*This Amended and Restated Confidential Offering Memorandum ("**Offering Memorandum**") constitutes an offering of securities only in those jurisdictions and to those persons where and to whom they may be lawfully offered for sale. This Offering Memorandum is not, and under no circumstances is to be construed as, a prospectus or advertisement or a public offering of these securities.* ***No securities commission or similar authority in Canada has reviewed or in any way passed upon this document or the merits of the securities offered hereby, and any representation to the contrary is an offence.***

This Offering Memorandum is personal to each prospective purchaser and does not constitute an offer to any other person or to the public generally to subscribe for or otherwise acquire the securities offered hereby. Distribution of this Offering Memorandum to any person other than the prospective purchaser and any person retained to advise such prospective purchaser with respect to its purchase is unauthorized, and any disclosure of any of its contents without the Fund Manager's prior written consent is prohibited. Each prospective purchaser, by accepting delivery of this Offering Memorandum, agrees to the foregoing and to make no photocopies of this Offering Memorandum or any documents referred to in, or incorporated into, this Offering Memorandum.

Continuous Offering

CLASS A UNITS AND CLASS F UNITS OF

POLAR MULTI-STRATEGY FUND (CANADA)

AMENDED AND RESTATED CONFIDENTIAL OFFERING MEMORANDUM

Polar Multi-Strategy Fund (Canada) (the "**Fund**") is an open-ended investment trust created under the laws of Ontario as of January 31, 2014 and governed pursuant to a trust agreement dated as of January 31, 2014, as the same may be amended, supplemented or amended and restated from time to time (the "**Trust Agreement**"). The investment objectives and strategies of the Fund are described in this Offering Memorandum. See "Investment Objective of the Fund" and "Investment Strategies of the Fund".

The Fund is offering an unlimited number of Class A Units and Class F Units issued in series (collectively, the "**Units**") under this Offering Memorandum on a continuous basis pursuant to exemptions from the prospectus requirements of applicable securities legislation (the "**Offering**") to "accredited investors" (as such term is defined in the *Securities Act* (Ontario) or National Instrument 45-106 – *Prospectus Exemptions*, as applicable) resident in, or otherwise subject to, the laws of, any province or territory of Canada (the "**Offering Jurisdictions**"). Except as otherwise provided herein in connection with fees, the Class A Units and Class F Units have the same attributes and rights. The Fund may also issue additional classes of units from time to time. See "Details of the Offering".

If there is a misrepresentation in this Offering Memorandum, purchasers resident in the Offering Jurisdictions may, in certain circumstances, be provided with a remedy for rescission or damages. See "Purchasers' Rights of Action for Damages and Rescission".

The Fund may be considered a "related issuer" (as such term is defined in National Instrument 33-105 – *Underwriting Conflicts*) of Polar Asset Management Partners Inc. See "Certain Conflicts of Interest – Statement of Related and Connected Issuers".

All Units purchased pursuant to this Offering Memorandum are subject to restrictions on resale unless a further statutory exemption is available to the holder of the Units or an appropriate discretionary order is obtained pursuant to applicable securities laws. Therefore, all potential purchasers under this Offering should consult with their legal advisors prior to seeking to sell or otherwise transfer any Units purchased hereunder. As there is no market for the Units, it may be difficult or even impossible for a Unitholder to sell them. However, Units may be redeemed in accordance with the provisions of this Offering Memorandum.

Potential purchasers should carefully review the Section entitled "Risk Factors" in this Offering Memorandum prior to making any decision to invest in the Units.

This Offering Memorandum constitutes an offering of the Units in Canada only in those jurisdictions and to those persons where and to whom they may be lawfully offered for sale, and therein only by persons permitted to sell such securities. This Offering Memorandum is not, and under no circumstances is to be construed as, an advertisement or a public offering of the Units. No securities commission or similar authority has reviewed or in any way passed upon this Offering Memorandum or the merits of the securities described herein, and any representation to the contrary is an offence under applicable securities laws. **The offering of securities of the Fund does not constitute and should not be considered an offering of securities of Polar MS LLEC or the Offshore Funds (as defined herein).**

July 1 2022

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Cautionary Note Regarding Forward-Looking Statements

This Offering Memorandum contains forward-looking statements. All statements, other than statements of historical fact are forward-looking statements and may include statements that address activities, events or developments that the Fund Manager believes, expects or anticipates will or may occur in the future (including, without limitation, statements regarding any objectives and strategies of the Fund). These forward-looking statements reflect the current expectations, assumptions or beliefs of the Fund Manager based on information currently available to such persons. Forward-looking statements are subject to a number of risks and uncertainties that may cause the actual results of the Fund to differ materially from those discussed in the forward-looking statements, and even if such actual results are realized or substantially realized, there can be no assurance that they will have the expected consequences to, or effects on, the Fund. Factors that could cause actual results or events to differ materially from current expectations include, among other things, volatility in financial markets, fluctuations in currency exchange rates and interest rates, tax consequences, changes in applicable laws and other risks associated with investing in securities and those factors discussed under the section entitled "Risk Factors" in this Offering Memorandum. Any forward-looking statement speaks only as of the date on which it is made and, except as may be required by applicable securities laws, the Fund Manager disclaims any intent or obligation to update any forward-looking statement, whether as a result of new information, future events or results or otherwise. Although the Fund Manager believes that the assumptions inherent in the forward-looking statements are reasonable, forward-looking statements are not guarantees of future performance and accordingly undue reliance should not be put on such statements due to the inherent uncertainty therein.

SUMMARY

Prospective purchasers are encouraged to consult their own professional advisors as to the tax and legal consequences of investing in the Fund. The following is a summary only and is qualified by the more detailed information contained in this Offering Memorandum.

The Fund:	Polar Multi-Strategy Fund (Canada) is an open-ended investment trust created under the laws of Ontario as of January 31, 2014 and governed pursuant to a trust agreement dated as of January 31, 2014 between Polar Asset Management Partners Inc. (as settlor, fund manager and investment advisor) ("**Polar**") and TSX Trust Company, as trustee, as the same may be amended, supplemented or amended and restated from time to time (the "**Trust Agreement**"). See "The Fund". As the Fund does not trade directly but pursues its investment objective by investing all of the Fund's assets (other than net subscription proceeds that are reasonably necessary or appropriate to pay fees, expenses or other costs related to the Fund) in Polar MS LLEC (as defined herein) which then invests in the Offshore Feeder Fund (as defined herein) which in turn conducts its investment program exclusively through the Offshore Master Fund (as defined herein), references to the term "Fund" as used in this Offering Memorandum in the context of the Fund's portfolio, investment program and related risks should be understood to mean the Fund, the Offshore Feeder Fund and the Offshore Master Fund. References to the Fund's investing and trading processes, strategies, objectives or activities – other than the Fund's investing in Polar MS LLEC – refer to such processes, strategies, objectives or activities at the Offshore Master Fund level only. See "Investment Strategies of the Offshore Funds".
The Offering:	An unlimited number of Class A Units and Class F Units issued in series (collectively, the "**Units**") of the Fund to an unlimited number of subscribers with a minimum subscription of $25,000 (or such lesser amount as the Fund Manager may determine in its sole discretion) pursuant to exemptions from the prospectus requirements of applicable securities legislation, who are "accredited investors" (as such term is defined in the *Securities Act* (Ontario) or National Instrument 45-106 – *Prospectus Exemptions*, as applicable) resident in, or otherwise subject to the securities laws of, any province or territory in Canada (the "**Offering Jurisdictions**") under this Offering Memorandum (the "**Offering**"). The Fund Manager (as defined herein) reserves the right to accept or reject subscriptions for Units, to change the minimum amounts for investment in the Fund and/or to discontinue the offering of Units at any time and from time to time. See "Details of the Offering". Each subscriber must satisfy applicable regulatory requirements.
The Units:	The Fund is authorized to issue an unlimited number of Classes and/or Series of units of the Fund and an unlimited number of units in each such Class or Series, subject to any determination to the contrary made by the Fund Manager in its sole discretion. Each Unit of the same Class (as defined herein) or Series (as defined herein) will represent an equal undivided interest in the net assets of the Fund attributable to that Class or Series of Units. The Fund may issue fractional Units so that subscription funds may be fully invested. Each whole Unit of a particular Class or Series has equal rights to each other Unit of the same Class and Series with respect to all matters, including voting, receipt of distributions from the Fund, liquidation and other events in connection with the Fund. There are two classes ("**Classes**") of Units currently offered by the Fund pursuant to this Offering Memorandum: Class A and Class F. Each Class is issued in Series. Each Class has the same investment objective, strategy and restrictions but differ in respect of one or more of their features, such as management fees, sales commissions and

	servicing fees. Class A Units carry a front-end sales commission of up to 2.0%. Class F Units may be purchased by investors who are enrolled in a dealer sponsored fee-for-service or 'wrap' program and who are subject to an annual asset-based fee as permitted under applicable securities laws. The Fund may issue additional classes of units from time to time without notification to Unitholders.
Fund Manager:	Polar Asset Management Partners Inc. 16 York Street, Suite 2900 Toronto, Ontario M5J 0E6
Investment Advisor:	Polar Asset Management Partners Inc. 16 York Street, Suite 2900 Toronto, Ontario M5J 0E6 Polar also acts as investment advisor to the Offshore Funds (as defined herein) (in such capacity, the "**Offshore Investment Advisor**").
Investment Objective of the Fund:	The investment objective of the Fund is to achieve stable, superior rates of return while minimizing investment risk through (i) exposure to the returns of Polar Multi-Strategy Fund (the "**Offshore Feeder Fund**"); or (ii) directly investing in, or selling short, financial instruments in a manner that is generally consistent with the investment objectives, strategies and restrictions of the Offshore Master Fund. There can be no assurances that the investment objective of the Fund will be achieved**..**
Investment Strategies of the Fund:	To achieve its objective, the Fund does not trade directly, but invests the net subscription proceeds from the sale of Units (other than net subscription proceeds that are reasonably necessary or appropriate to pay fees, expenses or other costs related to the Fund) in non-voting redeemable participating shares (the "**LLEC Shares**") of Polar MS LLEC, a limited liability exempted company incorporated under the laws of the Cayman Islands ("**Polar MS LLEC**"). Polar MS LLEC, in turn, invests all of the funds received (except for such assets as the director of Polar MS LLEC determines are reasonably necessary or appropriate to pay any fees, expenses or other costs related to Polar MS LLEC) in tranche G non-voting redeemable participating shares of the Offshore Feeder Fund (the "**Reference Shares**"). The Offshore Feeder Fund does not trade directly but invests all of its assets (except for such assets as the Offshore Investment Advisor determines are reasonably necessary or appropriate to pay any fees, expenses or other costs of the Offshore Feeder Fund) in, and conducts its investment program exclusively through, voting redeemable participating shares of the Offshore Master Fund. The Offshore Administrator (as defined herein) acts as the administrator of Polar MS LLEC and (among other things) administers the issuance and redemption of the LLEC Shares. See "Investment Strategies of the Fund – Polar MS LLEC". The return to holders of each Class of Units is dependent upon the return on the LLEC Shares, which, in turn, is dependent on the return on the Reference Shares, which further depends on the return on the shares of the Offshore Master Fund. There is no guarantee or other form of principal protection for the amount invested by a Unitholder (as defined herein). Due to variations in fees and expenses, the return of the Fund is different than the return of the Offshore Feeder Fund or the Offshore Master Fund.

Notwithstanding the foregoing, the Fund Manager may, in its sole discretion, invest the assets of the Fund directly, or in such other entities which will provide the Fund with exposure, directly or indirectly, in the investment objectives, strategies and restrictions which are generally consistent with those of the Offshore Master Fund. However, the Fund Manager will continue to only pursue the Fund's investment objective by investing all of the Fund's net subscription proceeds from the sale of Units in the Offshore Feeder Fund indirectly through Polar MS LLEC, other than net subscription proceeds that are reasonably necessary or appropriate to pay any fees, expenses or other costs related to the Fund. See "Investment Strategies of the Fund".

Use of Leverage:

Borrowing for investment purposes is known as "leverage". While no leverage will be deployed directly at the Fund level, the exposure of the Fund to the returns of the Offshore Feeder Fund will have the indirect effect of exposing the Fund to the use of leverage. Each of the Offshore Feeder Fund and the Offshore Master Fund may utilize leverage, and the amount of leverage used may be substantial, to further its respective investment strategy including, in each case, to enhance returns, to meet redemption requests that would otherwise result in the premature liquidation of investments and for cash management purposes.

Leverage may take the form of derivative instruments, which are inherently leveraged, trading on margin, repurchase agreements or loans. While leverage presents the opportunity for increasing the total return on investments, it has the effect of potentially increasing losses as well. Accordingly, any event that adversely affects the value of an investment could be magnified to the extent leverage is utilized. The cumulative effect of the use of leverage with respect to any investments in a market that moves adversely to such investments could result in a substantial loss that would be greater than if the investments were not leveraged. See "Leverage; Interest Rates; Margin" under "Risk Factors" and "Investment Strategies of the Fund – Use of Leverage".

The Offshore Feeder Fund:

The Offshore Feeder Fund is an exempted company incorporated under the Companies Act (as amended) of the Cayman Islands on December 20, 2001 and is a registered mutual fund under the Mutual Funds Act (as amended) of the Cayman Islands. The registered office of the Offshore Feeder Fund is c/o Mourant Governance Services (Cayman) Limited, 94 Solaris Avenue, Camana Bay, P.O. Box 1348, Grand Cayman, KY1-1108, Cayman Islands. The duration of the Offshore Feeder Fund is unlimited.

The Offshore Feeder Fund does not trade directly but invests all of its assets (except for such assets as the Offshore Investment Advisor (as defined below) determines are reasonably necessary or appropriate to pay any fees, expenses or other costs of the Offshore Feeder Fund) in, and conducts its investment program exclusively through the Offshore Master Fund, a Cayman Islands exempted company incorporated under the Companies Act (as amended) of the Cayman Islands on December 13, 2001. The Offshore Master Fund is also a registered mutual fund under the Mutual Funds Act. See "The Offshore Funds".

Investment Objective of the Offshore Funds:

The investment objective of the Offshore Funds is to achieve stable, superior rates of return while minimizing investment risk. There can be no assurances that the investment objective of the Offshore Funds will be achieved.

Investment Strategies of the Offshore Funds:	The Offshore Feeder Fund does not trade directly but invests all of its assets (except for such assets as the Offshore Investment Advisor determines are reasonably necessary or appropriate to pay any fees, expenses or other costs of the Offshore Feeder Fund) in, and conducts its investment program exclusively through, the Offshore Master Fund. The Offshore Master Fund will consider strategies including, but not limited to, arbitrage-oriented strategies; fixed income; global credit; equity arbitrage; event driven; fundamental equity long/short; fundamental long-only equity; structured credit and private investments. The Offshore Master Fund may pursue any strategy directly or indirectly through investments in Other Investment Entities (as defined herein). See "Investment Program—Investment Instruments" herein for a description of investment instruments in which the Offshore Master Fund may invest. The Offshore Master Fund will strive to identify, develop, and adopt new strategies it believes are consistent with its investment objective to achieve stable, superior rates of return while minimizing investment risk. Execution of the Offshore Master Fund's investment strategies and exposure to certain investment instruments are anticipated to include transactions made through securities exchanges and over-the-counter markets, and through derivative and privately negotiated transactions. **There can be no assurance that the Offshore Master Fund's investment objective will be achieved.** See "Investment Strategies of the Offshore Funds" and "Risk Factors". The Offshore Master Fund may utilize leverage to further its investment strategy, including to enhance returns, to meet redemption requests that would otherwise result in the premature liquidation of investments and for cash management purposes.
Price:	Class A Units and Class F Units are offered for sale in series (a "**Series**") on a continuous basis at the applicable Series net asset value per unit ("**Series Net Asset Value per Unit**"), with such calculation being determined as at the last day on which commercial banks in Toronto, Ontario are open for business ("**Business Day**") of each month and as at any other day as the Fund Manager may determine (each, a "**Valuation Date**"). Fractional Units will be issued up to a maximum of four decimal places. All subscriptions for Units will initially be made through the purchase of interim subscription receipts at a fixed net asset value of $100 per Subscription Receipt (as defined herein). See "Purchase Procedure".
Purchase Procedure:	Subscribers may purchase Units by delivering a completed Investment Application (as defined herein), together with full payment for the Units, to the subscriber's Registered Dealer (as defined herein) and the Fund Manager. The Fund Manager must receive payment in addition to the duly completed Investment Application and any other required documents by the third Business Day following the date the subscription order is received. If the subscription order request is received by the Fund Manager on or before the second (2^{nd}) last Business Day of the current month-end (each, a "**Subscription Deadline**"), such subscriber will be admitted at the applicable Series Net Asset Value per Unit for the current month-end. If the subscription order request is received after the Subscription Deadline for a month, such subscriber will then be admitted at the Series Net Asset Value per Unit for the end of the following month (*i.e.*, the order will be processed on the last Business Day of the following month). The Fund Manager reserves the right to accept or reject subscription orders, provided that any decision to reject an order is made within two Business Days after receipt by

the Fund Manager of all required documents. Any monies received with a rejected order will be refunded without interest or deduction.

All subscriptions for Units will initially be made through the purchase of interim subscription receipts at a fixed net asset value of $100 per subscription receipt ("**Subscription Receipts**"). Following the calculation of the Series Net Asset Value (as defined herein) of each Series of Units, the interim subscription receipts will be automatically converted, without any further action on the part of the subscriber, into the appropriate number of Units of the applicable Class as per each subscriber's Investment Application. The number of Units of the applicable Series will be the net subscription proceeds divided by the month-end Series Net Asset Value per Unit of such Series determined as at the end of the month in which the subscription order was accepted. Consequently, the initial purchase confirmation will confirm the purchase of the interim subscription receipts while a subsequent confirmation will confirm the final number of Units purchased by the subscriber. The number of Subscription Receipts will be different from the final number of Units so purchased. These Subscription Receipts are not redeemable and do not carry any voting rights. See "Purchase Procedure".

Redemption:

Subject to certain requirements, a Unitholder may request that the Fund Manager redeem his or her Units at the applicable Series Net Asset Value per Unit of such Units as at the last Business Day of any month (each a "**Redemption Date**"), provided that a written or electronic request for redemption (a "**Redemption Request**") is received by the Fund Manager no later than 4:00 p.m. (Toronto time) on a date which is not less than 60 calendar days prior to the applicable Redemption Date. The Fund Manager may waive the requirement to submit a redemption request at least 60 days prior to the applicable Redemption Date or may accept a redemption of Units at any time during the year provided that the Fund Manager concludes that such action will not adversely affect the interests of the remaining Unitholders. Payment of the redemption proceeds (net of any Redemption Charge, as defined herein) will be paid to the redeeming Unitholder on or about the 20th calendar day of the month following the Redemption Date.

The investment objective of the Fund is designed for investors with medium to long-term investment horizons and is not intended as a short-term investment. Therefore, the Fund may charge a 3% short-term trading redemption charge (a "**Redemption Charge**"), based on the net asset value of the redeemed Units, to any Unitholder who redeems Units within the first three months of the purchase of such Units.

The Fund Manager may, subject to certain exceptions, decide to satisfy any Redemption Request in full or in part by instructing the Trustee (as defined herein) to transfer *in specie* such securities or other property of the Fund, which together with payments in cash (if any), shall in the aggregate have a value not less than the redemption amount payable to the Unitholder provided that the value of all securities and other property of the Fund shall be determined as at the relevant Valuation Date. The Fund Manager does not anticipate instructing the Trustee to satisfy redemption requests in specie other than in exceptional circumstances.

The Fund Manager may defer or suspend redemption rights in certain circumstances. See "Redemption of Units – Suspension of Redemptions".

The Fund Manager has the right, upon not less than 10 days' notice, to compulsorily redeem all or any portion of the Units of any Unitholder at any time. See "Redemption of Units – Mandatory Redemptions".

Management Fee:	The Fund pays the Fund Manager a management fee based upon the Series Net Asset Value of each Series of a Class of Units (before taking into account the accrual of any performance fee payable by the Fund (as described below)). The Fund Manager will receive a monthly fee equal to 1/12 of 2.5% of the month-end aggregate Series Net Asset Value of the Class A Units (including, subject to applicable securities laws, an amount equal to a 1% annual servicing fee payable by the Fund Manager to brokers, dealers and advisors) and a monthly fee equal to 1/12 of 1.5% of the month-end aggregate Series Net Asset Value of the Class F Units. The management fee is calculated and paid monthly as at the last Business Day of each month and as at any other day as the Fund Manager may determine. Polar MS LLEC will invest in a zero management fee tranche of shares of the Offshore Feeder Fund.
Performance Fees:	The Investment Advisor is entitled to an annual performance fee in respect of the outstanding Units of each Series of each Class equal to 5% of the net appreciation in the Series Net Asset Value of each Series of a Class of Units in excess of such Series' High Water Mark (as defined herein). A Performance Fee is also determined and paid in respect of any redemption of Units during a year where the Series Net Asset Value of such Series is above the High Water Mark for such Series. In order to facilitate an equitable allocation of the performance fee payable by the Fund to the Investment Advisor amongst all Unitholders, a "series accounting methodology" is used to track the performance fee and, therefore, the "**High Water Mark**" applicable to each Series of a Class of Units. Utilizing the "series accounting methodology" described below, the High Water Mark for each Series of a Class of Units shall be (i) the net asset value of such Series of a Class of Units at the end of the immediately preceding fiscal year in which a performance fee with respect to such Series of a Class of Units was calculated and subsequently paid; or (ii) if a performance fee has not yet been calculated and subsequently paid with respect to such Series of a Class of Units, the aggregate subscription proceeds in respect of such Series of a Class of Units, and, in each case, adjusted on a pro rata basis for redemptions of such Series of a Class of Units. In other words, any unrecovered net depreciation (other than as a result of redemptions) in the net asset value of a Series of a Class of Units in any prior fiscal year will reduce the net appreciation on which a performance fee is calculated with respect to such Series in subsequent years for purposes of calculating a performance fee with respect to such Series of a Class of Units (that is, there is a "perpetual high water mark"). Units issued at any point shall bear a designation which corresponds to the particular month and year in which the particular Units were issued. See "Fees and Expenses of the Fund – Performance Fees" and "Valuation of the Fund – Series Net Asset Value per Unit". The Offshore Investment Advisor is entitled to an annual performance fee in respect of each series of the Reference Shares equal to 15% of the appreciation in the net asset value of the applicable series of Reference Shares in excess of the applicable series' "Offshore High Water Mark". See "Fees and Expenses of the Fund – Fees and Expenses Relating to Polar MS LLEC and the Offshore Funds".
Operating Expenses:	The Fund is responsible for the payment of all fees and expenses relating to its operations, including but not limited to, all regulatory filing fees, registrar and transfer agent fees and expenses, trustee fees, audit fees, accounting fees, administration fees,

record keeping and legal fees and expenses, custody and safekeeping charges, providing financial and other reports to Unitholders and convening and conducting meetings of Unitholders, all taxes, assessments or other regulatory and governmental charges levied against the Fund and interest expense, if any.

The Fund is generally required to pay applicable sales taxes on the management fee, performance fee and on the administration expenses that it pays.

Each Class or Series of Units is responsible for the expenses specifically related to that Class or Series and a proportionate share of expenses that are common to all Classes and Series.

Polar MS LLEC and the Offshore Funds are responsible for the payment of all fees and expenses relating to their respective operations, including but not limited to director and administration fees and expenses, audit, accounting, record keeping, legal fees and expenses, custody and safekeeping charges, providing financial and other reports to shareholders and convening and conducting meetings of shareholders, all taxes, assessments or other regulatory and governmental charges levied against Polar MS LLEC or the Offshore Funds (as applicable), and interest. The Offshore Master Fund shall be responsible for all brokerage and other fees relating to its investment portfolio.

The Fund Manager is responsible for its own overhead and operating expenses.

See "Fees and Expenses of the Fund – Operating Expenses" and "Fees and Expenses of the Fund – Fees and Expenses Relating to Polar MS LLEC and the Offshore Funds".

Dealer Compensation: A sales commission of up to 2% of the purchase price may be deducted from a purchase order for Class A Units. Such commission is negotiated between the investor and the registered dealer (a "**Registered Dealer**") through whom the investor purchases the Class A Units and is paid by the investor to the Registered Dealer.

In respect of Class A Units, the Fund Manager will, subject to applicable securities law, pay Registered Dealers a servicing fee based on the aggregate market value of their clients' investment in Class A Units at an annualized rate of 1%. Servicing fees are calculated and paid on a monthly basis in arrears approximately 15 days after the determination of the applicable month-end Series Net Asset Value of the Series of Class A Units. A Registered Dealer is entitled to such fees in respect of such Class A Units for so long as its clients hold those Class A Units.

There is no sales commission or service commission payable in respect of an investor's investment in Class F Units.

In respect of a purchase of any Class of Units, the Fund Manager may agree to pay an additional commission, in an amount to be negotiated on a case-by-case basis, to the Registered Dealer and/or other person legally eligible to accept a commission. Commissions may be modified or discontinued by the Fund Manager at any time. See "Dealer Compensation".

Eligibility for Investment: Provided that the Fund qualifies and continues to qualify at all times as a "mutual fund trust" within the meaning of the Tax Act (as defined herein), (i) the Units will be "qualified investments" under the Tax Act for a trust governed by a TFSA, RRSP, RRIF, RESP, DPSP or RDSP (each a "**Registered Plan**"), and (ii) provided further that neither the Fund, nor any person that does not deal at arm's length with the Fund

within the meaning of the Tax Act, is an annuitant, a beneficiary, an employer or a subscriber under, or a holder of, the Registered Plan (as applicable), the Subscription Receipts will be "qualified investments" under the Tax Act for a trust governed by a Registered Plan.

Holders of, subscribers of and annuitants under TFSAs, RESPs, RRSPs, RRIFs or RDSPs (as applicable) should consult their own tax advisors as to the status of the Units or Subscription Receipts as a "prohibited investment" for the purposes of the Tax Act. See "Eligibility for Investment".

Distributions:	It is the Fund's policy to distribute annually to Unitholders sufficient income and capital gains (net of applicable losses) so that it generally will not pay any Canadian federal income tax under Part I of the Tax Act. Distributions, if any, are paid or payable as of the last Business Day of the calendar year, and at such other times as may be determined by the Fund Manager. Subject to the Fund Manager's discretion to make distributions of cash, including to those Unitholders who have redeemed their Units during the applicable calendar year, distributions will automatically be reinvested in additional Units. Following such distributions, Units will be immediately consolidated such that the number of outstanding Units held by each Unitholder on such day following the distribution will equal the number of Units held by the Unitholder prior to the distribution, except to the extent that tax has to be withheld in respect of the distribution. See "Income and Capital Gains Distributions".
Certain Canadian Federal Income Tax Considerations:	A Unitholder who is an individual (other than a trust) resident in Canada for the purposes of the Tax Act will generally be required to include in computing income for a taxation year the amount of the Fund's net income for the taxation year, including net realized taxable capital gains, paid or payable to the Unitholder (whether in cash or in Units) in the taxation year. Any other amount in excess of the Fund's net income and net realized capital gains for a taxation year paid or payable to the Unitholder in the year (i.e., returns of capital) will not generally be included in the Unitholder's income. Such amount, however, will generally reduce the adjusted cost base of the Unitholder's Units. To the extent that the adjusted cost base of a Unit would otherwise be less than zero, the negative amount will be deemed to be a capital gain realized by the Unitholder from the disposition of the Unit and the Unitholder's adjusted cost base will be increased by the amount of such deemed capital gain to zero. Any losses of the Fund for purposes of the Tax Act cannot be allocated to, and cannot be treated as a loss of, a Unitholder. A Unitholder who disposes of Units held as capital property (on redemption or otherwise) will realize a capital gain (or capital loss) to the extent that the proceeds of disposition (other than any amount payable by the Fund which represents an amount that is otherwise required to be included in the Unitholder's income, as described above) exceed (or are exceeded by) the aggregate of the adjusted cost base of Units and any reasonable costs of disposition. No gain or loss will be realized by a Unitholder on the issuance of a Unit upon exchange of a Subscription Receipt. **Each investor should satisfy herself/himself as to the tax consequences of an investment in Units by obtaining advice from her/his tax advisor.** This summary of Canadian federal income tax considerations for the Fund and for Canadian resident Unitholders is subject in its entirety to the qualifications, limitations and assumptions set out under the heading "Certain Canadian Federal Income Tax Considerations". For a detailed explanation of the Canadian federal income tax considerations

	generally relevant to investors, see "Certain Canadian Federal Income Tax Considerations".
Risk Factors and Conflicts of Interest:	An investment in the Units is subject to certain risks. The Fund is subject to various risk factors and conflicts of interest, more fully described under "Risk Factors" and "Certain Conflicts of Interest". An investment in the Units should only be made after consultation with qualified sources of investment and tax advice. There can be no assurance that the Fund will achieve its investment objective.
Legal Counsel to the Fund and the Fund Manager:	Blake, Cassels & Graydon LLP, Canadian corporate counsel Toronto, Ontario Thorsteinssons LLP, as Canadian tax counsel Toronto, Ontario See "Legal Counsel"
Prime Brokers of the Offshore Master Fund:	Morgan Stanley & Co. LLC, BMO Nesbitt Burns Inc., JPMorgan Chase Bank, National Association, The Bank of Nova Scotia, the Fidelity Capital Markets division of National Financial Services LLC, TD Securities Inc., CIBC World Markets Inc., Barclays Capital Inc. and Barclays Bank PLC serve as the prime brokers for, and receive fees from, the Offshore Master Fund. See "Prime Brokers of the Offshore Master Fund".
Administrator for the Fund:	SGGG Fund Services Inc. Toronto, Ontario See "Fund Administrator"
Administrator for Polar MS LLEC and the Offshore Funds:	Citco Fund Services (Cayman Islands) Limited Cayman Islands
Trustee:	TSX Trust Company Toronto, Ontario See "The Trustee".
Auditors of the Fund:	Ernst & Young LLP Toronto, Ontario
Auditors of Polar MS LLEC:	Ernst & Young LLP Toronto, Ontario
Year-end of the Fund:	December 31st.
Statutory and Contractual Rights of Action:	Purchasers of Units are entitled to the benefit of certain statutory or contractual rights of action. See "Purchasers' Rights of Action for Damages and Rescission".

