*This supplement dated **July 4, 2022** to the Amended and Restated Confidential Offering Memorandum dated December 3, 2018 (collectively, the "**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. The Offering Memorandum is not, and under no circumstances is to be construed as, a prospectus or advertisement or a public offering of 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.***

The 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 Units. Distribution of the 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 Manager's prior written consent is prohibited. Each prospective purchaser, by accepting delivery of the Offering Memorandum, agrees to the foregoing and will make no photocopies of the Offering Memorandum or any documents referred to in, or incorporated into, the Offering Memorandum.

Continuous Offering

POLAR MICRO-CAP FUND

SUPPLEMENT TO CONFIDENTIAL OFFERING MEMORANDUM

The information herein provides certain additional information and supplements the Amended and Restated Confidential Offering Memorandum of Polar Micro-Cap Fund (the "**Fund**"), dated December 3, 2018 (the "**Offering Memorandum**") as it may be amended or supplemented from time to time. The Fund is an open-ended investment trust governed by the laws of Ontario 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 policies and objectives of the Fund are described in the Offering Memorandum.

The Fund is offering an unlimited number of Class A Units and Class F Units of the Fund (collectively, the "**Units**") issuable in series on a continuous basis under the Offering Memorandum pursuant to exemptions from the prospectus requirements of applicable securities legislation (the "**Offering**") including 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 of Canada (the "**Offering Jurisdictions**"). See "Details of the Offering".

All capitalized terms used and not defined herein have the meaning set out in the Confidential Offering Memorandum. The information set out in this Supplement modifies the information in the Confidential Offering Memorandum and the Confidential Offering Memorandum should be read subject to this additional information.

If there is a misrepresentation in the 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".

All Units purchased pursuant to the Offering Memorandum are subject to restrictions on resale unless a further statutory exemption may be relied upon by the investor 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 such Units. However, Units may be redeemed in accordance with the provisions of the Offering Memorandum and the Trust Agreement.

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

July 4, 2022

SUPPLEMENT TO THE CONFIDENTIAL OFFERING MEMORANDUM

This supplement (this "**Supplement"**) forms part of, and is to be read in conjunction with, the Confidential Offering Memorandum dated December 3, 2018 of Polar Micro-Cap Fund, as it may be amended or supplemented from time to time. Any statement contained in the Confidential Offering Memorandum will be deemed to be modified or superseded for all purposes to the extent, but only to the extent, that a statement contained herein expressly modifies or supersedes such statement. Any statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of the Offering Memorandum. Any statement contained in the Confidential Offering Memorandum and not so modified or superseded shall remain a part of the Offering Memorandum. All capitalized terms used herein and not otherwise defined herein shall have the meanings given to them in the Confidential Offering Memorandum.

Summary

The address of Polar Asset Management Partners Inc. under the headings "Summary – Fund Manager" and "Summary – Investment Advisor" is deleted and replaced with the following:

"Polar Asset Management Partners Inc.
16 York Street, Suite 2900
Toronto, Ontario, M5J 0E6"

The 4th bullet point entitled "Gross Market Exposure" following the 2nd paragraph under the sub-heading "Summary - Investment Strategies of the Fund" is deleted and replaced with the following:

"4. ***Gross Market Exposure***: The Fund may employ leverage. The gross amount of dollar exposure (i.e., dollars invested long plus dollars invested short) is generally expected to not exceed 150% of the Fund's Net Asset Value (as defined herein) but may, at the discretion of the Investment Advisor, be greater than such percentage. See "Leverage" under "Risk Factors"."

The 5th bullet point entitled "Net Market Exposure" following the 2nd paragraph under the sub-heading "Summary - Investment Strategies of the Fund" is deleted and replaced with the following:

"5. ***Net Market Exposure***: The Fund may maintain both long positions and short positions at any time. The net amount of dollar exposure (dollars invested long minus dollars invested short) is generally expected to range from 80% to 150% of the Fund' Net Asset Value, but may, at the direction of the Investment Advisor, be less than or greater than such levels."

The sub-heading "Legal Counsel to the Fund:" is deleted and replaced with "Corporate Counsel to the Fund:"

The following is inserted between "Summary – Corporate Counsel to the Fund:" and "Summary – Custodian / Prime Broker for the Fund:":

"Tax Counsel to the Fund: Thorsteinssons LLP
Toronto, Ontario"

The Fund

The last sentence in the first paragraph under the heading "The Fund" is deleted and replaced with the following:

"The principal address of the Fund is 16 York Street, Suite 2900, Toronto, Ontario, M5J 0E6."

