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PROSPECTUS

Initial Public Offering

July 30, 2015

INVESTMENT GRADE MANAGED DURATION INCOME FUND

Investment Grade Managed Duration Income Fund
Unit Traded Fund (UTF)

\$200,000,000 (maximum)
(maximum – 20,000,000 Units)
\$10.00 per Class A Unit
\$10.00 per Class T Unit

Investment Grade Managed Duration Income Fund (the “**Fund**”), a closed-end investment fund established as a trust under the laws of the Province of Ontario, hereby offers its exchangeable Class A Units (the “**Class A Units**”) and traded Class T Units (the “**Class T Units**”) and, together with the Class A Units, the “**Units**”) at a price of \$10.00 per Unit (the “**Offering**”). The Fund uses the *Unit Traded Fund (UTF)* structure. See “*Unit Traded Fund Structure*”.

The Fund’s investment objectives are to:

- (i) provide holders of Units (“**Unitholders**”) with a stable stream of monthly distributions;
- (ii) preserve the net asset value per Unit; and
- (iii) reduce the risk of rising interest rates by managing portfolio duration,

by investing primarily in U.S. and Canadian dollar denominated investment grade preferred securities.

To achieve its investment objectives, the Fund will invest in a portfolio of U.S. and Canadian dollar denominated securities comprised primarily of U.S. investment grade preferred securities of issuers that the Investment Advisor (as defined below) (with respect to the non-Canadian portion) or the Manager (as defined below) (with respect to the Canadian portion) believes have strong fundamentals and are priced at attractive relative valuations (the “**Portfolio**”) and will be actively managed by the Investment Advisor or the Manager, respectively. Preferred securities are primarily issued by companies in the financial sector and, to a lesser degree, by companies in other sectors, such as industrials and utilities.

The Fund will seek to reduce the risk of rising interest rates by managing the portfolio duration over time. The Fund is expected to maintain a weighted average Portfolio target duration (as described below) of no more than four years for at least 18 months following the closing of the Offering and not more than six years thereafter.

Currently the Investment Advisor believes that the financial services sector offers attractive opportunities based on historically strong fundamentals across the financial services sector, and as a result of intense new bank regulation and capital requirements mandated by the Dodd-Frank Act and Basel III regulatory framework.

Purpose Investments Inc. (“**Purpose**”) is the manager of the Fund (the “**Manager**”) and has retained Nuveen Asset Management, LLC (“**Nuveen**”) to act as the investment advisor of the Fund (the “**Investment Advisor**”) with respect to the non-Canadian portion of the Portfolio. The Manager will be responsible for implementing the investment strategy of the Fund with respect to the Canadian portion of the Portfolio. See “Organization and Management Details of the Fund”.

Prospective purchasers may purchase Units either by: (i) cash payment; or (ii) an exchange (the “**Exchange Option**”) of freely tradeable securities of one or more of those issuers set forth in this prospectus under the heading “Purchase of Securities – Exchange Eligible Issuers” (collectively, the “**Exchange Eligible Issuers**”). **The Exchange Option does not constitute, and is not to be construed as, a take-over bid for any Exchange Eligible Issuer.** See “Purchase of Securities”.

Price: \$10.00 per Unit
Minimum Purchase: 100 Units

	Price to the Public⁽¹⁾	Agents’ Fees⁽²⁾	Net Proceeds to the Fund⁽²⁾⁽³⁾
Per Class A Unit	\$10.00	Nil	\$10.00
Per Class T Unit	\$10.00	Nil	\$10.00
Total Maximum Offering	\$200,000,000	Nil	\$200,000,000
Total Minimum Offering ⁽⁴⁾	\$20,000,000	Nil	\$20,000,000

- (1) The Offering price was established by negotiation between the Manager and the Agents (as defined below). The price per Unit is payable in cash or in securities of Exchange Eligible Issuers deposited pursuant to the Exchange Option.
- (2) No compensation will be paid by the Fund to the Agents. The Promoter, out of its own account, will pay a fee to the Agents equal to \$0.25 per Class A Unit issued. In addition, the Manager will pay to the Agents for a period of time an annual deferred compensation equal to (i) 0.50% of the NAV (as defined herein) of the Fund, and (ii) 1.32% of the aggregate net asset value of all Units that are purchased and cancelled by the Fund during the year under the mandatory market purchase program until the aggregate amount of such fees equals 2.00% of the gross proceeds of the Offering. See “Plan of Distribution”.
- (3) Before deducting the expenses of the Offering, estimated to be \$600,000, which will be borne by the Fund up to a maximum of 0.50% of the gross proceeds of the Offering. The Promoter will bear the expenses of the Offering in excess of 0.50% of the gross proceeds of the Offering.
- (4) There will be no closing unless a minimum of 2,000,000 Units are sold. If subscriptions for a minimum of 2,000,000 Units have not been received within 90 days following the date of issuance of a final receipt for this prospectus, the Offering may not continue unless an amendment to this prospectus has been filed and a receipt therefor has been issued.

No commission will be paid at the closing of the Offering to Agents that sell Class T Units, and the Class T Units will immediately commence trading in the market. A commission of \$0.25 per Class A Unit will be paid at Closing by the Promoter to Agents that sell Class A Units. Class A Units are intended to be purchased under the Offering by investors who intend to hold their Class A Units for at least thirty-two (32) months with the understanding that an Early Exchange Fee (as defined below) will apply if their Class A Units are redeemed or converted prior to the Automatic Conversion Date (as defined below). At the closing of the Offering, the Promoter will pay a commission to the Agents for selling Class A Units. Thirty-two (32) months after the closing of the Offering, the Class A Units will automatically convert into Class T Units and trade on the market. See “Attributes of the Securities”.

There currently is no market through which the Units may be sold and purchasers may not be able to resell Units purchased under this prospectus. The Toronto Stock Exchange has conditionally approved the listing of the Class T Units, subject to the Fund fulfilling all of the requirements of the Toronto Stock Exchange on or before October 21, 2015, including distribution of the Units to a minimum number of public holders. The Fund will not apply to list the Class A Units, however, holder of Class A Units may convert Class A Units into Class T Units on a weekly basis and it is expected that liquidity for the Class A Units will be primarily obtained by means of conversion into Class T Units and the sale of those Class T Units. See “Plan of Distribution” and “Attribute of Securities - Conversion of Class A Units into Class T Units”.

There is no assurance that the Fund will be able to achieve its objectives or pay distributions equal to the Target Distribution Amount (as defined under “Distribution Policy”) or at all. The Class T Units may trade at a significant discount to the Fund’s net asset value per Unit. In recognition of the possibility that Class T

Units may trade at a discount, the terms and conditions attaching to Class T Units have been designed to attempt to reduce or eliminate a market value discount from the NAV per Class T Unit by way of the Fund's mandatory market purchase program, as described under "Attributes of Securities – Mandatory Market Purchase Program". See "Risk Factors" for a discussion of various risk factors that should be considered by prospective purchasers of Units, including with respect to the use of leverage. The Fund is not a trust company and, accordingly, is not registered under the trust company legislation of any jurisdiction. Units are not "deposits" within the meaning of the *Canada Deposit Insurance Corporation Act* (Canada) and are not insured under provisions of such legislation or any other legislation.

National Bank Financial Inc., CIBC World Markets Inc., Scotia Capital Inc., GMP Securities L.P., Canaccord Genuity Corp., Raymond James Ltd., Desjardins Securities Ltd., Dundee Securities Ltd., Global Securities Corporation, Mackie Research Capital Corporation, Manulife Securities Incorporated, PI Financial Corp. and Rothenberg Capital Management Inc. (collectively, the "**Agents**") conditionally offer the Units, subject to prior sale, on a best efforts basis, if, as and when issued by the Fund and accepted by the Agents in accordance with the conditions contained in the Agency Agreement referred to under "Plan of Distribution", and subject to the approval of certain legal matters by Fasken Martineau DuMoulin LLP on behalf of the Fund and the Agents. See "Plan of Distribution".

National Bank Financial Inc., which is one of the Agents and the Promoter, is an affiliate of a Canadian chartered bank which has been requested to provide the Fund with a loan facility or prime brokerage facility, the proceeds of which would be used by the Fund for various purposes, including purchasing additional securities for the Portfolio, effecting market purchases of Units, maintaining liquidity and funding redemptions. Consequently, the Fund may be considered a "connected issuer" of National Bank Financial Inc. under applicable securities legislation. See "Relationship Between Investment Fund and Agents" and "Plan of Distribution". National Bank Financial Inc. will receive no benefit in connection with this Offering other than receiving from the Fund the fee payable to the Promoter and a portion of the Agents' fees described under "Fees and Expenses".

Subscriptions for Units will be received subject to acceptance or rejection in whole or in part and the right is reserved to close the subscription books at any time without notice. Closing of the Offering is expected to occur on or about August 21, 2015 (the "**Closing Date**"), or such later date as the Fund and the Agents may agree, but in any event not later than 90 days after the issuance of a receipt for the final prospectus of the Fund. Registrations and transfers of Units will be effected through the book-entry only system administered by CDS Clearing and Depository Services Inc. Beneficial owners will not have the right to receive physical certificates evidencing their ownership. See "Plan of Distribution" and "Attributes of the Units – Registration of Units".

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PROSPECTUS SUMMARY

The following is a summary of the principal features of this distribution and should be read together with the more detailed information and financial data and statements contained elsewhere in this prospectus. All references in this prospectus to “dollars” or “\$” are to Canadian dollars unless otherwise indicated.

THE OFFERING

Issuer: Investment Grade Managed Duration Income Fund (the “**Fund**”), a closed-end investment fund established as a trust under the laws of the Province of Ontario.

Unit Traded Fund Structure: The Fund uses the *Unit Traded Fund (UTF)* structure which has been developed to accomplish two goals, namely (a) to enable the Fund to invest virtually all of the gross proceeds from the Offering in the Portfolio, and (b) to encourage the Fund’s Class T Units to trade in the market at a price not less than 98.50% of their net asset value throughout the life of the Fund. See “*Unit Traded Fund Structure*”.

Offering: This offering (the “**Offering**”) consists of exchangeable Class A Units (the “**Class A Units**”) and traded Class T Units (the “**Class T Units**” and, together with the Class A Units, the “**Units**”).

No commission will be paid at the closing of the Offering to Agents that sell Class T Units, and the Class T Units will immediately commence trading in the market. A commission of \$0.25 per Class A Unit will be paid at Closing by the Promoter to Agents that sell Class A Units. Class A Units are intended to be purchased under the Offering by investors who intend to hold their Class A Units for at least thirty-two (32) months with the understanding that an Early Exchange Fee (as defined below) will apply if their Class A Units are redeemed or converted prior to the Automatic Conversion Date (as defined below). Thirty-two (32) months after the closing of the Offering, the Class A Units will automatically convert into Class T Units and trade in the market. See “Attributes of the Securities”.

While at the closing of the Offering the NAV per Unit of each class will be the same, after the closing of the Offering the NAV per Unit of each class will not be the same as a result of the different fees allocable to each class of Units. See “Attributes of the Securities”, “Plan of Distribution” and “Fees and Expenses”.

A holder of Class A Units may convert Class A Units into Class T Units on a weekly basis and it is expected that liquidity for the Class A Units will be primarily obtained by means of conversion into Class T Units and the sale of those Class T Units. Class A Units may be converted in any week on the first Business Day of such week (each a “**Conversion Date**”) by delivering a notice and surrendering such Class A Units by 3:00 p.m. (Toronto time) at least five Business Days prior to the relevant Conversion Date.

The Fund will redeem such number of Class A Units from those otherwise being converted as is necessary to pay the Early Exchange Fee and will deduct the Early Exchange Fee from the redemption proceeds. The Early Exchange Fee so deducted by the Fund will be remitted by the Fund, on behalf of the holder, to the Promoter. For each Class A Unit converted, the holder will receive the number of Class T Units that is equal to (i) the NAV per Class A Unit as of the close of trading on the relevant Conversion Date, divided by (ii) the NAV per Class T Unit as of the close of trading on such Conversion Date. No Early Exchange Fee will apply when Class A Units are automatically converted into Class T Units on the Automatic Conversion Date. With respect to the total number of Class A Units being converted by a holder on a Conversion Date or the Automatic Conversion Date, no fractional Class T Unit will be issued to the holder and, instead, the aggregate number of Class T Units issuable to the holder will be rounded down to the nearest whole number. See “Attributes of Securities - Conversion of

Class A Units into Class T Units”.

Class A Units will be automatically converted into Class T Units on April 21, 2018 (the “**Automatic Conversion Date**”), with no Early Exchange Fee (as defined below).

Holders of Class T Units cannot convert Class T Units into Class A Units.

Based in part on the current published administrative policies and assessing practices of the CRA (as defined herein), a conversion of Class A Units into Class T Units will not constitute a disposition of the Class A Units for the purposes of the Tax Act (as defined herein), except to the extent that Class A Units are redeemed to pay the Early Exchange Fee.

Any monthly redemption of Class A Units and any conversion of Class A Units into Class T Units prior to the Automatic Conversion Date will be subject to an early exchange fee (the “**Early Exchange Fee**”) per Class A Unit redeemed or converted, as the case may be, equal to 3.00% for the first three-months and, thereafter, 3.00% minus incremental decreases of 0.25% per three-month period for a 32-month period.

Amounts: Maximum — \$200,000,000 (20,000,000 Units)
Minimum — \$20,000,000 (2,000,000 Units)

Price: \$10.00 per Unit

Minimum Subscription: 100 Units (\$1,000)

Exchange Option: At the election of a prospective purchaser of Units, the price for each Unit purchased may be paid either by (a) cash or (b) an exchange (the “**Exchange Option**”) of freely tradeable securities of one or more of those issuers set forth in this prospectus under the heading “Purchase of Securities – Exchange Eligible Issuers” (collectively, the “**Exchange Eligible Issuers**”).

A prospective purchaser of Units who elects to pay for Units by using the Exchange Option must have done so by depositing (in the form of a book-entry deposit) securities of one or more Exchange Eligible Issuers with TMX Equity Transfer Services Inc., the Fund’s agent for the Exchange Option, through CDS Clearing and Depository Services Inc. (“**CDS**”) prior to 5:00 p.m. (Toronto time) on August 13, 2015. Such book-entry deposits must have been made by a participant in CDS, which may have an earlier deadline for receiving instructions from their clients to deposit securities of Exchange Eligible Issuers under the Exchange Option. See “Purchase of Securities”.