GLOSSARY

"**Applicable Securities Laws**" means, at any time, the securities laws, regulations and rules in each province and territory of Canada and the requirements, rules and policies of the Canadian securities regulatory authorities that are then applicable to the Fund in the circumstances;

"**Base Series**" means in respect of a Class, the initial Series of such Class issued on the initial Subscription Date for such Class and such further Series of such Class as may be designated by the Fund Manager and includes, for greater certainty, any Units reclassified into a Base Series;

"**Business Day**" means a day on which commercial banks in Toronto, Ontario are open for business;

"**Class**" means a particular class of Units;

"**CRA**" means the Canada Revenue Agency;

"**DPSP**" means a deferred profit sharing plan within the meaning of the Tax Act;

"**Fund**" means Polar Multi-Strategy Fund (Canada), an open-ended investment trust created under the laws of the Province of Ontario pursuant to the Trust Agreement;

"**Fund Administrator**" means SGGG Fund Services Inc., the administrator of the Fund;

"**Fund Manager**" means Polar, in its capacity as the manager of the Fund pursuant to the provisions of the Trust Agreement;

"**Investment Advisor**" means Polar, in its capacity as investment advisor to the Fund pursuant to the provisions of the Trust Agreement;

"**Investment Application**" means the investment application required to be completed for a purchase of Units in the Fund in the form prescribed by the Fund Manager from time to time;

"**LLEC Shares**" means the non-voting redeemable participating shares of Polar MS LLEC;

"**Net Asset Value**" means the net asset value of the Fund calculated as described under "Valuation of the Fund";

"**Offering**" means the offering of an unlimited number of Class A Units and Class F Units of the Fund issued in Series on a continuous basis pursuant to exemptions from the prospectus requirements of applicable securities legislation pursuant to this Offering Memorandum;

"**Offering Jurisdictions**" means, collectively, each of the provinces and territories of Canada;

"**Offering Memorandum**" means this amended and restated confidential offering memorandum as it may be amended, restated and supplemented from time to time;

"**Offshore Administrator**" means Citco Fund Services (Cayman Islands) Limited, the administrator of Polar MS LLEC, the Offshore Feeder Fund and the Offshore Master Fund;

"**Offshore Feeder Fund**" means Polar Multi-Strategy Fund, an exempted company incorporated under the Companies Act (as amended) of the Cayman Islands on December 20, 2001 and is a registered mutual fund under the Mutual Funds Act (as amended) of the Cayman Islands or such other entity as determined by the Fund Manager;

"**Offshore Fund**" means, individually, the Offshore Feeder Fund or the Offshore Master Fund and, collectively, the "**Offshore Funds**";

"**Offshore Investment Advisor**" means Polar, in its capacity as investment advisor to the Offshore Funds pursuant to the provisions of the respective investment advisory agreements as the same may be amended or amended and restated from time to time;

"**Offshore Master Fund**" means Polar Multi-Strategy Master Fund, an exempted company incorporated under the Companies Act (as amended) of the Cayman Islands on December 13, 2001, that acts as the master fund and is a registered mutual fund under the Mutual Funds Act (as amended) of the Cayman Islands;

"**OTC**" means over-the-counter;

"**Other Investment Entities**" has the meaning ascribed to such term under the heading "Investment Strategies of the Offshore Funds – Other Investment Entities";

"**Polar**" means Polar Asset Management Partners Inc., which acts as Fund Manager and Investment Advisor to the Fund pursuant to the provisions of the Trust Agreement as well as investment advisor to the Offshore Funds;

"**Polar MS LLEC**" means Polar MS LLEC, exempted company established with limited liability under the laws of the Cayman Islands, which issues the LLEC Shares and invests in the Reference Shares;

"**RDSP**" means a registered disability savings plan within the meaning of the Tax Act;

"**Redemption Charge**" means the 3% short-term trading redemption charge relating to a redemption of Units within the first three months of purchase;

"**Redemption Date**" means the last Business Day of any month and any other day as the Fund Manager may determine;

"**Redemption Request**" means an electronic request for redemption of Units delivered to the Fund Manager;

"**Reference Shares**" means the tranche G non-voting redeemable participating shares of the Offshore Feeder Fund to be purchased by Polar MS LLEC;

"**Registered Dealers**" means dealers or brokers that are registered under applicable securities laws in the Offering Jurisdictions to sell securities of investment funds and that are not restricted from selling the Units;

"**Registered Plan**" means an RRSP, RRIF, DPSP, RESP, RDSP or TFSA;

"**RESP**" means a registered education savings plan within the meaning of the Tax Act;

"**RRIF**" means a registered retirement income fund within the meaning of the Tax Act;

"**RRSP**" means a registered retirement savings plan within the meaning of the Tax Act;

"**Series**" means a particular series of a Class of Units;

"**Series Net Asset Value**" means the net asset value of any Series of a Class of Units calculated as described under "Valuation of the Fund";

"**Series Net Asset Value per Unit**" means the Series Net Asset Value attributable to each Unit in such Series;

"**Subscription Date**" means the last Business Day of each month and any other day as the Fund Manager may determine in its sole discretion;

"**Subscription Deadline**" means the second (2^{nd}) last Business Day of the current month-end;

"Subscription Receipt" has the meaning ascribed to such term under the heading "Purchase Procedure";

"**Tax Act**" means the *Income Tax Act* (Canada) as now or hereafter amended, or successor statutes and shall include all regulations promulgated thereunder;

"**Tax Proposals**" means all specific proposals to amend the Tax Act publicly announced by or on behalf of the Minister of Finance (Canada) prior to the date hereof;

"**TFSA**" means a tax-free savings account within the meaning of the Tax Act

"**Trust Agreement**" means the trust agreement dated as of January 31, 2014 between Polar (as settlor, fund manager and investment advisor) and TSX Trust Company (formerly Equity Financial Trust Company), as trustee, as the same may be amended, supplemented or amended and restated from time to time;

"**Trustee**" means TSX Trust Company, in its capacity as trustee of the Fund pursuant to the provisions of the Trust Agreement;

"**Unitholders**" means the holders of Units of any Class or Series as the context may require and fractions thereof;

"**Units**" means the Class A Units and Class F Units of the Fund; and

"**Valuation Date**" means the last Business Day of any month and any other day as the Fund Manager may determine.

THE FUND

Polar Multi-Strategy Fund (Canada) (the "**Fund**") is an open-ended investment trust created under the laws of Ontario as of January 31, 2014 and governed pursuant to a trust agreement dated as of January 31, 2014 between Polar Asset Management Partners Inc. (as settlor, fund manager and investment advisor) ("**Polar**") and TSX Trust Company, as trustee, as the same may be amended, supplemented or amended and restated from time to time (the "**Trust Agreement**"). The principal address of the Fund is 16 York Street, Suite 2900, Toronto, Ontario M5J 0E6.

The only undertaking of the Fund is the investment of its assets. Subscribers whose subscriptions have been accepted will become Unitholders of the Fund. Holders of Units are hereinafter referred to as "**Unitholders**".

As the Fund does not trade directly but pursues its investment objective by investing all of the Fund's assets (other than net subscription proceeds that are reasonably necessary or appropriate to pay fees, expenses or other costs related to the Fund) in Polar MS LLEC which then invests in the Offshore Feeder Fund (as defined herein) which in turn conducts its investment program exclusively through the Offshore Master Fund (as defined herein), references to the term "Fund" as used in this Offering Memorandum in the context of the Fund's portfolio, investment program and related risks should be understood to mean the Fund, the Offshore Feeder Fund and the Offshore Master Fund. References to the Fund's investing and trading processes, strategies, objectives or activities – other than the Fund's investing in Polar MS LLEC – refer to such processes, strategies, objectives or activities at the Offshore Master Fund level only. See "Investment Strategies of the Offshore Funds".

SERVICES PROVIDED TO THE FUND BY POLAR ASSET MANAGEMENT PARTNERS INC.

Fund Manager

Polar acts as the manager to the Fund (in such capacity, the "**Fund Manager**") pursuant to the provisions of the Trust Agreement.

The Fund Manager is responsible for the day-to-day business of the Fund. The Fund Manager is required to exercise its powers and discharge its duties honestly, in good faith, and in the best interests of the Fund and to exercise the care, diligence and skill of a reasonably prudent professional manager of an open-ended pooled trust in comparable circumstances. Among its other powers, the Fund Manager may establish the Fund's operating expense budget and authorize the payment of operating expenses. The Trust Agreement shall be terminated if: (i) the Fund Manager is in material default of its obligations under the Trust Agreement and such default continues for a period of 120 days from the date the Fund Manager receives notice of such material default from the Trustee, (ii) the Fund Manager has been declared bankrupt or insolvent or has entered into liquidation or winding up, whether compulsory or voluntary (and not merely a voluntary liquidation for the purposes of amalgamation or reconstruction); (iii) the Fund Manager makes a general assignment for the benefit of creditors or otherwise acknowledges its insolvency; or (iv) the assets of the Fund Manager otherwise become liable to seizure or confiscation by any public or government authority. Polar may resign as Fund Manager at any time on 60 days' written notice to the Trustee and the Unitholders. The Trust Agreement contains provisions for the appointment of a successor fund manager in the event of the resignation of the Fund Manager. If no successor fund manager is appointed, the Fund will be terminated.

Investment Advisor

Polar has also been appointed by the Trustee as investment advisor (in such capacity, the "**Investment Advisor**") under the terms of the Trust Agreement to provide investment advisory services to the Fund (subject to the requirement that the Fund invests all of its assets (other than net subscription proceeds that are reasonably necessary or appropriate to pay fees, expenses or other costs related to the Fund) in Polar MS LLEC). Under the Trust Agreement, Polar is solely responsible for all investment decisions made on behalf of the Fund and to monitor the Fund's investments and, in connection with such holdings, the portfolio of the Offshore Funds. The Investment Advisor is required to exercise its powers and discharge its duties honestly, in good faith, and in the best interests of the Fund and to exercise the care, diligence and skill of a reasonably prudent portfolio manager of an open-ended pooled trust in comparable circumstances. The Trust Agreement shall be terminated if the Investment Advisor is in material default of its obligations under the Trust Agreement and such default continues for a period of 120 days from the date the Investment Advisor receives notice of such material default from the Trustee. Polar may resign as Investment Advisor at any time on 60 days' written notice to the Trustee and the Unitholders.

Polar also acts as investment advisor to the Offshore Funds (in such capacity, the "**Offshore Investment Advisor**").

Indemnification of Fund Manager and Investment Advisor

The Trust Agreement provides that certain persons, including the Fund Manager, Investment Advisor and certain affiliated parties, along with their past and current directors and officers, have a right of indemnification from the Fund for legal fees, judgments and amounts paid in settlement, actually and reasonably incurred in carrying out their duties under the Trust Agreement, except in certain circumstances, including where there has been gross negligence, willful misconduct or bad faith on the part of the Fund Manager or Investment Advisor, as applicable, or the Fund Manager or Investment Advisor, as applicable, has failed to fulfill its respective standard of care as set out in the Trust Agreement.

Information Relating to Polar Asset Management Partners Inc.

Polar, a wholly-owned subsidiary of Polar Financial Corporation, is a registered Exempt Market Dealer under the applicable securities legislation in Alberta, British Columbia, Manitoba, New Brunswick, Newfoundland and Labrador, Nova Scotia, Ontario, Prince Edward Island, Québec and Saskatchewan, an Investment Fund Manager in Newfoundland and Labrador, Ontario and Québec and a Portfolio Manager in Alberta and Ontario and a Commodity Trading Manager under the *Commodity Futures Act* (Ontario). Polar is registered with the U.S. Securities and Exchange Commission as an investment adviser under the U.S. Investment Advisers Act of 1940, as amended, and is a member firm of the National Futures Association. Polar is also registered with the U.S. Commodity Futures Trading Commission (the "**CFTC**") as a commodity pool operator ("**CPO**") and a swap firm and is exempt from registration as a commodity trading advisor. Polar, with respect to the Offshore Funds, has claimed an exemption from certain of the CFTC's disclosure, reporting and record-keeping requirements applicable to registered CPOs pursuant to CFTC Rule 4.7.

Officers, Directors and Key Investment Personnel of Polar

The directors and officers of Polar and its employees who have primary responsibility for providing investment advice to the Fund and the Offshore Funds are set out below:

Name	Position with Polar
TOM SABOURIN, CPA, CA	Director, President, and Chief Executive Officer
PAUL SABOURIN, MBA	Director, Chairman and Chief Investment Officer
ABDALLA RUKEN, PhD, MSc.	Deputy Chief Investment Officer
GREG LEMAICH, BASc, JD	General Counsel and Chief Operating Officer
HERMAN S. GILL, CPA, CA	Director, Chief Financial Officer and Secretary
ALEXANDER BONDARENKO, M.S.	Chief Risk Officer
KURANKYE SEKYI-OTU, CFA	Chief Strategy Officer
ANDREW MA	Chief Compliance Officer

Tom Sabourin, *CPA, CA, Chief Executive Officer*. Mr. T. Sabourin joined the Investment Advisor as CEO and President in 2006. From 1996 through 2005, he was a Vice-President of Polar Capital Corporation, an affiliated private equity manager. Mr. T. Sabourin originally joined the Investment Advisor as CFO in 1994. Mr. T. Sabourin began his career with Ernst & Young in 1986. Mr. T. Sabourin earned a Bachelor of Engineering degree from the University of Western Ontario. He earned his Chartered Accountant designation in 1988.

Paul Sabourin, *MBA, Chairman and Chief Investment Officer*. Mr. P. Sabourin is Chairman and Chief Investment Officer at the Investment Advisor. Mr. P. Sabourin received a B.A. from the University of Toronto in 1975 and an MBA from the University of Western Ontario (now Ivey) in 1980. He started his career at Burns Fry Ltd. in 1982, gaining experience in research and institutional equity trading. In 1987, Mr. P. Sabourin became a Director at Burns Fry, and member of the Executive Committee, responsible for managing the institutional equity trading group. Mr. P. Sabourin co-founded the Investment Advisor in 1991. As Chief Investment Officer, he sets investment strategy and oversees the Investment Advisor's investment management team. He also acts as Lead Portfolio Manager for the Multi-Strategy team.

Abdalla Ruken, *Ph.D., MSc, Deputy Chief Investment Officer*. As Deputy Chief Investment Officer, Mr. Ruken's focus is on portfolio construction and strategy development. Mr. Ruken originally joined the Investment Advisor in 2008 as Chief Risk Officer (CRO), and has since been heavily involved in the evolution of the Investment Advisor's risk management framework. During his 11-year tenure as the Investment Advisor's CRO, Mr. Ruken oversaw a team responsible for various risk management and exposure analysis functions, led a development team that designed proprietary investment management software and applications, and worked directly with the Investment Advisor's Chief Investment Officer on portfolio construction, strategy development and the formation of the Investment Advisor's investment team. Mr. Ruken plays an integral role in the hiring of investment personnel, with a particular focus on trading and risk-taking that make for a good fit within the Investment Advisor's corporate culture and risk appetite. Mr. Ruken previously held the role of Vice President at the Bank of Nova Scotia and was responsible for risk management. Mr. Ruken graduated from McMaster University in 1994 with a Ph.D. in Theoretical Physics.

Greg Lemaich, *JD, General Counsel, Chief Operating Officer*. Mr. Lemaich earned a BASc in Industrial Engineering from the University of Toronto in 2002 and a J.D. from the University of Toronto Faculty of Law in 2006 and became a member of the Law Society of Ontario in 2007. Mr. Lemaich's previous legal experience includes time spent in private practice with a focus on securities law, primarily at Goodmans LLP and as General Counsel of a Toronto-based investment fund manager. He joined the Investment Advisor in November 2012.

Herman Gill, *CPA, CA, Chief Financial Officer*. Mr. Gill earned a B.A. in Chartered Accountancy Studies from the University of Waterloo in 1993 and upon graduation he continued his internship with the accounting firm BDO Dunwoody Ward Mallette. In 1995, he was admitted into membership with the Institute of Chartered Accountants of Ontario. In 1995, Mr. Gill joined Fidelity Investments Canada where he progressed through various positions across domestic and offshore fund operation areas, where his responsibilities included tax, audit, compliance and financial reporting. From 1997 to 2002, Mr. Gill directed the Canadian sales effort for a U.S. based software provider, Princeton Financial Systems, marketing to the Canadian and offshore institutional investment market. In July 2002, Mr. Gill joined the Investment Advisor as the Chief Financial Officer.

Alexander Bondarenko, *Chief Risk Officer*. Mr. Bondarenko assumed the role of Chief Risk Officer in 2019 after having been a Director on the risk management team since 2017. As Chief Risk Officer, Mr. Bondarenko leads a team of risk management personnel responsible for stress testing, exposure monitoring, and scenario analysis. Mr. Bondarenko previously spent over 15 years at Scotiabank, where he was most recently a Director of Credit Derivatives Trading within the Global Fixed Income group responsible for maintaining a relative value trading strategy in U.S. investment-grade and high yield cash and derivative products. Mr. Bondarenko holds a B.S. in Computer-Oriented Mathematics from the University of Massachusetts, and a M.S. in Mathematical Sciences from Carnegie Mellon University.

Kurankye Sekyi-Otu, *CFA, Chief Strategy Officer*. Mr. Sekyi-Otu is the Chief Strategy Officer for the Investment Advisor and a member of the firm's executive leadership team. He is responsible for the global distribution strategy, marketing, and the implementation of the firm's strategic business initiatives. Previously at the Investment Advisor, Mr. Sekyi-Otu led the team responsible for business development and investor relations across institutional and advisory partners globally. Mr. Sekyi-Otu began working with the Investment Advisor in a consulting capacity in 2009, and formally joined the firm in 2010. Prior to the Investment Advisor, Mr. Sekyi-Otu held business

development, sales and marketing roles at other Canadian asset managers, and within the capital markets division of a Canadian bank. Mr. Sekyi-Otu graduated from York University in 1994 with a B.A. (Hons.) in Economics and earned his CFA designation in 2000.

Andrew Ma, *CFA, Chief Compliance Officer*. Mr. Ma earned a Bachelor of Commerce in Finance and Economics from the University of Toronto in 2001 and a Masters of Arts in Economics from the University of Toronto in 2002. Mr. Ma is a CFA charterholder since 2006. Prior to joining the Investment Advisor, Mr. Ma was the Chief Operating Officer and/or Chief Compliance Officer of several Toronto-based investment firms and was focused on developing the compliance, risk management and operational programs for these alternative investment managers. Mr. Ma joined the Investment Advisor in April 2019.

The services of Polar as Fund Manager and Investment Advisor are not exclusive to the Fund, and nothing in the Trust Agreement prevents Polar or any of its affiliates from providing similar services to other investment funds and other clients or from engaging in other activities.

The principals of Polar have held various positions at a number of prominent Canadian and money-centre banks and investment banks. Prior investment experience includes analysis and trading of preferred shares, equities, convertible bonds, equity index funds, public and OTC equity and index options, direct corporate and securitized debt, mortgage-backed securities, and option embedded debt securities. Polar has substantial experience in risk management and has developed a number of risk management tools that help it assess and hedge risks associated with each portfolio's securities.

The principals of Polar have substantial portions of their net worth invested in investment funds advised by Polar.

THE TRUSTEE

TSX Trust Company acts as the trustee for the Fund pursuant to the provisions of the Trust Agreement. The Trustee may transfer, sell or assign the performance of the trust and powers vested in it under the Trust Agreement. The Fund Manager may remove the Trustee from office and appoint a successor trustee from time to time on 60 days' written notice to the Trustee and Unitholders or in certain other circumstances. The Trustee or any successor appointed pursuant to the terms of the Trust Agreement may resign upon 90 days' written notice to the Fund Manager during which period the Fund Manager shall use its best efforts to arrange for a successor trustee. The Fund Manager will provide written notice of the Trustee's resignation to Unitholders, not less than 60 days prior to the date when such resignation is to take effect. If no successor trustee is appointed, the Fund shall be terminated.

The Trust Agreement provides that the Trustee has a right of indemnification by the Fund in carrying out its duties under the Trust Agreement except in cases of willful misconduct, bad faith or gross negligence or in cases where the Trustee fails to act honestly and in good faith or to exercise the degree of care, diligence and skill that a reasonably prudent Canadian trust company would exercise in comparable circumstances. In addition, the Trust Agreement contains provisions limiting the liability of the Trustee and indemnifying the Trustee in respect of certain liabilities incurred by it in carrying out its duties. Pursuant to the Trust Agreement, the Trustee has delegated certain powers and duties to other parties, including the Fund Manager, such duties including, but not limited to, those specified in this Offering Memorandum. The Trust Agreement deems all such delegation to be in fulfillment of the Trustee's standard of care.

For its services, the Trustee receives an annual fee paid from the Fund under an agreement between the Trustee and the Fund Manager.

INVESTMENT OBJECTIVE OF THE FUND

The investment objective of the Fund is to achieve stable, superior rates of return while minimizing investment risk through (i) exposure to the returns of Polar Multi-Strategy Fund (the "**Offshore Feeder Fund**"); or (ii) directly investing in, or selling short, financial instruments in a manner that is generally consistent with the investment objectives, strategies and restrictions of the Offshore Master Fund. There can be no assurances that the investment objective of the Fund will be achieved.

INVESTMENT STRATEGIES OF THE FUND

To achieve its objective, the Fund does not trade directly, but invests the net subscription proceeds from the sale of Units (other than net subscription proceeds that are reasonably necessary or appropriate to pay fees, expenses or other costs related to the Fund) in non-voting redeemable participating shares (the "**LLEC Shares**") of Polar MS LLEC, a limited liability exempted company incorporated under the laws of the Cayman Islands ("**Polar MS LLEC**"). Polar MS LLEC will, in turn, invest all of the funds (except for such funds as the director of Polar MS LLEC determines are reasonably necessary or appropriate to pay any fees, expenses or other costs related to Polar MS LLEC) in tranche G non-voting, redeemable, participating shares of the Offshore Feeder Fund (the "**Reference Shares**"). The Offshore Feeder Fund does not trade directly but invests all of its assets (except for such assets as the Offshore Investment Advisor determines are reasonably necessary or appropriate to pay any fees, expenses or other costs of the Offshore Feeder Fund) in, and conducts its investment program exclusively through, voting redeemable participating shares of the Offshore Master Fund. Citco Fund Services (Cayman Islands) Limited (the "**Offshore Administrator**") acts as the administrator of Polar MS LLEC and (among other things) administers the issuance and redemption of the LLEC Shares. See "Polar MS LLEC".

The return to holders of each Class of Units is dependent upon the return on the LLEC Shares, which, in turn, is dependent on the return on the Reference Shares, which further depends on the return on the shares of the Offshore Master Fund. There is no guarantee or other form of principal protection for the amount invested by a Unitholder. Due to variations in fees and expenses, the return of the Fund is different than the return of the Offshore Feeder Fund or the Offshore Master Fund.

Notwithstanding the foregoing, the Fund Manager may, in its sole discretion, invest the assets of the Fund directly, or in such other entities which will provide the Fund with exposure, directly or indirectly, in the investment objectives, strategies and restrictions which are generally consistent with those of the Offshore Master Fund. In the future, the Fund may enter into a derivative or other transaction to obtain exposure to the Offshore Master Fund. As set out in its investment objective, the Fund may alternatively directly invest in, or sell short, financial instruments in a manner that is generally consistent with the investment objective, strategies and restrictions of the Offshore Master Fund. However, the Fund Manager will continue to only pursue the Fund's investment objective, by investing all of the Fund's net subscription proceeds from the sale of Units in the Offshore Feeder Fund indirectly through Polar MS LLEC, other than net subscription proceeds that are reasonably necessary or appropriate to pay any fees, expenses or other costs related to the Fund.

The exposure of the Fund to the returns of the Offshore Master Fund will have the indirect effect of exposing the Fund to the use of leverage as the Offshore Master Fund may employ leverage. See "Investment Strategies of the Offshore Funds – Use of Leverage".

Use of Leverage

Borrowing for investment purposes is known as "leverage". While no leverage will be deployed directly at the Fund level, the exposure of the Fund to the returns of the Offshore Feeder Fund will have the indirect effect of exposing the Fund to the use of leverage. Each of the Offshore Feeder Fund and the Offshore Master Fund may utilize leverage, and the amount of leverage used may be substantial, to further its respective investment strategy including, in each case, to enhance returns, to meet redemption requests that would otherwise result in the premature liquidation of investments and for cash management purposes.

Leverage is defined as a factor (rather than an independent source of risk) that influences the rapidity with which changes in market risk, credit risk or liquidity risk change the value of an investment portfolio. Leverage may take the form of derivative instruments, which are inherently leveraged, trading on margin, repurchase agreements or loans. While leverage presents the opportunity for increasing the total return on investments, it has the effect of potentially increasing losses as well. Accordingly, any event that adversely affects the value of an investment could be magnified to the extent leverage is utilized. The cumulative effect of the use of leverage with respect to any investments in a market that moves adversely to such investments could result in a substantial loss that would be greater than if the investments were not leveraged. See "Leverage" under "Risk Factors" and "Investment Strategies of the Offshore Funds".

Polar MS LLEC

Polar MS LLEC is a limited liability exempted company incorporated under the laws of the Cayman Islands. The issued and outstanding voting, ordinary shares of Polar MS LLEC are owned by Mourant Governance Services (Cayman) Limited, as trustee of a Cayman Islands trust. Polar MS LLEC has notified the Fund that it intends to declare dividends on the LLEC Shares on a monthly basis which will be automatically reinvested into the LLEC Shares. Citco Fund Services (Cayman Islands) Limited acts as the administrator of Polar MS LLEC and (among other things) administers the issuance and redemption of the LLEC Shares.

Polar MS LLEC invests all of the funds it receives (except for such funds as the director of Polar MS LLEC determines are reasonably necessary or appropriate to pay any fees, expenses or other costs related to Polar MS LLEC) in respect of the issuance of LLEC Shares in the Reference Shares. Polar MS LLEC submits redemption requests to the Offshore Feeder Fund in accordance with the disclosure documents of the Offshore Feeder Fund as required in order to pay amounts due relating to redemption requests of the LLEC Shares. Where circumstances prevent or suspend the payment by the Offshore Feeder Fund of redemption proceeds of the Reference Shares, Polar MS LLEC will suspend redemption of the LLEC Shares until such delay or suspension is lifted. See "Redemption of Units – Suspension of Redemptions".

Sole Director of Polar MS LLEC

The sole director of Polar MS LLEC (the "**LLEC Director**") is Gregory S. Bennett. The LLEC Director reviews and assesses the investment policy and performance of Polar MS LLEC and generally supervises the conduct of its affairs. The LLEC Director has delegated Polar MS LLEC's day-to-day operational responsibilities to the Offshore Administrator.

See Mr. Bennett's biography under "Directors of the Offshore Funds".