Investment Strategies of the Fund

Bullet point (d) entitled "Gross Market Exposure" following the 2nd paragraph under the sub-heading "Investment Strategies of the Fund – Investment Strategy" is deleted and replaced with the following:

"(d) ***Gross Market Exposure***: The Fund may employ leverage. The gross amount of dollar exposure (i.e., dollars invested long plus dollars invested short) is generally expected to not exceed 150% of the Fund's Net Asset Value but may, at the discretion of the Investment Advisor, be greater than such percentage. See "Leverage" under "Risk Factors"."

Bullet point (e) entitled "Net Market Exposure" following the 2nd paragraph under the sub-heading "Investment Strategies of the Fund – Investment Strategy" is deleted and replaced with the following:

"(e) ***Net Market Exposure***: The Fund may maintain both long positions and short positions at any time. The net amount of dollar exposure (dollars invested long minus dollars invested short) is generally expected to range from 80% to 150% of the Fund' Net Asset Value, but may, at the direction of the Investment Advisor, be less than or greater than such levels."

The second and third paragraphs under the heading "Investment Strategies of the Fund – Investment Restrictions" are deleted and replaced with the following:

"The Fund will not invest in a share or interest in a non-resident entity that would be a "controlled foreign affiliate" of the Fund for the purposes of the Tax Act. The Fund will also not invest in the securities of any non-resident corporation, non-resident trust or other non-resident entity (or of any partnership that holds such securities) if the Fund would be required to include any significant amount in income under sections 94, 94.1 or 94.2 of the Tax Act."

Certain Canadian Federal Income Tax Considerations

The first sentence under the heading "Certain Canadian Federal Income Tax Considerations" is deleted and replaced as follows:

"The following is, as of the date hereof, a summary of certain 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."

The third paragraph under the heading "Certain Canadian Federal Income Tax Considerations" is deleted and replaced as follows:

"This summary is not applicable to: (a) a Unitholder that is a "financial institution" as defined in the Tax Act for the purposes of the "mark-to-market" rules, (b) a Unitholder an interest in which is a "tax shelter investment" under the Tax Act, (c) a Unitholder that is a "specified financial institution" as defined in the Tax Act, (d) a Unitholder whose functional currency for the purposes of the Tax Act is the currency of a country other than Canada, or (e) a Unitholder that has entered into, or will enter into, a derivative forward agreement with respect to Units for purposes of the Tax Act. Any such Unitholder should consult its own tax advisor with respect to an investment in Units."

The fifth paragraph under the heading "Certain Canadian Federal Income Tax Considerations" is deleted and replaced as follows:

"This summary further assumes that (i) none of the issuers of securities held by the Fund will be a foreign affiliate of the Fund or a Unitholder, or a non-resident trust that is not an "exempt foreign trust" as defined in section 94 of the Tax Act, (ii) the Fund will not be required to include any significant amounts in income pursuant to section 94.1 or section 94.2 of the Tax Act, and (iii) none of the securities held by the Fund will be a "tax shelter investment" within the meaning of section 143.2 of the Tax Act."

The last paragraph under the sub-heading "Certain Canadian Federal Income Tax Considerations – Status of the Fund" is deleted and replaced as follows:

"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."

The first two paragraphs under the sub-heading "Certain Canadian Federal Income Tax Considerations – Taxation of Unitholders" are deleted and replaced as follows:

"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 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."

Eligibility for Investment

The first and second paragraphs under the heading "Eligibility for Investment" are deleted and replaced as follows:

"In the opinion of Thorsteinssons LLP, 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 or Subscription Receipts 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 an RESP, or a holder of an RDSP or TFSA, as the case may be, will be subject to a penalty tax if the Units or Subscription Receipts 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 annuitant under the RRSP or RRIF, or the subscriber under the RESP, 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. In addition, the Units 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 an 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."

Risk Factors

The following risk factors are added following the "Cybersecurity Risk" risk factor:

"24. 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 tax liability (or any related penalties, interest or other additions to tax) applicable to an investor in the Fund or for the effect of taxes (or any related penalties, interest or other additions to tax) on the investment returns of the Fund.

25. Changes to Canadian Tax Laws. There can be no assurance that 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.

26. 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."

Legal Counsel

The paragraph under the heading "Legal Counsel" is deleted and replaced as follows:

"Blake, Cassels & Graydon LLP acts as corporate legal counsel to the Fund and to the Fund Manager. Thorsteinssons LLP acts as tax counsel to the Fund and to the Fund Manager."

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