The purchase of Units by the exchange of securities of an Exchange Eligible Issuer pursuant to the Exchange Option will be a taxable event for the purchaser. See “Income Tax Considerations”.

Investment Objectives: The Fund’s investment objectives are to:

- (i) provide holders of Units (“**Unitholders**”) with a stable stream of monthly distributions;
- (ii) preserve the net asset value per Unit; and
- (iii) reduce the risk of rising interest rates by managing portfolio duration,

by investing primarily in U.S. and Canadian dollar denominated investment grade preferred securities. See “Investment Objectives”.

Investment Strategy: To achieve its investment objectives, the Fund will invest in a portfolio of U.S. and Canadian dollar denominated securities comprised primarily of U.S. investment grade preferred securities of issuers that the Investment Advisor (as defined below) (with respect to the non-Canadian portion) or the Manager (as defined below) (with respect to the Canadian portion) believes have strong fundamentals and are priced at attractive relative valuations (the “**Portfolio**”) and will be actively managed by the Investment Advisor or the Manager, respectively. Preferred securities are primarily issued by companies in the financial sector and, to a lesser degree, by companies in other sectors, such as industrials and utilities.

The Fund will seek to reduce the risk of rising interest rates by managing the portfolio duration over time. The Fund is expected to maintain a weighted average Portfolio target duration (as described below) of no more than four years for at least 18 months following the closing of the Offering and not more than six years thereafter.

Currently the Investment Advisor believes that the financial services sector offers attractive opportunities based on historically strong fundamentals across the financial services sector, and as a result of intense new bank regulation and capital requirements mandated by the Dodd-Frank Act and Basel III regulatory framework.

The Fund will invest at least 70% of the Total Assets (as defined below) in preferred securities (including preferred and hybrid securities), at least 70% of the Total Assets in Investment Grade (as defined below) securities and 100% of the Total Assets in U.S. and Canadian dollar denominated securities (except to the extent that investments in Cash Equivalents (as defined below) are denominated in U.S. or Canadian dollars). The Fund will invest primarily in preferred securities issued by companies in the financial services sector and, to a lesser degree, in securities of companies in other sectors, such as energy, industrials, utilities, pipelines, health care and telecommunications. The Fund may invest up to 30% of its Total Assets in non-investment grade preferred securities and other fixed income securities. “**Total Assets**” means the aggregate value of the assets of the Fund including the principal amount of any borrowings made on behalf of the Fund by the Manager. “**Investment Grade**” in respect of a security means a security, and in respect of an issuer means an issuer, which, at the time of purchase, has at least one of the following ratings: (i) at least BBB- by Standard & Poor’s Rating Services; (ii) at least Baa3 by Moody’s Investor Services, Inc.; (iii) at least BBB- by Fitch Ratings; (iv) the equivalent rating by another “designated rating organization” as defined in NI 81-102 or (v) or which are unrated but judged by the Investment Advisor or its affiliates to be of comparable quality.

The Investment Advisor may also invest up to 30% of the Total Assets in: (i) cash on deposit with the Custodian (as defined herein) or a broker; (ii) an evidence of indebtedness that has a remaining term to maturity of 365 days or less and that is issued, or fully and unconditionally guaranteed as to principal and interest, by (A) any of the Federal or Provincial Governments of Canada, (B) U.S. federal, state or local governments, (C) U.S. government agencies or (D) a Canadian financial institution (provided that in the case of (A), (B) or (C), such evidence of indebtedness has a rating of at least R-1 (mid) by DBRS Limited or the equivalent rating from another designated rating organization); or (iii) other cash cover as defined in NI 81-102 (collectively, “**Cash Equivalents**”).

Manager: Purpose Investments Inc. (“**Purpose**”) is the manager of the Fund (in such capacity, the “**Manager**”). Purpose will also be responsible for the implementation of the investment strategy of the Fund with respect to the Canadian portion of the Portfolio. See “Organization and Management Details of the Fund – Manager of the Fund”.

Investment Advisor: Nuveen Asset Management, LLC (“**Nuveen**”) is the investment advisor of the Fund (in such capacity, the “**Investment Advisor**”) and will be responsible for implementing the investment strategy of the Fund with respect to the non-Canadian portion of the Portfolio. See “Organization and Management Details of the Fund – Investment Advisor of the Fund”.

Promoter: National Bank Financial Inc. is the promoter of the Fund (in such capacity, the “**Promoter**”) and is responsible for designing the structure of the Fund, supporting certain aspects of the Offering and providing certain other services as described herein. See “Organization and Management Details of the Fund – The Promoter”.

Distribution Policy: The Fund intends to provide Unitholders with monthly cash distributions. Such distributions will be payable to Unitholders of record on the last day of each month or such other date as the Fund may set from time to time and will be paid on or before the last business day of the first month following each such month.

The Fund will not have a fixed monthly distribution amount, but will at least annually determine and announce (commencing in June 2016) a target monthly distribution amount (the “**Target Distribution Amount**”) based upon prevailing market conditions and the estimate by the Manager of distributable cash flow for the period to which such Target Distribution Amount pertains. The initial Target Distribution Amount for the period ending May 31, 2016 is \$0.0417 per Unit per month (corresponding to an annualized distribution of \$0.50 per Unit per annum and representing an annualized yield of 5% per annum based on the original subscription price). The initial distribution is expected to be declared payable to Unitholders of record on September 30, 2015 and to be paid on or before the tenth business day of the following month.

Assuming the gross proceeds of the Offering are \$100 million and the fees and expenses are as described herein, the Portfolio is expected to generate dividend and distribution income (net of applicable withholding tax) of approximately 5.62% per annum, assuming leverage of 22% of the total assets of the Fund is employed, which is the Fund’s initial intention. If the return on the Portfolio (including net realized capital gains from the sale of Portfolio securities) is less than the amount necessary to fund the monthly distributions at the targeted level and all expenses of the Fund, this will result in a portion of the capital of the Fund being returned to Unitholders and, accordingly, the NAV per Unit would be reduced. See “Distribution Policy” and “Risk Factors”.

Leverage: The Fund may utilize leverage, through borrowings (such as the Loan Facility and the Prime Brokerage Facility), through the use of derivatives or a combination of both, in an amount not exceeding 25% of the value of the total assets of the Fund for the purposes of purchasing additional securities for the Portfolio.

The Loan Facility or Prime Brokerage Facility, as applicable, will also permit the Fund to borrow an amount not exceeding 5% of the value of the total assets of the Fund for various purposes, including effecting market purchases of Class T Units, maintaining liquidity and funding redemptions. The Fund initially intends to borrow approximately 20% of the value of the total assets of the Fund for the purpose of purchasing additional securities for the Portfolio. The Manager is responsible for all leverage decisions and will monitor the Fund’s use of leverage and, based on factors such as changes in interest rates, the Manager’s economic outlook and the composition of the Portfolio, the Fund may from time to time alter the amount of leverage it employs. The maximum amount of leverage for purchasing additional securities that the Fund could employ through a loan facility or prime brokerage facility is 1.333:1 (maximum total assets divided by the net asset value of the Fund (“**NAV**”), as calculated in the manner described under the heading “Calculation of Net Asset Value”). See “Investment Strategy – Leverage”.

- Currency Hedging:** The securities in the Portfolio will include securities denominated in U.S. dollars and, therefore, the Fund will be exposed to changes in the value of the U.S. dollar against the Canadian dollar. Initially, substantially all of the Portfolio's exposure to the U.S. dollar will be hedged by the Manager back to the Canadian dollar.
- Redemptions:** Commencing in 2018, Class T Units may be surrendered annually for redemption during the period from the first Business Day in July until 5:00 p.m. (Toronto time) on the last Business Day in July of each year (the "**Notice Period**"). Subject to the Fund's right to suspend redemptions in certain circumstances, Class T Units properly surrendered for redemption during the Notice Period will be redeemed on the second last Business Day in August of each year following the relevant Notice Period (the "**Annual Redemption Date**") and the Unitholder will receive a redemption price per Class T Unit equal to 100% of the NAV per Class T Unit as determined on the Annual Redemption Date, less any costs associated with the redemption, including commissions, wire transfer fees and such other costs charged to the Fund by third parties, if any, on or before the Redemption Payment Date and the brokerage fees, commissions and other transaction costs incurred by the Fund in order to fund such redemption. In addition, Class A Units and Class T Units will be redeemable on a monthly basis. **Any redemption of Class A Units prior to the Automatic Conversion Date will be subject to an Early Exchange Fee of up to 3.00%, declining over time, as described under "Fees and Expenses"**. See "Redemptions of Securities", "Risk Factors" and "Calculation of Net Asset Value".
- Mandatory Market Purchase Program:** In order to enhance liquidity and provide market support for the Class T Units, the Declaration of Trust provides that the Fund will undertake a mandatory market purchase program pursuant to which the Fund will offer to purchase any Class T Units offered in the market at a price that is less than 98.50% of the latest NAV per Class T Unit. Pursuant to the mandatory market purchase program, the Fund will purchase up to a maximum amount in any rolling 10 day period of 10% of the number of Class T Units outstanding at the beginning of such 10 day period, subject to a limit of 2% of the number of Class T Units outstanding each day and subject to the terms set out in the Declaration of Trust. See "Attributes of Securities – Mandatory Market Purchase Program".
- Distribution Reinvestment:** The Fund intends to provide Unitholders with the opportunity to elect to reinvest monthly cash distributions made by the Fund in additional Units and to purchase additional Units for cash through participation in the distribution reinvestment plan of the Fund described under "Distribution Policy – Distribution Reinvestment Plan".
- Termination:** The Fund does not have a fixed termination date. The Manager, in its discretion, may terminate the Fund without the approval of Unitholders if, in its opinion, it is no longer economically practical to continue the Fund or it would be in the best interests of Unitholders to terminate the Fund. The Fund also may be terminated pursuant to a merger, combination or other consolidation as described under "Unitholder Matters – Permitted Mergers". Any such merger, combination or other consolidation pursuant to which the Fund is terminated may, although unlikely, be with an entity that is not a reporting issuer, in which case the liquidity of the Unitholder upon the completion of such transaction may be limited; however, prior to effecting any such transaction with a non-reporting issuer, the Fund would offer Unitholders the ability to redeem their Units at a redemption price of 100% of the NAV per Unit. Upon termination, the Fund will distribute to Unitholders their *pro rata* portions of the remaining assets of the Fund after all liabilities of the Fund have been satisfied or appropriately provided for. In the case of termination pursuant to a merger, combination or other consolidation, such distribution may be made in the securities of the resulting or continuing investment fund. See "Termination of the Fund".

Agents: National Bank Financial Inc., CIBC World Markets Inc., Scotia Capital Inc., GMP Securities L.P., Canaccord Genuity Corp., Raymond James Ltd., Desjardins Securities Ltd., Dundee Securities Ltd., Global Securities Corporation, Mackie Research Capital Corporation, Manulife Securities Incorporated, PI Financial Corp. and Rothenberg Capital Management Inc. (collectively, the “**Agents**”). See “Plan of Distribution”.

Use of Proceeds: The net proceeds from the sale of Units will be as follows:

	<u>Maximum Offering</u>	<u>Minimum Offering⁽¹⁾</u>
Gross proceeds to the Fund:	\$200,000,000	\$20,000,000
Agents’ fee ⁽²⁾ :	Nil	Nil
Estimated expenses of the Offering:	<u>\$600,000⁽³⁾</u>	<u>\$100,000⁽³⁾</u>
Net proceeds to the Fund:	<u>\$199,400,000</u>	<u>\$19,900,000</u>

Notes:

(1) There will be no closing unless a minimum of 2,000,000 Units are sold. If subscriptions for a minimum of 2,000,000 Units have not been received within 90 days following the date of issuance of a final receipt for this prospectus, the Offering may not continue unless an amendment to this prospectus has been filed and a receipt therefor has been issued.

(2) No compensation will be paid by the Fund to the Agents. The Promoter, out of its own account, will pay a fee to the Agents equal to \$0.25 per Class A Unit issued. In addition, the Manager will pay annual deferred compensation to the Agents for a period of time. See “Plan of Distribution”.

(3) The Fund will bear up to a maximum of 0.50% of the gross proceeds of the Offering. The Promoter will bear the expenses of the Offering in excess of 0.50% of the gross proceeds of the Offering.

The Fund will use the net proceeds of this Offering to: (i) invest in U.S. and Canadian dollar denominated securities comprised primarily of U.S. investment grade preferred securities issued primarily by companies in the financial sector in accordance with the Fund’s investment objectives, strategy and restrictions as described herein and (ii) fund the ongoing fees and expenses of the Fund as described under “Fees and Expenses”. See “Use of Proceeds”.

To the extent that securities of Exchange Eligible Issuers are acquired pursuant to the Exchange Option, the Fund will consider such securities in light of the Fund’s investment objectives, strategy and restrictions and also in light of the Manager’s outlook for the issuers of such securities and the sectors in which such issuers operate. In the event the Fund determines to sell any such securities based on the foregoing considerations, the timing and manner of any such sales will be made having regard to maximizing value for the Fund. The Fund will ensure that the holdings of such securities comply with the investment restrictions of the Fund set out under “Investment Restrictions”. See “Use of Proceeds”.

Income Tax Considerations:

The Fund is subject to tax under Part I of the *Income Tax Act* (Canada) (“**Tax Act**”) in each taxation year on its income for the year less the portion thereof that it claims in respect of the amount paid or made payable to Unitholders in the year. The Trustee (as defined below) intends to make sufficient income paid or payable to Unitholders in each taxation year so that the Fund is not liable to pay tax under Part I of the Tax Act for the taxation year.

A Unitholder who is resident in Canada generally will be required to include in computing income for a taxation year that part of the net income, and the taxable portion of the net realized capital gains, of the Fund, if any, that is paid or becomes payable to the Unitholder by the Fund in that year (whether in cash or Units). To the extent that amounts payable to a Unitholder are designated by the Fund as (i) taxable dividends from taxable Canadian corporations, (ii) the taxable portion of net realized capital gains and (iii) foreign source income, those amounts will retain their character and be treated as such in the hands of the Unitholder. Distributions by the Fund to a Unitholder in excess of the Unitholder’s share of the Fund’s net income and net realized capital gains will not be taxable but will reduce the adjusted cost base of the Unitholder’s Units.

