporting to be made on the authority of an expert, or to be a copy of, or an extract from, a report, opinion or statement of an expert unless the person or company failed to conduct an investigation to provide reasonable grounds for a belief that there had been no Misrepresentation, or believed that there had been a Misrepresentation;
 5. the Fund will not be liable for a Misrepresentation in forward-looking information if the Fund proves that:
 - (i) this Offering Memorandum contains, proximate to the forward-looking information, reasonable cautionary language identifying the forward-looking information as such, and identifying material factors that could cause actual results to differ materially from a conclusion, forecast or projection in the forward-looking information, and a statement of material factors or assumptions that were applied in drawing a conclusion or making a forecast or projection set out in the forward-looking information; and
 - (ii) the Fund had a reasonable basis for drawing the conclusions or making the forecasts and projections set out in the forward-looking information.
 6. in an action for damages, the defendant will not be liable for all or any portion of the damages that the defendant proves does not represent the depreciation in value of the Units as a result of the Misrepresentation;
 7. in no case shall the amount recoverable exceed the price at which the Units were sold to the investor;
 8. if the Misrepresentation is contained in a record incorporated by reference in, or is deemed to be incorporated into, this Offering Memorandum, the

Misrepresentation is deemed to be contained in this Offering Memorandum; and

9. all persons or companies referred to above that are found to be liable or accept liability are jointly and severally liable. A defendant who is found liable to pay a sum in damages may recover a contribution, in whole or in part, from a person who is jointly and severally liable to make the same payment in the same cause of action unless, in all the circumstances of the case, the court is satisfied that it would not be just and equitable.

Rights for investors in British Columbia

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

1. no action may be commenced to enforce a right of action:
 - (a) for rescission more than 180 days after the date of the purchase; or
 - (b) for damages more than the earlier of (i) 180 days after the investor first had knowledge of the facts giving rise to the cause of action, or (ii) three years after the date of purchase;
2. the rights conferred here are in addition to and without derogation from any other rights or remedies available at law to the investor;
3. no person or company will be liable if the person or company proves that the investor purchased the Units with knowledge of the Misrepresentation;
4. no person or company (but excluding the Fund) will be liable if the person or company proves that:
 - (i) this Offering Memorandum was delivered to the investor without the person's or company's knowledge or consent and that, on becoming aware of its delivery, the person or company gave written notice to the Fund that it was delivered without the person's or company's knowledge or consent; or
 - (ii) on becoming aware of any Misrepresentation in this Offering Memorandum, the person or

- company withdrew the person's or company's consent to this Offering Memorandum and gave written notice to the Fund of the withdrawal and the reason for it; or
- (iii) with respect to any part of this Offering Memorandum purporting to be made on the authority of an expert or to be a copy of, or an extract from, a report, an opinion or a statement of an expert, the person or company had no reasonable grounds to believe and did not believe that there had been a Misrepresentation, or the relevant part of this Offering Memorandum did not fairly represent the report, opinion or statement of the expert, or was not a fair copy of, or an extract from, the report, opinion or statement of the expert;
5. no person or company (but excluding the Fund) will be liable with respect to any part of this Offering Memorandum not purporting to be made on the authority of an expert, or to be a copy of, or an extract from, a report, opinion or statement of an expert unless the person or company failed to conduct a reasonable investigation to provide reasonable grounds for a belief that there had been no Misrepresentation, or believed that there had been a Misrepresentation;
6. the Fund will not be liable for a Misrepresentation in forward-looking information if the Fund proves that:
- (i) this Offering Memorandum contains, proximate to the forward-looking information, reasonable cautionary language identifying the forward-looking information as such, and identifying material factors that could cause actual results to differ materially from a conclusion, forecast or projection in the forward-looking information, and a statement of material factors or assumptions that were applied in drawing a conclusion or making a forecast or projection set out in the forward-looking information; and
- (ii) the Fund had a reasonable basis for drawing the conclusions or making the forecasts and projections set out in the forward-looking information;
7. in an action for damages, the defendant will not be liable for all or any portion of the damages that the defendant proves does not represent the depreciation in value of the Units as a result of the Misrepresentation;
8. in no case shall the amount recoverable exceed the price at which the Units were sold to the investor;
9. if the Misrepresentation is contained in a record incorporated by reference in, or is deemed to be incorporated into, this Offering Memorandum, the Misrepresentation is deemed to be contained in this Offering Memorandum; and
10. all persons or companies referred to above that are found to be liable or accept liability are jointly and severally liable. A defendant who is found liable to pay a sum in damages may recover a contribution, in whole or in part, from a person who is jointly and severally liable to make the same payment in the same cause of action unless, in all the circumstances of the case, the court is satisfied that it would not be just and equitable.