Polar MS LLEC has agreed to indemnify and hold harmless the LLEC Director against all actions, proceedings, costs, charges, expenses, losses, damages or liabilities incurred or sustained by reason of any contract entered into, or act or thing done by the LLEC Director, except to the extent that such costs, losses or expenses have happened through the LLEC Director's own dishonesty, wilful default or fraud.

The Return to Unitholders

The return to holders of each Class of Units of the Fund will be dependent upon the return on the LLEC Shares, which, in turn, is dependent on the return on the Reference Shares. The net asset value of the LLEC Shares is based on the net asset value of the Reference Shares less any liabilities of Polar MS LLEC (see "Fees and Expenses of the Fund"). The net asset value of the Reference Shares (or any series thereof) will be equal to the total assets less the total liabilities attributable to such tranche or series (as the case may be) of Reference Shares as of the applicable date of determination. The net asset value of the Offshore Feeder Fund is based on the net asset value of the Offshore Master Fund. Polar, in its capacity as investment advisor to the Fund, is entitled to management fees paid by the Fund and to performance fees paid by the Fund. Due to variations in fees and expenses, the return of the Fund is different than the return of the Offshore Feeder Fund or the Offshore Master Fund.

There is no guarantee or other form of principal protection for the amount invested by a Unitholder from any person.

THE OFFSHORE FUNDS

The Offshore Feeder Fund is an exempted company incorporated under the Companies Act (as amended) of the Cayman Islands on December 20, 2001 and is a registered mutual fund under the Mutual Funds Act (as amended) of the Cayman Islands. The Offshore Feeder Fund's registered office is c/o Mourant Governance Services (Cayman) Limited, 94 Solaris Avenue, Camana Bay, P.O. Box 1348, Grand Cayman, KY1-1108, Cayman Islands. Polar, which acts as the Investment Advisor to the Fund, also acts as Offshore Investment Advisor to each Offshore Fund.

The authorized capital of the Offshore Feeder Fund consists of (a) US$50,000 divided into (i) 49,999,900 non-voting, redeemable participating shares of US$0.001 par value each issuable in tranches and (ii) 100 non-participating voting non-redeemable shares of US$0.001 par value each, (b) €50,000 consisting of 50,000,000 non-voting, participating

redeemable shares of €0.001 par value each, and (c) CAN$50,000 consisting of 50,000,000 non-voting, participating redeemable shares of CAN$0.001 par value each.

The Offshore Feeder Fund does not trade directly but invests all of its assets (except for such assets as the Offshore Investment Advisor determines are reasonably necessary or appropriate to pay any fees, expenses or other costs of the Offshore Feeder Fund) in, and conducts its investment program exclusively through, voting redeemable participating shares of the Offshore Master Fund, a Cayman Islands exempted company incorporated under the Companies Act (as amended) of the Cayman Islands on December 13, 2001. The Offshore Master Fund is also a registered mutual fund under the Mutual Funds Act (as amended) of the Cayman Islands.

DIRECTORS OF THE OFFSHORE FUNDS

The Offshore Feeder Fund and the Offshore Master Fund are each managed by its board of directors, which has exclusive management and control of the Offshore Feeder Fund's and the Offshore Master Fund's businesses (other than decisions which are, by law or under the constating documents of the Offshore Feeder Fund or the Offshore Master Fund, each as may be amended and/or restated from time to time, reserved to their shareholders) with power to delegate any of such responsibilities as the board of directors deems appropriate. The board of directors sets the investment objectives of the Offshore Feeder Fund and the Offshore Master Fund, as applicable, selects and engages administrators and the investment advisors, monitors and reviews the investment performance of the Offshore Feeder Fund and the Offshore Master Fund and reports to holders of the participating shares of the Offshore Feeder Fund and the Offshore Master Fund.

The board of directors generally meets quarterly each year to review and assess the investment policy and performance of the Offshore Feeder Fund and the Offshore Master Fund and generally to supervise the conduct of their affairs. The board of directors has delegated the day-to-day investment management responsibilities of the Offshore Feeder Fund and the Offshore Master Fund to the Investment Advisor.

The members of the board of directors of each of the Offshore Feeder Fund and the Offshore Master Fund are:

Richard Vaughan. Mr. Vaughan is the Principal of Vaughan & Co., a financial consulting firm based in London, U.K. Vaughan & Co. advises enterprises on corporate and financial matters. Mr. Vaughan has served on the boards of several public and private companies and as Chairman of a U.K.-based financial institution. Mr. Vaughan is a Chartered Accountant and obtained his M.B.A. from INSEAD, Fontainebleau, France (1983). Mr. Vaughan maintains investments in Polar Equity Partners I LP and Polar Venture Partners I LP, which are not broadly offered to the public.

Gary Linford. Gary Linford is the founder of HighWater Limited ("**HighWater**"). Mr. Linford sits on a number of hedge, private equity and other alternative investment funds and has over twenty years of experience from launch through to liquidation of numerous fund complexes. This experience includes handling the significant conflicts that exist within the alternative investment sector and has been gained on successful fund platforms managed from numerous global investment locations that requires Gary to have a thorough understanding of how national regulatory frameworks, audit & tax matters are applied to Cayman funds.

He is the former Head of the Investment & Securities Division of the Cayman Islands Monetary Authority (CIMA) where his primary responsibility was the effective oversight of the investment fund sector. This included the authorisation of hedge funds, fund administrators and investment managers as well as the ongoing oversight, inspections and prudential reviews of licensees.

The majority of Mr. Linford's 33 year multi-jurisdictional working life was in the private sector and includes six years in Hong Kong, 19 years in the Cayman Islands, five years in Jersey, Channel Islands and three years in South Africa. Prior to joining CIMA, he was the former Global Head of Banking & Investments at Deutsche Bank International Limited. Mr. Linford participated at board level in numerous international centres used by Deutsche Bank, from Mauritius through a number of jurisdictions in Europe to Cayman. At the time of his employment with Deutsche Bank, Gary lived in Jersey, Channel Islands and had direct line responsibility for a team of 115 employees, the US$5 billion offshore treasury desk and US$15 billion offshore investment services division.

Mr. Linford has a Master's in Applied Finance from Macquarie University in Sydney, Australia. He is a member of AIMA, was instrumental in the establishment of the AIMA Cayman Chapter and is a past Chair of the AIMA Cayman

Education Sub-committee. HighWater was a founding member, and Mr. Linford was a board director of Cayman Finance, an industry body formed to promote the development of the financial services sector in the Cayman Islands. He continues to volunteer his time in support of industry initiatives.

Gregory S. Bennett. Mr. Bennett is a founder of Azimuth Governance Limited ("Azimuth"), a fiduciary services firm offering independent directors to hedge funds. Mr. Bennett began his professional career with Coopers & Lybrand in Canada in 1996 and was promoted to Manager in 1998. In 2000 he joined UBS Fund Services in Cayman as an Associate Director and was ultimately responsible for business development. In 2005, Mr. Bennett joined Butterfield Fund Services (Cayman) Limited. He became a Director of that firm in 2005 and Managing Director in 2008. He then established the Cayman office of HedgeServ in 2010 and held the position of Managing Director. From 2011 through 2014, prior to founding Azimuth, Mr. Bennett was a Director of The Harbour Trust Co. Ltd. where he provided fiduciary services to their clients, including serving as an independent director.

Mr. Bennett graduated with a Bachelor of Commerce from the University of Alberta in Canada in 1995. He is a Chartered Accountant (Canada), a Certified Public Accountant (US), and a CFA Charterholder. Mr. Bennett is a past Director of Hedge Funds Care Cayman, past Deputy Chairman of the Cayman Islands Fund Administrators Association, past Treasurer of AIMA Cayman and a past President of the CFA Society of the Cayman Islands.

The members of the board of directors are directors of (i) Polar Long/Short Fund and Polar Long/Short Master Fund, both of which are companies to which the Investment Advisor provides investment advisory services; and (ii) the general partner of Polar Multi-Strategy Fund (Offshore) LP, to which the Investment Advisor provides certain management and administrative services. The members of the board of directors are also directors of Polar Multi-Strategy Fund (Legacy).

The Offshore Feeder Fund and the Offshore Master Fund have each agreed to indemnify and hold harmless members of the board of directors against all actions, proceedings, costs, charges, expenses, losses, damages or liabilities incurred or sustained by such members, other than by reason of a member's own gross negligence (as determined under the laws of the State of Delaware), willful default or actual fraud, in or about the conduct of the business or affairs of the Offshore Feeder Fund or the Offshore Master Fund, as applicable (including as a result of any mistake or judgment) or in the execution or discharge of his duties, powers, authorities or discretions.

The Offshore Feeder Fund and the Offshore Master Fund will pay each independent member of the board of directors customary fees for his services. All members are entitled to be paid or reimbursed for their out-of-pocket expenses incurred by them in attending and returning from meetings of the board of directors or any committee thereof, meetings of shareholders or otherwise in connection with the business of the Offshore Feeder Fund and the Offshore Master Fund, as applicable.

In performing their duties, the members of the board of directors are entitled, subject to their legal and fiduciary duties, to rely upon, and generally will rely upon, work performed by and the advice of the Investment Advisor, the Offshore Administrator, the auditors and legal counsel, and other service providers.

INVESTMENT PROGRAM

Investment Objective of the Offshore Funds

The Offshore Funds' investment objectives are to achieve stable, superior rates of return while minimizing investment risk. There can be no assurances that the Offshore Funds' investment objectives will be achieved.

Investment Strategies of the Offshore Funds

The Offshore Feeder Fund does not trade directly but invests all of its assets (except for such assets as the Offshore Investment Advisor determines are reasonably necessary or appropriate to pay any fees, expenses or other costs of the Offshore Feeder Fund) in, and conducts its investment program exclusively through, the Offshore Master Fund.

The Offshore Master Fund will consider strategies (as more fully described below) including, but not limited to, arbitrage-oriented strategies, fixed income; global credit; equity arbitrage; event driven; fundamental equity long/short; fundamental long-only equity; structured credit and private investments. The Offshore Master Fund will

strive to identify, develop, and adopt new strategies it believes are consistent with the objective to achieve stable, superior rates of return while minimizing investment risk. Execution of the Offshore Master Fund's investment strategies and exposure to certain investment instruments (discussed below) are anticipated to include transactions made through securities exchanges and over-the-counter ("OTC") markets, and through derivative and privately negotiated transactions. There is no assurance that the strategies will be successful.

The Offshore Master Fund will not invest directly in a share or other interest in any entity (including a right to acquire a share or other interest in any entity) unless such investment is made in accordance with section 115.2 of the Tax Act, which requires that a "Canadian service provider" (as defined in subsection 115.2(1) of the Tax Act), such as the Offshore Investment Advisor, provide services only with respect to "qualified investments" as defined in subsection 115.2(1) of the Tax Act. A share of a corporation, interest in a partnership, trust, entity, fund or organization will not be a qualified investment for these purposes if (i) more than 50% of the fair market value of such share or interest is derived from one or more real or immovable properties situated in Canada, Canadian resource property or timber resource property as defined in the Tax Act and (ii) such share or interest is either (A) not listed on a designated stock exchange under the Tax Act) or (B) listed on a designated stock exchange if the Offshore Master Fund, together with all persons with which it does not deal at arm's length for purposes of the Tax Act, owns 25% or more of the issued shares of any class or series of the capital stock of the corporation or of the total value of the interests in the partnership, trust, entity, fund or organization, as the case may be.

SUBJECT TO THE DISCUSSION ABOVE, THERE ARE NO LIMITS ON THE INVESTMENT STRATEGIES THAT MAY BE PURSUED BY THE OFFSHORE MASTER FUND.

Arbitrage

Capital structure arbitrage involves the analysis of an issuer's underlying business and related balance sheet to identify mispricings of various components of the capital structure (debt, preferred shares and common shares). The strategy involves taking long/short positions in these various instruments in anticipation of their prices converging on their intrinsic value over time. This strategy often precedes or happens concurrently with corporate restructurings.

Convertible arbitrage generally involves the purchasing of convertible securities and the selling of the underlying equity (or other correlated securities or financial instruments) that have been borrowed and not yet purchased (*i.e.*, short selling). Short sales provide funds for the purchase of convertible instruments, reduce equity-linked risk and may enhance yields. It is also possible to reverse this trade where the convertible security is sold (*i.e.*, sold short) and the underlying equity (or other correlated securities) is purchased.

Merger arbitrage involves investing in debt and equity securities involved in announced takeovers or reorganizations.

Volatility arbitrage involves trading equity options, both listed and OTC, in conjunction with the underlying common equity in order to realize profits from volatility more or less than the volatility implied in the option's price.

Warrant arbitrage involves the purchasing of undervalued warrants and selling the underlying equity (or other correlated securities or financial instruments) that have been borrowed and not yet purchased (i.e., short selling) in order to realize profits from volatility more than the volatility implied in the price of the warrant.

Credit arbitrage involves exploitation of inefficiencies in global credit markets, by looking for relative value opportunities in bonds, loans, credit default swaps ("**CDS**"), structured credit products, and a range of other derivative instruments usually within a single reference entity. These inefficiencies can exist as different financial market participants face disparate laws, regulations, investment parameter constraints and objectives. These characteristics of the marketplace interact with natural fixed-income risk premia such as term, liquidity, volatility and credit to create inefficiencies, which may be arbitraged.

Fixed Income

This strategy utilizes a variety of securities, instruments and derivatives within the fixed income landscape. The strategies include, among others, cash markets-futures basis trading, rates trading, relative value, and government and provincial bond arbitrage and carry strategies. The strategy may aim to capture changes in the shape of the yield curve or the relationship between spreads of different countries. The strategy typically involves buying fixed income

instruments while using various hedging techniques (including derivatives) to reduce market risk, credit risk, interest rate risk along with other risks related to fixed income instruments.

Global Credit

Global credit strategies are generally focused on corporate debt and may include the trading of corporate bonds and related derivatives. Different techniques used may include, but are not limited to, long and short term holding periods, long/short credit trading, new issue trading, and capital structure arbitrage. Trades may be made based on a wide array of information, including, among other things, fundamental, macro and thematic analysis. The credits involved may range from investment grade to high yield and distressed debt.

Equity Arbitrage

An arbitrage-oriented approach is generally applied to the trading of both special purpose acquisition companies and closed-end funds when these securities are available for purchase at a discount to their net asset value. Equity arbitrage strategies may also include statistical arbitrage which seeks to exploit pricing inefficiencies or statistical anomalies as recognized or predicted by statistical modelling when market disruptions or specific events cause deviations from historical statistical relationships between equities, equity derivatives or other financial instruments.

Event-Driven Strategies

This strategy focuses on corporate events, and will aim to exploit mispricings in securities of companies that are undergoing, among other things: (i) debt/equity conversions; (ii) extraordinary transactions, such as announced tender offers, mergers and spin-offs, liquidations and reorganizations; (iii) substantive changes in the business or industries of such companies; (iv) dividend cuts; or (v) management team changes.

Fundamental Equity Long/Short

Using fundamental research techniques and traditional valuation metrics, the Offshore Master Fund will invest in, or sell short, equity and equity derivative securities. A portfolio of long positions is maintained against a portfolio of short positions such that return is primarily dependent on stock selection, with minimal exposure to overall market volatility. More specifically, within the fundamental long/short equity strategy the Offshore Master Fund will:

- make long investments in securities which the Offshore Investment Advisor believes are undervalued, especially those with improving fundamentals, strong balance sheets, and solid business franchises;
- sell short securities which the Offshore Investment Advisor believes are overvalued, especially those with deteriorating fundamentals, weak balance sheets, and/or questionable accounting practices; and
- manage the relative weightings of long and short positions to reduce overall portfolio exposure to stock market volatility.

Fundamental Long-Only Equity

Using fundamental research techniques, this strategy may be employed to identify equities believed to exhibit favorable upside based on various valuation metrics and underlying business characteristics.

Structured Credit

This is a fundamental directional strategy that invests in securities (including, but not limited to, asset-backed securities, vintage collateralized debt obligations, collateralized loan obligations, commercial mortgage-backed securities, collateralized debt obligations and structured investment vehicles) deemed to be undervalued due to the following factors, among other things: inefficient markets, misunderstood structural value, product complexity, recent changes in regulatory capital rules and liquidity needs of banks.

Private Investments

These investments may include relatively illiquid debt (including debt secured by real property assets) and equity (both common and preferred) instruments of corporate, private or government issuers or the purchase of hard assets (commercial or consumer, such as equipment, shipping containers, *etc.*) believed to provide attractive risk-adjusted returns. The Offshore Investment Advisor will perform fundamental analysis of the investment opportunity which may include, in the case of corporate borrowers, review of the related business, financial condition, industry position, markets and other factors impacting the company. The Offshore Master Fund may directly originate these investments or choose to participate in transactions structured and/or agented by third parties. Private investments may be structured as control or non-control investments.

Strategy Development

The Offshore Master Fund may introduce or eliminate both new or existing strategies. Strategies in development will generally receive capital allocations that are low relative to existing strategies. Types of strategies in development may vary from existing strategies. Strategies in development may remain in development for an uncertain period of time, be wound up or exit the Strategy Development program as they become standalone strategies.

Leverage

The Offshore Feeder Fund and/or the Offshore Master Fund may utilize leverage, which may be substantial, to further its investment strategy, including, in each case, to enhance returns, to meet redemption requests that would otherwise result in the premature liquidation of investments and for cash management purposes. Leverage may take the form of derivative instruments, which are inherently leveraged, trading on margin, repurchase agreements or loans. While leverage presents the opportunity for increasing the total return on investments, it has the effect of potentially increasing losses as well. Accordingly, any event that adversely affects the value of an investment could be magnified to the extent leverage is utilized. The cumulative effect of the use of leverage with respect to any investments in a market that moves adversely to such investments could result in a substantial loss that would be greater than if the investments were not leveraged.

Other Investment Entities

When appropriate to insulate the general assets of the Offshore Master Fund against liabilities arising from particular investments, to minimize tax liability or tax filing requirements or for other reasons, in each case as determined by the Offshore Investment Advisor, the Offshore Master Fund may use special purpose entities (such as corporations, limited partnerships, limited liability companies and business trusts or combinations thereof) to hold investments ("**Special Purpose Entities**"). The Offshore Master Fund may, in order to gain access to specialized investment strategies not pursued directly by the Offshore Investment Advisor on behalf of the Offshore Master Fund, invest a portion of its assets in private investment vehicles (which, for the avoidance of doubt, shall not include vehicles formed for the purpose of securitizing loan obligations or their warehouses used to hold such loan obligations prior to securitization) managed by independent investment managers or by the Offshore Investment Advisor, enter into joint venture arrangements, co-invest with third parties or otherwise participate in pooled investment vehicles with others, or may allocate a discrete portion of its assets to independent managers to manage on a discretionary basis, if the Offshore Investment Advisor determines that such an arrangement represents the best way to access a particular investment opportunity or otherwise expand the investment expertise available to the Offshore Master Fund ("**Other Investment Entities**"). Generally, investments in Other Investment Entities (other than Special Purpose Entities) are not expected to exceed 5% of the Offshore Master Fund's net asset value at the time of such investments. The Offshore Master Fund may be subject to various costs relating to such ventures, including additional performance-based or fixed asset-based fees or allocations payable to the promoters, managers or advisors of such ventures. If the Offshore Master Fund invests in any Special Purpose Entity or Other Investment Entity advised by the Offshore Investment Advisor, it will only subscribe for shares of, or interests in, such entities that are not charged management or performance fees by the Offshore Investment Advisor. For ventures involving an investment in a particular transaction or a difficult-to-access market (as determined in the sole discretion of the Offshore Investment Advisor), there may be fees, allocations or costs related to such investment. The Offshore Investment Advisor will determine whether any such fees and allocations will reduce the Investment Advisor's Management Fee or Performance Fee.

Overlay Strategies

This category involves utilizing a variety of instruments to hedge overall equity, interest rate, commodity or other macro risks in the portfolio.

Investment Instruments

The Offshore Master Fund may invest, on margin or otherwise, in interests commonly referred to as securities, other financial instruments of U.S. and non-U.S. entities and other assets, including, but not limited to, capital stock; shares of beneficial interest; partnership interests and similar financial instruments; interests in real estate and real estate-related assets; bonds, notes and debentures (whether subordinated, convertible or otherwise); currencies; commodities; physical and intangible assets; interest rate, currency, commodity, equity and other derivative products, including, but not limited to: (i) futures contracts (and options thereon) relating to stock indices, currencies, U.S. government securities and securities of non-U.S. governments, other financial instruments and all other commodities, (ii) swaps, options, swaptions, warrants, caps, collars, floors and forward rate agreements, (iii) spot and forward currency transactions and (iv) agreements relating to or securing such transactions; repurchase and reverse repurchase agreements; loans; accounts and notes receivable and payable held by trade or other creditors; trade acceptances; contract and other claims; executory contracts; participations; mutual funds, exchange traded funds and similar financial instruments; money market funds; obligations of the United States or any state thereof, non-U.S. governments and instrumentalities of any of them; commercial paper; certificates of deposit; bankers' acceptances; choses in action; trust receipts; and any other obligations and instruments or evidences of indebtedness of whatever kind or nature; in each case, of any Person, whether or not publicly traded or readily marketable. Because the Offshore Feeder Fund invests all of its assets (except for such assets as the Offshore Investment Advisor determines are reasonably necessary or appropriate to pay any fees, expenses or other costs of the Offshore Feeder Fund) in the Offshore Master Fund, the Offshore Feeder Fund's assets will be invested indirectly in the foregoing instruments.

Future Investment Activities

The Offshore Master Fund's investment activities and strategies are likely to evolve over time and are not limited to the investment strategies described herein. The Offshore Investment Advisor may, subject to the approval of the board of directors of the Offshore Master Fund, pursue any investment strategy determined to be consistent with the investment objective of the Offshore Master Fund.

Currency Conversion and Hedging

The Reference Shares will be denominated in Canadian dollars. All or a portion of the subscription amounts received by the Offshore Feeder Fund from Polar MS LLEC for the Reference Shares may be converted into U.S. dollars, at the exchange rate obtained by the Offshore Feeder Fund on the relevant date, prior to investment in the Offshore Master Fund.

Generally, the Offshore Feeder Fund will use reasonable endeavors to mitigate the foreign currency risks to which the Reference Shares are subject by utilizing different currency hedging techniques. Specifically, because the investing currency of the Offshore Feeder Fund will primarily be U.S. dollars, it may enter into currency hedging transactions with third parties through the Offshore Master Fund with respect to the Reference Shares.

Such hedging transactions may include a credit component, pursuant to which the Offshore Master Fund may be required to grant to its hedging counterparty a security interest in certain of the Offshore Master Fund's assets. Such security interest may include an undivided interest in all of the Offshore Master Fund's assets, and may not be limited solely to the assets that are attributable to the tranches to which the hedge relates. Accordingly, in such a case, if the Offshore Master Fund defaults with respect to a currency hedging transaction relating solely to one tranche of participating shares of the Offshore Master Fund, then the hedging counterparty could lay claim to an interest in all of the Offshore Master Fund's assets, including those assets relating to any other tranche of participating shares.

There can be no assurance that a currency hedge will be successful or will not itself generate significant losses. Although a currency hedge will be adjusted periodically, a currency hedge will not necessarily at any time hedge the entire exposure to changes in the exchange rate, and the unhedged exposure to changes in the exchange rate may be significant. A currency hedge will be executed and managed by the Offshore Investment Advisor or its affiliates.

The descriptions contained herein of specific strategies that the Offshore Master Fund may be engaged in should not be understood as in any way limiting the Offshore Master Fund's investment activities. The Offshore Master Fund may engage in investment strategies that are not described herein, but that the Offshore Investment Advisor considers appropriate.

The investment program of the Offshore Master Fund is speculative and may entail substantial risks. Since market risks are inherent in all securities investments to varying degrees, there can be no assurance that the investment objectives of the Offshore Master Fund will be achieved. In fact, certain investment practices described above can, in some circumstances, potentially increase the adverse impact on the Offshore Master Fund's investment portfolio. See "Certain Risk Factors Applicable to the Offshore Funds."

Investment Restrictions

The Offshore Master Fund will not invest directly in a share or interest (or an option in respect of, interest in, or for civil law a right in such share or interest) otherwise permitted under paragraph (a) or (b) above unless such investment is made in accordance with section 115.2 of the Tax Act, which requires that a "Canadian service provider" (as defined in subsection 115.2(1)) such as the Offshore Investment Advisor, provide services only with respect to "qualified investments" as defined in subsection 115.2(1) of the Tax Act. A share of a corporation, interest in a partnership, trust, entity, fund or organization will not be a qualified investment for these purposes if (i) more than 50% of the fair market value of such share or interest is derived from one or more real or immovable properties situated in Canada, Canadian resource properties or timber resource properties (as defined in the Tax Act) and (ii) such share or interest is either (A) not listed on a "designated stock exchange" (as defined in the Tax Act) or (B) listed on a "designated stock exchange" if the Offshore Master Fund, together with all persons with which the Offshore Master Fund does not deal at arm's length for purposes of the Tax Act, owns 25% or more of the issued shares of any class or series of the capital stock of the corporation or of the total value of the interests in the partnership, trust, entity, fund or organization, as the case may be.

Other than as stated herein, the Offshore Master Fund will not be subject to any investment restrictions.

The investment program of the Offshore Master Fund is speculative and may entail substantial risks. Since market risks are inherent in all securities investments to varying degrees, there can be no assurance that the investment objectives of the Offshore Feeder Fund and the Offshore Master Fund will be achieved. In fact, certain investment practices described above can, in some circumstances, potentially increase the adverse impact on the Offshore Master Fund's investment portfolio. See "Risk Factors."

DETAILS OF THE OFFERING

The Fund is offering an unlimited number of Class A Units and Class F Units issued in Series (collectively, the "**Units**") to an unlimited number of subscribers with a minimum subscription of $25,000 (or such lesser amount as the Fund Manager may determine in its sole discretion) pursuant to exemptions from the prospectus requirements of applicable securities legislation, to "accredited investors" (as such term is defined in the *Securities Act* (Ontario) or National Instrument 45-106 – *Prospectus Exemptions*, as applicable) resident in, or otherwise subject to the securities laws of, any province or territory in Canada (the "**Offering Jurisdictions**") under this Offering Memorandum (the "**Offering**"). A Unitholder may make an additional investment in Class A Units or Class F Units of not less than $10,000 (or such lesser amount as the Fund Manager may determine in its sole discretion) provided that at such time the Unitholder is an accredited investor.

The Fund Manager reserves the right to accept or reject subscriptions for Units, to change the minimum amounts for investment in the Fund and/or to discontinue the offering of Units at any time and from time to time. Each subscriber must satisfy applicable regulatory requirements.

FEES AND EXPENSES OF THE FUND

Management Fees

The Fund pays the Fund Manager a management fee based upon the Series Net Asset Value of each Series of a Class of Units (before taking into account the accrual of any performance fee payable by the Fund (as described below)).

The Fund Manager will receive a monthly fee equal to 1/12 of 2.5% of the month-end aggregate Series Net Asset Value of the Class A Units (including, subject to applicable securities laws, an amount equal to a 1% annual servicing fee payable by the Fund Manager to brokers, dealers and advisors) and a monthly fee equal to 1/12 of 1.5% of the month-end aggregate Series Net Asset Value of the Class F Units. The management fee is calculated and paid monthly as at the last Business Day of each month and as at any other day as the Fund Manager may determine.

Performance Fees

The Investment Advisor is entitled to an annual performance fee in respect of the outstanding Units of each Series of each Class equal to 5% of the net appreciation in the Series Net Asset Value of each Series of a Class of Units in excess of such Series' High Water Mark. A performance fee is also determined and paid in respect of any redemption of Units during a year where the Series Net Asset Value of such Series is above the High Water Mark for such Series.

In order to facilitate an equitable allocation of the performance fee payable by the Fund to the Investment Advisor amongst all Unitholders, a "series accounting methodology" is used to track the performance fee and, therefore, the "**High Water Mark**" applicable to each Series of a Class of Units. Utilizing the "series accounting methodology" described below, the High Water Mark for each Series of a Class of Units shall be (i) the net asset value of such Series of a Class of Units at the end of the immediately preceding fiscal year in which a performance fee with respect to such Series of a Class of Units was calculated and subsequently paid; or (ii) if a performance fee has not yet been calculated and subsequently paid with respect to such Series of a Class of Units, the aggregate subscription proceeds in respect of such Series of a Class of Units, and, in each case, adjusted on a pro rata basis for redemptions of such Series of a Class of Units. In other words, any unrecovered net depreciation (other than as a result of redemptions) in the net asset value of a Series of a Class of Units in any prior fiscal year will reduce the net appreciation on which a performance fee is calculated with respect to such Series in subsequent years for purposes of calculating a performance fee with respect to such Series of a Class of Units (that is, there is a "perpetual high water mark").