A Unitholder who disposes of Units held as capital property will realize a capital gain (or

capital loss) to the extent that the proceeds of disposition, net of any reasonable costs of disposition, exceed (or are less than) the aggregate adjusted cost base of the Units disposed of.

A purchaser who holds securities of Exchange Eligible Issuers as capital property and acquires Units pursuant to the Exchange Option generally will realize a capital gain (or a capital loss) in the taxation year of the Unitholder in which the disposition of the securities of the Exchange Eligible Issuer occurs to the extent that the proceeds of disposition of the securities of Exchange Eligible Issuers, net of any reasonable costs of disposition, exceed (or are less than) the adjusted cost base of such securities to the Unitholder. For this purpose, the proceeds of disposition of the securities will be equal to the sum of the aggregate of the fair market value of the Units received and the amount of any cash received in lieu of fractional Units on the exchange.

Each investor should satisfy himself or herself as to the federal, provincial, territorial and other tax consequences of an investment in Units by obtaining advice from his or her tax advisor. See “Income Tax Considerations”.

Eligibility:

Provided that the Fund qualifies as a mutual fund trust within the meaning of the Tax Act or the Units are listed on a “designated stock exchange” for purposes of the Tax Act, the Units will be qualified investments under the Tax Act for trusts governed by registered retirement savings plans, tax-free savings accounts, deferred profit sharing plans, registered disability savings plans, registered retirement income funds and registered education savings plans. See “Income Tax Considerations – Status of the Fund” and Income Tax Considerations – Taxation of Registered Plans”.

Risk Factors:

An investment in Units is subject to various risk factors, including but not limited to:

- (i) there being no assurance that the Fund will be able to achieve its objectives, including being able to pay distributions to Unitholders in an amount equal to the Target Distribution Amount or at all;
- (ii) the NAV will vary depending on a number of factors which are not within the control of the Fund, including performance of the Portfolio, which performance will be affected by various factors impacting the performance of the securities in which the Fund invests including performance of equity markets generally;
- (iii) the NAV and the market price of the Units will be sensitive to interest rate fluctuations;
- (iv) the NAV and the market price of the Units will be sensitive to duration;
- (v) concentration risk as a result of the Fund investing primarily in issuers operating in the United States in the financial services sector;
- (vi) the risks of investing in equity securities, such as the general risks of equity investments, general economic conditions and industry specific conditions;
- (vii) risks relating to investing in preferred securities;
- (viii) risks relating to investments in issuers operating in the financial sector;
- (ix) risks relating to foreign currency exposure;
- (x) if the returns on the Portfolio are less than the amount necessary to fund the monthly distributions, the Fund may be required to return a portion of its capital in order to pay such distributions, which will reduce the NAV per Unit;

- (xi) reliance on the Investment Advisor and the Manager for investment advice, including there being no certainty that the employees of the Investment Advisor or the Manager who will be primarily responsible for providing such advice will continue to be employees of the Investment Advisor or the Manager throughout the life of the Fund or that the Manager and the Investment Advisor, as applicable, will continue to be engaged by the Fund;
- (xii) risks associated with the use of leverage by the Fund;
- (xiii) risks associated with the use of a hedging strategy;
- (xiv) risks associated with the use of derivative instruments;
- (xv) exposure to credit risk;
- (xvi) risks associated with repurchase and reverse repurchase transactions;
- (xvii) risks that a borrower, or the counterparty to a derivatives contract, is unable or unwilling to repay the loan or obligation, either on time or at all;
- (xviii) there being no guaranteed return on investment;
- (xix) the possible loss of an investment in Units;
- (xx) the possibility of the Fund being unable to dispose of illiquid securities;
- (xxi) risks relating to market purchases;
- (xxii) counterparty risks associated with securities lending;
- (xxiii) Units may trade in the market at a premium or a discount to the NAV per Unit and the market price of the Units is subject to factors beyond the control of the Fund, the Manager and the Investment Advisor;
- (xxiv) the lack of operating history of the Fund and the current absence of a public trading market for the Units;
- (xxv) in the event the Fund enters into a prime brokerage facility, the ongoing availability of credit and the terms of such credit, including interest cost and margin requirements, will be subject to change at the lender's sole discretion at any time and there will be no guarantee that the Fund will be able to borrow on terms satisfactory to the Fund or at all;
- (xxvi) risks associated with substantial redemptions of Units and with redemption costs varying from time to time;
- (xxvii) the Fund will not be subject to regulation as a public mutual fund and the Fund will not be a trust company or registered under legislation of any jurisdiction governing trust companies;
- (xxviii) risks related to potential conflicts of interest of the Manager, the Investment Advisor and the Promoter;
- (xxix) Units being different from traditional equity securities and debt instruments;
- (xxx) the absence of an organized market for the trading of Class A Units;

- (xxxix) Unitholders will have no ownership interest in the securities comprising the Portfolio;
 - (xxxix) risks associated with the Exchange Option;
 - (xxxix) tax related risks including risks relating to taxation of the Fund and of Unitholders which are dependent on the tax status of the Fund including its potential status as a “SIFT trust” under the Tax Act, administrative positions of the Canada Revenue Agency regarding the deductibility of interest and other expenses and risks relating to withholding tax legislation;
 - (xxxix) potential changes in legislation, including tax legislation; and
 - (xxxix) potential liability of Unitholders.
- See “Risk Factors”.

**ORGANIZATION AND MANAGEMENT
OF THE FUND**

Management of the Fund	Services Provided to the Fund	Municipality of Residence
Manager:	Purpose Investments Inc. is the manager of the Fund. See “Organization and Management Details of the Fund – Manager of the Fund”.	Toronto, Ontario
Investment Advisor:	Nuveen Asset Management, LLC is the Investment Advisor of the Fund. See “Organization and Management Details of the Fund – Investment Advisor of the Fund”.	Chicago, IL USA
Promoter:	National Bank Financial Inc. is the promoter of the Fund. See “Organization and Management Details of the Fund – Promoter”.	Montréal, Québec
Custodian:	NBCN Inc. is the custodian of the assets of the Fund. See “Organization and Management Details of the Fund – Custodian”.	Toronto, Ontario
Registrar and Transfer Agent; Exchange Agent	TMX Equity Transfer Services Inc. is the registrar and transfer agent for the Units and the Exchange Agent for the Exchange Option. See “Organization and Management Details of the Fund – Registrar and Transfer Agent”.	Toronto, Ontario
Trustee:	Purpose Investments Inc. is the Fund’s Trustee. See “Organization and Management Details of the Fund – Trustee”.	Toronto, Ontario
Auditor:	Ernst & Young LLP is the auditor of the Fund. See “Organization and Management Details of the Fund – Auditor”.	Toronto, Ontario
Valuation Agent:	CIBC Mellon Global Securities Services Company is the Fund’s valuation agent and will calculate the NAV. See “Calculation of Net Asset Value.”	Toronto, Ontario
Securities Lending Agent:	NBCN Inc. will be the securities lending agent of the Fund. See “Organization and Management Details of the Fund – Securities Lending Agent”.	Toronto, Ontario

SUMMARY OF FEES AND EXPENSES

The following table contains a summary of the fees and expenses payable by the Fund and the Unitholders. Unitholders may have to pay some of these fees and expenses directly, as set out below under “Fees and Expenses Payable by Unitholders”. The fees and expenses payable by the Fund will reduce the value of your investment in the Fund. For further particulars see “Fees and Expenses”.

The Fund uses the *Unit Traded Fund (UTF)* structure which has been developed to accomplish two goals, namely (a) to enable the Fund to invest virtually all of the gross proceeds from the Offering in the Portfolio, and (b) to encourage the Fund’s Class T Units to trade in the market at a price not less than 98.50% of their net asset value throughout the life of the Fund.

Fees and Expenses Payable by the Fund

<u>Type of Fee</u>	<u>Description</u>
Expenses of the Offering:	The Fund will bear the expenses incurred in connection with the Offering, estimated to be \$600,000, subject to a maximum of 0.50% of the gross proceeds of the Offering.
Management Fee :	<p>Pursuant to the terms of the Management Agreement, the Fund will pay the Manager an annual management fee (the “Management Fee”) equal to the sum of (i) 0.85% of the NAV of the Fund, plus applicable taxes, calculated daily and payable monthly, and (ii) an amount equal to the Contingent Agents Fee (as defined below), plus applicable taxes. The portion of the Management Fee described in (ii) above will be waived by the Manager from time to time during such periods when it is under no obligation to be compensating registered dealers for selling Units (either under this Offering or a future distribution of Units). The Investment Advisor will be remunerated by the Manager out of the Management Fee. The Manager will pay to the Agents the annual deferred compensation equal described under “Plan of Distribution” out of the Management Fee.</p> <p>The “Contingent Agents Fee” means the annual deferred compensation paid by the Manager to the Agents equal to 1.32% of the aggregate net asset value of all Units that are purchased and cancelled by the Fund during the year under the mandatory market purchase program.</p>
Promoter Fee:	Pursuant to the terms of the Promoter Agreement the Fund will pay the Promoter a fee of 0.25% per annum of the NAV of the Fund attributable to the Class T Units, calculated daily and payable quarterly until August 21, 2025, and 1.25% per annum of the NAV of the Fund attributable to the Class A Units, calculated daily and payable quarterly (collectively, the “ Promoter Fee ”), plus applicable taxes. The Promoter will be reimbursed by the Fund for all reasonable costs and expenses incurred in connection with its services. See “Organization and Management Details of the Fund – Promoter”.
Operating expenses of the Fund:	The Fund will pay all expenses incurred in connection with its operation and administration, estimated to be \$200,000 per annum. The Fund also will be responsible for commissions and other costs of Portfolio, debt service and costs relating to any loan facility or prime brokerage facility entered into by the Fund and all liabilities and any extraordinary expenses which it may incur from time to time. See “Fees and Expenses – Fees and Expenses Payable by the Fund – Operating Expenses of the Fund”.

Fees and Expenses Payable by the Unitholders

Type of Fee

Description

Early Exchange Fee:

Any monthly redemption of Class A Units and any conversion of Class A Units into Class T Units prior to the Automatic Conversion Date will be subject to an early exchange fee (the “**Early Exchange Fee**”) per Class A Unit redeemed or converted, as the case may be, equal to the following percentage of the NAV per Class A Unit:

<u>Period (from the Closing Date) during which the redemption or conversion is effected</u>	<u>Early Exchange Fee (% of NAV per Class A Unit)</u>
Until and including the 3 rd calendar month	3.00%
From the 4 th calendar month until and including the 6 th calendar month	2.75%
From the 7 th calendar month until and including the 9 th calendar month	2.50%
From the 10 th calendar month until and including the 12 th calendar month	2.25%
From the 13 th calendar month until and including the 15 th calendar month	2.00%
From the 16 th calendar month until and including the 18 th calendar month	1.75%
From the 19 th calendar month until and including the 21 st calendar month	1.50%
From the 22 nd calendar month until and including the 24 th calendar month	1.25%
From the 25 th calendar month until and including the 27 th calendar month	1.00%
From the 28 th calendar month until and including the 30 th calendar month	0.75%
From the 31 st calendar month until and including the 32 nd calendar month	0.50%

In the case of a conversion of Class A Units, the Fund will redeem such number of Class A Units from those otherwise being converted as is necessary to pay the Early Exchange Fee and will deduct the Early Exchange Fee from the redemption proceeds. In the case of a monthly redemption of Class A Units, the Fund will deduct the Early Exchange Fee from the redemption proceeds. The Early Exchange Fee so deducted by the Fund will be remitted by the Fund, on behalf of the Unitholder, to the Promoter.

Redemption Expenses:

In connection with the redemption of Units, any costs associated with the redemption, including all brokerage fees, commissions, wire transfer fees and other transaction costs incurred by the Fund in order to fund such redemption will be deducted from the applicable redemption price payable to the Unitholder exercising the redemption privilege.

See “Fees and Expenses – Fees and Expenses Payable by Unitholders”, “Risk Factors – Risks Related to the Structure of the Fund – Risks Related to Redemption” and “Redemptions of Securities”.

GLOSSARY OF TERMS

“**1933 Act**” means the United States Securities Act of 1933, as amended;

“**Agency Agreement**” means the agency agreement dated July 30, 2015 among the Fund, the Manager and National Bank Financial Inc.;

“**Agents**” means National Bank Financial Inc., CIBC World Markets Inc., Scotia Capital Inc., GMP Securities L.P., Canaccord Genuity Corp., Raymond James Ltd., Desjardins Securities Ltd., Dundee Securities Ltd., Global Securities Corporation, Mackie Research Capital Corporation, Manulife Securities Incorporated, PI Financial Corp. and Rothenberg Capital Management Inc. acting as agents of the Fund in connection with the Offering pursuant to the terms of the Agency Agreement;

“**Annual Redemption Date**” means the second last Business Day in August of each year, commencing in 2018, following the relevant Notice Period;

“**Annual Redemption Price**” means the redemption price per Class T Unit equal to 100% of the NAV per Class T Unit as determined on the Annual Redemption Date, less any costs associated with the redemption, including commissions, wire transfer fees and such other costs charged to the Fund by third parties, if any, on or before the Redemption Payment Date;

“**Automatic Conversion Date**” means April 21, 2018;

“**Cash Equivalents**” means (i) cash on deposit with the Custodian (as defined herein) or a broker; (ii) an evidence of indebtedness that has a remaining term to maturity of 365 days or less and that is issued, or fully and unconditionally guaranteed as to principal and interest, by (A) any of the Federal or Provincial Governments of Canada, (B) U.S. federal, state or local governments, (C) U.S. government agencies or (D) a Canadian financial institution (provided that in the case of (A), (B) or (C), such evidence of indebtedness has a rating of at least R-1 (mid) by DBRS Limited or the equivalent rating from another designated rating organization); or (iii) other cash cover as defined in NI 81-102;

“**CDS**” means CDS Clearing and Depository Services Inc.;

“**CFA**” means Chartered Financial Analyst;

“**Class A Units**” means the exchangeable Class A Units of the Fund;

“**Class T Units**” means the traded Class T Units of the Fund;

“**Closing Date**” means the date of the closing of the Offering, which is expected to take place on or about August 21, 2015, or such later date as the Fund and the Agents may agree, but in any event not later than 90 days after the issuance of a receipt for the final prospectus of the Fund;

“**Closing Market Price**” means an amount equal to (i) the closing price of the Units if there was a trade on the applicable Valuation Date and such principal market provides a closing price; (ii) the average of the highest and lowest prices of the Units if there was trading on the applicable Valuation Date and such principal market provides only the highest and lowest prices of the Units traded on a particular day; or (iii) the average of the last bid and last asking prices of the Units on such principal market if there was no trading on the applicable Valuation Date.