Rights for investors in Saskatchewan

If this Offering Memorandum, together with any amendment hereto, is delivered to an investor resident in Saskatchewan and contains a Misrepresentation at the time of purchase, the investor is deemed to have relied upon that Misrepresentation and will have a right for damages against the Fund, every promoter and director of the Fund (as the case may be) and every person or company who sells Units on behalf of the Fund, or alternatively, while still the owner of the purchased Units, for rescission against the Fund, provided that:

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

- gave reasonable general notice that it was delivered without the person's or company's knowledge; or
- (ii) after the filing of this Offering Memorandum or amendment to this Offering Memorandum, and before the purchase of securities by the investor, on becoming aware of any Misrepresentation, the person or company withdrew the person's or company's consent to this Offering Memorandum and gave reasonable general notice of the withdrawal and the reason for it; or
- (iii) with respect to any part of this Offering Memorandum purporting to be made on the authority of an expert or to be a copy of, or an extract from, a report, an opinion or a statement of an expert, the person or company had no reasonable grounds to believe and did not believe that there had been a Misrepresentation, or the relevant part of this Offering Memorandum did not fairly represent the report, opinion or statement of the expert, or was not a fair copy of or extract from the report, opinion or statement of the expert;
4. no person or company (but excluding the Fund) will be liable with respect to any part of this Offering Memorandum not purporting to be made on the authority of an expert, or to be a copy of, or an extract from a report, opinion or statement of an expert, unless the person or company failed to conduct a reasonable investigation sufficient to provide reasonable grounds for a belief that there had been no Misrepresentation, or believed there had been a Misrepresentation;
5. the Fund will not be liable for a Misrepresentation in forward-looking information if the Fund proves that:
- (i) this Offering Memorandum contains, proximate to the forward-looking information, reasonable cautionary language identifying the forward-looking information as such, and identifying material factors that could cause actual results to differ materially from a conclusion, forecast or projection in the forward-looking information, and a statement of material factors or assumptions that were applied in drawing a conclusion or making a forecast or projection set out in the forward-looking information; and
- (ii) the Fund had a reasonable basis for drawing the conclusions or making the forecasts and projections set out in the forward-looking information.
6. no person or company, other than the Fund or distributor of Units, is liable if the person or company proves that with respect to any part of this Offering Memorandum or of the amendment to this Offering Memorandum purporting to be made on the person's or company's own authority as an expert or purporting to be a copy of or an extract from the person's or company's own report, opinion or statement as an expert that contains a Misrepresentation attributable to failure to represent fairly his, her or its report, opinion or statement as an expert:
- (i) the person or company had, after reasonable investigation, reasonable grounds to believe and did believe that the part of this Offering Memorandum or of the amendment to this Offering Memorandum fairly represented the person's or company's report, opinion or statement; or
- (ii) on becoming aware that the part of this Offering Memorandum did not fairly represent the person's or company's report, opinion or statement as an expert, the person or company immediately advised the Commission and gave reasonable general notice that such use had been made of it and that the person or company would not be responsible for that part of this Offering Memorandum or the amendment to this Offering Memorandum;
7. no person or company, other than the Fund or distributor of Units, is liable for any part of this Offering Memorandum or the amendment to this Offering Memorandum purporting to be made on the person's or company's own authority as an expert or purporting to be a copy of or an extract from the person's or company's own report, opinion or statement as an expert, unless the person or company:
- (i) failed to conduct a reasonable investigation sufficient to provide reasonable grounds for a belief that there had been no Misrepresentation; or
- (ii) believe there had been a Misrepresentation;
8. no person or company, other than the Fund or distributor of Units, is liable if the person or company proves that with respect to a false statement purporting to be a statement made by an official person or contained in what purports to

be a copy of or extract from a public official document, the statement was a correct and fair representation of the statement or copy of or extract from the document and the person or company had reasonable grounds to believe, and did believe, that the statement was true;