Units issued at any point shall bear a classification which corresponds to the particular month and year in which the particular Units were issued. Units with a Series Net Asset Value for the fiscal year greater than or equal to the applicable High Water Mark of such Units may be reclassified into a base series for the Class of such Units (each, a "**Base Series**") as of the first Business Day of the immediately following fiscal year. In the event that the Series Net Asset Value for a Series of Units does not exceed the applicable High Water Mark in any particular fiscal year (and, therefore, no performance fee is paid in respect of such Units), no reclassification will occur. Such Series of such Units shall continue and may not be reclassified into a Base Series until such time as the Series Net Asset Value of such Units exceeds the applicable High Water Mark at the end of a subsequent fiscal year.

Operating Expenses

The Fund is responsible for the payment of all fees and expenses relating to its operations, including but not limited to, all regulatory filing fees, registrar and transfer agent fees and expenses, trustee fees, audit fees, accounting fees, administration fees, record keeping and legal fees and expenses, custody and safekeeping charges, providing financial and other reports to Unitholders and convening and conducting meetings of Unitholders, all taxes, assessments or other regulatory and governmental charges levied against the Fund and interest expense, if any.

The Fund is generally required to pay applicable sales taxes on the management fee, performance fee and the administration expenses that it pays.

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

The Fund Manager is responsible for its own overhead and operating expenses.

Fees and Expenses Relating to Polar MS LLEC and the Offshore Funds

Polar MS LLEC will invest in a zero management fee tranche of shares of the Offshore Feeder Fund issuable in series.

The Offshore Investment Advisor is entitled to an annual performance fee in respect of each series of the Reference Shares equal to 15% of the appreciation in the net asset value of the applicable series of Reference Shares in excess of the applicable series' "Offshore High Water Mark".

The Offshore Feeder Fund will issue Reference Shares in series, each such series corresponding to a series of LLEC Shares (one series of Reference Shares will be issued for any LLEC Shares issued of that corresponding series). Polar MS LLEC issues LLEC Shares in series, each such series corresponding to a Series of one or more Classes of Units (one series of LLEC Shares will be issued for any Class A Units or Class F Units issued of that corresponding Series). The Reference Shares' Offshore High Water Mark for each series of the Reference Shares shall be (i) the net asset value of such series of Reference Shares at the end of the immediately preceding fiscal year in which a performance fee with respect to such series of Reference Shares was calculated and subsequently paid; or (ii) if a Performance Fee has not yet been calculated and subsequently paid with respect to such series, the aggregate subscription proceeds in respect of such series of Reference Shares, and, in each case, adjusted on a *pro rata* basis for redemptions of such series of Reference Shares. In other words, any unrecovered net depreciation (other than as a result of redemptions) in the net asset value of a series of Reference Shares in any prior fiscal year will reduce the net appreciation on which a performance fee is calculated with respect to such series in subsequent years for purposes of calculating a performance fee with respect to such series of Reference Shares (that is, there is a "perpetual high water mark").

In order to facilitate an equitable allocation of the performance fee payable by the Offshore Feeder Fund to Polar, a "series accounting methodology" will be used to track the performance fee, and therefore the Offshore High Water Mark, applicable to each series of Reference Shares. Reference Shares may be issued in one or more series, numbered consecutively commencing with "Series 1" on the first business day of each month. At each fiscal year end for the Offshore Feeder Fund, each series of Reference Shares (other than Series 1) will be converted without notice into Series 1, by reclassifying the shares of such series into such number of shares of Series 1 of the Reference Shares, the aggregate net asset value of which is equal to the aggregate net asset value of the Reference Shares of the relevant series being reclassified. Notwithstanding the foregoing, no such conversion into Series 1 of a series of Reference Shares will be effected (i) for any series if the net asset value of such Series 1 is less than its Offshore High Water Mark or (ii) for a particular series if the net asset value of such series is less than the Offshore High Water Mark of such series.

Polar MS LLEC and the Offshore Funds are responsible for the payment of all fees and expenses relating to their respective operations, including but not limited to director and administration fees and expenses, audit, accounting, record keeping, legal fees and expenses, custody and safekeeping charges, providing financial and other reports to shareholders and convening and conducting meetings of shareholders, all taxes, assessments or other regulatory and governmental charges levied against Polar MS LLEC or the Offshore Funds (as applicable), and interest. The Offshore Master Fund shall be responsible for all brokerage and other fees relating to its investment portfolio.

VALUATION OF THE FUND

Net Asset Value

Pursuant to the terms of the Trust Agreement, the Fund Manager is entitled, in its sole discretion, to calculate the number of Units, the fair market value of the assets and the amount of liabilities of each Series of Units of the Fund. Under the terms of an administration agreement with the Fund Administrator, the Fund Manager has delegated the responsibility for the calculation of the Net Asset Value of the Fund to the Fund Administrator, which calculation is to be performed in accordance with the provisions of the Trust Agreement. A separate Series Net Asset Value is calculated for each Series of each Class of Units. The Net Asset Value and the Series Net Asset Value, as at the relevant Valuation Date, will be calculated by the Fund Administrator on or about the 20th calendar day following the relevant Valuation Date. A "**Valuation Date**" is the last Business Day of each month on which the banks in Toronto, Ontario are open for business and (ii) any other day as the Fund Manager may determine.

The Net Asset Value of the Fund as of any date shall equal the fair market value of the assets of the Fund as of such date, less an amount equal to the total Fund liabilities as of such date, determined in accordance with the valuation policy of the Fund and in accordance with International Financial Reporting Standards.

The Fund Manager may provide or make available estimates of the Net Asset Value of the Fund or the Series Net Asset Value per Unit of any Series of Units from time to time. Such estimates, if provided or made available, are for

informational purposes only and should not be relied upon or used for any other purpose as they may differ materially from the actual Net Asset Value or Series Net Asset Value per Unit calculated by the Fund Administrator in accordance with the procedures described herein.

Series Net Asset Value per Unit

The Series Net Asset Value, as of any date, shall equal the fair market value of the assets of the Fund as of such date attributable to the Series, less an amount equal to the total Series liabilities as of such date. The Series Net Asset Value per Unit shall be computed by the Fund Administrator as at each Valuation Date by dividing the applicable Series Net Asset Value by the total number of Units of such Series then outstanding on such Valuation Date, prior to any issuance or redemption of Units of such Series to be processed by the Fund Manager immediately following such calculation.

The Series Net Asset Value per Unit bearing a particular designation as described under "Fees and Expenses of the Fund – Performance Fees" may differ from a Base Series due to a different performance fee accrual amount related to such designated Units.

Net Asset Value of the LLEC Shares and Reference Shares

The Net Asset Value of the Fund will generally be equal to the net asset value of the LLEC Shares purchased by the Fund less the Fund's liabilities. The net asset value of the applicable LLEC Shares, in turn, will generally be equal to the net asset value of the Reference Shares purchased by Polar MS LLEC relating to such LLEC Shares less Polar MS LLEC's liabilities. The net asset values may differ, for example, as a result of the expenses of each respective fund or cash that is held by the Fund or Polar MS LLEC.

The net asset value of the Reference Shares (or any series thereof) will be equal to the total assets less the total liabilities attributable to such tranche or series (as the case may be) of Reference Shares as of the applicable date of determination. The net asset value of the Offshore Feeder Fund is based on the net asset value of the Offshore Master Fund. Any gains, losses or associated expenses relating to a currency hedge employed by the Offshore Feeder Fund will be allocated solely to the tranche of the Reference Shares participating in such currency hedge.

The net asset value per Reference Share of any tranche or series is the amount obtained by dividing the net asset value of that tranche or series by the total number of Reference Shares of the tranche or series outstanding on that date. The number of Reference Shares outstanding for these purposes will exclude both Reference Shares presented for redemption by Polar MS LLEC as at that date and any Reference Shares to be issued as at that date.

The board of directors of the Offshore Feeder Fund may suspend redemption rights, the payment of redemption proceeds and/or the calculation and reporting of net asset value per participating share of any tranche or series, including the Reference Shares, (i) in the event that the board of directors of the Offshore Feeder Fund concludes that the net asset value of the Offshore Feeder Fund cannot be calculated in an orderly manner; (ii) when the investments of the Offshore Feeder Fund cannot be liquidated; (iii) upon the convening of a general meeting of the shareholders of the Offshore Feeder Fund for the purposes of considering the termination of the Offshore Feeder Fund; (iv) during any period where any market or exchange on which a substantial part of the investments of the Offshore Feeder Fund are traded is closed (other than for ordinary holidays) or trading has been restricted or suspended thereon; (v) during any state of affairs which, in the judgment of the board of directors of the Offshore Feeder Fund, constitutes an emergency which would render a disposition of the Offshore Feeder Fund's assets impracticable or seriously detrimental to its shareholders; (vi) when, for any reason including a breakdown in the means of communication normally employed in determining the net asset value of the Reference Shares, such net asset value cannot be promptly and fairly ascertained; (vii) when, for any reason, including disruption in the foreign exchange markets, the Offshore Feeder Fund is unable to determine the daily rate for the sale or purchase of U.S. dollars in the relevant foreign exchange market or to transfer funds for any reason whatsoever; or (viii) during any period when any of the above circumstances applies to the Offshore Master Fund or when the Offshore Master Fund suspends the determination of its net asset value, redemption rights, in whole or in part, or the payment of redemption proceeds under circumstances that are analogous to any of the above.

The administrator of the Offshore Funds, Citco Fund Services (Cayman Islands) Limited (the "**Offshore Administrator**"), determines the net asset value of each Offshore Fund and, in the case of the Offshore Feeder Fund,

the net asset value per Reference Share attributable to each tranche or series thereof at the last calendar day of each month, or such other day or days as the board of directors may determine from time to time on a case by case basis or generally after performing independent verification and reconciliation of the Offshore Funds' assets and liabilities, if any, as well as the recording of its revenues and expenses. The value of any investment on any such day is intended to represent the fair value of such investment on such date based upon the amount at which the investment could be exchanged between willing parties, other than in a forced liquidation sale, and is the Offshore Administrator's estimate of such value using the methodology described in the Offshore Funds' valuation policy and procedures, as they may be amended from time to time. The Offshore Funds' valuation policy is based on U.S. generally accepted accounting principles.

In verifying the value of publicly traded securities, the Offshore Administrator will rely on market data independently obtained from third party market data providers. Valuations of other security positions are derived from information received from third parties, including but not limited to brokers and independent valuation services providers. The Offshore Administrator relies, without independent investigation, upon pricing information and valuations furnished to it by third parties, including pricing services. The Offshore Administrator will also rely on the Offshore Investment Advisor to value securities and other instruments held by the Offshore Funds for which quotations are not readily available. The Offshore Investment Advisor verifies and reviews the work conducted by the Offshore Administrator. Security positions and cash balances are reconciled with the Offshore Funds' records based upon confirmations or statements that the Offshore Administrator independently receives from prime brokers and other financial institutions that hold the Offshore Funds' assets. The procedures performed do not constitute an audit in accordance with generally accepted audit standards.

All matters concerning valuation of securities held by the Offshore Funds, as well as accounting procedures not expressly provided for in the constating documents of the Offshore Funds, may be determined by their respective boards of directors, whose determination is final and conclusive. The boards of directors of the Offshore Funds are entitled to exercise their reasonable judgment in determining the values to be attributed to assets and liabilities in accordance with the foregoing.

Any valuation of an investment may not reflect the actual amount that would be received by an Offshore Fund upon liquidation of such investment. In addition, the timing of liquidation of investments may also affect the prices that could be obtained upon such liquidations.

Suspension of Calculation

The Fund Manager may suspend the calculation of Net Asset Value of the Fund and any subscriptions or redemptions of the Units: (i) for the whole or any part of a period during which normal trading is suspended on any stock exchange, options exchange or futures exchange within or outside Canada on which the securities are listed and traded, or on which specified derivatives are traded, if those securities or specified derivatives represent more than 50% by value, or underlying market exposure, of the total assets of the Fund or an Offshore Fund, without allowance for liabilities, and if those securities or specified derivatives are not traded on any other exchange that represents a reasonably practical alternative; (ii) during a period in which the calculation of the value of or redemption of the Reference Shares or LLEC Shares has been suspended (see "*Valuation of the Fund – Net Asset Value of the LLEC Shares and Reference Shares*" above); or (iii) with the approval of the relevant securities regulatory authorities or as otherwise required or permitted under Applicable Securities Laws.

PURCHASE PROCEDURE

Class A Units and Class F Units are offered for sale in Series on a continuous basis at the applicable Series Net Asset Value per Unit, as at the applicable Valuation Date. Fractional Units will be issued up to a maximum of four decimal places.

Subscribers may purchase Units by delivering a completed Investment Application, together with full payment for the Units, to the subscriber's Registered Dealer and the Fund Manager. The Fund Manager must receive payment in addition to the duly completed Investment Application and any other required documents by the third Business Day following the date the subscription order is received. If the subscription order request is received by the Fund Manager on or before the second (2nd) last Business Day of the current month-end (each, a "**Subscription Deadline**"), such subscriber will be admitted at the Series Net Asset Value per Unit for the current month-end. If the subscription order

request is received after the Subscription Deadline for a month, such subscriber will then be admitted at the Series Net Asset Value per Unit for the end of the following month (*i.e.*, will be processed on the last Business Day of the following month).

The Fund Manager reserves the right to accept or reject subscription orders, provided that any decision to reject an order is made within two Business Days after receipt by the Fund Manager of all required documents. Any monies received with a rejected order will be refunded without interest or deduction. The Fund Manager may permit subscriptions from investors outside of the Offering Jurisdictions in its sole discretion, provided it has determined that doing so will not have an adverse impact on the Fund or the existing Unitholders as a group.

All subscriptions for Units will initially be made through the purchase of interim subscription receipts at a fixed net asset value of $100 per subscription receipt ("**Subscription Receipts**"). Following the calculation of the Series Net Asset Value of Units, the Subscription Receipts will be automatically converted, without any further action on the part of the subscriber, into the appropriate number of Units of the applicable Class as per each subscriber's Investment Application. The number of Units of the applicable Series will be the net subscription proceeds divided by the month-end Series Net Asset Value per Unit of such Class determined as at the end of the month in which the subscription order was accepted. Consequently, the initial purchase confirmation will confirm the purchase of the Subscription Receipts while a subsequent confirmation will confirm the final number of Units purchased by the subscriber. The number of Subscription Receipts will be different from the final number of Units so purchased. These Subscription Receipts are not redeemable and do not carry any voting rights.

REDEMPTION OF UNITS

Subject to certain requirements, any Unitholder may request that the Fund Manager redeem his or her Units of a Series at the applicable Series Net Asset Value per Unit as at the last Business Day of any month (each a "**Redemption Date**"), provided that a written or electronic request for redemption is received by the Fund Manager no later than 4:00 p.m. (Toronto time) on a date which is not less than 60 calendar days prior to the applicable Redemption Date. The Fund Manager may waive the requirement to submit a redemption request at least 60 days prior to the applicable Redemption Date or may accept a redemption of Units at any time during the year provided that the Fund Manager concludes that such action will not adversely affect the interests of the remaining Unitholders. Payment of the redemption proceeds (net of any Redemption Charge, as defined below) will be paid to the redeeming Unitholder on or about the 20th calendar day of the month following the Redemption Date.

The Fund is prohibited from allocating income to redeeming Unitholders and will be restricted in its ability to allocate capital gains to redeeming Unitholders. See "Certain Canadian Federal Income Tax Considerations – Taxation of Unitholders".

The investment objective of the Fund is designed for investors with medium to long-term investment horizons and is not intended as a short-term investment. Therefore, the Fund may charge a 3% short-term trading redemption charge (a "**Redemption Charge**"), based on the net asset value of the redeemed Units, to any Unitholder who redeems Units within the first three months of the purchase of such Units.

The Fund Manager may, subject to certain exceptions, decide to satisfy any Redemption Request in full or in part by instructing the Trustee to transfer in specie such securities or other property of the Fund, which transfer, together with payments in cash (if any), shall in the aggregate have a value not less than the redemption amount payable to the Unitholder (i.e., the aggregate of the Series Net Asset Value attributable to such redeemed Units) provided that the value of all securities and other property of the Fund shall be determined as at the relevant Valuation Date. The Fund Manager does not anticipate instructing the Trustee to satisfy redemption requests in specie other than in exceptional circumstances such as when one or more redemptions by one or more Unitholders have a materially prejudicial effect on the remaining Unitholders or otherwise materially and adversely affect the Fund.

In order to pay redemption proceeds to a Unitholder, the Fund will submit a redemption request in respect of the LLEC Shares to Polar MS LLEC. The amounts to be paid to the Fund would be determined by the redemption proceeds that would be received from Polar MS LLEC. The redemption proceeds of the LLEC Shares payable by Polar MS LLEC would be received from the redemption of its investment in the Offshore Feeder Fund. The redemption proceeds of the Reference Shares payable by the Offshore Feeder Fund would be received from the redemption of its investment in the Offshore Master Fund.

If the Offshore Master Fund has received aggregate redemption requests exceeding 10% of its net asset value for an applicable redemption date, the board of directors of the Offshore Master Fund may, in its sole discretion, (i) satisfy all redemption requests received by the Offshore Master Fund (including through the use of leverage) for such redemption date or (ii) reduce all such redemption requests so that only 10% (or more, in the sole discretion of the board of directors of the Offshore Master Fund) of the net asset value of the Offshore Master Fund is redeemed on such redemption date (the "**Master Fund Gate**"). Upon the imposition by the Offshore Master Fund of a Master Fund Gate, the board of directors of the Offshore Feeder Fund may, in its sole discretion, (i) satisfy all redemption requests received by the Offshore Feeder Fund for such redemption date (including through the use of leverage) or (ii) reduce redemption requests received in respect of such redemption date so that the Offshore Feeder Fund is not obligated to pay redemption proceeds in excess of the amount of redemption proceeds which the Offshore Feeder Fund expects to receive in respect of such redemption date (or such higher amount as the board of directors in its sole discretion may determine) (the "**Offshore Fund Gate**"). In the event the Offshore Fund Gate is imposed, shareholders, including Polar MS LLEC, will have their redemption requests reduced such that each shareholder will participate in the aggregate amount available for redemption (up to the amount requested to be redeemed by such shareholder) *pro rata* based on the net asset value of all of such shareholder's participating shares in the Offshore Feeder Fund held at the applicable redemption date (without reduction for redemption requests as of such redemption date).

To the extent that the requested redemption amount of (i) a shareholder, including Polar MS LLEC, in the Offshore Feeder Fund; or (ii) the Offshore Feeder Fund, on behalf of a shareholder, including Polar MS LLEC, has been reduced by restrictions imposed by either an Offshore Fund Gate or a Master Fund Gate, as applicable, a request for the remaining portion of the original redemption amount will be deemed made (unless thereafter rescinded) as of the next redemption date, and such remaining portion will be satisfied as of the next redemption date and thereafter to successive redemption dates until fully redeemed, each time subject to any applicable Offshore Fund Gates or Master Fund Gates; *except* that, any redemption request that remains unsatisfied for more than nine consecutive redemption dates as a result of an Offshore Fund Gate or a Master Fund Gate will be satisfied as of the next redemption date; *provided*, *however*, that the Offshore Feeder Fund or Master Fund is not in suspension, winding up or dissolution, and that there are no other limitations on redemptions, including, without limitation, a suspension of redemptions. Any redemption requests postponed will not have priority over subsequent redemption requests for the same redemption date.

In the event the Offshore Master Fund invests in Other Investment Entities, such Other Investment Entities may also impose limitations on redemptions similar to the Offshore Master Fund. Any such limitations could similarly restrict the Unitholder's ability to redeem its Units.

Where such a reduction takes place, Polar MS LLEC would delay payments to be made to the Fund in respect of a redemption of LLEC Shares. Under this scenario, any pending redemptions of the Fund will be deferred until such time as the Fund receives payment from Polar MS LLEC in respect of the LLEC Shares that have been submitted by the Fund for redemption.

Suspension of Redemptions

The Fund Manager may at any time suspend the right to redeem Units and may postpone the date of payment upon redemption where there has been a suspension in the calculation of the Net Asset Value. See "Valuation of the Fund – Suspension of Calculation".

In the event of such a suspension, a Unitholder who has submitted a Redemption Request in respect of some or all of the Units for which the Series Net Asset Value (as applicable) has not yet been calculated, may either withdraw the Redemption Request or, in the case of redemption for cash or property other than Units, receive payment based on the Series Net Asset Value (as applicable) calculated as of the first Valuation Date following termination of the suspension.

The Fund Manager may redeem some of the Units for which redemption has been requested by Unitholders and postpone or suspend the redemption of the remaining Units of such Unitholders. Any partial redemption shall be made *pro rata* according to the Net Asset Value attributable to the Unitholder's holdings (without reduction for redemption requests as of such Redemption Date).

Mandatory Redemptions

Partial redemptions that reduce the aggregate Net Asset Value of a Unitholder's investment below the minimum balance of $5,000 may result in the Fund requiring a mandatory redemption of all Units held by such Unitholder. The Fund may also require the mandatory redemption of Units in its sole discretion. Any such mandatory redemption will be made at the applicable redemption price per Unit on the next Redemption Date following the issuance of not less than 10 days' prior written notice of the mandatory redemption to the affected Unitholder.

DEALER COMPENSATION

A sales commission of up to 2% of the purchase price may be deducted from a purchase order for Class A Units. Such commission is negotiated between the investor and the registered dealer (a "**Registered Dealer**") through whom the investor purchases the Class A Units and is paid by the investor to the Registered Dealer.

In respect of Class A Units, the Fund Manager will, subject to applicable securities law, pay Registered Dealers a servicing fee based on the aggregate market value of their clients' investment in Class A Units at an annualized rate of 1%. Servicing fees are calculated and paid on a monthly basis in arrears approximately 15 days after the determination of the applicable month-end Series Net Asset Value of the Series of Class A Units. A Registered Dealer is entitled to such fees in respect of such Class A Units for so long as its clients hold those Class A Units.

There is no sales commission or service commission payable in respect of an investor's investment in Class F Units.

In respect of a purchase of any Class of Units, the Fund Manager may agree to pay an additional commission, in an amount to be negotiated on a case-by-case basis, to the Registered Dealer and/or other person legally eligible to accept a commission. Commissions may be modified or discontinued by the Fund Manager at any time.

UNITS OF THE FUND

The Fund is authorized to issue an unlimited number of Classes and/or Series of units of the Fund and an unlimited number of units in each such Class or Series, subject to any determination to the contrary made by the Fund Manager in its sole discretion. The Fund is currently offering an unlimited number of Class A Units and Class F Units, being undivided interests in the Fund (together the "**Units**") in an unlimited number of series (each, a "**Series**") under this Offering Memorandum. The Fund may issue fractional Units so that subscription funds may be fully invested. Each whole Unit of a particular Class or Series represents an equal undivided interest in the net assets of the Fund attributable to that Class or Series of Units and has equal rights to each other Unit of the same Class and Series with respect to all matters, including voting, receipt of distributions from the Fund, liquidation and other events in connection with the Fund. Units will have no preference, conversion, exchange or pre-emptive rights over any other Unit of the same Class or Series. Each whole Unit of a particular Class entitles the holder thereof to one vote at meetings of Unitholders where all Classes vote together, or to one vote at meetings of Unitholders where that particular Class of Unitholders votes separately as a Class. No holder of a fraction of a Unit, as such, shall be entitled to notice of, or to attend or vote at, meetings of Unitholders or of a Class of Unitholders, except to the extent that such fractional Units may represent in the aggregate one or more whole Units.

Units may only be issued as fully-paid and non-assessable upon receipt of the full consideration for which they are to be issued and are not subject to further call or assessment and no pre-emptive rights attach to them. The Fund Manager may, at any time, sub-divide or consolidate any Units. No certificates representing Units shall be issued by the Fund Manager or Trustee. The rights of Unitholders of the Fund are contained in the Trust Agreement and may be modified, amended or varied only in accordance with the provisions contained in the Trust Agreement. Units are transferable on the register of the Fund only by a registered Unitholder or his or her legal representative, subject to compliance with Applicable Securities Laws. Unitholders are entitled to redeem their Units, subject to the Fund Manager's right to suspend the right of redemption. See "Redemption of Units".

Although the money invested by investors to purchase Units of any Class of the Fund is tracked on a Class by Class basis in the Fund's administration records, the assets of all Classes of Units will be combined into a single pool to create one portfolio for investment purposes.

After obtaining the approval of a Unitholder or providing a Unitholder with 30 days' prior written notice, the Fund Manager may reclassify Units of a Series issued to the Unitholder as Units of another Series having an equivalent value. For greater certainty, Units reclassified into a Base Series do not require prior approval or notice.

The Fund may issue additional classes of units from time to time and currently has two classes of units outstanding: Class A Units and Class F Units.

Non-Resident Unitholders

Pursuant to the terms of the Trust Agreement, at no time shall non-residents of Canada for purposes of the Tax Act be the beneficial owners of a majority of the Units. The Fund Manager may require declarations as to the jurisdictions in which beneficial owners of Units are resident. If the Fund Manager becomes aware, as a result of acquiring such declarations as to beneficial ownership or otherwise, that the beneficial owners of more than 40% of the Units then outstanding are, or may be, non-residents of Canada or that such a situation is imminent, the Fund Manager will so notify Unitholders and will not accept a subscription for Units or issue or register a transfer of Units to a person unless the person provides a declaration that the person is not a non-resident of Canada. If, notwithstanding the foregoing, the Fund Manager determines that a majority of the Units are held by non-residents of Canada, the Fund Manager will send a notice to non-resident Unitholders, chosen in inverse order to the order of acquisition or registration or in such manner as the Fund Manager may consider equitable and practicable, requiring them to redeem or transfer their Units or a portion thereto to residents of Canada within a specified period of not more than 60 days. If the non-resident Unitholders receiving such notice have not redeemed or transferred the specified number of Units or provided the Fund Manager with satisfactory evidence that they are not non-residents of Canada within such period, the Fund Manager may arrange for the redemption or sale, on behalf of such Unitholders, of such Units and until such Units are redeemed or sold, shall suspend the voting and distribution rights attached to such Units. Upon such redemption or sale, the affected Unitholders shall cease to be Unitholders and their rights shall be limited to receiving the net proceeds of such redemption or sale. Notwithstanding the foregoing, the Fund Manager may determine not to take any of the actions described above if the Fund Manager has been advised that the failure to take any of such actions would not adversely impact the status of the Fund as a mutual fund trust for the purposes of the Tax Act.

REPORTING TO UNITHOLDERS

The Fund Manager delivers to Unitholders financial statements of the Fund in accordance with the provisions of National Instrument 81-106 – *Investment Fund Continuous Disclosure* of the Canadian Securities Administrators ("**NI 81-106**"). The Fund Manager relies on the exemption pursuant to section 2.11 of NI 81-106 not to file its financial statements with the Ontario Securities Commission.

Pursuant to NI 81-106, Unitholders will be sent audited annual financial statements within 90 days of the Fund's year-end and unaudited semi-annual financial statements within 60 days after June 30th in accordance with their instructions. Under NI 81-106, Unitholders have the option to receive or not receive annual and interim financial statements and have the ability to change their selection at any time by contacting the Fund Manager.

MEETINGS OF UNITHOLDERS

The Fund does not hold regular meetings, however the Fund Manager may convene a meeting of Unitholders, or a Class of Unitholders, as it considers appropriate or advisable from time to time. The Trustee must also call a meeting of Unitholders or of a Class of Unitholders on the written request of Unitholders holding not less than 50% of the outstanding Units (or of a Class with respect to a Class meeting) in accordance with the Trust Agreement, provided that in the event of a request to call a meeting of Unitholders made by such Unitholders, the Trustee shall not be obliged to call any such meeting until it has been satisfactorily indemnified by such Unitholders against all costs of calling and holding such meeting.

Units of a Class shall vote separately as a Class if a Class is affected by any matter requiring the approval of Unitholders in a manner that is different from Units of another Class or if the notice calling the meeting so provides.

Not less than 21 days' notice will be given of any meeting of Unitholders. The quorum at any meeting is two or more Unitholders present in person or by proxy representing not less than 10% of the Units, or Units of a Class, as applicable, then outstanding. If no quorum is present at such meeting when called, the meeting will be adjourned by the Fund

Manager to a date and time determined by the Fund Manager, and at the adjourned meeting the Unitholders then present in person or represented by proxy will form the necessary quorum, if notice of the adjourned meeting is given.