“**Contingent Agents Fee**” means the annual deferred compensation paid by the Manager to the Agents equal to 1.32% of the aggregate net asset value of all Units that are purchased and cancelled by the Fund during the year under the mandatory market purchase program.

“**Conversion Date**” means the first Business Day of any week on which Class A Units may be converted;

“**CRA**” means the Canada Revenue Agency;

“**Custodian**” means NBCN Inc. as custodian of the Fund;

“**Custodian Agreement**” means the custodian agreement to be entered into on or before the Closing Date pursuant to which the Custodian acts as custodian to the Fund;

“**DFA Rules**” means the rules in the Tax Act that target certain financial arrangements that seek to deliver a return based on an “underlying interest”;

“**Declaration of Trust**” means the declaration of trust dated as of July 30, 2015 establishing the Fund;

“**Distribution Date**” means, in connection with the monthly cash distributions of the Fund, the day on which the distribution is paid, which is on or before the last day of the month following a Record Date;

“**Early Exchange Fee**” means the early exchange fee applicable to any redemption of Class A Units and any conversion of Class A Units into Class T Units prior to the Automatic Conversion Date;

“**Exchange Agent**” has the meaning ascribed thereto in “Purchase of Securities - Procedure”;

“**Exchange Eligible Holders**” has the meaning ascribed thereto in “Purchase of Securities - Determination of Exchange Ratio”;

“**Exchange Eligible Issuers**” has the meaning ascribed thereto in “Purchase of Securities - Method to Purchase Units”;

“**Exchange Option**” has the meaning ascribed thereto in “Purchase of Securities - Method to Purchase Units”;

“**Exchange Option Election**” has the meaning ascribed thereto in “Purchase of Securities -Procedure”;

“**Exchange Ratio**” has the meaning ascribed thereto in “Purchase of Securities - Determination of Exchange Ratio”;

“**Extraordinary Resolution**” means a resolution passed by holders of not less than 66 $\frac{2}{3}$ % of the Units voting thereon at a meeting duly convened for the consideration of the matter listed in “Securityholder Matters- Matters Requiring Unitholder Approval”;

“**foreign currencies**” means currencies other than the Canadian dollar;

“**Fund**” means the Investment Grade Managed Duration Income Fund;

“**Holder**” has the meaning ascribed thereto under “Income Tax Considerations”;

“**IFRS**” means the International Financial Reporting Standards;

“**Independent Review Committee**” means the independent review committee of the Fund established pursuant to NI 81-107;

“**Investment Grade**” in respect of a security means a security, and in respect of an issuer means an issuer, which, at the time of purchase, has at least one of the following ratings: (i) at least BBB- by Standard & Poor’s Rating Services; (ii) at least Baa3 by Moody’s Investor Services, Inc.; (iii) at least BBB- by Fitch Ratings; (iv) the equivalent rating by another “designated rating organization” as defined in NI 81-102 or (v) or which are unrated but judged by the Investment Advisor or its affiliates to be of comparable quality.

“**Investment Advisory Agreement**” means the investment advisory agreement dated July 30, 2015 pursuant to which the Investment Advisor acts as Investment Advisor of the Fund;

“**Investment Advisor**” means Nuveen as Investment Advisor of the Fund;

“**ISS**” means Institutional Shareholder Services, Inc.;

“**LDF Fund**” means the Limited Duration Investment Grade Preferred Securities Fund;

“**Lender**” means one or more Canadian chartered banks or affiliates thereof acting as lender pursuant to the Loan Facility and/or the Prime Brokerage Facility;

“**Loan Facility**” means the loan facility which may be entered into by the Fund following the closing of the Offering with the Lender;

“**Management Agreement**” means the management agreement dated as of July 30, 2015 pursuant to which the Manager acts as manager of the Fund;

“**Management Fee**” means the annual management fee payable to the Manager by the Fund;

“**Manager**” means Purpose in its capacity as manager of the Fund;

“**Market Price**” means the weighted average trading price of the Class T Units on the TSX (or such other exchange or market on which the Class T Units are then listed and primarily traded) for the 10 trading days immediately preceding the relevant Distribution Date (for the purposes of the Reinvestment Plan) or the relevant Monthly Redemption Date (for the purposes of monthly redemptions);

“**Maximum Ownership Level**” has the meaning ascribed thereto in “Purchase of Securities - Method to Purchase Units”;

“**Monthly Redemption Date**” means, in connection with monthly redemptions, the second last Business Day of each month;

“**Monthly Redemption Price**” means the amount received by a Unitholder who properly surrenders a Class T Unit for redemption on a Monthly Redemption Date;

“**NAV**” means the net asset value of the Fund as calculated under “Calculation of Net Asset Value”;

“**Nuveen**” means Nuveen Asset Management, LLC;

“**NI 81-102**” means National Instrument 81-102 - *Investment Funds*;

“**NI 81-106**” means National Instrument 81-106 - *Investment Fund Continuous Disclosure*;

“**NI 81-107**” means National Instrument 81-107 - *Independent Review Committee for Investment Funds*;

“**Notice Period**” means, commencing in 2018, the period from the first Business Day in July until 5:00 p.m. (Toronto time) on the last Business Day in July of each year, during which Units may be surrendered annually for redemption;

“**NPS Fund**” means the Nuveen Preferred Securities Fund;

“**Offering**” means the offering of Class A Units and Class T Units at a price of \$10.00 per Unit as provided herein;

“**Optional Cash Payments**” means the cash payments made by Plan Participants under the Reinvestment Plan;

“**Ordinary Resolution**” means a resolution passed by holders of more than 50% of the Units voting thereon;

“**Permitted Merger**” means a merger or other similar transaction which has the effect of combining the Fund or its assets on a tax-deferred “rollover basis”;

“**Plan Agent**” means TMX Equity Transfer Services Inc. in its capacity as plan agent pursuant to the Reinvestment Plan;

“**Plan Participant**” means Unitholders who are residents of Canada and who elect to participate in the Reinvestment Plan;

“**Portfolio**” means the portfolio of preferred securities and other investments that the Fund will invest in pursuant to its investment objectives and investment restrictions;

“**Pricing Period**” has the meaning ascribed thereto in “Purchase of Securities - Determination of Exchange Ratio”;

“**Prime Brokerage Facility**” means the prime brokerage facility which may be entered into by the Fund following the closing of the Offering with the Lender;

“**Promoter**” means NBF in its capacity as promoter of the Fund;

“**Promoter Agreement**” means the promoter agreement dated July 30, 2015 pursuant to which the Promoter acts as promoter to the Fund;

“**Promoter Fee**” means the fee of 0.25% per annum of the NAV of the Fund attributable to the Class T Units, calculated daily and payable quarterly until August 21, 2025, and 1.25% per annum of the NAV of the Fund attributable to the Class A Units, calculated daily and payable quarterly, plus applicable taxes, payable by the Fund to the Promoter;

“**Purpose**” means Purpose Investments Inc.;

“**PVC**” means the Investment Advisor’s Proxy Voting Committee;

“**Record Date**” means, in connection with the monthly cash distributions of the Fund, the last day of each month or such other date as the Trustee may set from time to time;

“**Redemption Notice**” means a written notice delivered by a CDS participant to CDS on behalf of an owner of Units who desires to exercise redemption privileges;

“**Registered Plans**” means trusts governed by RRSPs, RRIFs, TFSAs, deferred profit sharing plans, registered disability savings plans or registered education savings plans;

“**Reinvestment Plan**” means the distribution reinvestment plan intended to be adopted by the Fund;

“**RRIF**” means registered retirement income funds;

“**RRSP**” means registered retirement savings plans;

“**Securities Lending Agreement**” means a security lending agreement between the Fund and a borrower acceptable to the Fund;

“**SIFT Rules**” means the rules found in section 122 of the Tax Act relating to taxation of SIFT trusts;

“**Target Distribution Amount**” means the target monthly distribution amount determined and announced annually (starting in June 2016) by the Manager;

“**Tax Act**” means the *Income Tax Act* (Canada);

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

“**Tax Treaties**” means the tax conventions of foreign countries with respect to taxes and income and on capital;

“**Termination Date**” means the date of termination of the Fund;

“**TFSA**” means tax-free savings accounts;

“**TorQuest**” means TorQuest Partners;

“**Total Assets**” means the aggregate value of the assets of the Fund including the principal amount of any borrowings made on behalf of the Fund by the Manager;

“**Treasury Purchase Procedure**” has the meaning ascribed thereto in “Distribution Policy - Distribution Reinvestment Plan”;

“**Trustee**” means Purpose in its capacity as trustee of the Fund;

“**TSX**” means the Toronto Stock Exchange;

“**Unitholders**” means holder of Units of the Fund;

“**Units**” means the Class A Units and Class T Units of the Fund;

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

“**Valuation Date**” means each Business Day and any other day on which the Manager elects, in its discretion, to calculate the NAV per Unit;

“**Valuation Time**” means 4:00 p.m. (Toronto time), or such other time as the Manager deems appropriate.

CAUTION REGARDING FORWARD-LOOKING INFORMATION

Certain statements and information set forth in this prospectus including statements with respect to benefits of the Fund's investment strategy and the expected initial Portfolio composition, constitute forward-looking information, which involves known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking information. When used in this prospectus, the words "expects", "anticipates", "intends", "plans", "may", "believes", "seeks", "estimates", "appears" and similar expressions (including negative and grammatical variations) generally identify forward-looking information. In developing the forward-looking information contained herein related to the Fund, the Fund has made assumptions with respect to, among other things, the outlook for the U.S. and global economies, including, in particular, the U.S. consumer, financials, industrials and information technology sectors and also including the payment of dividends by U.S. and global issuers and any increases to the rate of such payments. These assumptions are based on the Fund's perception of historical trends, current conditions and expected future developments, as well as other factors believed to be relevant. Although the Fund believes that the assumptions made and the expectations represented by such information are reasonable, there can be no assurance that the forward-looking information contained herein will prove to be accurate. Factors which could cause actual results, events, circumstances, expectations or performance to differ materially from those expressed or implied in forward looking information include, but are not limited to: general economic, political, tax, market and business factors and conditions; interest rate and foreign exchange rate fluctuations; volatility in U.S. or global equity and capital markets; statutory and regulatory developments; unexpected judicial or regulatory proceedings; catastrophic events; and other factors set out under the heading "Risk Factors". Readers are cautioned that the foregoing list of factors is not exhaustive and readers should not place undue reliance on forward-looking information due to the inherent uncertainty of such information. All forward-looking information in this prospectus is qualified by the foregoing caution. The Fund undertakes no obligation to publicly update or revise these forward-looking statements, whether as a result of new information, future events or otherwise, unless required by applicable law.

INFORMATION REGARDING PUBLIC ISSUERS

Certain information contained in this prospectus relating to publicly traded securities, the issuers of those securities and the sectors in which the Fund will invest is taken from and based solely upon information published by those issuers. None of the Manager, the Investment Advisor, the Promoter, the Fund or the Agents has independently verified the accuracy or completeness of any such information.

OVERVIEW OF THE STRUCTURE OF THE FUND

Investment Grade Managed Duration Income Fund (the "**Fund**") is an investment fund established as a trust under the laws of the Province of Ontario pursuant to a declaration of trust dated as of July 30, 2015 (the "**Declaration of Trust**"). The beneficial interest in the net assets and net income of the Fund is divided into units of such classes as may be designated by the Manager from time to time. Initially, the Fund will offer two classes of units: exchangeable Class A Units (the "**Class A Units**") and traded Class T Units (the "**Class T Units**") and, together with the Class A Units, the "**Units**") at a price of \$10.00 per Unit (the "**Offering**").

Purpose Investments Inc. ("**Purpose**") is the manager of the Fund (the "**Manager**") and Nuveen Asset Management, LLC ("**Nuveen**") is the Investment Advisor to the Fund (the "**Investment Advisor**") with respect to the non-Canadian portion of the Portfolio.

Purpose Investments Inc. is the trustee of the Fund (in such capacity, the "**Trustee**"). The Trustee and the Manager (or any replacement thereof) will at all times be a resident of Canada for the purposes of the *Income Tax Act* (Canada) (the "**Tax Act**") and will manage the affairs of the Fund from a place or places within Canada. The principal office of the Fund and the Manager is located at 130 Adelaide Street West, Suite 1700, Toronto, Ontario M5H 3P5.

The Fund is a non-redeemable investment fund that is a reporting issuer under the securities legislation of all the provinces and territories of Canada. Consequently, the Fund is subject to the various policies and regulations that apply to non-redeemable investment funds which are reporting issuers, including parts of National Instrument 81-102 – *Investment Funds* ("**NI 81-102**").

UNIT TRADED FUND STRUCTURE

The Fund uses the *Unit Traded Fund (UTF)* structure which has been developed to accomplish two goals, namely (a) to enable the Fund to invest virtually all of the gross proceeds from the Offering in the Portfolio, and (b) to encourage the Fund's Class T Units to trade in the market at a price not less than 98.50% of their net asset value throughout the life of the Fund.

Using the *Unit Traded Fund* structure, the Fund will not be responsible for paying any of the compensation to the Agents relating to the Offering and will not bear expenses relating to the Offering of more than 0.50% of the gross proceeds from the Offering. As a result, the net asset value of the Fund's Units immediately after closing of the Offering is expected to be at least \$9.95. All other Offering expenses (including the compensation to the Agents) will be borne by the Promoter or the Manager. This will enable the Fund to invest at least 99.50% of the gross proceeds of the Offering in the Portfolio.