9. no person or company responsible for selling Units on behalf of the Fund, or alternatively, while still the owner of the purchased Units, is liable if that person or company can establish that he, she or it cannot reasonably be expected to have had knowledge of any Misrepresentation in this Offering Memorandum or the amendment to this Offering Memorandum;
10. in an action for damages, the Fund will not be liable for all or any portion of the damages that it proves do not represent the depreciation in value of the Units as a result of the Misrepresentation relied upon;
11. in no case shall the amount recoverable exceed the price at which the Units were sold to the investor; and
12. all persons or companies referred to above that are found to be liable or accept liability are jointly and severally liable. A defendant who is found liable to pay a sum in damages may recover a contribution, in whole or in part, from a person who is jointly and severally liable to make the same payment in the same cause of action unless, in all the circumstances of the case, the court is satisfied that it would not be just and equitable.

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

Rights for investors in Manitoba

In the event that this Offering Memorandum or any amendment hereto is delivered to an investor resident in Manitoba and contains a Misrepresentation, an investor is deemed to have relied on the Misrepresentation and has a

right of action for damages against the Fund and every director of the Fund at the date of this Offering Memorandum, or alternatively, while still the owner of the purchased Units, a right of rescission against the Fund, provided that:

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

- company did not conduct an investigation sufficient to provide reasonable grounds for a belief that there had been no Misrepresentation, or believed that there had been a Misrepresentation;
5. the Fund will not be liable for a Misrepresentation in forward-looking information if the Fund proves that:
 - (i) this Offering Memorandum contains, proximate to the forward-looking information, reasonable cautionary language identifying the forward-looking information as such, and identifying material factors that could cause actual results to differ materially from a conclusion, forecast or projection in the forward-looking information, and a statement of material factors or assumptions that were applied in drawing a conclusion or making a forecast or projection set out in the forward-looking information; and
 - (ii) the Fund had a reasonable basis for drawing the conclusions or making the forecasts and projections set out in the forward-looking information.
 6. in an action for damages, the defendant will not be liable for all or any portion of the damages that the defendant proves does not represent the depreciation in value of the Units as a result of the Misrepresentation;
 7. in no case shall the amount recoverable exceed the price at which the Units were sold to the investor;
 8. if the Misrepresentation is contained in a record incorporated by reference in, or is deemed to be incorporated into, this Offering Memorandum, the Misrepresentation is deemed to be contained in this Offering Memorandum; and
 9. all persons or companies referred to above that are found to be liable or accept liability are jointly and severally liable. A defendant who is found liable to pay a sum in damages may recover a contribution, in whole or in part, from a person who is jointly and severally liable to make the same payment in the same cause of action unless, in all the circumstances of the case, the court is satisfied that it would not be just and equitable.
- Rights for investors in Québec**
- Under legislation adopted but not yet in force in Québec, if this Offering Memorandum, together with any amendment hereto, as delivered to an investor resident in Québec, contains a Misrepresentation, the investor will have (i) a right of action for damages against the Fund, every officer and director of the Fund, the dealer (if any) under contract to the Fund, any person who is required to sign an attestation in this Offering Memorandum and any expert whose opinion, containing a Misrepresentation, appeared, with the expert's consent in this Offering Memorandum, or (ii) a right of action against the Fund for rescission of the purchase contract or revision of the price at which the Units were sold to the investor, provided that:
1. no action may be commenced to enforce such a right of action:
 - (a) for rescission or revision of price more than three years after the date of the purchase; or
 - (b) for damages later than the earlier of (i) three years after the investor first had knowledge of the facts giving rise to the cause of action, except on proof of tardy knowledge imputable to the negligence of the investor, or (ii) five years from the filing of this Offering Memorandum with the Autorité des marchés financiers.
 2. no person or company will be liable if the person or company proves that the investor purchased the Units with knowledge of the Misrepresentation; or
 3. no person or company (other than the Fund) will be liable in an action for damages if the person or company proves that it acted prudently and diligently;
 4. the Fund will not be liable for a Misrepresentation in forward-looking information if the Fund proves that:
 - (i) this Offering Memorandum contains, proximate to the forward-looking information, (i) reasonable cautionary language identifying the forward-information as such, and identifying material factors that could cause actual results to differ materially from a conclusion, forecast or project in the forward-looking information, and (ii) a statement of the material factors or assumptions that were applied in drawing a conclusion or making a forecast or projection; and
 - (ii) the Fund had a reasonable basis for drawing the conclusions or making the forecasts and projections set out in the forward-looking information.