Any consent of Unitholders under the Trust Agreement must be given by not less than 50% of the Units or Units of a Class, as applicable, represented and voted at a meeting or by written resolution.

INCOME AND CAPITAL GAINS DISTRIBUTIONS

The Fund Manager intends to cause the Fund to distribute annually to Unitholders sufficient income and capital gains (net of applicable losses) so that it generally will not pay any non-refundable Canadian federal income tax under Part I of the Tax Act. Distributions, if any, are paid or payable as of the last Business Day of the calendar year, and at such other times as may be determined by the Fund Manager. Subject to the Fund Manager's discretion to make distributions of cash, including to those Unitholders who have redeemed their Units during the applicable calendar year, distributions will automatically be reinvested in additional Units. Following such distributions, Units will be immediately consolidated such that the number of outstanding Units held by each Unitholder on such day following the distribution will equal the number of Units held by the Unitholder prior to the distribution, except to the extent that tax has to be withheld in respect of the distribution. All distributions payable in respect of a Class of Units will be made on a *pro rata* basis to Unitholders of that Class.

CERTAIN CANADIAN FEDERAL INCOME TAX CONSIDERATIONS

The following is, as of the date hereof, a summary of the principal Canadian federal income tax considerations generally applicable to the acquisition, holding and disposition of Units by a Unitholder who acquires Units pursuant to this Offering Memorandum. This summary is applicable to a Unitholder who is an individual (other than a trust, except for the discussion under "Taxation of Registered Plans" including a trust governed by a Registered Plan) and who, for the purposes of the Tax Act and at all relevant times, is resident in Canada, deals at arm's length and is not affiliated with the Fund, and who will hold his/her Units as capital property.

Generally, Units will be considered to be capital property to a holder provided the holder does not hold the Units in the course of carrying on a business of trading or dealing in securities and has not acquired them in one or more transactions considered to be an adventure or concern in the nature of trade. Assuming that the Fund is a "mutual fund trust" for purposes of the Tax Act, certain Unitholders who might not otherwise be considered to hold their Units as capital property may, in certain circumstances, be entitled to have their Units, and all other "Canadian securities" owned or subsequently owned by such Unitholders, treated as capital property by making an irrevocable election under subsection 39(4) of the Tax Act. Unitholders should consult their own tax advisors as to whether an election under subsection 39(4) of the Tax Act is available or advisable in their circumstances.

This summary assumes that no Unitholder has entered or will enter into a "derivative forward agreement", as that term is defined for the purposes of the Tax Act, with respect to the Units.

This summary assumes that, at all times, Polar MS LLEC, the Offshore Feeder Fund and the Offshore Master Fund will not be, and will not be deemed to be, "controlled foreign affiliates" of the Fund within the meaning of the Tax Act and that any LLEC Shares held by the Fund will be capital property of the Fund for the purposes of the Tax Act.

This summary assumes that at all times the Fund will comply with its investment restrictions, and that none of the securities in the portfolio of the Fund will be a "tax shelter investment" within the meaning of subsection 143.2(1) of the Tax Act. This summary further assumes that interests in the Fund that represent more than 50% of the fair market value of all interests therein are will not be held by "financial institutions" as defined for purposes of the "mark-to-market properties" rules in the Tax Act.

Further, this summary assumes that none of the securities in the portfolio of the Fund will be an interest in a trust (or a partnership which holds such an interest) which would require the Fund (or the partnership) to report significant amounts of income in connection with such interest pursuant to the rules in section 94.2 of the Tax Act, or an interest in a non-resident trust other than an "exempt foreign trust" as defined in section 94 of the Tax Act (or a partnership which holds such an interest).

This summary assumes that the only investment of the Fund is in the LLEC Shares and does not describe the income tax consequences relating to any investment in a property other than the LLEC Shares.

This summary is based on the facts set out in this Offering Memorandum, a certificate of the Fund Manager regarding certain factual matters, the current provisions of the Tax Act as at the date hereof, the Tax Proposals, and counsel's understanding of the current published administrative policies and assessing practices of the CRA. Other than the Tax Proposals, this summary does not take into account or anticipate any changes in law, whether by legislative, governmental or judicial action, nor does it take into account other federal or any provincial, territorial or foreign tax considerations, which may differ significantly from those discussed herein. There can be no assurance that the Tax Proposals will be enacted in the form publicly announced or at all.

This summary is not exhaustive of all possible Canadian federal income tax considerations applicable to an investment in Units and does not describe the income tax consequences relating to the deductibility of interest on money borrowed to acquire Units. The income and other tax consequences of acquiring, holding or disposing of Units will vary depending on an investor's particular circumstances, including the province or territory in which the investor resides or carries on business. Accordingly, this summary is of a general nature only and is not intended to be legal or tax advice to any investor. Investors should consult their own tax advisers for advice with respect to the income tax consequences of an investment in Units, based on their particular circumstances.

Status of the Fund

This summary is based on the assumption that the Fund qualifies, and will continue to qualify at all times, as a "mutual fund trust" within the meaning of the Tax Act.

To qualify as a mutual fund trust, (i) the Fund must be a Canadian resident "unit trust" for purposes of the Tax Act, (ii) the only undertaking of the Fund must be (a) the investing of its funds in property (other than real property or interests in real property or immovables or real rights in immovables), (b) the acquiring, holding, maintaining, improving, leasing or managing of any real property (or interest in real property) or of any immovable (or real right in immovables) that is capital property of the Fund, or (c) any combination of the activities described in (a) and (b), and (iii) the Fund must comply with certain minimum requirements respecting the ownership and dispersal of Units. The Fund Manager has advised counsel that the Fund has, at all times since its establishment, met the requirements necessary for it to qualify as a mutual fund trust and that the Fund is expected to meet the requirements necessary for it to qualify as a mutual fund trust at all times in the future.

This summary is also based on the assumption that the Fund has not been established and has not been and will not be maintained primarily for the benefit of non-resident persons unless, at all times, substantially all of its property consists of property other than "taxable Canadian property" within the meaning of the Tax Act (if the definition of such term were read without reference to paragraph (b) of that definition).

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

The Tax Act imposes tax on certain earnings of a specified investment flow-through trust ("**SIFT trust**") at a rate comparable to the combined federal and provincial corporate tax rate for a public corporation. In order to qualify as a SIFT trust, among other things, "investments" (as that term is defined in the Tax Act) in the trust must be listed or traded on a stock exchange or other public market. This summary is based on the assumption that the Fund will at no time be a "SIFT trust". This assumption, in turn, is based, in part, on the assumption that "investments" (as that term is defined in the Tax Act) in the Units will not be listed or traded on a stock exchange or other public market. It is noted that the definition of "investments" in this regard is broad. If the SIFT trust rules were to apply to the Fund, the tax consequences to the Fund and its Unitholders would be materially and adversely different from those described below.

Polar MS LLEC, the Offshore Feeder Fund, and the Offshore Master Fund will be "foreign affiliates" of the Fund within the meaning of the Tax Act. As a result, the Fund will be required to file an annual information return and provide detailed information relating to these corporations and the Fund's holdings in them.

Taxation of the Fund

The taxation year of the Fund is the calendar year. The Fund will be subject to tax in each taxation year under Part I of the Tax Act on the amount of its income for the year, including net realized taxable capital gains and dividends received in the year on shares of corporations (such as the LLEC Shares), less the portion thereof that it claims in respect of amounts paid or payable to Unitholders (whether in cash or in Units) in the year. An amount will be considered to be payable to a Unitholder in a taxation year if it is paid in the year by the Fund or the Unitholder is entitled in that year to enforce payment of the amount. The Fund intends to make sufficient distributions in each year of its net income and net capital gains for tax purposes, thereby permitting the Fund to deduct sufficient amounts so that the Fund will generally not be liable in such year for non-refundable income tax under Part I of the Tax Act.

The Fund will be entitled for each taxation year throughout which it is a mutual fund trust for purposes of the Tax Act to reduce (or receive a refund in respect of) its liability, if any, for tax on its net realized capital gains by an amount determined under the Tax Act based on the redemptions of Units during the year (the "**Capital Gains Refund**"). The Capital Gains Refund in a particular taxation year may not completely offset the tax liability of the Fund for such taxation year which may arise upon the sale or other disposition of LLEC Shares in connection with the redemption of Units and Fund distributions. The Fund Manager has advised counsel that the Fund will take the position that gains and losses realized on the disposition of LLEC Shares are capital gains and capital losses.

A disposition (including a redemption) or deemed disposition of an LLEC Share will generally give rise to a capital gain (or a capital loss) for purposes of the Tax Act to the extent that the Fund's proceeds of disposition exceed (or are less than) the total of the Fund's adjusted cost base of the LLEC Shares and reasonable costs of disposition.

A loss realized by the Fund on a disposition of capital property (including the LLEC Shares) will be a suspended loss for purposes of the Tax Act if the Fund, or a person affiliated with the Fund, acquired a property (a "**substituted property**") that is the same or identical to the property disposed of, within 30 days before and 30 days after the disposition and the Fund, or a person affiliated with the Fund, owns the substituted property 30 days after the original disposition. If a loss is suspended, the Fund cannot deduct the loss from the Fund's capital gains until the substituted property is disposed of and is not reacquired by the Fund, or a person affiliated with the Fund, within 30 days before and after the disposition.

One-half of the amount of any capital gain (a "**taxable capital gain**") realized by the Fund in a taxation year must be included in computing the Fund's income for the year, and one-half of the amount of any capital loss (an "**allowable capital loss**") realized by the Fund in a taxation year may be deducted against any taxable capital gains realized by the Fund in the year. Any excess of allowable capital losses over taxable capital gains for a taxation year may be deducted against taxable capital gains realized by the Fund in any of the three preceding taxation years or in any subsequent taxation year to the extent and under the circumstances described in the Tax Act.

In computing its income for tax purposes, the Fund may deduct reasonable administrative and other expenses incurred to earn income and such other expenses as permitted by the Tax Act. The Fund may generally deduct the costs and expenses of the Offering paid by the Fund and not reimbursed at a rate of 20% per year, pro-rated where the Fund's taxation year is less than 365 days. Any losses incurred by the Fund may not be allocated to Unitholders but may generally be carried forward and back and deducted in computing the taxable income of the Fund in accordance with the detailed rules and limitations in the Tax Act.

The Tax Act contains rules which may require a taxpayer, including the Fund, to include in income in each taxation year an amount in respect of the holding of an "offshore investment fund property". The offshore investment fund property rules may apply to the Fund in respect of the acquisition and holding of the LLEC Shares if, but only if: (a) the value of such LLEC Shares may reasonably be considered to be derived, directly or indirectly, primarily from portfolio investments in (i) shares of the capital stock of one or more corporations, (ii) indebtedness or annuities, (iii) interests in one or more corporations, trusts, partnerships, organizations, funds or entities, (iv) commodities, (v) real estate, (vi) Canadian or foreign resource properties, (vii) currency of a country other than Canada, (viii) rights or options to acquire or dispose of any of the foregoing, or (ix) any combination of the foregoing ("**Investment Assets**"); and (b) it may reasonably be concluded, having regard to all the circumstances, that one of the main reasons for the Fund acquiring, holding or having an interest in the LLEC Shares was to derive a benefit from portfolio investments in any Investment Assets in such a manner that the taxes, if any, on the income, profits and gains from such assets for

any particular year are significantly less than the tax that would have been applicable under Part I of the Tax Act if the income, profits and gains had been earned directly by the Fund.

The CRA has taken the position that the term "portfolio investment" should be given a broad interpretation. The Fund expects that the value of the LLEC Shares should be regarded as being derived primarily from portfolio investments that are Investment Assets. Thus, the offshore investment fund property rules will apply if the requirement with respect to the main reasons for investing in the LLEC Shares, as described above, is satisfied.

If applicable, these rules would generally require the Fund to include in its income for each taxation year in which the Fund owns LLEC Shares the amount, if any, by which (i) an imputed return from the taxation year computed on a monthly basis and calculated as the product obtained when the Fund's "designated cost" (within the meaning of the Tax Act) of such shares at the end of a month, is multiplied by $1/12^{th}$ of the sum of the applicable prescribed rate plus two percent, exceeds (ii) the Fund's income for the year (other than a capital gain) in respect of such shares determined without reference to these rules. The prescribed rate for this purpose is a quarterly rate based on the average equivalent yield of Government of Canada 90-day treasury bills sold during the first month of the immediately preceding quarter. Any amount required to be included in computing the Fund's income in respect of an offshore investment fund property would be added to the adjusted cost base to the Fund of the LLEC Shares.

The current practice of Polar MS LLEC is that it declares sufficient dividends on the LLEC Shares such that no amount of imputed return would be required to be additionally included in the Fund's income for a taxation year in the event that the offshore investment fund property rules applied with respect to the Fund's investment in the LLEC Shares. There can be no assurance that Polar MS LLEC's practice will continue or that the applicable prescribed rate will not increase in the future. In either case, the Fund intends to take the position that the offshore investment fund property rules do not apply with respect to the Fund's investment in the LLEC Shares because none of the main reasons for the Fund acquiring, holding, or having LLEC Shares is to derive a benefit from portfolio investments that are Investment Assets in such a manner that the taxes, if any, on the income, profits and gains from such Investment Assets for any particular year would be significantly less than the tax that would have been applicable under the Tax Act if such income, profits and gains had been earned directly by the Fund. There can be no assurance given, however, that the CRA will accept this position in which case there may be adverse tax consequences to the Fund and/or Unitholders.

Taxation of Unitholders

No gain or loss will be realized by a Unitholder on the issuance of a Unit upon the exchange of a Subscription Receipt. The cost to a Unitholder of a Unit acquired on the exchange of a Subscription Receipt will be the amount paid by that Unitholder for the Subscription Receipt. The adjusted cost base of a Unitholder's Units will be determined by averaging the cost of Units acquired on the exchange of Subscription Receipts with the adjusted cost base of other Units of the same Series, if any, held by the Unitholder as capital property immediately before the time of the exchange.

A Unitholder will generally be required to include in computing income for a taxation year the amount of the Fund's net income for the taxation year, including net realized taxable capital gains, paid or payable to the Unitholder (whether in cash or in Units) in the taxation year including any portions of amounts paid on redemption treated as distributions of income or gains by the Fund. The Tax Act generally prohibits the Fund from deducting, in computing its income, the portion of an amount paid to a redeeming Unitholder that is considered to be paid out of the income of the Fund, and also limits the ability of the Fund to deduct taxable capital gains so designated and allocated to redeeming Unitholders Consequently, the Fund may not be able to completely offset its liability for tax on taxable capital gains which it would be limited from allocating to a redeeming Unitholder. Any such income (including any taxable capital gains) may be made payable to non-redeeming Unitholders so that the Fund would not be liable for non-refundable income tax thereon. Accordingly, the amounts and taxable component of distributions to non-redeeming Unitholders of the Fund may increase.

The non-taxable portion of the Fund's net realized capital gains paid or payable to a Unitholder in a taxation year will not be included in the Unitholder's income for the year. Any other amount in excess of the Fund's net income and net realized capital gains for a taxation year paid or payable to the Unitholder in the year (i.e., returns of capital) will not generally be included in the Unitholder's income. Such amount, however, will generally reduce the adjusted cost base of the Unitholder's Units. To the extent that the adjusted cost base of a Unit would otherwise be less than zero, the negative amount will be deemed to be a capital gain realized by the Unitholder from the disposition of the Unit and

the Unitholder's adjusted cost base will be increased by the amount of such deemed capital gain to zero. Any losses of the Fund for purposes of the Tax Act cannot be allocated to, and cannot be treated as a loss of, a Unitholder.

Provided that appropriate designations are made by the Fund, such portion of the net realized taxable capital gains of the Fund and the taxable dividends, if any, received or deemed to be received by the Fund on shares of taxable Canadian corporations, if any, as is paid or payable to a Unitholder will effectively retain its character and be treated as such in the hands of the Unitholder for purposes of the Tax Act. Amounts designated as taxable dividends from taxable Canadian corporations (which will not include dividends paid on the LLEC Shares) will be subject to the gross-up and dividend tax credit rules, including the enhanced gross-up and tax credit applicable to eligible dividends.

Under the Tax Act, the Fund is permitted to deduct in computing its income for a taxation year an amount that is less than the amount of its distributions for the year, to the extent necessary to enable the Fund to utilize, in a taxation year, losses from prior years without affecting the ability of the Fund to distribute its income annually. The amount distributed to a Unitholder but not deducted by the Fund will not be included in the Unitholder's income. However, the adjusted cost base of the Unitholder's Units will be reduced by such amount (other than the non-taxable portion of the Fund's net realized capital gains paid or payable to the Unitholders, the taxable portion of which was designated to the Unitholder in a year).

On the disposition or deemed disposition of a Unit, including on a redemption, the Unitholder will realize a capital gain (or capital loss) to the extent that the Unitholder's proceeds of disposition (other than any amount payable by the Fund which represents an amount that is otherwise required to be included in the Unitholder's income as described above) exceed (or are less than) the aggregate of the adjusted cost base of the Unit and any reasonable costs of disposition. For the purpose of determining the adjusted cost base of Units to a Unitholder, when additional Units are acquired, the cost of the newly acquired Units will be averaged with the adjusted cost base of all Units of the same Series owned by the Unitholder as capital property immediately before that time. The cost of Units acquired as a distribution of income or capital gains will generally be equal to the amount of the distribution. A consolidation of Units following a distribution paid in the form of additional Units will not be regarded as a disposition of Units and will not affect the aggregate adjusted cost base to a Unitholder of Units.

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

Amounts designated by the Fund to a Unitholder as taxable capital gains and taxable capital gains realized on the disposition of Units may increase the Unitholder's liability for alternative minimum tax.

The Series Net Asset Value per Unit will reflect any income and gains of the Fund that have accrued or have been realized but have not been made payable at the time the Units are acquired. Accordingly, a Unitholder who acquires Units may become taxable on the Unitholder's share of income and gains of the Fund that accrued before the Units were acquired, notwithstanding that such amounts will have been reflected in the price paid by the Unitholder for the Units. In such instance, an investor who acquired Units at any time in the year but prior to a distribution being paid or made payable will have to pay tax on the entire distribution (to the extent it is a taxable distribution) notwithstanding that such amounts may have been reflected in the price paid by the Unitholder for the Units. The current practice of the Fund Manager is to distribute the realized income and gains of the Fund to Unitholders on the last Business Day of a calendar year.

Taxation of Registered Plans

Amounts of income and capital gains included in the income of a trust governed by a Registered Plan are generally not taxable under Part I of the Tax Act, provided that the Units are qualified investments for the Registered Plan. See

"Eligibility for Investment". Unitholders should consult their own advisers regarding the tax implications of establishing, amending, terminating or withdrawing amounts from a Registered Plan.

ELIGIBILITY FOR INVESTMENT

In the opinion of Thorsteinssons LLP, tax counsel to the Fund, provided that the Fund qualifies as a "mutual fund trust" for the purposes of the Tax Act at all times, (i) Units offered pursuant to this Offering Memorandum will be "qualified investments" under the Tax Act for a trust governed by a Registered Plan, and (ii) provided further that neither the Fund, nor any person that does not deal at arm's length with the Fund within the meaning of the Tax Act, is an annuitant, a beneficiary, an employer or a subscriber under, or a holder of, the Registered Plan (as applicable), the Subscription Receipts will be "qualified investments" under the Tax Act for a trust governed by a Registered Plan.

Securities or other property of the Fund received as a result of a redemption *in specie* of Units may not be qualified investments for Registered Plans and this may give rise to adverse consequences to a Registered Plan or the holder of, subscriber of or the annuitant under that plan. Accordingly, Registered Plans that own Units should consult their own tax advisors before deciding to exercise the redemption rights attached to the Units.

Notwithstanding that the Units may be a "qualified investment" for trusts governed by a TFSA, RDSP, RESP, RRSP or RRIF, an annuitant under an RRSP or RRIF, a subscriber of a RESP, or a holder of a RDSP or TFSA, as the case may be, will be subject to a penalty tax if the Units are a "prohibited investment" as defined in the Tax Act for the RRSP, RRIF, RESP, RDSP or TFSA. The Units or the Subscription Receipts will not be a "prohibited investment" for trusts governed by a TFSA, RDSP, RESP, RRSP or RRIF unless the holder of the TFSA or RDSP, the subscriber under the RESP or the annuitant under the RRSP or RRIF, as applicable, (i) does not deal at arm's length with the Fund for purposes of the Tax Act, or (ii) has a "significant interest" as defined in the Tax Act in the Fund. Generally, a holder, subscriber or annuitant, as the case may be, will not have a significant interest in the Fund unless the holder, subscriber or annuitant, as the case may be, owns interests as a beneficiary under the Fund that have a fair market value of 10% or more of the fair market value of the interests of all beneficiaries under the Fund, either alone or together with persons and partnerships with which the holder, subscriber or annuitant, as the case may be, does not deal at arm's length. The Units or Subscription Receipts will not be a prohibited investment if such Units are "excluded property" as defined in the Tax Act for trusts governed by a TFSA, RDSP, RESP, RRSP or RRIF. In addition to the penalty tax, a benefit that is income (including a capital gain) that is reasonably attributable to a "prohibited investment" in respect of a trust governed by a RRSP, RRIF, RESP, RDSP or TFSA will be subject to a tax on that "advantage" payable by the holder, subscriber or annuitant, as the case may be.

Holders of TFSAs or RDSPs, subscribers under RESPs and annuitants under RRSPs or RRIFs should consult with their own tax advisors as to the status of the Units or Subscription Receipts as a "prohibited investment" for purposes of the Tax Act.

RISK FACTORS

Certain Risk Factors Applicable to the Fund

An investment in the Fund involves significant risks. An investment in Units should only be made after consulting with independent and qualified sources of investment and tax advice. An investment in the Fund is speculative and is not intended as a complete investment program. Only investors who can reasonably afford the risk of loss of their entire investment should consider the purchase of Units. **The following does not purport to be a complete summary of all the risks associated with an investment in the Fund and, as a result of the Fund's investment strategy, the Offshore Funds:**

1. Limited Liquidity. An investment in the Fund provides limited liquidity since the Units are not freely transferable. There is no market for the Units and one is not expected to develop. Accordingly, it is possible that Unitholders may not be able to dispose of their Units other than by way of redemption. A Unitholder generally may only redeem its Units upon providing 60 calendar days' prior written notice to the Fund Manager, effective as of the last Business Day of any month. The Fund Manager may suspend the calculation of Net Asset Value of the Fund and any subscriptions or redemptions of the Units: (i) for the whole or any part of a period during which normal trading is suspended on any stock exchange, options exchange or futures exchange within or outside Canada on which the securities are listed and traded, or on which specified

derivatives are traded, if those securities or specified derivatives represent more than 50% by value, or underlying market exposure, of the total assets of the Fund or an Offshore Fund, without allowance for liabilities, and if those securities or specified derivatives are not traded on any other exchange that represents a reasonably practical alternative; (ii) during a period in which the calculation of the value of or redemption of the Reference Shares or LLEC Shares has been suspended (see "Valuation of the Fund – Net Asset Value of the LLEC Shares and Reference Shares" above); or (iii) with the approval of the relevant securities regulatory authorities or as otherwise required or permitted under Applicable Securities Laws.

Furthermore, the Offshore Feeder Fund or the Offshore Master Fund may impose an Offshore Fund Gate or a Master Fund Gate (as defined in "Redemption of Units"), and may only redeem shares subject to restrictions on timing.

In addition, the Fund may charge a Redemption Charge to a Unitholder who redeems Units within the first three months of the purchase of such Units. This Offering of Units is not qualified by way of prospectus, and consequently, the resale of Units is subject to restrictions under Applicable Securities Laws. Unitholders are advised to seek legal advice prior to any resale of the Units. An investment in the Fund is suitable only for sophisticated investors who do not need liquidity with respect to their investment. Such limitations on liquidity must be considered significant.

2. Possible Effect of Redemptions. Substantial redemptions of Units could require the Fund to redeem a substantial portion of its investment in LLEC Shares. This, in turn, could require the Offshore Master Fund to liquidate positions more rapidly than otherwise desirable to raise the necessary cash to fund corresponding redemptions of Offshore Master Fund shares by the Offshore Feeder Fund and redemptions of Reference Shares held by Polar MS LLEC and achieve a market position appropriately reflecting a smaller asset base. In addition, if a significant number of Units is redeemed, the expenses of the Fund would be spread among fewer Units resulting in a potentially lower return per Unit. The Offshore Master Fund may also impose the Master Fund Gate if it has received aggregate redemption requests exceeding 10% of its net asset value for an applicable redemption date. Such factors could adversely affect the value of the Units redeemed and of the Units remaining outstanding.

3. Taxation of the Fund. If the Fund does not qualify, or ceases to qualify, as a mutual fund trust under the Tax Act, the income tax considerations described under the heading "Certain Canadian Federal Income Tax Considerations" would be materially and adversely different in certain respects. There can be no assurance that Canadian federal income tax laws and the administrative policies and assessing practices of the CRA respecting the treatment of mutual fund trusts will not be changed in a manner which adversely affects the Unitholders. In the event that the offshore investment fund property rules are considered to apply to the Fund's investment in LLEC Shares, there may be adverse tax consequences to the Fund. Please see "Certain Canadian Federal Income Tax Considerations – Taxation of the Fund".

Pursuant to rules in the Tax Act, if the Fund experiences a "loss restriction event" it (i) will be deemed to have a year-end for tax purposes (which would result in an unscheduled distribution of the Fund's net income and net realized capital gains, if any, at such time to Unitholders so that the Fund is not liable for income tax on such amounts under Part I of the Tax Act), and (ii) will become subject to the loss restriction rules generally applicable to a corporation that experiences an acquisition of control, including a deemed realization of any unrealized capital losses and restrictions on its ability to carry forward losses. Generally, the Fund will be subject to a loss restriction event if a person becomes a "majority-interest beneficiary", or a group of persons becomes a "majority-interest group of beneficiaries", of the Fund, as those terms are defined in the affiliated persons rules contained in the Tax Act, with certain modifications. Generally, a majority-interest beneficiary of a Fund is a beneficiary in the income or capital, as the case may be, of the Fund whose beneficial interests, together with the beneficial interests of persons and partnerships with whom the beneficiary is affiliated, have a fair market value that is greater than 50% of the fair market value of all the interests in the income or capital, as the case may be, of the Fund. Please see "Certain Canadian Federal

Income Tax Considerations – Taxation of Unitholders" for the tax consequences of a distribution to Unitholders.

4. Taxation of Polar MS LLEC and the Offshore Feeder Fund. Each of Polar MS LLEC and the Offshore Feeder Fund intends to conduct its affairs such that it will not be, or be deemed to be, resident in, or engaged in a trade or business in, any country other than the Cayman Islands for taxation purposes. If Polar MS LLEC or the Offshore Feeder Fund were, or were deemed to be, resident in, or if any of its activities were, or were deemed, to constitute a trade or business in, a country other than the Cayman Islands, then that country's taxes may apply, and may adversely affect the return to Unitholders by reducing amounts payable to the Fund pursuant to its investment in Polar MS LLEC.

5. Charges to the Fund. The Fund will pay management fees, legal, accounting, filing and other expenses regardless of whether the Fund realizes profits. In addition, the Fund will accrue and pay a performance fee to the Investment Advisor in respect of each fiscal year in which net appreciation in the Series Net Asset Value of each Series of Units is in excess of such Series' High Water Mark.

6. Not a Mutual Fund Offered by Prospectus. The Fund is not a mutual fund offered by prospectus and as a result is not required to make public filings or operate in accordance with requirements of Canadian securities regulations applicable to public investment funds. As such, the Fund will not invest in a manner similar to the investments made by a mutual fund offered by prospectus. Investors should note that as the Fund is not a mutual fund offered by prospectus, the rules designed to protect investors who purchase securities of a mutual fund offered by prospectus will not apply to the Units.

7. Long-Term Nature of Investment in Units. An investment in the Fund requires a long-term commitment with no certainty of return. Because of the nature of the Offshore Master Fund's investment program, there can be no assurance that the Offshore Master Fund will be able to realize returns on its investments in a timely manner or at all. It is uncertain as to when profits, if any, will be realized. Losses on unsuccessful investments may be realized before gains are realized on successful investments. The return of capital and realization of gains, if any, from an investment may not occur until a number of years after an investment is made, if at all.