The *Unit Traded Fund* structure also includes a mandatory market purchase program under which the Fund will purchase and cancel Class T Units which are trading in the market at less than 98.50% of their net asset value (up to a maximum of 10% of the Fund's outstanding Class T Units over any 10 trading day period, subject to a limit of 2% of the number of Class T Units outstanding each day and subject to the terms set out in the Declaration of Trust). This will be in addition to an annual right of unitholders to redeem their Units at a price of 100% of their net asset value.

The Offering consists of Class T Units and Class A Units. No commission will be paid at the closing of the Offering to Agents that sell Class T Units, and the Class T Units will immediately commence trading in the market.

A commission of \$0.25 per Class A Unit will be paid at Closing by the Promoter to Agents that sell Class A Units. Class A Units are intended to be purchased under the Offering by investors who intend to hold their Class A Units for at least thirty-two (32) months. At the closing of the Offering, the Promoter will pay a commission of 2.50% to the Agents for selling Class A Units, substantially all of which is expected to be paid by the Agents to their individual representatives who sold the Class A Units. Thirty-two (32) months after the closing of the Offering, the Class A Units will automatically convert into Class T Units, based on their relative NAV per Unit at the time, and trade in the market.

Though Class A Units are intended for investors who expect to hold their Class A Units for at least thirty-two (32) months, investors may, at their option, convert some or all of their Class A Units into Class T Units on a weekly basis before the end of the thirty-two (32) month period, as well as redeem some or all of their Class A Units under the monthly redemption right. In either case, the investor will pay to the Promoter an Early Exchange Fee that initially will be 3.00% of the net asset value of the Class A Units being converted or redeemed during the first three-month period and, thereafter, 3.00% minus incremental decreases of 0.25% per three-month period for a 32-month period. In the case of a conversion of Class A Units, the Fund will redeem such number of Class A Units from those otherwise being converted as is necessary to pay the Early Exchange Fee and will deduct the Early Exchange Fee from the redemption proceeds. In the case of a monthly redemption of Class A Units, the Fund will deduct the Early Exchange Fee from the redemption proceeds. The Early Exchange Fee so deducted by the Fund will be remitted by the Fund, on behalf of the Unitholder, to the Promoter.

In consideration for the design and structuring of the Fund, its role in paying the expenses of the Offering in excess of 0.50% of the gross proceeds of the Offering and the Agents' fee on the Class A Units thereby providing the Fund with greater amounts to invest under the Fund's investment strategy, and the marketing and promotion of the Fund, the Fund will pay an annual Promoter Fee to the Promoter of 0.25% per annum of the NAV of the Fund attributable to the Class T Units, calculated daily and payable quarterly until August 21, 2025, and 1.25% per annum of the NAV of the Fund attributable to the Class A Units, calculated daily and payable quarterly. See "Fees and Expenses - Fees and Expenses Payable by the Fund".

The Fund also will pay an annual Management Fee to the Manager that is 0.85% of the net asset value of the Fund, together with an amount equal to the Contingent Agents Fee (as defined below), plus applicable taxes. A portion of the management fee will be waived by the Manager from time to time. See "Fees and Expenses - Fees and Expenses Payable by the Fund". Out of its Management Fee, the Manager will further compensate the Agents for their services related to the Offering. No portion of the compensation paid by the Manager to the Agents after

completion of the Offering is expected to be paid by the Agents to their individual representatives. See “Plan of Distribution”.

INVESTMENT OBJECTIVES

The Fund’s investment objectives are to (i) provide holders of Units (“**Unitholders**”) with stable monthly cash distributions; (ii) preserve the net asset value per Unit; and (iii) reduce the risk of rising interest rates by managing portfolio duration, by investing primarily in U.S. and Canadian dollar denominated investment grade preferred securities.

INVESTMENT STRATEGY

To achieve its investment objectives, the Fund will invest in a portfolio of U.S. and Canadian dollar denominated securities comprised primarily of U.S. investment grade preferred securities of issuers that the Investment Advisor (as defined below) (with respect to the non-Canadian portion) or the Manager (as defined below) (with respect to the Canadian portion) believes have strong fundamentals and are priced at attractive relative valuations (the “**Portfolio**”) and will be actively managed by the Investment Advisor or the Manager, respectively. Preferred securities are primarily issued by companies in the financial sector and, to a lesser degree, by companies in other sectors, such as industrials and utilities.

The Fund will seek to reduce the risk of rising interest rates by managing the portfolio duration over time. The Fund is expected to maintain a weighted average Portfolio target duration (as described below) of no more than four years for at least 18 months following the closing of the Offering and not more than six years thereafter.

Currently the Investment Advisor believes that the financial services sector offers attractive opportunities based on historically strong fundamentals across the financial services sector, and as a result of intense new bank regulation and capital requirements mandated by the Dodd-Frank Act and Basel III regulatory framework.

The Fund will invest at least 70% of the Total Assets (as defined below) in preferred securities (including preferred and hybrid securities), at least 70% of the Total Assets in Investment Grade (as defined below) securities and 100% of the Total Assets in U.S. and Canadian dollar denominated securities (except to the extent that investments in Cash Equivalents (as defined below) are denominated in U.S. or Canadian dollars). The Fund will invest primarily in preferred securities issued by companies in the financial services sector and, to a lesser degree, in securities of companies in other sectors, such as energy, industrials, utilities, pipelines, health care and telecommunications. The Fund may invest up to 30% of its Total Assets in non-investment grade preferred securities and other fixed income securities. “**Total Assets**” means the aggregate value of the assets of the Fund including the principal amount of any borrowings made on behalf of the Fund by the Manager. “**Investment Grade**” in respect of a security means a security, and in respect of an issuer means an issuer, which, at the time of purchase, has at least one of the following ratings: (i) at least BBB- by Standard & Poor’s Rating Services; (ii) at least Baa3 by Moody’s Investor Services, Inc.; (iii) at least BBB- by Fitch Ratings; (iv) the equivalent rating by another “designated rating organization” as defined in NI 81-102 or (v) or which are unrated but judged by the Investment Advisor or its affiliates to be of comparable quality.

The Investment Advisor may also invest up to 30% of the Total Assets in: (i) cash on deposit with the Custodian (as defined herein) or a broker; (ii) an evidence of indebtedness that has a remaining term to maturity of 365 days or less and that is issued, or fully and unconditionally guaranteed as to principal and interest, by (A) any of the Federal or Provincial Governments of Canada, (B) U.S. federal, state or local governments, (C) U.S. government agencies or (D) a Canadian financial institution (provided that in the case of (A), (B) or (C), such evidence of indebtedness has a rating of at least R-1 (mid) by DBRS Limited or the equivalent rating from another designated rating organization); or (iii) other cash cover as defined in NI 81-102 (collectively, “**Cash Equivalents**”).

Nuveen’s Investment Process

The Preferred Securities Market

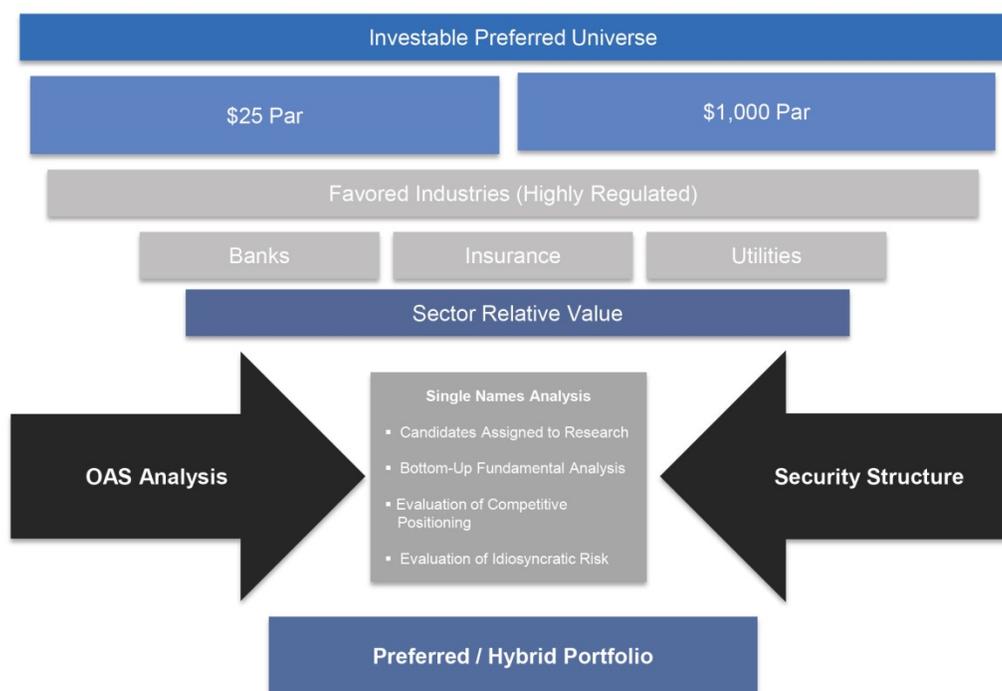
Nuveen employs a credit-based investment approach that uses a top-down process to analyze every structural dimension of the preferred securities market and is complemented by rigorous bottom-up fundamental credit research analysis. The process starts by identifying the investable market of preferred securities, which

encompasses both US\$1,000-par over-the-counter “institutional” and US\$25-par exchange-listed “retail” securities or similar retail structures. Periods of volatility as well as technical factors may drive significant spreads in valuations between these two markets. Nuveen will allocate Portfolio capital with a view to capturing inefficiencies between the two structures. This dynamic is often due to periodic differences in how these retail and institutional investors price risk.

Sector Allocation

Nuveen conducts relative value analysis to determine sector allocations. Nuveen concentrates on highly-regulated industries, including the banking, insurance and utility sectors. After identifying specific sectors and securities providing the most profitable opportunities at any given time, Nuveen performs bottom-up fundamental credit research, focusing on stable and improving credits. Based on this process, Nuveen will select a portfolio of preferred securities that it believes offers the most attractive combination of value relative to other preferred securities with similar credit ratings, current income, subordination and call protection. In addition, the investment team evaluates the investment process and performance via attribution analysis.

The following table illustrates the Nuveen investment process:



Duration

In keeping with the Fund’s active management strategy, the Portfolio composition will vary over time. The Investment Advisor seeks to maintain, under normal market conditions, a weighted average target duration of the Portfolio of no more than four years for at least 18 months following the closing of the offering and not more than six years thereafter.

“**Duration**” is used to determine the sensitivity of the security’s price to a change in interest rates. Duration differs from term to maturity in that it incorporates certain characteristics of a security, such as a security’s coupon payments, yield, price and par value and call feature into one measure.

Generally, the prices of securities with higher durations are more sensitive to interest rate (or yield) changes than securities with lower durations. For example, a security or portfolio with a duration of five years would be

expected to increase in value by approximately 5% with a 1% reduction in interest rates (or yields); conversely, the security or portfolio would be expected to decrease in value by approximately 5% with a 1% increase in interest rates (or yields).

In order to maintain its target duration and mitigate the impact of a rising interest rate environment the Investment Advisor expects to use one or more strategies, that may include: (i) investing in fixed-to-variable rate preferred securities, which tend to be less price sensitive to rising interest rates (or yields) than fixed-rate securities, with a particular emphasis on US\$1000-par fixed-to-variable rate structures; (ii) targeting other short duration assets; and/or (iii) obtaining short exposure to U.S. Treasury Futures. Initially, approximately 85% of the Total Assets will be invested in fixed-to-variable rate preferred securities. The Investment Advisor may also employ hedging instruments and techniques such as the use of futures contracts or options on future contracts, such as U.S. Treasury Futures as well as other derivative instruments such as forwards, interest rate swaps or options thereon.

Leverage

Following the closing of this Offering, the Manager, on behalf of the Fund, will enter into a loan facility (the “**Loan Facility**”) and/or a prime brokerage facility (the “**Prime Brokerage Facility**”) with one or more Canadian chartered banks or affiliates thereof (the “**Lender**”). It is expected that initially, the Lender will be a Canadian chartered bank that is at arm’s length to the Trustee but which is affiliated with one of the Agents and the Promoter. See “Interest of Manager and Others in Material Transactions”.

The Fund will be entitled to utilize leverage, whether through borrowings (such as the Loan Facility and the Prime Brokerage Facility), through the use of derivatives or a combination of both, in an amount not exceeding 25% of the value of the total assets of the Fund for the purposes of purchasing additional securities for the Portfolio.

The Loan Facility or Prime Brokerage Facility, as applicable, will also permit the Fund to borrow an amount not exceeding 5% of the value of the total assets of the Fund for various purposes, including effecting market purchases of Class T Units, maintaining liquidity and funding redemptions. The interest rates, fees and expenses under the Loan Facility or Prime Brokerage Facility, as applicable, will be typical of credit facilities of this nature and the Fund expects that the Lender will require the Fund to provide a security interest in favour of the Lender over the assets of the Fund to secure such borrowings.

In order to ensure that the total amount of leverage used by the Fund (under the Loan Facility, Prime Brokerage Facility or by the use of derivatives, as applicable) does not exceed at any time the allowed maximum percentage of the value of the total assets of the Fund, the Manager will take appropriate steps which may include directing the Investment Advisor to liquidate certain of the Portfolio assets and using the proceeds thereof to reduce the amount outstanding under the Loan Facility or the Prime Brokerage Facility, as applicable. The Fund initially intends to borrow approximately 20% of the value of the total assets of the Fund for the purpose of purchasing additional securities for the Portfolio. The Manager is responsible for all leverage decisions and will monitor the Fund’s use of leverage and, based on factors such as changes in interest rates, the Manager’s economic outlook and the composition of the Portfolio, the Fund may from time to time alter the amount of leverage it employs. The maximum amount of leverage that the Fund could employ through a loan facility, prime brokerage facility or derivatives to purchase additional securities is 1.333:1 (maximum total assets divided by the NAV).

The Loan Facility or Prime Brokerage Facility, as applicable, will contain provisions to the effect that in the event of a default under the Loan Facility or Prime Brokerage Facility, as applicable, the Lender’s recourse will be limited solely to the assets of the Fund. Such provisions are intended to ensure that Unitholders will not be liable for the obligations of the Fund under the Loan Facility or Prime Brokerage Facility, as applicable. Other than borrowing by the Fund under the Loan Facility or Prime Brokerage Facility, as applicable, the Fund does not contemplate engaging in other borrowings.