Rights for investors in New Brunswick

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

1. no action may be commenced to enforce a right of action:
 - (a) for rescission more than 180 days after the date of the purchase; or
 - (b) for damages more than the earlier of (i) one year after the investor first had knowledge of the facts giving rise to the cause of action, and (ii) six years after the date of purchase;
2. the rights conferred here are in addition to and without derogation from any other rights or remedies available at law to the investor;
3. the Fund will not be liable if it proves that the investor purchased the Units with knowledge of the Misrepresentation;
4. the Fund will not be liable for a Misrepresentation in forward-looking information if the Fund proves that:
 - (i) this Offering Memorandum contains, proximate to the forward-looking information, reasonable cautionary language identifying the forward-looking information as such, and identifying material factors that could cause actual results to differ materially from a conclusion, forecast or projection in the forward-looking information, and a statement of material factors or assumptions that were applied in drawing a conclusion or making a forecast or projection set out in the forward-looking information; and
 - (ii) the Fund had a reasonable basis for drawing the conclusions or making the forecasts and projections set out in the forward-looking information; and
5. the Fund is not liable if the Fund does not receive any proceeds from the distribution of the Units and the Misrepresentation was not based on information provided by the Fund, unless the Misrepresentation:

- (i) was based on information previously publicly disclosed by the Fund;
- (ii) was a Misrepresentation at the time of its previous public disclosure; and
- (iii) was not subsequently publicly corrected or superseded by the Fund before completion of the distribution of the Units being distributed;

6. in an action for damages, the Fund will not be liable for all or any portion of the damages that it proves do not represent the depreciation in value of the Units as a result of the Misrepresentation relied upon;
7. in no case shall the amount recoverable exceed the price at which the Units were sold to the investor; and
8. all persons or companies referred to above that are found to be liable or accept liability are jointly and severally liable. A defendant who is found liable to pay a sum in damages may recover a contribution, in whole or in part, from a person who is jointly and severally liable to make the same payment in the same cause of action unless, in all the circumstances of the case, the court is satisfied that it would not be just and equitable.

Rights for investors in Nova Scotia

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

1. no action may be commenced to enforce a right of action more than 120 days:
 - (a) after the date on which payment was made for the Units or;
 - (b) after the date on which the initial payment was made;
2. the rights conferred here are in addition to and without derogation from any other rights or remedies available at law to the investor;

3. no person or company will be liable if the person or company proves that the investor purchased the Units with knowledge of the Misrepresentation;
 4. no person or company (but excluding the Fund) will be liable if the person or company proves that:
 - (i) this Offering Memorandum was delivered to the investor without the person's or company's knowledge or consent and that, on becoming aware of its delivery, the person or company gave reasonable general notice that it was delivered without the person's or company's knowledge or consent;
 - (ii) after delivery of this Offering Memorandum and before the purchase of the Units by the investor, on becoming aware of any Misrepresentation in this Offering Memorandum, the person or company withdrew the person's or company's consent to this Offering Memorandum and gave reasonable general notice of the withdrawal and the reason for it; or
 - (iii) with respect to any part of this Offering Memorandum purporting to be made on the authority of an expert or to be a copy of, or an extract from, a report, an opinion or a statement of an expert, the person or company had no reasonable grounds to believe and did not believe that there had been a Misrepresentation, or the relevant part of this Offering Memorandum did not fairly represent the report, opinion or statement of the expert, or was not a fair copy of, or an extract from, the report, opinion or statement of the expert; or
 5. no person or company (but excluding the Fund) will be liable with respect to any part of this Offering Memorandum not purporting to be made on the authority of an expert, or to be a copy, or an extract from, a report, opinion or statement of an expert unless the person or company failed to conduct a reasonable investigation to provide reasonable grounds for a belief that there had been no Misrepresentation, or believed that there had been a Misrepresentation;
 6. the Fund will not be liable for a Misrepresentation in forward-looking information if the Fund proves that:
 - (i) this Offering Memorandum contains, proximate to the forward-looking information, reasonable cautionary language identifying the forward-looking information as such, and identifying material factors that could cause actual results to differ materially from a conclusion, forecast or projection in the forward-looking information, and a statement of material factors or assumptions that were applied in drawing a conclusion or making a forecast or projection set out in the forward-looking information; and
 - (ii) the Fund had a reasonable basis for drawing the conclusions or making the forecasts and projections set out in the forward-looking information.
 7. in an action for damages, the defendant will not be liable for all or any portion of the damages that the defendant proves does not represent the depreciation in value of the Units as a result of the Misrepresentation relied upon;
 8. in no case will the amount recoverable in any action exceed the price at which the Units were sold to the investor;
 9. if the Misrepresentation is contained in a record incorporated by reference in, or is deemed to be incorporated into, this Offering Memorandum, the Misrepresentation is deemed to be contained in this Offering Memorandum; and
 10. all persons or companies referred to above that are found to be liable or accept liability are jointly and severally liable. A defendant who is found liable to pay a sum in damages may recover a contribution, in whole or in part, from a person who is jointly and severally liable to make the same payment in the same cause of action unless, in all the circumstances of the case, the court is satisfied that it would not be just and equitable.
- These rights are intended to correspond with the rights against a seller of securities provided in the Nova Scotia Act and the securities regulations thereto and are subject to defences contained therein.