8. Multiple Classes of Units. Each Class of Units has its own fees and expenses which are tracked separately. If for any reason, the Fund is unable to pay the expenses of one Class of Units using that Class' proportionate share of the Fund's assets, the Fund will be required to pay those expenses out of the other Classes' proportionate share of the Fund's assets. This could effectively lower the investment returns of the other Class or Classes of Units even though the value of the investments of the Fund might have increased.

9. Unitholder Liability. The Trust Agreement provides that all reasonable steps will be taken to ensure that no Unitholder will be subject to any liability whatsoever, in tort, contract or otherwise, to any person in connection with the investment obligations, affairs or assets of the Fund and all such persons shall look solely to the Fund's assets for satisfaction of claims of any nature arising out of or in connection therewith. There is a risk, which is considered by the Fund Manager to be remote in the circumstances, that a Unitholder could be held personally liable, notwithstanding the foregoing statement in the Trust Agreement, for obligations of the Fund to the extent that claims are not satisfied out of the assets of the Fund. It is intended that the operations of the Fund will be conducted in such manner so as to minimize such risk. In the event that a Unitholder should be required to satisfy any obligation of the Fund, such Unitholder will be entitled to reimbursement from any available assets of the Fund.

10. Cybersecurity Risk. As part of its business, the Fund Manager and the Investment Advisor process, store and transmit large amounts of electronic information, including information relating to the transactions of the Fund and personally identifiable information of the Unitholders. Similarly, service providers of the Fund Manager, the Investment Advisor and the Fund, especially the Fund Administrator, may process, store and transmit such information. Each of the Fund Manager and the Investment Advisor has procedures and systems in place that it believes are reasonably designed to protect such information and prevent data loss and security breaches. However, such measures cannot provide absolute security. The techniques used to obtain unauthorized access to data, disable or degrade service, or sabotage systems change frequently and

may be difficult to detect for long periods of time. Hardware or software acquired from third parties may contain defects in design or manufacture or other problems that could unexpectedly compromise information security. Network connected services provided by third parties to the Fund Manager or the Investment Advisor may be susceptible to compromise, leading to a breach of the Fund Manager's or the Investment Advisor's network. The Fund Manager and the Investment Advisor's systems or facilities may be susceptible to employee error or malfeasance, government surveillance, or other security threats. On-line services provided by the Fund Manager or the Investment Advisor to the Unitholders may also be susceptible to compromise. Breach of the Fund Manager's or the Investment Advisor's information systems may cause information relating to the transactions of the Fund and personally identifiable information of the Unitholders to be lost or improperly accessed, used or disclosed. The service providers of the Fund Manager, the Investment Advisor and the Fund are subject to the same electronic information security threats as the Fund Manager and the Investment Advisor. If a service provider fails to adopt or adhere to adequate data security policies, or in the event of a breach of its networks, information relating to the transactions of the Fund and personally identifiable information of the Unitholders may be lost or improperly accessed, used or disclosed. The loss or improper access, use or disclosure of the Fund Manager's, the Investment Advisor's or the Fund's proprietary information may cause the Fund Manager, the Investment Advisor or the Fund to suffer, among other things, financial loss, the disruption of its business, liability to third parties, regulatory intervention or reputational damage. Any of the foregoing events could have a material adverse effect on the Fund and the Unitholders' investments therein.

11. Access to Information and Effect on Redemptions. Because of the wide range of potential investments, potentially rapid shifts in the concentration of investments among types of securities or strategies, the inherent complexity of many of the Offshore Master Fund's investment strategies and other factors, prospective and current Unitholders will not have sufficient information to analyze or evaluate in detail the specific risks and potential returns of the Offshore Master Fund's investment program prospectively. In the absence of an agreement to the contrary between a Unitholder and the Offshore Investment Advisor, the Offshore Investment Advisor generally will not provide detailed information about the Offshore Master Fund's portfolio or any advance notice of anticipated changes in the composition of the Offshore Master Fund's portfolio, nor will the Offshore Investment Advisor be obligated to provide information to prospective or current Unitholders as to how the Offshore Master Fund voted proxies. Furthermore, in response to questions and requests and in connection with due diligence meetings and other communications, the Offshore Master Fund and the Offshore Investment Advisor may provide additional information to certain prospective and current Unitholders that is not distributed to other prospective or current Unitholders. Such information may affect a prospective Unitholder's decision to invest in the Fund, and Unitholders (which may include personnel and affiliates of the Offshore Investment Advisor) may be able to act on such additional information and redeem their Units potentially at higher values than other investors. Any such redemptions may result in reduced liquidity for other investors and, in order to meet larger or more frequent redemptions, the Offshore Master Fund may need to maintain a greater amount of cash and cash-equivalent investments than it would otherwise maintain, which may reduce the overall performance of the Offshore Master Fund. Each Unitholder is responsible for asking such questions as it believes are necessary in order to make its own investment decisions, must decide for itself whether the limited information provided by the Offshore Investment Advisor and the Offshore Master Fund is sufficient for its needs and must accept the foregoing risks.

12. Canadian Tax Risks. There can be no assurance that any potential Canadian tax consequence described in this Offering Memorandum will necessarily apply. Further, it is the responsibility of any person interested in purchasing Units to inform herself/himself as to any tax consequences from such investment which are relevant to her/his particular circumstances. An investor should therefore seek her/his own separate tax advice in relation to the acquisition, holding and disposition of Units. None of the Fund Manager, Investment Advisor or the Fund or any of their counsel or other advisors are responsible for any Canadian tax liability (or any related penalties, interest or other additions to tax) applicable to an investor in the Fund or for the effect of Canadian taxes (or any related penalties, interest or other additions to tax) on the investment returns of the Fund.

13. Changes to Canadian Tax Laws. There can be no assurance that Canadian federal income tax laws and the administrative policies and assessing practices of the CRA will not be changed, whether by judicial,

governmental or legislative decision or action, possibly on a retroactive basis and/or without "grandfathering" or other relief, in a manner that adversely affects the Fund and/or the Unitholders.

14. Challenges by the CRA. There may be disagreements with the CRA in connection with certain positions taken by the Fund with respect to its classification or status for income tax purposes, the nature of the income earned by the Fund, the deductions, determinations or computations made by the Fund or other filing positions. A successful challenge of any such position taken by the Fund may adversely affect the Fund and/or the Unitholders.

Certain Risk Factors Applicable to the Offshore Funds

The following is a summary of some of the risk factors associated with the Offshore Funds to which the Fund is indirectly exposed through its purchase of the LLEC Shares but does not purport to be a complete summary of all risks. A more detailed list of risk factors specific to the investment strategies utilized by the Offshore Master Fund may be obtained upon request by contacting the Fund Manager.

1. Retention and Motivation of Key Employees. The Offshore Master Fund's performance is largely dependent on the talents and efforts of highly skilled individuals. Competition in the financial services industry for qualified employees is intense. The Offshore Master Fund's continued ability to effectively manage its portfolio depends on the Offshore Investment Advisor's ability to attract new employees and to retain and motivate its existing employees.

2. No Material Limitation on Strategies; New Strategies and Techniques. The Offshore Investment Advisor has considerable discretion in the types of securities which the Offshore Master Fund may trade and has the right to modify the trading strategies or hedging techniques of the Offshore Master Fund without the consent of the Offshore Master Fund's shareholders. Any new trading techniques selected by the Offshore Investment Advisor may not be thoroughly tested in the market before being employed and may have operational or theoretical shortcomings which could result in unsuccessful trades and, ultimately, losses to the Offshore Master Fund. In addition, any new investment strategy or hedging technique developed by the Offshore Master Fund may be more speculative than earlier techniques and may increase the risk of an investment in the Offshore Master Fund.

3. Hybrid and Other Strategies. The strategies to be executed by the Offshore Investment Advisor may combine elements of more than one of the general strategy types described above. Often, in the course of implementing a particular strategy an opportunistic trade representing a different trading approach will be made. For example, in seeking to identify a relatively mispriced pair of assets, the Offshore Investment Advisor may conclude that an asset is sufficiently over or underpriced to merit taking an outright directional position.

4. Limited Diversification. In the normal course of making investments on behalf of the Offshore Master Fund, Polar, as the Offshore Investment Advisor may, but is not obligated to, diversify its investments. However, the Offshore Master Fund's portfolio could become significantly concentrated, for example, in any one issuer, industry, sector, strategy, country or geographic region, and such concentration of risk may increase any losses suffered by the Offshore Master Fund. In addition, it is possible that the Offshore Investment Advisor may select investments that are concentrated in a limited number or type of financial instruments. This limited diversity could expose the Offshore Master Fund to losses disproportionate to market movements in general if there are disproportionately greater adverse price movements in those financial instruments.

5. Hedging Transactions. The Offshore Master Fund may utilize financial instruments, both for investment purposes and for risk management purposes in order to (i) protect against possible changes in the market value of the investment portfolio of the Offshore Master Fund resulting from fluctuations in the markets and changes in interest rates; (ii) protect the unrealized gains of the Offshore Master Fund in the value of its investment portfolio; (iii) facilitate the sale of any such investments; (iv) enhance or preserve returns, spreads or gains on any investment in the investment portfolio of the Offshore Master Fund; (v) hedge against a directional trade; (vi) hedge the interest rate, credit or currency exchange rate on any liabilities or assets of the Offshore Master Fund; (vii) protect against any increase in the price of any securities which the Offshore Master Fund anticipates purchasing at a later date; or (viii) act for any other reason that the Offshore

Investment Advisor deems appropriate. The Offshore Master Fund will not be required to hedge any particular risk in connection with a particular transaction or its portfolio generally. While the Offshore Master Fund may enter into hedging transactions to seek to reduce risk, such transactions may result in a poorer overall performance for the Offshore Master Fund than if it had not engaged in any such hedging transaction. Moreover, the portfolio will always be exposed to certain risks that cannot be hedged.

Hedging techniques involve one or more of the following risks: (i) imperfect correlation between the performance and value of the instrument and the value of the Offshore Master Fund securities or other objective of the Offshore Investment Advisor; (ii) possible lack of a market for closing out a position in such instrument; (iii) losses resulting from interest rate, spread or other market movements not anticipated by the Offshore Investment Advisor; (iv) the possible obligation to meet additional margin or other payment requirements, all of which could worsen the Offshore Master Fund's position; and (v) default or refusal to perform on the part of the counterparty with which the Offshore Master Fund trades. Furthermore, to the extent that any hedging strategy involves the use of OTC derivative transactions, such a strategy would be affected by implementation of the various regulations adopted pursuant to the U.S. Dodd-Frank Wall Street Reform and Consumer Protection Act (the "**Dodd-Frank Act**").

6. Investment and Trading Risks. Any investment in financial instruments carries certain market risks. An investment in the Fund is speculative and involves a high degree of risk due to the nature of the Fund's investments and the investment and trading strategies to be employed by the Offshore Master Fund. An investment in the Fund should not in and of itself be considered a balanced investment program. Investors should be able to withstand the loss of their entire investment. All investments in financial instruments risk the loss of capital. No guarantee or representation is made that the Fund's investment objective will be successful. The Offshore Master Fund's investment program will involve, without limitation, risks associated with possible limited diversification, leverage, volatility, tracking risks in hedged positions, security borrowing risks in short sales, credit deterioration or default risks, systems risks and other risks inherent in the Offshore Master Fund's activities. Certain investment techniques of the Offshore Master Fund can, in certain circumstances, magnify the impact of adverse market moves to which the Fund may be subject. In addition, the Offshore Master Fund's investment in financial instruments may be materially affected by conditions in the financial markets and overall economic conditions occurring globally and in particular countries or markets where the Offshore Master Fund may invest its assets.

   The Offshore Master Fund's method of minimizing such risks may not accurately predict future risk exposures. Risk management techniques are based in part on the observation of historical market behavior, which may not predict market divergences that are larger than historical indicators. Also, information used to manage risks may not be accurate, complete or current, and such information may be misinterpreted.

7. Long/Short Strategy. The success of the Offshore Master Fund's long/short investment strategy depends upon the Offshore Investment Advisor's ability to identify and purchase securities that are undervalued and identify and sell short securities that are overvalued. The identification of investment opportunities in the implementation of the Offshore Master Fund's long/short investment strategies is a difficult task, and there are no assurances that such opportunities will be successfully recognized or acquired. In the event that the perceived opportunities underlying the Offshore Master Fund's positions were to fail to converge toward, or were to diverge further from, values expected by the Offshore Investment Advisor, the Offshore Master Fund may incur losses. Equity securities fluctuate in value in response to many factors, including, among others, the activities and financial condition of individual companies, the business market in which individual companies compete, industry market conditions, interest rates and general economic environments. In addition, events such as the domestic and international political environments, terrorism and natural disasters, may be unforeseeable and contribute to market volatility in ways that may adversely affect investments made by the Offshore Master Fund. In the event of market disruptions, significant losses can be incurred which may force the Offshore Master Fund to close out one or more positions. Furthermore, the valuation models used to determine whether a position presents an attractive opportunity consistent with the Offshore Investment Advisor's long/short strategies may become outdated and inaccurate as market conditions change. The Offshore Master Fund also may be exposed to risks that issuers will not fulfill contractual

obligations such as, in the case of convertible securities or private placements, delivering marketable common stock upon conversions of convertible securities and registering restricted securities for public resale.

8. Non-U.S. or Non-Canadian Investments. Investing in the securities of companies (and, from time to time, governments) outside of the United States or Canada involves certain considerations not usually associated with investing in securities of U.S. or Canadian companies or the U.S. or Canadian government, including political and economic considerations, such as greater risks of expropriation, nationalization, confiscatory taxation, imposition of withholding or other taxes on interest, dividends, capital gains, other income or gross sale or disposition proceeds, limitations on the removal of assets and general social, political and economic instability; the relatively small size of the securities markets in such countries and the low volume of trading, resulting in potential lack of liquidity and in price volatility; the evolving and unsophisticated laws and regulations applicable to the securities and financial services industries of certain countries; fluctuations in the rate of exchange between currencies and costs associated with currency conversion; and certain government policies that may restrict the Offshore Master Fund's investment opportunities. In addition, accounting and financial reporting standards that prevail outside of the U.S. or Canada may not be as high as U.S. or Canadian standards and, consequently, less information may be available concerning companies located outside of the U.S. or Canada than for those located in the U.S. or Canada. As a result, the Offshore Master Fund may be unable to structure its transactions to achieve the intended results or to mitigate all risks associated with such markets. It may also be difficult to enforce the Offshore Master Fund's rights in such markets. For example, securities traded on non-U.S. or Canadian exchanges and the non-U.S. or Canadian persons that trade these instruments are not subject to the jurisdiction of the U.S. Securities and Exchange Commission, the U.S. Commodity Futures Trading Commission, the Canadian securities administrators or the securities and commodities laws and regulations of the U.S or Canada. Accordingly, the protections accorded to the Offshore Master Fund under such laws and regulations are unavailable for transactions on non-U.S. or Canadian exchanges and with non-U.S. or Canadian counterparties. Trading on non-U.S. or Canadian exchanges may be subject to more risks than trading on U.S. or Canadian exchanges, such as the risks of exchange controls, expropriation, burdensome taxation, moratoria and political or diplomatic events.

   The economies of non-U.S. or non-Canadian countries may differ favorably or unfavorably from the U.S. or Canadian economy in such respects as growth of gross domestic product, rate of inflation, currency depreciation, asset reinvestment, resource self-sufficiency and balance of payments position. Furthermore, certain non-U.S. or Canadian economies are heavily dependent upon international trade and, accordingly, have been and may continue to be adversely affected by trade barriers, exchange controls, managed adjustments in relative currency values and other protectionist measures imposed or negotiated by the countries with which they trade. The economies of certain non-U.S. or Canadian countries may be based, predominantly, on only a few industries and may be vulnerable to changes in trade conditions and may have higher levels of debt or inflation.

9. General Economic and Market Conditions. The success of the investment activities of the Offshore Master Fund will be affected by general economic and market conditions, such as interest rates, availability of credit, credit defaults, inflation rates, economic uncertainty, changes in laws (including laws relating to taxation of the investments of the Offshore Master Fund), trade barriers, currency exchange controls, and national and international political circumstances (including wars, terrorist acts, security operations, wide health crises or global pandemics). These factors, such as the war in Ukraine and recent sanctions imposed against Russia which are designed to target, among others, the Russian financial system, may affect the level and volatility of securities prices and the liquidity of the investments of the Offshore Master Fund. Volatility or illiquidity could impair the profitability of the Offshore Master Fund or result in losses. The Offshore Master Fund may maintain substantial trading positions that can be adversely affected by the level of volatility in the financial markets; the larger the positions, the greater the potential for loss.

10. COVID-19. In 2020, the global outbreak of a novel coronavirus (SARS-CoV-2) and related respiratory disease and variants (collectively, "COVID-19") created enormous unprecedented economic and social uncertainty throughout the world. The ultimate impact of the COVID-19 outbreak (or of any future pandemic, epidemic or outbreak of a contagious disease) is difficult to predict, but it is possible that such outbreaks could have an enduring and materially adverse impact on global, national and local economies. In particular, disruptions to commercial activity across economies due to the imposition of quarantines, remote

working policies, "social distancing" practices and travel restrictions, and/or failures to contain the outbreak despite these measures, could materially and adversely impact the Offshore Master Fund's investments, both in the near- and long-term in a variety of industries and regions or globally. The imposition of such restrictions (including, but not limited to, "shelter in place" or "lock-down" directives) may impact the ability of the Offshore Investment Advisor's personnel to travel in connection with potential or existing investments, or otherwise disrupt the Offshore Investment Advisor's business activities, which could in turn negatively impact its ability to effectively identify, monitor, operate and dispose of Offshore Master Fund investments and operate the Offshore Master Fund in general. Similar disruptions have occurred and may continue to occur in respect of service providers and counterparties (including providers of financing). In addition, the outbreak of COVID-19 has contributed to, and may continue to contribute to, volatility in financial markets, which may disrupt historical pricing relationships or trends, causing positions to become illiquid, disrupt the availability of financing or negatively impact the performance of the Offshore Master Fund. Governmental responses to the COVID-19 outbreak may be inadequate to limit the outbreak's spread or to mitigate its impact on any nation's economy or the global economy, and these responses could have adverse effects, intended and unintended, on market structures and the overall, long term performance of markets. The extent to which COVID-19 affects the Offshore Master Fund will depend on a variety of factors and developments, which can occur extremely rapidly but cannot be predicted—including emerging new information about the severity of COVID-19, the actions taken to contain it, and actions proposed or taken to mitigate its impact. Additionally, the perception of an outbreak of COVID-19 or another contagious disease has had and may in the future have an adverse effect on global economic conditions and result in significant market volatility.

11. Short Selling. Short selling involves selling securities which are not owned by the short seller and borrowing them for delivery to the purchaser, with an obligation to replace the borrowed securities at a later date. Short selling allows the seller to profit from declines in market prices of the sold securities to the extent such decline exceeds the transaction costs and the costs of borrowing the securities. A short sale creates the risk of a theoretically unlimited loss, in that the price of the underlying security could theoretically increase without limit, thus increasing the cost to the Offshore Master Fund of buying those securities to cover the short position. There can be no assurance that the Offshore Master Fund will be able to maintain the ability to borrow securities sold short. In such cases, the Offshore Master Fund can be "bought in" (*i.e.*, forced to repurchase securities in the open market in order to return them to the lender). There also can be no assurance that the securities necessary to cover a short position will be available for purchase at or near prices quoted in the market. Purchasing securities to close out a short position can itself cause the price of the securities to rise further, thereby exacerbating the loss. Short strategies can also be implemented synthetically through various instruments and be used with respect to indices and with respect to futures and other instruments. Short strategies can also be implemented on a leveraged basis. Lastly, even though the Offshore Master Fund secures a "good borrow" of the security sold short at the time of execution, the lending institution may recall the lent security at any time, thereby forcing the Offshore Master Fund to purchase the security at the then-prevailing market price which may be higher than the price at which such security was originally sold short by the Offshore Master Fund.

12. Lending of Portfolio Securities. The Offshore Master Fund may lend securities on a collateralized and uncollateralized basis from its portfolio to creditworthy securities firms and financial institutions. While a securities loan is outstanding, the Offshore Master Fund will continue to receive the equivalent of the interest or dividends paid by the issuer on the securities, as well as interest on the investment of the collateral or a fee from the borrower. The risks in lending securities, as with other extensions of secured credit, if any, consist of possible delay in receiving additional collateral, if any, or in recovery of the securities or possible loss of rights in the collateral, if any, should the borrower fail financially.

13. Volatility Risk. The Offshore Master Fund's investment program may involve the purchase and sale of derivatives, which are frequently valued based on implied volatilities of such derivatives compared to the historical volatility of their underlying securities. Fluctuations or prolonged changes in the volatility of securities, therefore, can adversely affect the value of securities held by the Offshore Master Fund.

14. Leverage; Interest Rates; Margin. The Offshore Funds have the authority to borrow money for investment purposes, to pay redemptions and for cash management purposes. The Offshore Funds may directly or indirectly borrow funds from brokerage firms and banks. Borrowing for investment purposes is known as

"leverage." The Offshore Funds may also utilize a form of "leverage" by using derivative instruments, which are inherently leveraged, trading on margin, repurchase agreements or loans. Although leverage presents opportunities for increasing total investment return, it has the effect of potentially increasing losses as well. Any event that adversely affects the value of an investment, either directly or indirectly, by the Offshore Funds could be magnified to the extent that leverage is employed. The cumulative effect of the use of leverage, directly or indirectly could result in a loss that would be greater than if leverage were not employed. In addition, to the extent the Offshore Funds borrow funds, the rates at which they can borrow may affect their operating results.

In general, the anticipated use of short-term margin borrowings by the Offshore Funds results in certain additional risks. For example, should the securities that are pledged to brokers to secure margin accounts decline in value, or should brokers from which the Offshore Funds have borrowed increase their maintenance margin requirements (*i.e.*, reduce the percentage of a position that can be financed), then the Offshore Funds could be subject to a "margin call," pursuant to which the Offshore Funds must either deposit additional funds with the broker or suffer mandatory liquidation of the pledged securities to compensate for the decline in value. In the event of a sudden precipitous drop in the value of the Offshore Funds' assets, the Offshore Funds might not be able to liquidate assets quickly enough to pay off the margin debt and might suffer mandatory liquidation of positions in a declining market at relatively low prices, thereby incurring substantial losses. For these reasons, the use of borrowings for investment purposes is considered a speculative investment practice.

15. Suspension of Trading. Securities exchanges typically have the right to suspend or limit trading in any instrument traded on the exchange. A suspension of trading of securities held by the Offshore Master Fund would render it impossible to liquidate positions and could thereby expose the Offshore Master Fund to losses.

16. Taxation of the Offshore Funds. The Offshore Funds intend to conduct their affairs such that they will not be, or be deemed to be, resident in, or engaged in a trade or business in, any country other than the Cayman Islands for taxation purposes. If an Offshore Fund were, or were deemed to be, resident in, or if any of its activities were, or were deemed to, constitute a trade or business in, a country other than the Cayman Islands, then that country's taxes may apply, and may adversely affect the return to Unitholders by reducing amounts payable to the Fund.

17. Investments in Other Investment Entities. Investments by the Offshore Master Fund in Other Investment Entities may increase the costs to the Fund. In addition, the Offshore Investment Advisor may not have control over the management of any funds in which the Offshore Master Fund invests. Although the Offshore Investment Advisor will conduct customary due diligence in respect of independent investment managers, there is no guarantee that due diligence will protect against the risk of fraud, misrepresentation or other misconduct on the part of such managers.

18. Systems Risks. The Fund and the Offshore Funds depend on Polar to develop and implement appropriate systems for their investment activities. The Offshore Master Fund relies extensively on computer programs and systems to trade, clear and settle securities transactions, to evaluate certain securities based on real-time trading information, to monitor its portfolios and net capital, and to generate risk management and other reports that are critical to oversight of the Offshore Master Fund's activities. In addition, certain of the Offshore Master Fund's and the Offshore Investment Advisor's operations interface with or depend on systems operated by third parties, including prime brokers and market counterparties and their sub-custodians and other service providers, and the Offshore Investment Advisor may not be in a position to verify the risks or reliability of such third-party systems. These programs or systems may be subject to certain defects, failures or interruptions, including, but not limited to, those caused by computer "worms," viruses and power failures. Any such defect or failure could have a material adverse effect on the Offshore Master Fund. For example, such failures could cause settlement of trades to fail, lead to inaccurate accounting, recording or processing of trades, and cause inaccurate reports, which may affect the Offshore Master Fund's ability to

monitor its investment portfolios and its risks. Studies have shown that the lack of adequate systems is often a significant contributing factor to failures of funds with similar strategies as the Offshore Master Fund.

19. Operational Risk. The Offshore Master Fund depends on the Offshore Investment Advisor to develop the appropriate systems and procedures to control operational risk. Operational risks arising from mistakes made in the confirmation or settlement of transactions, from transactions not being properly booked, evaluated or accounted for or other similar disruption in the Offshore Master Fund's operations may cause the Offshore Master Fund to suffer financial loss, the disruption of its businesses, liability to clients or third parties, regulatory intervention or reputational damage. The Offshore Investment Advisor's business is highly dependent on its ability to process, on a daily basis, a large number of transactions across numerous and diverse markets. Consequently, the Offshore Investment Advisor relies heavily on its internal processing systems. The ability of the Offshore Investment Advisor's systems to accommodate an increasing volume of transactions could also constrain the Offshore Master Fund's abilities to properly manage its portfolios.

20. Concerns Regarding the E.U. and "Brexit." The United Kingdom ("U.K.") ceased to be a member of the European Union ("E.U.") on January 31, 2020 ("Brexit"). During a prescribed period (the "Transition Period"), which ended on December 31, 2020, certain transitional arrangements were in effect, such that the U.K. continued to be treated, in most respects, as if it were still a member of the E.U., and generally remained subject to E.U. law. On December 24, 2020, the E.U. and the U.K. reached an agreement in principle on the terms of certain agreements and declarations governing the ongoing relationship between the E.U. and the U.K., including the European Union-United Kingdom Trade and Cooperation Agreement (the "TCA"). The TCA is limited in its scope primarily to the trade of goods, transport, energy links and fishing; in particular the TCA does not make any meaningful provision for the financial services sector. Uncertainties remain relating to certain aspects of the U.K.'s future economic, trading and legal relationships with the E.U. and with other countries.

    The impact of such events on the Offshore Master Fund is difficult to predict but they may adversely affect the return on the Offshore Master Fund and its investments. There may be detrimental implications for the value of certain of the Offshore Master Fund's investments, its ability to enter into transactions or to value or realize such investments or otherwise to implement its investment program. It is possible that certain of the Offshore Master Fund's investments may need to be restructured to enable the Offshore Master Fund's objectives to be pursued fully. This may increase costs or make it more difficult for the Offshore Master Fund to pursue its investment objectives.

21. Political Uncertainty. Some of the results of recent elections and referenda in the United States, the UK, Italy, and other developed market countries have been unexpected and resulted in material market changes and increases in market uncertainty. Given recent changes in administrations and applicable law following these votes, the future of current regulations, or the adopting of new regulations, is also uncertain. These uncertainties may have adverse impacts on, or alternatively create investments opportunities for, the Offshore Master Fund.

22. Governmental Interventions. Extreme volatility and illiquidity in markets has in the past led to, and may in the future lead to, extensive governmental interventions in equity, credit and currency markets. Generally, such interventions are intended to reduce volatility and precipitous drops in value. In certain cases, governments have intervened on an "emergency" basis, suddenly and substantially eliminating market participants' ability to continue to implement certain strategies or manage the risk of their outstanding positions. In addition, these interventions have typically been unclear in scope and application, resulting in uncertainty. It is impossible to predict when these restrictions will be imposed, what the interim or permanent restrictions will be and/or the effect of such restrictions on the Offshore Master Fund's strategies.

Certain Risk Factors Applicable to the Fund and the Offshore Funds

1. Reliance on Polar. All investment and trading decisions for the Fund and the Offshore Funds will be made by Polar and its judgment and ability will determine the success of the Fund and the Offshore Funds. No assurance can be given that the investment strategies of the Fund and the Offshore Funds will prove successful under any or all market conditions.

2. Illiquidity. There can be no assurance that any of the Fund, Polar MS LLEC or the Offshore Funds will be able to dispose of their respective investments in order to honour requests to redeem Units. Private securities may also include a prohibition against their transfer, sale, pledge or other disposition except in a transaction that is exempt from the registration requirements of, or is otherwise in accordance with, those laws. Due to the illiquid nature of certain of the positions which the Offshore Master Fund is expected to acquire, as well as the uncertainties of the reorganization and active management process, the Offshore Investment Advisor will be unable to predict with confidence what the exit strategy will ultimately be for any given core position, or that one will definitely be available. Exit strategies, which appear to be viable when an investment is initiated, may be precluded by the time the investment is ready to be realized due to economic, legal, political or other factors.