A prime brokerage facility differs from a committed loan facility. Among other things, differences include: (i) under a committed loan facility the lender commits to making the loan available so long as the borrower adheres to certain covenants, in exchange for a commitment fee and a standby fee, in addition to interest on the loan, whereas under a prime brokerage facility, the ongoing availability of credit and the terms of such credit, including interest cost and margin requirements, are subject to change at the lender’s sole discretion at any time; and (ii) the interest rate charged for a prime brokerage facility is typically less than a committed loan facility due to the lack of a

term commitment from the lender. See “Risk Factors – Risks Related to the Structure of the Fund – Availability of Leverage”.

Currency Hedging

The Portfolio will include securities denominated in U.S. dollars and, therefore, the Fund will be exposed to changes in the value of the U.S. dollar against the Canadian dollar. Initially, substantially all of the Portfolio’s exposure to the U.S. dollar will be hedged back to the Canadian dollar.

The Manager, on behalf of the Fund, will generally seek to hedge its exposure to foreign currencies back to the Canadian dollar. As such, a substantial portion of the foreign currency exposure within the Portfolio will be hedged back to the Canadian dollar by using derivatives including currency forward contracts in the Manager’s discretion.

Use of Derivative Instruments

Subject to the Fund’s investment restrictions, the Fund may invest in or use derivative instruments for hedging purposes and as a substitute for purchasing or selling securities consistent with its investment objectives. The Fund’s use of derivatives for such purposes is not otherwise subject to any limitations. For example, the Fund may use derivatives for hedging purposes with the intention of offsetting or reducing risks, such as currency value fluctuations, stock market risks and interest rate changes, associated with an investment or group of investments.

Subject to the Fund’s investment restrictions, the Fund may invest in or use derivative instruments for purposes other than hedging up to a maximum of 10% of the NAV, except FX.

Securities Lending

In order to generate additional returns, the Fund may lend securities included in the Portfolio to securities borrowers acceptable to the Fund pursuant to the terms of a securities lending agreement between the Fund and such borrower (each a “**Securities Lending Agreement**”). Under a Securities Lending Agreement (i) the borrower will pay to the Fund a negotiated securities lending fee and will make compensation payments to the Fund equal to any distributions received by the borrower on the securities borrowed, (ii) the securities loans must qualify as “securities lending arrangements” for the purposes of the Tax Act, and (iii) the Fund will receive collateral security. The terms of each Securities Lending Agreement will comply with the conditions for securities lending transactions set out in section 2.12 of NI 81-102.

Repurchase and Reverse Repurchase Transactions

The Fund may enter into purchase and reverse repurchase transactions in order to generate additional returns. A repurchase transaction involves the Fund selling a security and agreeing to buy it back to the same party at a future time. A reverse repurchase transaction involves the opposite, i.e. the Fund buying a security and agreeing to sell it back to the same party at a future time. The terms of repurchase and reverse repurchase transactions will comply with the conditions for such transactions set out in section 2.13 and 2.14 of NI 81-102.

SECTORS IN WHICH THE FUND INVESTS

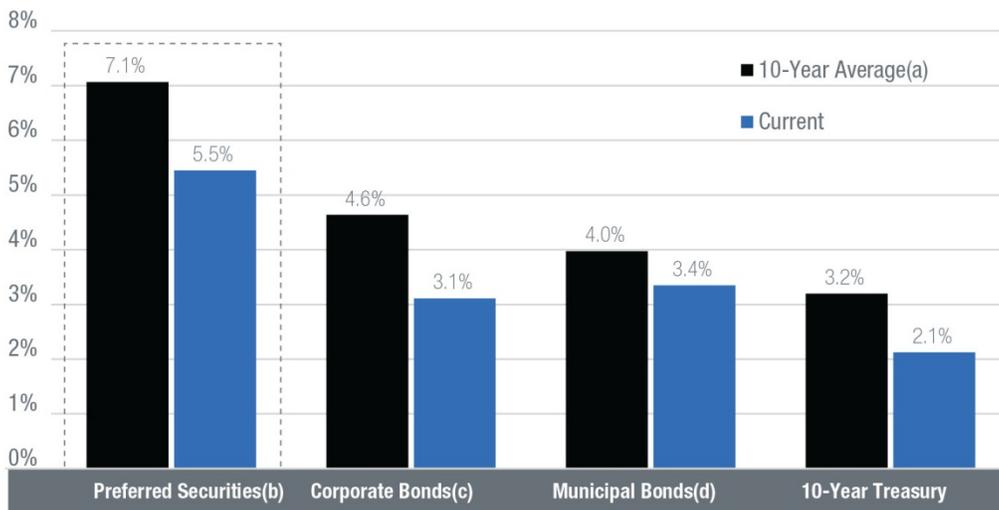
Preferred Securities

Preferred securities generally pay fixed or adjustable rate distributions to investors and have preference over common shares in the payment of distributions and the liquidation of a company’s assets, but are junior to most forms of such company’s debt. Preferred securities include traditional preferred shares and hybrid securities. Hybrid securities generally pay fixed-rate or adjustable-rate distributions to investors and are junior to most forms of a company’s debt, including senior and frequently subordinated debt. Both traditional preferred and hybrid securities typically permit an issuer to defer payments, in some instances indefinitely, without triggering an event of default. Because of their subordinated position in the capital structure of an issuer, the issuer’s ability to defer dividend or interest payments for extended periods of time without triggering a default, and certain other features, traditional preferred and hybrid securities are often treated as equity-like instruments by both issuers and investors. Many

traditional preferred and hybrid securities are issued through trusts or other special purpose entities established by issuer companies.

Preferred securities are generally issued by companies with highly rated debt. Due to their subordinate capital structure position, preferred securities may be rated three to five credit rating levels lower than the senior debt of the same issuer.

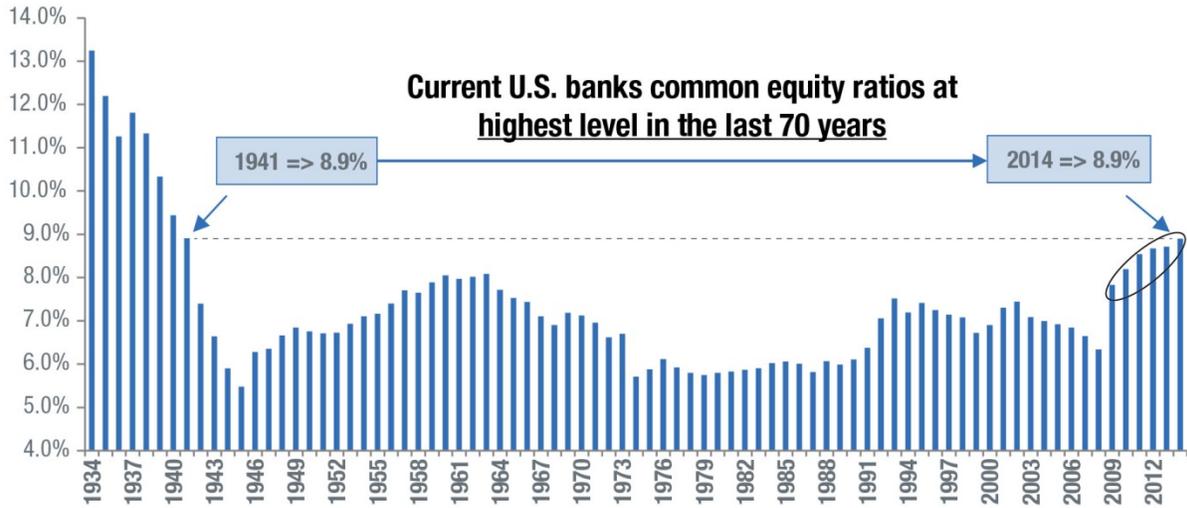
Comparative Yields of Investment Grade Fixed Income Classes



Source: Bloomberg. Notes: Data current as of May 31, 2015. (a) Average of the annual yield using month end index information from 6/20/2005-5/31/2015; (b) BofA Merrill Lynch US Preferred, Bank Capital & Capital Trust Securities Index. Credit Quality (BBB); (c) BofA Merrill Lynch Corporate Master Index. Credit quality (A-); (d) BofA Merrill Lynch Municipal Master Index. Credit quality (AA-). **Past performance does not guarantee future results.**

As a result of the recent and proposed regulatory reforms affecting the financial services industries, such as the Dodd-Frank Act in the United States, banks and other financial services companies are increasing their proportionate common equity allocation and improving their overall credit quality. This results in a decline of the risk premium (or yield spread) and may, therefore, increase prices of preferred shares. The Fund expects to invest a significant portion of its assets in preferred securities of U.S. banks since banks are the single largest sector of the preferred securities issuer base in the United States. Preferred securities of a bank are senior to its common equity and therefore the level of a bank’s common equity represents a loss-absorbing buffer for the holders of its preferred securities. The following chart shows the tangible common equity ratio for all FDIC insured commercial banks in the U.S. The table indicates that bank balance sheets are at historically strong levels, thereby providing the Fund’s investments in preferred securities with a historically high level of a loss-absorbing buffer.

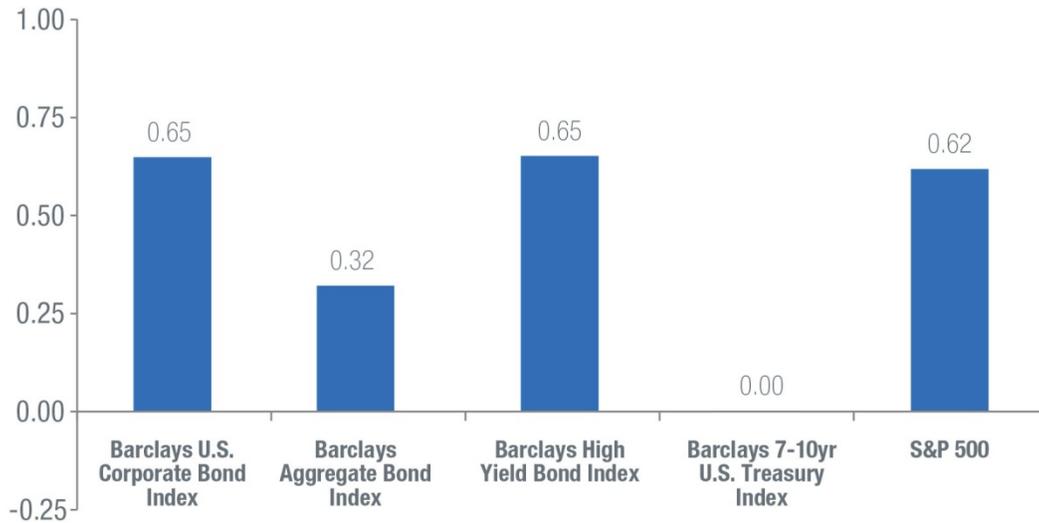
Tangible Common Equity Ratio of U.S. Banks



Source Federal Deposit Insurance Corporation, New York Federal Reserve Bank and Barclays Research. Notes: Data current as of December 31, 2014 and includes all FDIC insured commercial banks. **Past performance does not guarantee future results.**

As shown below, preferred securities have historically had low correlations with equities and other fixed income investments and, as a result, have the potential to provide portfolio diversification.

Preferred Securities Correlation with Equity and Other Fixed Income Securities for 10 years ending May 31, 2015



Source: Barclays Fixed Income Indices and Bloomberg. Notes: Preferred securities represented by the BofA US Preferred, Bank Capital & Capital Trust Securities Index. Investors cannot invest in an index. **Past performance does not guarantee future results.**

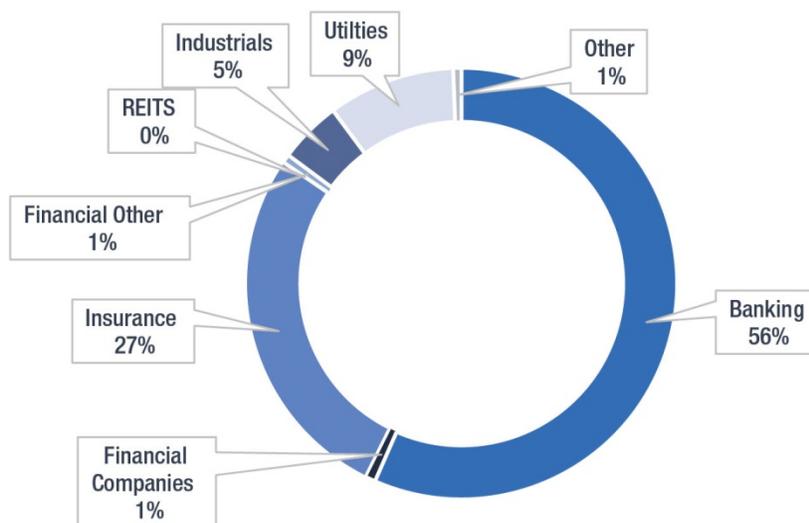
Financial Services Company Securities

The Fund will invest primarily in securities of financial services companies. A financial services company is one that is primarily involved in banking, mortgage finance, consumer finance, specialized finance, investment banking and brokerage, asset management and custody, corporate lending, insurance, financial investments or real estate, including REITs. For the purposes of identifying companies in the financial services sector, the Investment

Advisor will use industry classifications such as those provided by MSCI and Standard & Poor’s (the Global Industry Classification Standard (GICS)), Bloomberg, Barclays or similar sources commonly used in the financial industry. As a result, if one or more of these classifications include a company “in” the financial services sector, the Investment Advisor will consider such company as being in the financial services sector.

As illustrated by the following chart, the financial services institutions now make up the vast majority of the preferred securities market.

Preferred Securities Market by Sector



Source: Barclays Fixed Income Indices . *Notes:* Data current as of May 31, 2015. Based on BofA US Preferred, Bank Capital & Capital Trust Securities Index . Allocation of preferred/hybrid securities only.

REITs. REITs are typically publicly traded corporations or trusts which invest in residential or commercial real estate. REITs generally can be divided into the following three types: (i) equity REITs which invest the majority of their assets directly in real property and derive their income primarily from rents and capital gains or real estate appreciation; (ii) mortgage REITs which invest the majority of their assets in real estate mortgage loans and derive their income primarily from interest payments; and (iii) hybrid REITs which combine the characteristics of equity REITs and mortgage REITs. The Fund may invest in common shares, preferred securities, debt securities and convertible securities issued by REITs.