Rights for investors in Prince Edward Island

If this Offering Memorandum, together with any amendment hereto, delivered to an investor resident in Prince Edward Island contains a Misrepresentation and it was a Misrepresentation at the time of purchase, the investor will be deemed to have relied upon the Misrepresentation and will have a right of action against the Fund and every director of the Fund (if applicable) at the date of this Offering Memorandum for damages or,

alternatively, while still the owner of the purchased Units, for rescission against the Fund, provided that:

1. no action shall be commenced to enforce a right of action:
 - (a) in the case of an action for rescission, more than 180 days after the date of the transaction that gave rise to the cause of action; or
 - (b) in the case of any action, other than an action for rescission, the earlier of (i) 180 days after the investor first had knowledge of the facts giving rise to the cause of the action, or (ii) three years after the date of the transaction that gave rise to the cause of the action;
2. the rights conferred here are in addition to and without derogation from any other rights or remedies available at law to the investor;
3. no person or company will be liable if the person or company proves that the investor purchased the Units with knowledge of the Misrepresentation;
4. no person or company (but excluding the Fund) will be liable if it proves that:
 - (i) this Offering Memorandum was delivered to the investor without the person's or company's knowledge or consent and that, on becoming aware of its delivery, the person or company gave reasonable notice to the Fund that it was delivered without the person's or company's knowledge or consent;
 - (ii) the person or company, on becoming aware of any Misrepresentation in this Offering Memorandum, withdrew the person's or company's consent to this Offering Memorandum and gave reasonable notice of the withdrawal and the reason for it; or
 - (iii) with respect to any part of this Offering Memorandum purporting to be made on the authority of an expert or to be a copy of, or an extract from, a report, an opinion or a statement of an expert, the person or company had no reasonable grounds to believe and did not believe that (i) there had been a Misrepresentation, or (ii) the relevant part of this Offering Memorandum did not fairly represent the report, a statement or opinion of the expert, or was not a fair copy of, or an extract from, the report, statement or opinion of the expert;
5. no person or company (but excluding the Fund) will be liable with respect to any part of this Offering Memorandum not purporting to be made on the authority of an expert or to be a copy of, or an extract from, a report, an opinion or a statement of an expert unless the person or company (i) failed to conduct a reasonable investigation to provide reasonable grounds for a belief that there had been no Misrepresentation or, (ii) believed that there had been a Misrepresentation;
6. no person or company will be liable for a Misrepresentation in forward-looking information if:
 - (i) this Offering Memorandum contains, proximate to the forward-looking information, reasonable cautionary language identifying the forward-looking information as such, and identifying material factors that could cause actual results to differ materially from a conclusion, forecast or projection in the forward-looking information, and a statement of material factors or assumptions that were applied in drawing a conclusion or making a forecast or projection set out in the forward-looking information; and
 - (ii) the person or company had a reasonable basis for drawing the conclusions or making the forecasts or projections set out in the forward-looking information;
7. the Fund, and every director of the Fund (if applicable) at the date of this Offering Memorandum who is not a selling security holder, is not liable if the Fund does not receive any proceeds from the distribution of the Units and the Misrepresentation was not based on information provided by the Fund, unless the Misrepresentation:
 - (i) was based on information previously publicly disclosed by the Fund;
 - (ii) was a Misrepresentation at the time of its previous public disclosure; and
 - (iii) was not subsequently publicly corrected or superseded by the Fund before completion of the distribution of the Units being distributed;
8. in an action for damages, the defendant will not be liable for all or any portion of the damages that it proves do not represent the depreciation in