3. Conflicts of Interest. The Fund, Polar MS LLEC, the Offshore Funds and Polar may be subject to various conflicts of interest. See "Certain Conflicts of Interest."

4. Performance Fee. The performance fees payable to Polar as the Investment Advisor and the Offshore Investment Advisor may create an incentive for Polar to cause the Offshore Master Fund to make investments that are riskier or more speculative than would be the case if such compensation arrangement were not in effect. Since the Performance Fee is calculated on a basis that includes unrealized appreciation, the Performance Fee may be greater than if it were based solely on realized appreciation.

5. Past Performance. There can be no assurance that either the Fund or the Offshore Funds will achieve their respective investment objectives. Past investment performance of the Fund or the Offshore Funds or other funds managed by Polar should not be construed as an indication of the future results of an investment in the Fund or the Offshore Funds.

6. Limited Operating History. The Fund, the Offshore Feeder Fund and the Offshore Master Fund have limited operating histories upon which prospective and current Unitholders can evaluate their performance. The investment program of the Offshore Master Fund should be evaluated on the basis that there can be no assurance that the Offshore Investment Advisor's assessments of the short-term or long-term prospects of investments will prove accurate or that the Fund, the Offshore Feeder Fund or the Offshore Master Fund will achieve their investment objectives.

7. "Master-Feeder" Structure. The Fund invests exclusively in a "master-feeder" structure through its indirect investment into the Offshore Feeder Fund. The "master-feeder" fund structure presents certain unique risks to investors. For example, a smaller feeder fund investing in the Offshore Master Fund may be materially affected by the actions of a larger feeder fund investing in the Offshore Master Fund. If a larger feeder fund redeems from the Offshore Master Fund, the remaining feeder fund may experience higher *pro rata* operating expenses, thereby producing lower returns. The Offshore Master Fund may become less diverse due to a redemption by a larger feeder fund, resulting in increased portfolio risk. The Offshore Master Fund is a single entity and creditors of the Offshore Master Fund may enforce claims against all assets of the Offshore Master Fund, including certain assets of the Fund. If the Offshore Master Fund enters into a currency hedging transaction on behalf of feeder funds, the Offshore Master Fund may be required to grant to its hedging counterparty a security interest in certain of the Offshore Master Fund's assets, which may not be limited solely to the assets that are attributable to the applicable feeder funds. In addition, because the Fund invests indirectly and exclusively through the Offshore Master Fund, certain conflicts of interest may exist due to different tax considerations applicable to the feeder funds.

8. Misconduct of Employees and of Third-Party Service Providers. The Fund and the Offshore Funds rely on personnel of Polar and its affiliates, counterparties and other service providers. Accordingly, risks associated with errors by such personnel are inherent in the business and operations of the Fund and the Offshore Funds. Misconduct by such personnel could cause significant losses to the Fund and the Offshore Funds and may include binding the Offshore Master Fund to transactions that are not properly authorized, that present unacceptable risks or that conceal unsuccessful trading activities (which may result in unknown and unmanaged risks or losses). Losses could also result from misconduct by such personnel, including, for example, failing to recognize trades and misappropriating assets. In addition, such personnel may improperly use, disclose or trade on confidential information. Any misconduct by such personnel could result in

litigation or serious financial harm to the Fund or the Offshore Funds, including limiting the Fund's or the Offshore Funds' business prospects or future marketing activities. Although Polar has adopted measures to prevent and detect misconduct of its personnel and transact with reliable counterparties and third party service providers, such measures may not be effective in all cases.

9. Identity and Reporting of Beneficial Ownership; Withholding on Certain Payments.

United States.

In order to avoid a U.S. withholding tax of 30% on certain payments made with respect to certain actual and deemed U.S. investments, the Fund, Polar MS LLEC and the Offshore Funds have registered with the United States Internal Revenue Service (the "**Service**"). The Cayman Islands and Canada have each signed a Model 1 inter-governmental agreement with the United States (the "**US/Cayman IGA**" and the "**US/Canada IGA**," respectively) to give effect to the withholding and reporting rules in the United States legislation known as the U.S. Foreign Account Tax Compliance Act ("**FATC**A"). So long as the Fund complies with the US/Canada IGA and the Canadian implementing legislation, which generally require it to identify, and report information with respect to, certain "Financial Accounts", such as the Units, held directly or indirectly by "Specified U.S. Persons" and each of Polar MS LLEC and the Offshore Funds comply with the US/Cayman IGA and the Cayman Islands implementing legislation, they will not be subject to the related U.S. withholding tax.

Under the US/Canada IGA and the Canadian implementing legislation, "Financial Institutions", which may include the Fund, are required to report certain information with respect to Unitholders who are U.S. residents and U.S. citizens (including U.S. citizens who are residents and/or citizens of Canada), and certain other "U.S. Persons", as defined under the US/Canada IGA (excluding Registered Plans), to the Canada Revenue Agency (the "CRA"). Any such information provided to the Fund and certain financial information related to such investor's investment in the Fund will be shared with the CRA. The CRA will exchange the information reported to it with the Service annually on an automatic basis.

Unitholders should consult their own tax advisors regarding the possible implications of these rules on their investments in the Fund.

The Cayman Islands and Canada--Automatic Exchange of Financial Account Information

The Cayman Islands has signed the US/Cayman IGA, which gives effect to the automatic tax information exchange requirements of FATCA. The Cayman Islands is also one of multiple jurisdictions which have agreed to the automatic exchange of financial account information on the basis of the standard published by the Organisation for Economic Co-operation and Development (the "**CRS**").

In order to give effect to its obligations under the US/Cayman IGA and the CRS, the Cayman Islands has adopted regulations (the "**AEOI Regulations**"). Pursuant to the AEOI Regulations, the Cayman Islands Tax Information Authority (the "**Cayman TIA**") has also published guidance notes on the application of the US/Cayman IGA and the CRS.

Under the AEOI Regulations, all Cayman Islands "Financial Institutions" ("**FIs**") will be classified as "Reporting Financial Institutions" ("**Reporting FIs**") unless an FI may rely on an exemption, in which case it will be classified as a "Non-Reporting Financial Institution".

As a Reporting FI, each of Polar MS LLEC and each Offshore Fund is required to: (i) register with the Service to obtain a Global Intermediary Identification Number (under FATCA), (ii) register with and notify the Cayman TIA of its status as a Reporting FI, (iii) conduct due diligence on its investors to identify whether accounts are reportable under the AEOI Regulations, and (iv) report account information on reportable accounts to the Cayman TIA. The Cayman TIA will exchange the information reported to it with the Service and other foreign fiscal authorities annually on an automatic basis.

Canada has passed legislation to give effect to the CRS and requires financial institutions such as the Fund to comply with information reporting requirements similar to those described above in respect of the Cayman Islands.

By investing in the Fund and/or continuing to invest in the Fund, investors shall be deemed to acknowledge that :

(i) the Fund (or its agent) may be required to disclose to the Cayman TIA certain confidential information in relation to the investor, including but not limited to the investor's name, address, tax identification number (if any) and certain information relating to the investor's investment;

(ii) the Cayman TIA may be required to automatically exchange information as outlined above with the Service or other foreign fiscal authorities;

(iii) the Fund (or its agent) may be required to disclose to the Service or other foreign fiscal authorities certain confidential information when registering with such authorities and if such authorities contact the Company (or its agent directly) with further enquiries;

(iv) the Fund may require the investor to provide additional information and/or documentation which the Fund may be required to disclose to the Cayman TIA;

(v) in the event an investor does not provide the requested information and/or documentation, whether or not that actually leads to compliance failures by the Fund or the Offshore Funds, or a risk of the Fund, an Offshore Fund or the Fund's or an Offshore Fund's investors being subject to withholding tax or penalties under the relevant legislative or inter-governmental regimes, the Fund reserves the right to take any action and/or pursue all remedies at its disposal including, without limitation, compulsory redemption or withdrawal of the investor concerned; and

(vi) no investor affected by any such action or remedy shall have any claim against the Fund (or its agent) or an Offshore Fund (or an agent of an Offshore Fund) for any form of damages or liability as a result of actions taken or remedies pursued by or on behalf of the Fund or an Offshore Fund in order to comply with any of the US/Cayman IGA, the US/Canada IGA, the CRS or the AEOI Regulations or any of the relevant underlying or implementing legislation.

Investors should ensure that their tax affairs are in compliance in their jurisdiction(s) of residence and/or citizenship (as applicable).

10. Side Letters. The Fund and the Offshore Funds, and in certain cases Polar, will have the discretion to waive or modify the application of, or grant special or more favorable rights with respect to, any provision of this Offering Memorandum or any other fund document to the extent permitted by applicable law. To effect such waivers or modifications or the grant of any special or more favorable rights, the Fund or the Offshore Funds may create additional classes, tranches, series or sub-series (as applicable) of securities for certain securityholders that provide for, among other things, (i) greater transparency into the portfolio and (ii) greater information than may be provided to other securityholders. Certain such waivers, modifications or grants of special or more favorable rights may also be effected by the Fund or the Offshore Funds, and, in certain cases, Polar, through agreements ("**Side Letters"**). Although certain securityholders may invest in the Fund or the Offshore Funds with different material terms, the Fund or the Offshore Funds and Polar generally will only offer such terms if they believe other securityholders will not be materially disadvantaged. The Fund and the Offshore Funds may create additional classes, tranches, series or sub-series (as applicable), and the Fund and the Offshore Funds, or in certain cases Polar, may enter into Side Letters with securityholders without notice to, or consent of, other securityholders.

11. Systemic Risk. Systemic risk is the risk of broad financial system stress or collapse triggered by the default of one or more financial institutions, which results in a series of defaults by other interdependent financial institutions. Financial intermediaries, such as clearing houses, banks, securities firms and exchanges with which the Fund or the Offshore Funds interact, as well as the Fund and the Offshore Funds, are all subject to

systemic risk. A systemic failure could have material adverse consequences on the Fund and the Offshore Funds and on the markets for the securities in which the Offshore Master Fund seeks to invest.

12. Legal and Regulatory Environment for Private Investment Funds and their Managers. The legal, tax and regulatory environment worldwide for private investment funds (such as the Fund and the Offshore Funds) and their managers is evolving, and changes in the regulation of private investment funds, their managers, and their trading and investing activities may have a material adverse effect on the ability of the Fund and the Offshore Funds to pursue their investment programs and the value of investments held by the Fund and the Offshore Funds. There has been an increase in scrutiny of the alternative investment industry by governmental agencies and self-regulatory organizations. New laws and regulations or actions taken by regulators that restrict the ability of the Fund or the Offshore Funds to pursue their investment programs or employ brokers and other counterparties, as applicable, could have a material adverse effect on the Fund and the Offshore Funds and the Unitholders' investments in the Fund. In addition, Polar may, in its sole discretion, as the Investment Advisor and Offshore Investment Advisor, cause the Fund or the Offshore Funds to be subject to certain laws and regulations if it believes that an investment or business activity is in their interest, even if such laws and regulations may have a detrimental effect on one or more Unitholders or shareholders. This Memorandum cannot address or anticipate every possible current or future regulation that may affect the Fund, the Offshore Funds, Polar or their businesses. Such regulations may have a significant impact on the Unitholders or shareholders or the operations of the Fund or the Offshore Funds, including, without limitation, restricting the types of investments the Offshore Master Fund may make, preventing the Offshore Master Fund from exercising voting rights with regard to certain financial instruments, or requiring the Fund or the Offshore Funds to disclose the identity of investors or otherwise. Prospective Unitholders are encouraged to consult their own advisors regarding an investment in the Fund.

CERTAIN CONFLICTS OF INTEREST

Each of the Fund and the Offshore Funds depend on Polar for ongoing investment advice. While Polar devotes as much of its time and resources to such activities as in its judgment is reasonably required, Polar is also involved in the management of other investment funds (both domestic and offshore) and in other business activities.

While Polar maintains policies and procedures to ensure the fair allocation of investment opportunities amongst its clients, there may be situations of conflict in the actual allocation of opportunities by Polar.

In addition to the foregoing, the Fund depends on Polar for ongoing management and administration of its business activities. While Polar devotes as much time and resources as in its judgment is reasonably required, each of the directors and officers of Polar is also involved in other business activities.

Given the volume of transactions executed by the Offshore Investment Advisor on behalf of the Offshore Master Fund, investors should assume that trade errors (and similar errors) will occur from time to time, and that the Offshore Master Fund will be responsible for any resulting losses, even if such losses result from the negligence (but not gross negligence, as determined under the laws of the State of Delaware) of the Offshore Investment Advisor.

Trade errors include, but are not limited to, the following: (i) the placement of orders (either purchases or sales) in excess of the amount of securities the Offshore Investment Advisor intended to trade; (ii) the sale of a security when it should have been purchased; (iii) the purchase of a security when it should have been sold; (iv) the purchase or sale of the wrong security; (v) the purchase or sale of a security contrary to regulatory restrictions or investment guidelines or restrictions; and (vi) incorrect allocations of securities. Errors that do not result in transactions in the Offshore Master Fund's account (such as transactions that result in loss of an investment opportunity) will not be viewed as trade errors and therefore not subject to the following procedures. It is the policy of the Offshore Investment Advisor to ensure that each error is corrected in an expeditious manner. In correcting trade errors, the following procedures will apply:

1. Errors are to be corrected as soon after discovery as is reasonably practical and in such a manner that minimizes the Offshore Master Fund's losses.

2. Errors must be reported to the compliance officer immediately upon discovery. The compliance officer is required to approve the resolution of all trade errors.

3. In resolving trade errors, the Offshore Investment Advisor will endeavor to minimize the loss to the Offshore Master Fund.

4. All gains caused by trade errors will be credited to the Offshore Master Fund. The Offshore Master Fund will be responsible for any losses resulting from trade errors and similar human errors, absent bad faith, willful misconduct or gross negligence (as determined under the laws of the State of Delaware) on the part of the Offshore Investment Advisor.

5. Gains from trade errors may not offset losses from trade errors, unless the underlying transactions constitute a single transaction.

6. Soft dollars may not be used, either directly or indirectly, to correct trade errors.

National Instrument 31-103 *Registration Requirements, Exemptions and Ongoing Registrant Obligations* ("**NI 31-103**") requires registered firms to take reasonable steps to identify and respond to existing and reasonably foreseeable material conflicts of interest in a client's best interest and tell clients about them, including how the conflicts might impact clients and how the registered firm addresses them in a client's best interest. Polar may engage in activities as a portfolio manager, investment fund manager and exempt market dealer in respect of securities of related issuers and connected issuers but will do so only in compliance with applicable securities laws.

Polar addresses material conflicts of interest by adopting policies to identify and address any material conflicts in the best interests of the client including by disclosing such conflicts and dealing fairly where those conflicts cannot be avoided. In no case will Polar put its own interests ahead of those of its clients.

Statement of Related and Connected Issuers

In addition, applicable Securities Laws require securities dealers and advisers, when they trade in or advise with respect to their own securities or securities of certain other issuers to which they, or certain other parties related to them, are related or connected or securities of an issuer in which a "responsible person" (as defined by the rules of the Investment Industry Regulatory Organization of Canada) is an officer or director, to do so only in accordance with particular disclosure and other rules. These rules require dealers and advisers, prior to trading with or advising their customers or clients, to inform them of the relevant relationships and connections with the issuer of the securities. Clients and customers should refer to the applicable provisions of these securities laws for the particulars of these rules and their rights or consult with a legal adviser.

The Fund may be considered a "related issuer" (as such term is defined in National Instrument 33-105 – *Underwriting Conflicts*) of Polar. Polar will earn management fees and performance fees from the Fund. See "Fees and Expenses of the Fund".

Polar may engage in activities as an investment fund manager, portfolio manager and dealer in respect of securities of related and connected issuers or securities of an issuer in which a "responsible person" is an officer or director, but will do so only in compliance with applicable securities laws, including Section 13.5 and 13.6 of NI 31-103.

ADDITIONAL INFORMATION

This Offering Memorandum is intended to present a general outline of the policies, structure and investment strategy of the Fund. The Trust Agreement specifies the rights and obligations of the Unitholders and should be reviewed thoroughly by each prospective investor.

A copy of the Trust Agreement will be provided to each prospective investor upon request and is available for inspection at the offices of the Fund Manager during normal business hours. To the extent there is any inconsistency, ambiguity or conflict between this Offering Memorandum and the Trust Agreement, the Trust Agreement shall prevail in all respects.

AMENDMENT TO THE TRUST AGREEMENT AND TERMINATION OF THE FUND

Any provision of the Trust Agreement may be amended by the Fund Manager (except in the circumstances set out below), with the approval of the Trustee, upon notice to Unitholders, but no such amendment may be made which adversely affects the pecuniary value of the interest of any Unitholder in the Fund or restricts any protection provided to the Trustee or increases the responsibilities of the Trustee under the Trust Agreement. The notice to be provided to Unitholders must be given in writing not less than 30 days in advance of the effective date of the amendment unless the Fund Manager and Trustee agree to an earlier effective date.

Any provision of the Trust Agreement may be amended by the Fund Manager (except in the circumstances set out below), with the approval of the Trustee, without any prior notice to, or approval of, Unitholders if the amendment is necessary to comply with applicable laws or regulatory authorities, to correct any ambiguity, defective or inconsistent provision, omission, mistake or manifest error contained in the Trust Agreement, or to provide additional protection to Unitholders or enhance the rights of Unitholders, provided that Unitholders are given notice of the amendments as soon as reasonably possible following the effective date of the amendments.

Amendments which require Unitholder approval include, but, are not limited to, changes to the fundamental investment objectives of the Fund, if the auditor of the Fund is changed or if the basis of the calculation of a fee or expense is changed in a way that could result in an increase in charges to the Fund.

The Fund Manager may at any time terminate and dissolve the Fund by giving notice to the Trustee and each then Unitholder written notice of its intention at least 90 days before the date on which the Fund is to be terminated (the "**Termination Date**"). After giving such notice, the right of Unitholders to require payment for all or any of their Units shall be suspended and the Fund Manager shall make appropriate arrangements for converting the fund property into cash. After payment of the liabilities of the Fund, each Unitholder registered as such at the close of business on the date fixed as the Termination Date will be entitled to receive from the Trustee his or her proportionate share of the value of the Fund attributable to the Class of Units held in accordance with the number of Units which he or she then holds. If the Fund is terminated, the Trust Agreement will be terminated and the assets distributed in accordance with the terms of the Trust Agreement.

PRIME BROKERS OF THE OFFSHORE MASTER FUND

Morgan Stanley & Co. LLC, BMO Nesbitt Burns Inc., JPMorgan Chase Bank, National Association, The Bank of Nova Scotia, the Fidelity Capital Markets division of National Financial Services LLC, TD Securities Inc., CIBC World Markets Inc., Barclays Capital Inc. and Barclays Bank PLC serve as the prime brokers for, and receive fees from, the Offshore Master Fund.

SOFT DOLLAR POLICY

Soft dollar arrangements occur when brokers have agreed to provide other services (relating to research and trade execution) at no cost to Polar, in its capacity as investment advisor to the Offshore Funds and other trading vehicles, in exchange for brokerage business from Polar. As the Offshore Investment Advisor, Polar has authority to determine which securities will be purchased or sold, and the terms upon which such transactions are to be affected, including the commissions to be paid. The Offshore Investment Advisor enters into such arrangements in accordance with National Instrument 23-102 – *Use of Client Brokerage Commissions* of the Canadian Securities Administrators and the safe harbour created by Section 28(e) of the U.S. Securities Exchange Act of 1934, as amended. Under NI 23-102 and Section 28(e), research or brokerage services obtained with soft dollars generated by the Offshore Master Fund may also be used by the Offshore Investment Advisor to service accounts other than the Offshore Master Fund.

Polar will allocate the Offshore Master Fund's portfolio transactions to broker-dealers on the basis of best execution and in consideration of such broker-dealer's provision or payment of the costs of research and brokerage services which are of benefit to the Offshore Master Fund, Polar and/or related funds and accounts. Portfolio transactions will not be allocated to broker-dealers that are affiliated with the Offshore Funds.

Polar need not solicit competitive bids and does not have an obligation to seek the lowest available commissions or markups and markdowns. Polar considers the full range and quality of a broker's services, including the value of research provided, execution capability, speed of executions, financial responsibility, willingness to commit capital

and responsiveness to Polar. In seeking to minimize transaction costs, in addition to explicit costs, Polar also considers bid-ask spreads, the price impact of placing its orders and missed opportunity costs, among other implicit costs. Accordingly, the commissions and other transaction costs (which may include dealer markups or markdowns) charged to the Offshore Master Fund by brokers or dealers in the foregoing circumstances may be higher than those charged by other brokers or dealers that may offer such products or services.

The Offshore Master Fund's securities transactions can be expected to generate brokerage commissions and other costs, all of which the Offshore Master Fund, not the Offshore Investment Advisor, will be obligated to pay. The Offshore Investment Advisor will have discretion in deciding what brokers and dealers the Offshore Master Fund will use and in negotiating the rates of compensation the Offshore Master Fund will pay. In addition to using brokers as "agents" and paying commissions, the Offshore Investment Advisor may buy or sell securities on behalf of the Offshore Master Fund directly from or to broker-dealers acting as principals at prices that include markups or markdowns.

Broker-dealers sometimes suggest a level of business desired in return for the various products and services they provide. Actual brokerage business received by any broker may be less than the suggested allocation, but can (and often does) exceed the suggested level, because total brokerage is allocated on the basis of all of the considerations described above. A broker is not excluded from receiving business because it has not been identified as providing research or brokerage products or services. Investment information received from the Offshore Master Fund's brokers may be used by the Offshore Investment Advisor in servicing all its accounts, and not all such information need be used by the Offshore Investment Advisor in connection with the Offshore Master Fund. Nonetheless, the Offshore Investment Advisor believes that such investment information provides the Offshore Master Fund with benefits by supplementing the research otherwise available to the Offshore Master Fund.

Broker-dealers (including prime brokers) may assist the Offshore Investment Advisor from time to time in introducing potential investors, and representatives of the Offshore Investment Advisor may speak at conferences and programs sponsored by a broker-dealer (for which they will not be remunerated) for investors interested in investing in hedge funds. Through such "capital introduction" events, prospective investors will have the opportunity to meet with the Offshore Investment Advisor. Neither the Offshore Investment Advisor nor the Offshore Master Fund will compensate a broker-dealer for organizing such events or for any investments ultimately made by prospective investors attending such events (although they may do so in the future). However, such events and other services provided by a broker-dealer may present a conflict of interest for the Offshore Investment Advisor in deciding whether to use such broker-dealer in connection with brokerage, financing and other activities of the Offshore Master Fund.

FUND ADMINISTRATOR

The Fund has entered into a valuation and services agreement with SGGG Fund Services Inc. (the "**Fund Administrator**"). The Fund Administrator will calculate the monthly Series Net Asset Value and Series Net Asset Value per Unit (as applicable), allocate and report taxable income to the Unitholders, prepare the annual and semi-annual financial statements as required, keep Unitholder records and any other services that the Fund may request.

LEGAL COUNSEL

Blake, Cassels & Graydon LLP, Toronto, Ontario acts as Canadian corporate counsel and Thorsteinssons LLP acts as Canadian tax counsel to the Fund and to Polar and Mourant Ozannes, Cayman Islands, acts as Cayman Islands legal counsel to Polar MS LLEC and the Offshore Funds. No separate counsel has been engaged to independently represent the Unitholders in connection with the Fund or the Offering.

In advising the Fund, Polar MS LLEC, the Offshore Funds and Polar, legal counsel have relied upon information that has been furnished to them by the Fund, Polar MS LLEC, the Offshore Funds and Polar and their affiliates, and have not independently investigated or verified the accuracy or completeness of the information set forth herein. In addition, legal counsel does not monitor the compliance of the Fund, Polar MS LLEC, the Offshore Funds or Polar with the investment guidelines, valuation procedures and other guidelines set forth in this Offering Memorandum, the Fund's, Polar MS LLEC's and the Offshore Funds' terms or compliance with applicable laws.

AUDITORS

Ernst & Young LLP acts as the auditors of the Fund and Polar MS LLEC.

PricewaterhouseCoopers, Cayman Islands acts as the auditor for the Offshore Funds.

PERSONAL INFORMATION

By purchasing the Units, the purchaser acknowledges that the Fund Manager and its respective agents (including, for greater certainty, the Fund Administrator) and advisers may each collect, use and disclose the purchaser's name and other specified personally identifiable information (the "**Information**"), including the amount of the Units that the purchaser has purchased for purposes of meeting legal, regulatory and audit requirements and as otherwise permitted or required by law or regulation. The purchaser consents to the disclosure of the Information.

LANGUAGE OF DOCUMENTS

Upon receipt of this document, the purchaser hereby confirms that he, she or it has expressly requested that all documents evidencing or relating in any way to the offer and/or sale of the Units (including for greater certainty any purchase confirmation or any notice) be drawn up in the English language only. Par la réception de ce document, vous confirmez par les présentes que vous avez expressément exigé que tous les documents faisant foi ou se rapportant de quelque manière que ce soit à l'offre ou à la vente des valeurs mobilières décrites aux présentes (incluant, pour plus de certitude, toute confirmation d'achat ou tout avis) soient rédigés en anglais seulement.

PROCEEDS OF CRIME (MONEY LAUNDERING) AND TERRORIST FINANCING LEGISLATION

In order to comply with Canadian legislation aimed at the prevention of money laundering, the Fund Manager may require additional information concerning investors.

If, as a result of any information or other matter which comes to the Fund Manager's attention, any director, officer or employee of the Fund Manager, or its professional advisers, knows or suspects that an investor is engaged in money laundering or terrorist financing, such person is required to report such information or other matter to the Financial Transactions and Reports Analysis Centre of Canada and such report shall not be treated as a breach of any restriction upon the disclosure of information imposed by law or otherwise.

PURCHASERS' RIGHTS OF ACTION FOR DAMAGES AND RESCISSION

Securities legislation in certain of the Canadian provinces provides purchasers of securities pursuant to an offering memorandum with a remedy for damages or rescission, or both, in addition to any other rights they may have at law, where the offering memorandum and any amendment to it contains a "Misrepresentation". Where used herein, the term "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 not misleading in light of the circumstances in which it was made. These remedies, or notice with respect to these remedies, must be exercised or delivered, as the case may be, by the purchaser within the time limits prescribed by applicable securities legislation.

Ontario

Section 130.1 of the Ontario Act provides that every purchaser of securities pursuant to an offering memorandum (such as this Offering Memorandum) or any amendment to it shall have a statutory right of action for damages or rescission against the issuer and any selling security holder in the event that the offering memorandum contains a Misrepresentation. A purchaser who purchases securities offered by the offering memorandum during the period of distribution has, without regard to whether the purchaser relied upon the Misrepresentation, a right of action for damages or, alternatively, while still the owner of the securities, for rescission against the issuer and any selling security holder provided that:

(a) if the purchaser exercises its right of rescission, it shall cease to have a right of action for damages as against the issuer and the selling security holders, if any;

(b) the issuer and the selling security holders, if any, will not be liable if they prove that the purchaser purchased the securities with knowledge of the Misrepresentation;

(c) the issuer and the selling security holders, if any, will not be liable for all or any portion of damages that it proves do not represent the depreciation in value of the securities as a result of the Misrepresentation relied upon; and

(d) in no case shall the amount recoverable exceed the price at which the securities were offered.

Section 138 of the Ontario Act provides that no action shall be commenced to enforce these rights more than:

(a) in the case of an action for rescission, 180 days after the date of the transaction that gave rise to the cause of action; or

(b) in the case of an action for damages, the earlier of:

(i) 180 days after the date that the purchaser first had knowledge of the facts giving rise to the cause of action; or

(ii) three years after the date of the transaction that gave rise to the cause of action.

This Offering Memorandum is being delivered in reliance on the exemption from the prospectus requirements contained under section 73.3 of the Ontario Act (the "accredited investor exemption"). The rights referred to in section 130.1 of the Ontario Act do not apply in respect of an offering memorandum (such as this Offering Memorandum) delivered to a prospective purchaser in connection with a distribution made in reliance on the accredited investor exemption if the prospective purchaser is:

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

(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.

These rights of action for rescission or damages are in addition to, and without derogation from, any other right the purchaser may have at law.