Other Portfolio Components

Debt Instruments. Debt instruments generally are used by issuers to borrow money from investors. The issuer pays the investor a fixed or variable rate of interest and normally must repay the amount borrowed on or before the maturity date. Debt instruments may be secured or unsecured, defined-term, perpetual, or convertible into equity securities of the issuer or its affiliates which may be subordinated to the payment of an issuer’s senior debt.

U.S. Government Securities. U.S. government securities include U.S. Treasury obligations and securities issued or guaranteed by various agencies of the U.S. government, or by various instrumentalities which have been established or sponsored by the U.S. government. U.S. Treasury obligations are backed by the “full faith and credit” of the U.S. government. Other securities issued or guaranteed by federal agencies and U.S. government sponsored instrumentalities may or may not be backed by the full faith and credit of the U.S. government.

Commercial Paper. Commercial paper represents short-term unsecured promissory notes issued in bearer form by corporations such as banks or bank holding companies and finance companies.

Other Equity Securities. The Fund may invest in other equity securities, including common shares, convertible securities, warrants, rights and depositary receipts (which reference ownership of underlying non-U.S. securities).

NUVEEN PREFERRED SECURITIES FUND AND THE LIMITED DURATION INVESTMENT GRADE PREFERRED SECURITIES FUND

It is the Fund’s intention that the Portfolio be managed in substantially the same manner as the Nuveen Preferred Securities Fund (the “**NPS Fund**”), an open-ended fund in the United States advised by the Investment Advisor since 2006, and the Limited Duration Investment Grade Preferred Securities Fund (the “**LDF Fund**”), a non-redeemable investment fund in Canada advised by the Investment Advisor since 2013.

While it is intended that the assets of the Portfolio will be managed using similar investment objectives and strategies as those used by the Investment Advisor in managing the assets of the NPS Fund, their investments may not be identical for reasons including the following: (i) the Portfolio may be unable to invest in certain securities and instruments held by NPS Fund; (ii) the Fund may be subject to different regulations and laws than the NPS Fund; (iii) the NPS Fund may allocate a higher portion of its portfolio to securities that are below Investment Grade; (iv) the Fund is subject to different taxes, fees and expenses; (v) the Fund uses leverage and currency hedging; (vi) the availability of the Exchange Option for Fund investors; and (vii) a portion of the Portfolio may at times consist of Canadian securities.

Similarly, while it is intended that the assets of the Portfolio will be managed using similar investment objectives and strategies as those used by the Investment Advisor in managing the assets of the LDF Fund, their investments may not be identical for reasons including the following: (i) the LDF Fund may allocate a higher portion of its portfolio to securities that are below Investment Grade; (ii) the Fund is subject to different fees and expenses (ii) the availability of the Exchange Option for Fund investors; and (iv) a portion of the Portfolio may at times consist of Canadian securities.

Performance of the NPS Fund and the LDF Fund

The following table provides a comparison of the average total returns of the class A shares of the NPS Fund and the average total returns of the class A units of the LDF Fund for the periods indicated as of June 30, 2015.

	YTD (%)		1 Year (%)		3 Years (%)		5 Years (%)		Since Inception (%)	
	NPS*	LDF	NPS*	LDF	NPS*	LDF	NPS*	LDF	NPS*	LDF
Returns	-0.27	2.13	3.20	1.63	9.09	n/a	10.17	n/a	6.14	5.60
Benchmark	1.51	1.51	4.29	4.29	6.28	-	7.83	-	3.66	6.98
Outperformance	-1.78	0.62	-1.09	-2.66	2.81	-	2.34	-	2.48	-1.38

*Source: Bloomberg Financial LP.

Notes: Returns for periods greater than one year are annualized. The current benchmark is 65% BofA Merrill Lynch U.S. Preferred Stock Fixed Rate Index/35% Barclays USD Capital Securities Index. Prior to August 1, 2011 the benchmark was comprised of 60% Merrill Lynch Hybrid Securities Index, 35% Barclays USD Capital Securities Index and 5% Merrill Lynch REIT Preferred Stock Index. Recent legislation is expected to reduce outstanding amounts of certain preferred securities, and the new blended benchmark is believed to better represent the preferred securities market that will be available for investment going forward. The returns assume reinvestment of dividends and capital gains. “Inception” refers to December 19, 2006 in the case the NPS Fund and June 20, 2013 in the case of the LDF Fund. The aggregate annual management fees payable by the NPS Fund and the LDF Fund in respect of their class A units are 0.82% and 1.40%, respectively. A difference in returns between the Fund and the NPS Fund also will likely occur due to a number of factors that are not applicable to the NPS Fund including applicable withholding taxes for Canadian investors, currency hedging expenses, and foreign exchange costs. **Past performance does not guarantee future results.**

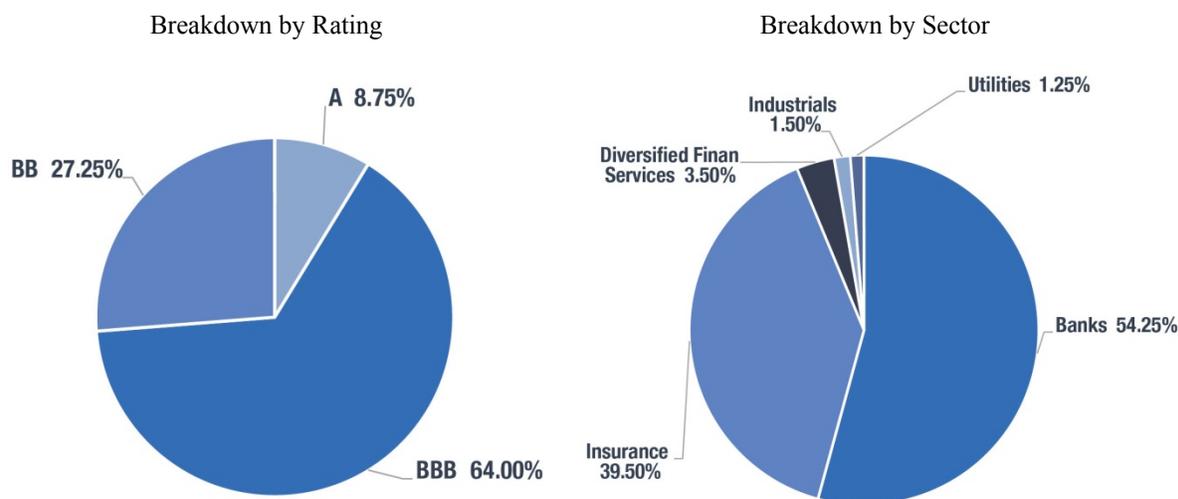
The information in the table above is historical and is not intended to be, nor should it be construed to be, a forecast or projection of the future performance of the NPS Fund, the LDF Fund or the Fund. This information is provided for illustrative purposes only. There can be no assurance that the performance of the Fund will equal or exceed the performance of the NPS Fund and/or the LDF Fund. The asset allocation is historical and may not be similar in the future.

The descriptions contained herein of specific strategies that the Fund is or may be engaged in should not be understood as in any way limiting the Fund’s investment activities. The objectives and business of the Fund include its management and administration and shall include the realization and distribution of the Fund’s assets to the Unitholders, including, without limitation, in a wind-down of the Fund’s operations. The investment program of the

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 Fund will be achieved. In fact, certain investment practices of the Fund described above can, in some circumstances, potentially increase the adverse impact on the Portfolio. Investment results may vary substantially on a monthly, quarterly or annual basis. See “Risk Factors”.

Indicative Portfolio Composition

In keeping with the Fund’s active management strategy, the Portfolio composition will vary over time depending on the Investment Advisor’s and the Manager’s assessment of overall market conditions and outlook. The following charts show the Fund’s exposure by credit rating and sector, respectively, on an indicative basis if the Portfolio had existed on June 30, 2015:



As of June 30, 2015, the top 10 issuers which the Investment Advisor expects would initially form part of the Portfolio are as follows:

Issuer Name	% of Portfolio	Rating
QBE Insurance Group Ltd	4.00%	BBB
Provident Financing	4.00%	BBB-
Bank of America	3.50%	BBB-
Citigroup Inc	3.50%	BBB-
Lloyds Banking Group PLC	3.50%	BB+
Symetra Financial Corp 144A	3.00%	BBB-
Sirius International Grp 144A	3.00%	BB+
Deutsche Bank AG	3.00%	BB+
Nordea Bank AB 144A	3.00%	BBB
Societe Generale 144A	3.00%	BB+

Note: Ratings assigned by Moody’s Investor Service, Inc., Standard & Poor’s Corporation Rating Group

The foregoing list of issuers is provided for informational purposes only. Although the Portfolio may from time to time include the securities of any of the issuers referred to in the above table, it is possible that the Portfolio may not include the securities of any of the foregoing issuers at any time. The actual securities included in the Portfolio will be determined by the Investment Advisor (with respect to the non-Canadian portion) and the Manager (with respect to the Canadian portion) based on its assessment of market and other conditions.

INVESTMENT RESTRICTIONS

The Fund cannot engage in any undertaking other than the investment of its assets in accordance with its investment objectives, investment strategy and subject to the investment restrictions applicable to it set out in NI 81-102 and the following investment restrictions:

- (a) 100% of the Total Assets shall be invested in U.S. and Canadian dollar denominated securities (or U.S. and Canadian Cash Equivalents subject to restriction (d) below);
- (b) at least 70% of the Total Assets must be invested in preferred securities, which includes hybrid securities;
- (c) at least 70% of the Total Assets shall be invested in securities rated Investment Grade;
- (d) up to 30% of the Total Assets may be invested in Cash Equivalents;
- (e) not more than 10% of the Total Assets may be invested in the securities of any one issuer (other than in respect of Cash Equivalents);
- (f) no securities will be purchased if after such purchase the Fund would hold more than 10% of the outstanding voting securities of that issuer;
- (g) the Fund will not borrow or enter into any leverage transaction to purchase additional securities if, immediately after such transaction, the aggregate amount of leverage employed by the Fund exceeds 25% of the Total Assets. The maximum amount of leverage that the Fund may employ through a loan facility, prime brokerage facility or derivatives to purchase additional securities is 1.333:1 (maximum total assets divided by the NAV).;
- (h) the Fund will not invest in or use derivatives, except for hedging purposes and to a maximum of 10% of NAV for non-hedging purposes;
- (i) the Fund will not sell securities short;
- (j) not more than 10% of the Total Assets may be invested in illiquid securities, which for these purposes means securities the resale of which is restricted by a representation, undertaking or agreement by the Fund or by law;
- (k) the Fund will not invest in or hold (i) securities of or an interest in any non-resident entity, an interest in or a right or option to acquire such property, or an interest in a partnership which holds any such property if the Fund (or the partnership) would be required to include any significant amounts in income pursuant to section 94.1 of the Tax Act, (ii) an interest in a trust (or a partnership which holds such an interest) which would require the Fund (or the partnership) to report significant amounts of income in connection with such interest pursuant to the rules in section 94.2 of the Tax Act, or (iii) any interest in a non-resident trust other than an “exempt foreign trust” for the purposes of section 94 of the Tax Act (or a partnership which holds such an interest) (or amendments to such provisions as enacted into law or successor provisions thereto);
- (l) the Fund will manage its investments and affairs to ensure that it will be a “mutual fund trust” for purposes of the Tax Act and will not acquire any property that would be “taxable Canadian property” of the Fund as such term is defined in the Tax Act (if the definition were read without reference to paragraph (b) thereof) (or any amendment to such definition);
- (m) the Fund will not make or hold any investments that would result in the Fund itself being subject to the tax for “SIFT trusts” as provided for in section 122 of the Tax Act;
- (n) the Fund will not purchase or hold: (i) any securities of an entity that would be a “foreign affiliate” of the Fund for purposes of the Tax Act; or (ii) any security that would be a “tax shelter investment” within the meaning of section 143.2 of the Tax Act;

- (o) engage in securities lending that does not constitute a “securities lending arrangement” for purposes of the Tax Act; or
- (p) enter into any arrangement where the result is a dividend rental arrangement for purposes of the Tax Act.

If a percentage restriction on investment or use of assets or borrowing or financing arrangements set forth above as an investment restriction is adhered to at the time of the transaction (other than the restrictions in paragraphs (a) through (d), (f), (h) and (j) above which must be complied with at all times and which may necessitate the selling of investments from time to time), later changes to the market value of the investment or NAV of the Fund will not be considered a violation of the investment restrictions. In the event that the percentage restrictions in paragraphs (a) through (d), (f), (h) and (j) above are exceeded, the Fund will sell Portfolio securities in an orderly manner and use the proceeds therefrom to reduce the outstanding positions. If the amount of leverage exceeds 25% of Total Assets at any time, the leverage will be reduced below 25% of Total Assets as soon as reasonably practicable. If the Fund receives from an issuer subscription rights to purchase securities of that issuer, and if the Fund exercises those subscription rights at a time when the Fund’s holdings of securities of that issuer would otherwise exceed the limits set forth above, the exercise of those rights will not be considered a violation of the investment restrictions if, prior to the receipt of securities of that issuer on exercise of these rights, the Fund has sold at least as many securities of the same class and value as would result in the restriction being complied with. The investment restrictions in paragraphs (i) and (k) through (p) must be complied with at all times.

For purposes of investment rating limitations in this prospectus, a security is considered to have the highest rating assigned to it by a designated rating organization. Investment rating limitations are considered to apply only at the time of purchase and will not be considered violated unless an excess or deficiency occurs or exists immediately after and as a result of an acquisition of securities.

Unitholder approval is required to change the investment objectives or investment restrictions of the Fund. See “Unitholder Matters – Matters Requiring Unitholder Approval”.

FEES AND EXPENSES

The Fund uses the *Unit Traded Fund* structure which has been developed by the Promoter to accomplish two goals, namely (a) to enable the Fund to invest virtually all of the gross proceeds from the Offering in the Portfolio, and (b) to encourage the Fund’s Class T Units to trade in the market at a price not less than 98.50% of their net asset value throughout the life of the Fund.