- value of the Units as a result of the Misrepresentation relied upon;
9. in no case shall the amount recoverable exceed the price at which the Units were sold to the investor;
 10. if the Misrepresentation is contained in a record incorporated by reference in, or is deemed to be incorporated into, this Offering Memorandum, the Misrepresentation is deemed to be contained in this Offering Memorandum; and
 11. all persons or companies referred to above that are found to be liable or accept liability are jointly and severally liable. A defendant who is found liable to pay a sum in damages may recover a contribution, in whole or in part, from a person who is jointly and severally liable to make the same payment in the same cause of action unless, in all the circumstances of the case, the court is satisfied that it would not be just and equitable.
- Rights for investors in Newfoundland and Labrador**
- If this Offering Memorandum, together with any amendment hereto, delivered to an investor resident in Newfoundland and Labrador contains a Misrepresentation and it was a Misrepresentation at the time of purchase, the investor will be deemed to have relied upon the Misrepresentation and will have a right of action for damages against the Fund, a director of the Fund (if applicable) at the date of this Offering Memorandum, a person or company whose consent has been filed with respect to reports, opinions or statements that have been made by them and a person or company who signed this Offering Memorandum, or alternatively, while still the owner of the purchased Units, a right for rescission against the Fund, provided that:
1. no action shall be commenced to enforce a right of action:
 - (a) in the case of an action for rescission, more than 180 days after the date of the transaction that gave rise to the cause of action; or
 - (b) in the case of any action, other than an action for rescission, the earlier of: (i) 180 days after the investor first had knowledge of the facts giving rise to the cause of the action; or (ii) three years after the date of the transaction that gave rise to the cause of the action;
 2. no person or company will be liable if the person or company proves that the investor purchased the Units with knowledge of the Misrepresentation;
 3. no person or company (but excluding the Fund) will be liable if:
 - (i) the person or company proves that this Offering Memorandum was sent to the investor without the person's or company's knowledge or consent and that, on becoming aware of its being sent, the person or company promptly gave reasonable notice to the Fund that it was sent without the knowledge and consent of the person or company;
 - (ii) the person or company proves that the person or company, on becoming aware of any Misrepresentation in this Offering Memorandum, withdrew the person's or company's consent to this Offering Memorandum and gave reasonable notice of the withdrawal to the Fund and the reason for it; and
 - (iii) with respect to any part of this Offering Memorandum purporting to be made on the authority of an expert or to be a copy of, or an extract from, a report, an opinion or statement of an expert, the person or company proves that they did not have any reasonable grounds to believe and did not believe that: (i) there had been a Misrepresentation; or (ii) the relevant part of this Offering Memorandum did not fairly represent the report, opinion or statement of the expert, or was not a fair copy of, or an extract from, the report, opinion or statement of the expert;
 4. no person or company (but excluding the Fund) will be liable with respect to any part of this Offering Memorandum not purporting to be made on the authority of an expert and not purporting to be a copy of, or an extract from, a report, opinion or statement of an expert, unless the person or company (i) failed to conduct a reasonable investigation to provide reasonable grounds for a belief that there had been no Misrepresentation; or (ii) believed that there had been a Misrepresentation;
 5. in an action for damages, the defendant will not be liable for all or any part of the damages that it proves do not represent the depreciation in value of the Units as a result of the Misrepresentation;
 6. in no case shall the amount recoverable exceed the price at which the Units were sold to the investor;

7. if the Misrepresentation is contained in a record incorporated by reference in, or is deemed to be incorporated into, this Offering Memorandum, the Misrepresentation is deemed to be contained in this Offering Memorandum; and
8. all persons or companies referred to above that are found to be liable or accept liability are jointly and severally liable. A defendant who is found liable to pay a sum in damages may recover a contribution, in whole or in part, from a person who is jointly and severally liable to make the same payment in the same cause of action unless, in all the circumstances of the case, the court is satisfied that it would not be just and equitable.