Saskatchewan

Section 138 of *The Securities Act, 1988* (Saskatchewan), as amended (the "**Saskatchewan Act**") provides that where an offering memorandum (such as this Offering Memorandum) or any amendment to it is sent or delivered to a purchaser and it contains a misrepresentation (as defined in the Saskatchewan Act), a purchaser who purchases a security covered by the offering memorandum or any amendment to it is deemed to have relied upon that misrepresentation, if it was a misrepresentation at the time of purchase, and has a right of action for rescission against the issuer or a selling security holder on whose behalf the distribution is made or has a right of action for damages against:

(a) the issuer or a selling security holder on whose behalf the distribution is made;

(b) every promoter and director of the issuer or the selling security holder, as the case may be, at the time the offering memorandum or any amendment to it was sent or delivered;

(c) every person or company whose consent has been filed respecting the offering, but only with respect to reports, opinions or statements that have been made by them;

(d) every person who or company that, in addition to the persons or companies mentioned in (a) to (c) above, signed the offering memorandum or the amendment to the offering memorandum; and

(e) every person who or company that sells securities on behalf of the issuer or selling security holder under the offering memorandum or amendment to the offering memorandum.

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

(a) if the purchaser elects to exercise its right of rescission against the issuer or selling security holder, it shall have no right of action for damages against that party;

(b) in an action for damages, a defendant will not be liable for all or any portion of the damages that he, she or it proves do not represent the depreciation in value of the securities resulting from the misrepresentation relied on;

(c) no person or company, other than the issuer or a selling security holder, will be liable for any part of the offering memorandum or any amendment to it not purporting to be made on the authority of an expert and not purporting to be a copy of, or an extract from, a report, opinion or statement of an expert, , unless the person or company failed to conduct a reasonable investigation sufficient to provide reasonable grounds for a belief that there had been no misrepresentation or believed that there had been a misrepresentation;

(d) in no case shall the amount recoverable exceed the price at which the securities were offered; and

(e) no person or company is liable in an action for rescission or damages if that person or company proves that the purchaser purchased the securities with knowledge of the misrepresentation.

In addition, no person or company, other than the issuer or selling security holder, will be liable if the person or company proves that:

(a) the offering memorandum or any amendment to it was sent or delivered without the person's or company's knowledge or consent and that, on becoming aware of it being sent or delivered, that person or company gave reasonable general notice that it was so sent or delivered; or

(b) with respect to any part of the offering memorandum or any amendment to it purporting to be made on the authority of an expert, or purporting to be a copy of, or an extract from, a report, an opinion or a statement of an expert, that person or company had no reasonable grounds to believe and did not believe that there had been a misrepresentation, the part of the offering memorandum or any amendment to it 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.

Not all defences upon which the Fund or others may rely are described herein. Please refer to the full text of the Saskatchewan Act for a complete listing.

Similar rights of action for damages and rescission are provided in section 138.1 of the Saskatchewan Act in respect of a misrepresentation in advertising and sales literature disseminated in connection with an offering of securities.

Section 138.2 of the Saskatchewan Act also provides that where an individual makes a verbal statement to a prospective purchaser that contains a misrepresentation relating to the security purchased and the verbal statement is made either before or contemporaneously with the purchase of the security, the purchaser is deemed to have relied on the misrepresentation, if it was a misrepresentation at the time of purchase, and has a right of action for damages against the individual who made the verbal statement.

Section 141(1) of the Saskatchewan Act provides a purchaser with the right to void the purchase agreement and to recover all money and other consideration paid by the purchaser for the securities if the securities are sold in contravention of the Saskatchewan Act, the regulations to the Saskatchewan Act or a decision of the Financial and Consumer Affairs Authority of Saskatchewan.

Section 141(2) of the Saskatchewan Act also provides a right of action for rescission or damages to a purchaser of securities to whom an offering memorandum or any amendment to it was not sent or delivered prior to or at the same time as the purchaser enters into an agreement to purchase the securities, as required by Section 80.1 of the Saskatchewan Act.

The rights of action for damages or rescission under the Saskatchewan Act are in addition to and do not derogate from any other right which a purchaser may have at law.

Section 147 of the Saskatchewan Act provides that no action shall be commenced to enforce any of the foregoing rights more than:

(a) in the case of an action for rescission, 180 days after the date of the transaction that gave rise to the cause of action; or

(b) in the case of any other action, other than an action for rescission, the earlier of:

(i) one year after the plaintiff first had knowledge of the facts giving rise to the cause of action; or

(ii) six years after the date of the transaction that gave rise to the cause of action.

The Saskatchewan Act also provides a purchaser who has received an amended offering memorandum delivered in accordance with subsection 80.1(3) of the Saskatchewan Act with a right to withdraw from the agreement to purchase the securities by delivering a notice to the person who or company that is selling the securities, indicating the purchaser's intention not to be bound by the purchase agreement, provided such notice is delivered by the purchaser within two business days of receiving the amended offering memorandum.

Manitoba

Section 141.1 of the *Securities Act* (Manitoba), as amended (the "**Manitoba Act**") provides that where an offering memorandum (such as this Offering Memorandum) or any amendment to it contains a misrepresentation, a purchaser who purchases a security offered by the offering memorandum is deemed to have relied on the representation if it was a misrepresentation at the time of purchase and has a right of rescission against the issuer or has a right of action for damages against (i) the issuer or a selling security holder on whose behalf the distribution is made, (ii) every director of the issuer at the date of the offering memorandum, and (iii) every person or company who signed the offering memorandum.

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

(a) if the purchaser chooses to exercise a right of rescission against the issuer, the purchaser shall have no right of action for damages against the parties listed under (i), (ii) and (iii);

(b) in an action for damages, a defendant will not be liable for all or any part of the damages that he or she proves do not represent the depreciation in value of the security as a result of the misrepresentation;

(c) in no case shall the amount recoverable exceed the price at which the securities were offered under the offering memorandum; and

(d) no person or company is liable in an action for rescission or damages if that person or company proves that the purchaser had knowledge of the misrepresentation.

In addition, no person or company, other than the issuer, will be liable if the person or company proves that:

(a) the offering memorandum was sent to the purchaser 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 issuer that it was sent without the person's or company's knowledge and consent;

(b) with respect to any part of the offering memorandum purporting to be made on the authority of an expert or to be a copy of, or an extract from, an expert's report, opinion or statement, the person or company proves that the person or company 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 the offering memorandum (A) did not fairly represent the expert's report, opinion or statement, or (B) was not a fair copy of, or an extract from, the expert's report, opinion or statement; or

(c) with respect to any part of the offering memorandum not purporting to be made on an expert's authority and not purporting to be a copy of, or an extract from, an expert's report, opinion or statement, unless the person or company (i) did not conduct an investigation sufficient to provide reasonable grounds for a belief that there had been no misrepresentation, or (ii) believed there had been a misrepresentation.

Not all defences upon which the Fund or others may rely are described herein. Please refer to the full text of the Manitoba Act for a complete listing.

Section 141.2 of the Manitoba Act provides that a purchaser of a security to whom an offering memorandum was required to be sent in compliance with Manitoba securities legislation, but was not sent within the prescribed time has a right of action for rescission or damages against the dealer, offeror or issuer who did not comply with the requirement.

Section 141.3 of the Manitoba Act also provides that a purchaser of a security to whom an offering memorandum is required to be sent may rescind the contract to purchase the security by sending a written notice of rescission to the issuer not later than midnight on the second day, excluding Saturdays and holidays, after the purchaser signs the agreement to purchase the securities.

Section 141.4 of the Manitoba Act provides that no action may be commenced to enforce any of the foregoing rights:

(a) in the case of an action for rescission, more than 180 days after the day of the transaction that gave rise to the cause of action; or

(b) in the case of any other action, other than an action for rescission, the earlier of:

(i) 180 days after the day that the plaintiff first had knowledge of the facts giving rise to the cause of action, or

(ii) two years after the day of the transaction that gave rise to the cause of action.

The rights of action for damages or rescission under the Manitoba Act are in addition to and do not derogate from any other right which a purchaser may have at law.

Nova Scotia

The right of action for damages or rescission described herein is conferred by section 138 of the *Securities Act* (Nova Scotia) (the "**Nova Scotia Act**"). Section 138 of the Nova Scotia Act provides, in relevant part, that in the event that an offering memorandum (such as this Offering Memorandum), together with any amendment thereto, or any advertising or sales literature (as defined in the Nova Scotia Act) contains a Misrepresentation, the purchaser will be deemed to have relied upon such Misrepresentation if it was a Misrepresentation at the time of purchase and has, subject to certain limitations and defences, a statutory right of action for damages against the issuer and, subject to certain additional defences, every director of the issuer at the date of the offering memorandum and every person who

signed the offering memorandum or, alternatively, while still the owner of the securities purchased by the purchaser, may elect instead to exercise a statutory right of rescission against the issuer, in which case the purchaser shall have no right of action for damages against the issuer, directors of the issuer or persons who have signed the offering memorandum, provided that, among other limitations:

(a) no action shall be commenced to enforce the right of action for rescission or damages by a purchaser resident in Nova Scotia later than 120 days after the date on which the initial payment was made for the securities;

(b) no person will be liable if it proves that the purchaser purchased the securities with knowledge of the Misrepresentation;

(c) in the case of an action for damages, no person will be liable for all or any portion of the damages that it proves do not represent the depreciation in value of the securities as a result of the Misrepresentation relied upon; and

(d) in no case will the amount recoverable in any action exceed the price at which the securities were offered to the purchaser.

In addition, a person or company, other than the issuer, will not be liable if that person or company proves that:

(a) the offering memorandum or amendment to the offering memorandum was sent or delivered to the purchaser without the person's or company's knowledge or consent and that, on becoming aware of its delivery, the person or company gave reasonable general notice that it was delivered without the person's or company's knowledge or consent;

(b) after delivery of the offering memorandum or amendment to the offering memorandum and before the purchase of the securities by the purchaser, on becoming aware of any Misrepresentation in the offering memorandum or amendment to the offering memorandum the person or company withdrew the person's or company's consent to the offering memorandum or amendment to the offering memorandum, and gave reasonable general notice of the withdrawal and the reason for it; or

(c) with respect to any part of the offering memorandum or amendment to the offering memorandum purporting (i) to be made on the authority of an expert, or (ii) 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 (A) there had been a Misrepresentation, or (B) the relevant part of the offering memorandum or amendment to 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.

Furthermore, no person or company, other than the issuer, will be liable with respect to any part of the offering memorandum or amendment to the offering memorandum not purporting (a) to be made on the authority of an expert or (b) 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.

If a Misrepresentation is contained in a record incorporated by reference into, or deemed incorporated by reference into, the offering memorandum or amendment to the offering memorandum, the Misrepresentation is deemed to be contained in the offering memorandum or an amendment to the offering memorandum.

The rights of action for damages or rescission under the Nova Scotia Act are in addition to and do not derogate from any other right which a purchaser may have at law.

<u>New Brunswick</u>

Section 150 of the *Securities Act* (New Brunswick) (the "**New Brunswick Act**") provides that where an offering memorandum (such as this Offering Memorandum) contains a Misrepresentation, a purchaser who purchases securities shall be deemed to have relied on the Misrepresentation if it was a Misrepresentation at the time of purchase and:

(a) the purchaser has a right of action for damages against the issuer and any selling security holder(s) on whose behalf the distribution is made, or

(b) where the purchaser purchased the securities from a person referred to in paragraph (a), the purchaser may elect to exercise a right of rescission against the person, in which case the purchaser shall have no right of action for damages against the person.

This statutory right of action is available to New Brunswick purchasers whether or not such purchaser relied on the Misrepresentation. However, there are various defenses available to the issuer and the selling security holder(s). In particular, no person will be liable for a Misrepresentation if such person proves that the purchaser purchased the securities with knowledge of the Misrepresentation when the purchaser purchased the securities. Moreover, in an action for damages, the amount recoverable will not exceed the price at which the securities were offered under the offering memorandum and any defendant will not be liable for all or any part of the damages that the defendant proves do not represent the depreciation in value of the security as a result of the misrepresentation.

If the purchaser intends to rely on the rights described in (a) or (b) above, such purchaser must do so within strict time limitations. The purchaser must commence an action to cancel the agreement within 180 days after the date of the transaction that gave rise to the cause of action. The purchaser must commence its action for damages within the earlier of:

(a) one year after the purchaser first had knowledge of the facts giving rise to the cause of action; or

(b) six years after the date of the transaction that gave rise to the cause of action.

The foregoing summary is subject to the express conditions of the New Brunswick Act and the regulations promulgated thereunder and specific reference should be made to same. The rights of action for rescission or damages under the New Brunswick Act are in addition to and do not derogate from any other right the purchaser may have at law.

Prince Edward Island

Section 112 of the *Securities Act* (Prince Edward Island) (the "**PEI Act**") provides to a purchaser who purchases, during the distribution period, a security offered by an offering memorandum (such as this Offering Memorandum) containing a misrepresentation, without regard to whether he or she relied on the misrepresentation, a right of action for rescission against the issuer or the selling security holder on whose behalf the distribution is made or a right of action for damages against (a) the issuer, (b) the selling security holder on whose behalf the distribution is made, (c) every director of the issuer at the date of the offering memorandum, and (d) every person who signed the offering memorandum. If the purchaser elects to exercise a right of action for rescission, the purchaser shall have no right of action for damages.

Such rights of rescission and damages are subject to certain limitations and a person will not be liable if the person proves that the purchaser purchased the securities with knowledge of the misrepresentation.

In addition, no person or company, other than the issuer and selling security holder, will be liable if the person proves that:

(a) the offering memorandum was sent to the purchaser without the person's knowledge or consent and that, on becoming aware of its being sent, the person had promptly given reasonable notice to the issuer that it had been sent without the knowledge and consent of the person;

(b) the person, on becoming aware of the misrepresentation in the offering memorandum, had withdrawn the person's consent to the offering memorandum and had given reasonable notice to the issuer of the withdrawal and the reason for it; or

(c) with respect to any part of the offering memorandum purporting to be made on the authority of an expert or purporting to be a copy of, or an extract from, a report, statement or opinion of an expert, the person had no reasonable grounds to believe and did not believe that (i) there had been a misrepresentation, or (ii) the relevant part of the offering memorandum (A) did not fairly represent the report, statement or opinion of the expert, or (B) was not a fair copy of, or an extract from, the report, statement or opinion of the expert.

Not all defences upon which the Fund or others may rely are described herein. Please refer to the full text of the PEI Act for a complete listing.

In an action for damages, the defendant is not liable for any damages that he or she proves do not represent the depreciation in value of the security resulting from the misrepresentation. In addition, the amount recoverable must not exceed the price at which the securities purchased by the purchaser were offered.

Section 121 of the PEI Act provides that no action may be commenced to enforce any of the foregoing rights more than:

(a) in the case of an action for rescission, 180 days after the date of the transaction that gave rise to the cause of action; or

(b) in the case of any action other than an action for rescission, the earlier of:

(i) 180 days after the plaintiff first had knowledge of the facts giving rise to the cause of action, or

(ii) three years after the date of the transaction giving rise to the cause of action.

Newfoundland and Labrador

Section 130.1 of the *Securities Act* (Newfoundland and Labrador) provides that if an offering memorandum (such as this Offering Memorandum) contains a Misrepresentation, a purchaser who purchases Units offered by the offering memorandum is deemed to have relied on the representation if it was a Misrepresentation at the time of purchase, and the purchaser has:

(a) a right of action for damages against:

(i) the issuer;

(ii) every director of the issuer at the date of the offering memorandum; and

(iii) every person or company who signed the offering memorandum; and

(b) a right of rescission against the issuer.

If the purchaser chooses to exercise a right of rescission against the issuer, the purchaser has no right of action for damages against a person or company referred to above.

If a Misrepresentation is contained in a record incorporated by reference in, or is deemed to be incorporated into, the offering memorandum, the Misrepresentation is deemed to be contained in the offering memorandum.

When a Misrepresentation is contained in the offering memorandum, no person or company other than the issuer, is liable:

(a) if the person or company proves

(i) that the offering memorandum was sent to the purchaser without the person's or company's knowledge or consent, and

(ii) that, after becoming aware that it was sent, the person or company promptly gave reasonable notice to the issuer that it was sent without the person's or company's knowledge and consent;

(b) if the person or company proves that, after becoming aware of the Misrepresentation, the person or company withdrew the person's or company's consent to the offering memorandum and gave reasonable notice to the issuer of the withdrawal and the reason for it;

(c) if, with respect to any part of the offering memorandum purporting to be made on the authority of an expert or to be a copy of, or an extract from, an expert's report, opinion or statement, the person or company proves that the person or company 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 the offering memorandum (A) did not fairly represent the expert's report, opinion or statement, or (B) was not a fair copy of, or an extract from, the expert's report, opinion or statement; or

(d) with respect to any part of the offering memorandum not purporting to be made on an expert's authority and not purporting to be a copy of, or an extract from, an expert's report, opinion or statement, unless the person or company (i) did not conduct an investigation sufficient to provide reasonable grounds for a belief that there had been no Misrepresentation, or (ii) believed there had been a Misrepresentation.

The amount recoverable shall not exceed the price at which the Units were offered under the offering memorandum.

In an action for damages, the defendant is not liable for all or any part of the damages that the defendant proves do not represent the depreciation in value of the security as a result of the Misrepresentation.

All or any one or more of the persons or companies that are found to be liable or accept liability in an action for damages 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 circumstances of the case, the court is satisfied that it would not be just and equitable.

No action shall be commenced to enforce these contractual rights more than:

(a) in the case of an action for rescission, 180 days after the purchaser signs the agreement to purchase the Units; or

(b) in the case of an action for damages, before the earlier of:

(i) 180 days after the purchaser first has knowledge of the facts giving rise to the cause of action; or

(ii) three years after the date the purchaser signs the agreement to purchase the Units.

Yukon

Securities legislation in the Yukon provides that if an offering memorandum (such as this Offering Memorandum) contains a misrepresentation, a purchaser who purchases a security offered by the offering memorandum during the period of distribution has, without regard to whether the purchaser relied on the misrepresentation:

(a) a right of action for damages against:

(i) the issuer;

(ii) the selling security holder on whose behalf the distribution is made;

(iii) every director of the issuer at the date of the offering memorandum, and

(iv) every person who signed the offering memorandum; and

(b) a right of rescission against:

(i) the issuer; or

(ii) the selling security holder on whose behalf the distribution is made.

If the purchaser chooses to exercise a right of rescission against the issuer, the purchaser has no right of action for damages against a person or company referred to above.

If a misrepresentation is contained in a record incorporated by reference in, or is deemed to be incorporated into, an offering memorandum, the misrepresentation is deemed to be contained in the offering memorandum.

If a misrepresentation is contained in the offering memorandum, no person is liable if the person proves that the purchaser purchased the securities with knowledge of the misrepresentation.

A person, other than the issuer or selling security holder, is not liable in an action for damages if the person proves that:

(a) the offering memorandum was sent to the purchaser without the person's knowledge or consent, and that, on becoming aware of its being sent, the person had promptly given reasonable notice to the issuer that it had been sent without the person's knowledge and consent;

(b) the person, on becoming aware of the misrepresentation, had withdrawn the person's consent to the offering memorandum and had given reasonable notice to the issuer of the withdrawal and the reason for it; or

(c) with respect to any part of the offering memorandum purporting to be made on the authority of an expert or to be a copy of, or an extract from, a report, opinion or statement of an expert, the person had no reasonable grounds to believe and did not believe that

(i) there had been a misrepresentation, or

(ii) the relevant part of the offering memorandum

(A) did not fairly represent the report, opinion or statement of the expert, or

(B) was not a fair copy of, or an extract from, the report, opinion or statement of the expert.

A person, other than the issuer or selling security holder, is not liable in an action for damages with respect to any part of the offering memorandum not purporting to be made on the authority of an expert and not purporting to be a copy of, or an extract from, a report, opinion or statement of an expert, unless the person

(a) failed to conduct a reasonable investigation to provide reasonable grounds for a belief that there had been no misrepresentation, or

(b) believed there had been a misrepresentation.

The amount recoverable shall not exceed the price at which the securities were offered under the offering memorandum. In an action for damages, the defendant is not liable for all or any part of the damages that the defendant proves do not represent the depreciation in value of the security as a result of the misrepresentation.

All or any one or more of the persons or companies that are found to be liable or accept liability in an action for damages 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 circumstances of the case, the court is satisfied that it would not be just and equitable.

The issuer, and every director of the issuer at the date of the offering memorandum who is not a selling security holder, is not liable if the issuer does not receive any proceeds from the distribution of the securities and the misrepresentation was not based on information provided by the issuer, unless the misrepresentation

(a) was based on information previously publicly disclosed by the issuer;

(b) was a misrepresentation at the time of its previous public disclosure; and

(c) was not subsequently publicly corrected or superseded by the issuer before completion of the distribution of the securities being distributed.

No action may be commenced to enforce a right more than,

(a) in the case of an action for rescission, 180 days after the date of the transaction giving rise to the cause of action; or

(b) in the case of any action other than an action for rescission,

(i) 180 days after the plaintiff first had knowledge of the facts giving rise to the cause of action, or

(ii) three years after the date of the transaction giving rise to the cause of action,

whichever period expires first.

The rights of action for rescission or damages conferred are in addition to and do not derogate from any other right that the purchaser may have at law.

Northwest Territories

Securities legislation in the Northwest Territories provides that if an offering memorandum (such as this Offering Memorandum) contains a misrepresentation, a purchaser who purchases a security offered by the offering memorandum during the period of distribution has, without regard to whether the purchaser relied on the misrepresentation:

(a) a right of action for damages against

(i) the issuer;

(i) the selling security holder on whose behalf the distribution is made;

(ii) every director of the issuer at the date of the offering memorandum, and

(iii) every person who signed the offering memorandum; and

(b) a right of rescission against:

(i) the issuer; or

(ii) the selling security holder on whose behalf the distribution is made.

If the purchaser chooses to exercise a right of rescission against the issuer, the purchaser has no right of action for damages against a person or company referred to above.

If a misrepresentation is contained in a record incorporated by reference in, or is deemed to be incorporated into, an offering memorandum, the misrepresentation is deemed to be contained in the offering memorandum.

If a misrepresentation is contained in the offering memorandum, no person is liable if the person proves that the purchaser purchased the securities with knowledge of the misrepresentation.

A person, other than the issuer or selling security holder, is not liable in an action for damages if the person proves that:

(a) the offering memorandum was sent to the purchaser without the person's knowledge or consent, and that, on becoming aware of its being sent, the person had promptly given reasonable notice to the issuer that it had been sent without the person's knowledge and consent;

(b) the person, on becoming aware of the misrepresentation, had withdrawn the person's consent to the offering memorandum and had given reasonable notice to the issuer of the withdrawal and the reason for it; or

(c) with respect to any part of the offering memorandum purporting to be made on the authority of an expert or to be a copy of, or an extract from, a report, opinion or statement of an expert, the person had no reasonable grounds to believe and did not believe that

(i) there had been a misrepresentation, or

(ii) the relevant part of the offering memorandum

(A) did not fairly represent the report, opinion or statement of the expert, or

(B) was not a fair copy of, or an extract from, the report, opinion or statement of the expert.

A person, other than the issuer or selling security holder, is not liable in an action for damages with respect to any part of the offering memorandum not purporting to be made on the authority of an expert and not purporting to be a copy of, or an extract from, a report, opinion or statement of an expert, unless the person

(a) failed to conduct a reasonable investigation to provide reasonable grounds for a belief that there had been no misrepresentation, or

(b) believed there had been a misrepresentation.

The amount recoverable shall not exceed the price at which the securities were offered under the offering memorandum. In an action for damages, the defendant is not liable for all or any part of the damages that the defendant proves do not represent the depreciation in value of the security as a result of the misrepresentation.

All or any one or more of the persons or companies that are found to be liable or accept liability in an action for damages 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 circumstances of the case, the court is satisfied that it would not be just and equitable.

The issuer, and every director of the issuer at the date of the offering memorandum who is not a selling security holder, is not liable if the issuer does not receive any proceeds from the distribution of the securities and the misrepresentation was not based on information provided by the issuer, unless the misrepresentation

(a) was based on information previously publicly disclosed by the issuer;

(b) was a misrepresentation at the time of its previous public disclosure; and

(c) was not subsequently publicly corrected or superseded by the issuer before completion of the distribution of the securities being distributed.

No action may be commenced to enforce a right more than,

(a) in the case of an action for rescission, 180 days after the date of the transaction giving rise to the cause of action; or

(b) in the case of any action other than an action for rescission,

(i) 180 days after the plaintiff first had knowledge of the facts giving rise to the cause of action, or

(ii) three years after the date of the transaction giving rise to the cause of action,

whichever period expires first.

The rights of action for rescission or damages conferred are in addition to and do not derogate from any other right that the purchaser may have at law.

Nunavut

Securities legislation in Nunavut provides that if an offering memorandum (such as this Offering Memorandum) contains a misrepresentation, a purchaser who purchases a security offered by the offering memorandum during the period of distribution has, without regard to whether the purchaser relied on the misrepresentation:

(a) a right of action for damages against

(i) the issuer;

(ii) the selling security holder on whose behalf the distribution is made;

(iii) every director of the issuer at the date of the offering memorandum, and

(iv) every person who signed the offering memorandum; and

(b) a right of rescission against:

(i) the issuer; or

(ii) the selling security holder on whose behalf the distribution is made.

If the purchaser chooses to exercise a right of rescission against the issuer, the purchaser has no right of action for damages against a person or company referred to above.

If a misrepresentation is contained in a record incorporated by reference in, or is deemed to be incorporated into, an offering memorandum, the misrepresentation is deemed to be contained in the offering memorandum.

If a misrepresentation is contained in the offering memorandum, no person is liable if the person proves that the purchaser purchased the securities with knowledge of the misrepresentation.

A person, other than the issuer or selling security holder, is not liable in an action for damages if the person proves that:

(a) the offering memorandum was sent to the purchaser without the person's knowledge or consent, and that, on becoming aware of its being sent, the person had promptly given reasonable notice to the issuer that it had been sent without the person's knowledge and consent;

(b) the person, on becoming aware of the misrepresentation, had withdrawn the person's consent to the offering memorandum and had given reasonable notice to the issuer of the withdrawal and the reason for it; or

(c) with respect to any part of the offering memorandum purporting to be made on the authority of an expert or to be a copy of, or an extract from, a report, opinion or statement of an expert, the person had no reasonable grounds to believe and did not believe that

(i) there had been a misrepresentation, or

(ii) the relevant part of the offering memorandum

(A) did not fairly represent the report, opinion or statement of the expert, or

(B) was not a fair copy of, or an extract from, the report, opinion or statement of the expert.

A person, other than the issuer or selling security holder, is not liable in an action for damages with respect to any part of the offering memorandum not purporting to be made on the authority of an expert and not purporting to be a copy of, or an extract from, a report, opinion or statement of an expert, unless the person

(a) failed to conduct a reasonable investigation to provide reasonable grounds for a belief that there had been no misrepresentation, or

(b) believed there had been a misrepresentation.

The amount recoverable shall not exceed the price at which the securities were offered under the offering memorandum. In an action for damages, the defendant is not liable for all or any part of the damages that the defendant proves do not represent the depreciation in value of the security as a result of the misrepresentation.

All or any one or more of the persons or companies that are found to be liable or accept liability in an action for damages 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 circumstances of the case, the court is satisfied that it would not be just and equitable.

The issuer, and every director of the issuer at the date of the offering memorandum who is not a selling security holder, is not liable if the issuer does not receive any proceeds from the distribution of the securities and the misrepresentation was not based on information provided by the issuer, unless the misrepresentation

(a) was based on information previously publicly disclosed by the issuer;

(b) was a misrepresentation at the time of its previous public disclosure; and

(c) was not subsequently publicly corrected or superseded by the issuer before completion of the distribution of the securities being distributed.

No action may be commenced to enforce a right more than,

(a) in the case of an action for rescission, 180 days after the date of the transaction giving rise to the cause of action; or

(b) in the case of any action other than an action for rescission,

(i) 180 days after the plaintiff first had knowledge of the facts giving rise to the cause of action, or

(ii) three years after the date of the transaction giving rise to the cause of action,

whichever period expires first.

The rights of action for rescission or damages conferred are in addition to and do not derogate from any other right that the purchaser may have at law.

British Columbia, Alberta and Québec

Notwithstanding that the *Securities Act* (British Columbia), the *Securities Act* (Alberta) and the *Securities Act* (Québec) do not provide, or require the Fund to provide to purchasers resident in such Provinces any rights of action in circumstances where this Offering Memorandum or an amendment hereto contains a Misrepresentation, the Fund hereby grants to such purchasers contractual rights of action that are equivalent to the statutory rights of action set forth above with respect to purchasers resident in Ontario.