Rights for investors in the Northwest Territories, Nunavut and the Yukon Territories

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

1. no action shall be commenced to enforce a right of action:
 - (a) in the case of an action for rescission, more than 180 days after the date of the transaction that gave rise to the cause of action; or
 - (b) in the case of any action, other than an action for rescission, the earlier of (i) 180 days after the investor first had knowledge of the facts giving rise to the cause of the action, or (ii) three years after the date of the transaction that gave rise to the cause of the action;
2. the rights conferred here are in addition to and without derogation from any other rights or remedies available at law to the investor;
3. no person or company will be liable if the person or company proves that the investor purchased the Units with knowledge of the Misrepresentation;
4. no person or company (but excluding the Fund) will be liable if it proves that:
 - (i) this Offering Memorandum was delivered to the investor without the person's or company's

- knowledge or consent and that, on becoming aware of its being sent, the person or company gave reasonable notice to the Fund that it was sent without the person's or company's knowledge or consent; or
 - (ii) the person or company, on becoming aware of any Misrepresentation in this Offering Memorandum, withdrew the person's or company's consent to this Offering Memorandum and gave reasonable general notice to the Fund of the withdrawal and the reason for it; or
 - (iii) with respect to any part of this Offering Memorandum purporting to be made on the authority of an expert or to be a copy of, or an extract from, a report, an opinion or a statement of an expert, the person or company had no reasonable grounds to believe and did not believe that (i) there had been a Misrepresentation, or (ii) the relevant part of this Offering Memorandum did not fairly represent the report, opinion or statement of the expert, or was not a fair copy of, or an extract from, the report, opinion or statement of the expert;
5. no person or company (but excluding the Fund) will be liable with respect to any part of this Offering Memorandum not purporting to be made on the authority of an expert or to be a copy of, or an extract from, a report, an opinion or a statement of an expert unless the person or company (i) failed to conduct a reasonable investigation to provide reasonable grounds for a belief that there had been no Misrepresentation or, (ii) believed that there had been a Misrepresentation;
 6. no person or company will be liable for a Misrepresentation in forward-looking information if:
 - (i) this Offering Memorandum contains, proximate to the forward-looking information, reasonable cautionary language identifying the forward-looking information as such, and identifying material factors that could cause actual results to differ materially from a conclusion, forecast or projection in the forward-looking information, and a statement of material factors or assumptions that were applied in drawing a conclusion or making a forecast or projection set out in the forward-looking information; and

- (ii) the person or company had a reasonable basis for drawing the conclusions or making the forecasts or projections set out in the forward-looking information;
- 7. the Fund, and every director of the Fund (if applicable) at the date of this Offering Memorandum who is not a selling security holder, is not liable if the Fund does not receive any proceeds from the distribution of the Units and the Misrepresentation was not based on information provided by the Fund, unless the Misrepresentation:
 - (i) was based on information previously publicly disclosed by the Fund;
 - (ii) was a Misrepresentation at the time of its previous public disclosure; and
 - (iii) was not subsequently publicly corrected or superseded by the Fund before completion of the distribution of the funds being distributed;
- 8. in an action for damages, the defendant will not be liable for all or any portion of the damages that
 - 9. it proves do not represent the depreciation in value of the Units as a result of the Misrepresentation relied upon;
 - 10. in no case shall the amount recoverable exceed the price at which the Units were sold to the investor;
 - 11. if the Misrepresentation is contained in a record incorporated by reference in, or is deemed to be incorporated into, an offering memorandum, the Misrepresentation is deemed to be contained in this Offering Memorandum; and
 - 12. all persons or companies referred to above that are found to be liable or accept liability are jointly and severally liable. A defendant who is found liable to pay a sum in damages may recover a contribution, in whole or in part, from a person who is jointly and severally liable to make the same payment in the same cause of action unless, in all the circumstances of the case, the court is satisfied that it would not be just and equitable.

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