Fees and Expenses Payable by the Fund

Expenses of the Offering

The initial expenses of the Offering (including the costs of creating and organizing the Fund, the costs of printing and preparing this prospectus, legal expenses of the Fund, marketing expenses, certain expenses incurred by the Agents and certain other expenses) (but excluding the Agents’ fees) are estimated to be \$600,000 and will be borne by the Fund subject to a maximum of 0.50% of the gross proceeds of the Offering. The Promoter will bear the expenses of the Offering in excess of 0.50% of the gross proceeds of the Offering, as the case may be.

Management Fee

Pursuant to the terms of the Management Agreement, the Fund will pay the Manager an annual management fee (the “**Management Fee**”) equal to the sum of (i) 0.85% of the NAV of the Fund, plus applicable taxes, calculated daily and payable monthly, and (ii) an amount equal to the Contingent Agents Fee (as defined below), plus applicable taxes. The portion of the Management Fee described in (ii) above will be waived by the Manager from time to time during such periods when it is under no obligation to be compensating registered dealers for selling Units (either under this Offering or a future distribution of Units). The Investment Advisor will be remunerated by the Manager out of the Management Fee. The Manager will pay to the Agents the annual deferred compensation equal described under “Plan of Distribution” out of the Management Fee.

Fee to the Promoter

Pursuant to the terms of the Promoter Agreement, the Fund will pay the Promoter a fee of 0.25% per annum of the NAV of the Fund attributable to the Class T Units, calculated daily and payable quarterly until August 21, 2025, and 1.25% per annum of the NAV of the Fund attributable to the Class A Units, calculated daily and payable quarterly (collectively, the “**Promoter Fee**”), plus applicable taxes. The Promoter Fee is payable to the Promoter in consideration for the design and structuring of the Fund, its role in paying the expenses of the Offering in excess of 0.50% of the gross proceeds of the Offering and the Agents’ fee on the Class A Units thereby providing the Fund with greater amounts to invest under the Fund’s investment strategy, and the marketing and promotion of the Fund. The Promoter will be reimbursed by the Fund for all reasonable costs and expenses incurred in connection with its services. See “Organization and Management Details of the Fund – Promoter”.

Operating Expenses of the Fund

The Fund will pay for all expenses incurred in connection with the operation and management of the Fund. Each class of Units is responsible for the expenses specifically related to that class and a proportionate share of expenses that are common to all classes of Units. In addition to the fees and expenses referenced elsewhere in this prospectus, it is expected that these expenses will include, without limitation: (a) financial reporting costs, and mailing and printing expenses for periodic reports to Unitholders and other Unitholder communications including marketing and advertising expenses; (b) any taxes payable by the Fund; (c) fees (if any) payable to the Trustee for acting as trustee of the Fund; (d) fees payable to the Fund’s custodian; (e) fees payable to the Fund’s valuation agent; (f) fees payable to the registrar and transfer agent for the Units and to the plan agent under the Reinvestment Plan (as defined below) for performing certain financial, record-keeping, Unitholder reporting and general administrative services and for acting as plan agent under the Reinvestment Plan; (g) costs and fees payable to any agent, legal counsel, actuary, valuation agent, technical consultant, accountant and auditor of the Fund and costs and expenses payable to any investment advisor or investment counsel; (h) ongoing regulatory filing fees, stock exchange fees, listing fees and other fees; (i) any expenses incurred by the Fund in connection with any legal proceedings in which the Manager participates on behalf of the Fund or any other acts of the Manager in connection with the protection of the Fund Property (as defined in the Declaration of Trust) or of any investment included therein; (j) the fees and other expenses of members of the Independent Review Committee (as defined under “Organization and Management Details of the Fund – Independent Review Committee”), as well as premiums for insurance coverage for such members of the Independent Review Committee and for directors and officers of the Manager, which fees will be paid on a *pro rata* basis by the Fund and other applicable investment funds managed by the Manager and, in the case of the Independent Review Committee, of which the same individuals form the independent review committee; (k) any expenditures which may be incurred upon the termination of the Fund; (l) consulting fees including website maintenance costs and expenses associated with the preparation of tax filings; and (m) other administrative expenses, including the expenses of the Investment Advisor. The aggregate annual amount of these fees and expenses is estimated to be \$200,000 per annum. The Fund also will be responsible for all commissions and other costs of securities transactions, debt service and costs relating to borrowings by the Fund, including under the Loan Facility or Prime Brokerage Facility, as applicable, and any extraordinary expenses which it may incur from time to time.

Additional Services

Any arrangements for additional services between the Fund and the Manager, or any affiliate thereof, that have not been described in this prospectus shall be on terms that are no less favorable to the Fund than those available from third parties for comparable services and the Fund shall pay all expenses associated with such additional services.

Fees and Expenses Payable by Unitholders

Early Exchange Fee

Any monthly redemption of Class A Units and any conversion of Class A Units into Class T Units prior to the Automatic Conversion Date will be subject to an Early Exchange Fee per Class A Unit redeemed or converted, as the case may be, equal to the following percentages of the NAV per Class A Unit:

<u>Period (from the Closing Date) during which the redemption or conversion is effected</u>	<u>Early Exchange Fee (% of NAV per Class A Unit)</u>
Until and including the 3 rd calendar month	3.00%
From the 4 th calendar month until and including the 6 th calendar month	2.75%
From the 7 th calendar month until and including the 9 th calendar month	2.50%
From the 10 th calendar month until and including the 12 th calendar month	2.25%
From the 13 th calendar month until and including the 15 th calendar month	2.00%
From the 16 th calendar month until and including the 18 th calendar month	1.75%
From the 19 th calendar month until and including the 21 st calendar month	1.50%
From the 22 nd calendar month until and including the 24 th calendar month	1.25%
From the 25 th calendar month until and including the 27 th calendar month	1.00%
From the 28 th calendar month until and including the 30 th calendar month	0.75%
From the 31 st calendar month until and including the 32 nd calendar month	0.50%

In the case of a conversion of Class A Units, the Fund will redeem such number of Class A Units from those otherwise being converted as is necessary to pay the Early Exchange Fee and will deduct the Early Exchange Fee from the redemption proceeds. In the case of a monthly redemption of Class A Units, the Fund will deduct the Early Exchange Fee from the redemption proceeds. The Early Exchange Fee so deducted by the Fund will be remitted by the Fund, on behalf of the Unitholder, to the Promoter.

Redemption Expenses

In connection with the redemption of Units, any costs associated with the redemption, including all brokerage fees, commissions, wire transfer fees and other transaction costs incurred by the Fund in order to fund such redemption will be deducted from the applicable redemption price payable to the Unitholder exercising the redemption privilege.

RISK FACTORS

An investment in Units is subject to various risk factors, including but not limited to the following risks which prospective purchasers should consider before purchasing Units.

Risks Related to Investment Objectives and Strategy

No Assurances of Achieving Objectives

There is no assurance that the Fund will be able to achieve its investment objectives, including being able to pay distributions to Unitholders in an amount equal to the Target Distribution Amount or at all. In addition, in the event the Fund varies the amount of leverage it employs and/or the composition of the Portfolio, the rate of return required to be generated by the Portfolio in order to achieve the Target Distribution Amount from time to time also may vary. In the event the Fund does not employ leverage, the Fund may adjust the composition of the Portfolio, revise the Target Distribution Amount or may be required to return capital to Unitholders in order to achieve the Target Distribution Amount. The Fund will attempt to achieve its investment objectives through its investment

strategy as described above under the heading “Investment Strategy”. In the event that the Class T Units are listed for trading on an exchange, it is possible that the Class T Units will trade at a premium or at a discount to NAV.

Risks Relating to the Securities of Issuers included in the Portfolio

Fluctuations in Net Asset Value

The NAV per Unit and the funds available for distribution will vary according, among other things, to the value of the Portfolio securities acquired by the Fund and any dividends, distributions and net realized capital gains paid thereon. Fluctuations in the market values of the securities comprising the Portfolio and fluctuations in the NAV per Unit may occur for a number of reasons beyond the control of the Manager, the Investment Advisor and the Fund including factors that affect capital markets generally such as general economic and political conditions and factors unique to each issuer included in the Portfolio, such as changes in management, changes in strategic direction, achievement of strategic goals, mergers, acquisitions and divestitures, changes in distribution policies and other events that may affect the value of its securities. Some global economies have recently experienced a recession or diminished growth. No assurance can be given that such conditions will not continue or re-emerge, which may adversely affect the issuers in which the Fund from time to time may invest and the value of their securities included in the Portfolio.

In addition, standards prescribed by the International Financial Reporting Standards (“IFRS”) apply to investment funds which, among other things, require investment funds to refer to the closing bid price of an investment for NAV calculation purposes for financial statement reporting (rather than the closing trade price of an investment). National Instrument 81-106 – *Investment Fund Continuous Disclosure* (“NI 81-106”) requires investment funds to calculate NAV for purposes other than financial statement reporting using the “fair value” of an investment fund’s assets and liabilities. Accordingly, there may be differences, which could be significant, between NAV set out in the financial statements of the Fund calculated in accordance with IFRS and NAV used for other purposes calculated using “fair value” pursuant to NI 81-106.

Sensitivity to Interest Rates

The market price of the Units may be affected by the level of interest rates prevailing from time to time. In addition, the NAV may be highly sensitive to interest rate fluctuations because the value of the Portfolio will fluctuate based on interest rates. Further, any decrease in the NAV resulting from any fluctuation in interest rates also may negatively affect the market price of the Units. Unitholders wishing to sell their Units will, therefore, be exposed to the risk that the NAV or the market price of the Units will be negatively affected by interest rate fluctuations. Increases in interest rates will also increase the Fund’s costs of borrowing.

The Portfolio’s income could decline due to falling market interest rates. This is because, in a falling interest rate environment, the Fund generally will have to invest the proceeds from the maturing portfolio securities in lower-yielding securities. A decline in income received by the Fund from its investments is likely to have a negative effect on dividend levels and the market price, NAV and/or overall return of the Units.

Moreover, fixed rate securities such as fixed rate preferred securities will decline in value because of changes in market interest rates. When market interest rates rise, the market value of such securities generally will fall. Longer-term fixed rate securities are generally more sensitive to interest rate changes. The Fund’s investment in such securities means that the NAV and market price of Units will tend to decline if market interest rates rise. Currently, market interest rates are at or near record historical lows. Preferred securities with longer periods before maturity or longer durations may be more sensitive to interest rate changes.

Sensitivity to Duration

Duration measures the time-weighted expected cash flows of a security, which can determine the security’s sensitivity to changes in the general level of interest rates (or yields). Securities with longer durations tend to be more sensitive to interest rate (or yield) changes than securities with shorter durations. Duration differs from maturity in that it considers potential changes to interest rates, and a security’s coupon payments, yield, price and par value and call features, in addition to the amount of time until the security matures. Various techniques may be used to shorten or lengthen the duration of Portfolio securities. The duration of a security will be expected to change

over time with changes in market factors and time to maturity. The management of the duration of the Portfolio will not completely protect the Fund from increases in interest rates.

Risks of Portfolio Concentration

The assets of the Fund will consist primarily of securities of issuers that conduct business in the United States and in the financial services sector. Accordingly, diversification of the Fund's investments will be limited by the geographic location and sectors of the issuers in which the Fund invests, and the securities of such issuers are likely to be adversely impacted by any downturns in the United States economy or in any of the sectors in which the issuers in which the Fund invests operate. Accordingly, this Portfolio concentration may have a negative impact on the value of the Units and the general risk of the Portfolio may be increased as a result of such geographic and sector concentration.

General Risks of Equity Investments

The value of equity securities in which the Fund may from time to time invest may fluctuate in accordance with changes in the financial condition of those equity security issuers, the condition of equity markets generally and other factors. The issuers and weighting of equity securities comprising the Portfolio also may change from time to time. Dividends and distributions on those equity securities generally will depend upon the declaration of dividends and distributions from the issuers but there can be no assurance that those issuers will pay distributions or dividends on their securities. The declaration of such dividends and distributions generally depends upon various factors, including the financial condition of the issuer and general economic conditions.

The Fund also will be subject to the risks inherent in investments in equity securities, including the risk that the financial condition of the issuers in which the Fund invests may become impaired or that the general condition of the stock markets may deteriorate. Equity securities are susceptible to general equity market fluctuations and to volatile increases and decreases in value as market confidence in, and perceptions of, the issuers change. These investor perceptions are based on various and unpredictable factors including expectations regarding government, economic, monetary and fiscal policies, inflation and interest rates, economic expansion or contraction, and global or regional political, economic and banking crises.

Certain of the issuers in which the Fund may from time to time invest may have limited operating histories. The value of the Portfolio will be influenced by factors that are not within the control of the Fund, which may include the financial performance of the respective issuers, interest rates, exchange rates and the hedging policies employed by such issuers. The performance of issuers in which the Fund may invest also may be affected by the performance of their competitors and demand for specific products and services, and may be adversely affected by a change in any of such conditions.

Risks of Investing in Preferred Securities

The Fund will also be subject to the risks inherent in investment in preferred securities, including the risk that the financial condition of the issuers in which the Fund invests may become impaired or that the general condition of the stock markets may deteriorate. Preferred securities are susceptible to general stock market fluctuations and to volatile increases and decreases in value as market confidence in, and perceptions of, the issuers change.

There are specific risks associated with investing in preferred securities, including:

(a) *Limited voting rights.* Generally, preferred security holders (such as the Fund) have no voting rights with respect to the issuing company unless preferred dividends have been in arrears for a specified number of periods, at which time the preferred security holders may elect a number of directors to the issuer's board. Generally, once all the arrearages have been paid, the preferred security holders no longer have voting rights. In the case of certain preferred securities issued by trusts or special purpose entities, holders generally have no voting rights except if a declaration of default occurs and is continuing. In such an event, preferred security holders generally would have the right to appoint and authorize a trustee to enforce the trust or special purpose entity's rights as a creditor under the agreement with its operating company.

(b) *Early redemption (Call risk).* Preferred securities and debt instruments may be redeemed at the option of the issuer, or “called,” before their stated maturity date. In general, an issuer will call its preferred securities and debt instruments if they can be refinanced by issuing new instruments which bear a lower interest rate. The Fund is subject to the possibility that during periods of falling interest rates, an issuer will call its high-yielding preferred securities or debt instruments. The Fund would then be forced to invest the unanticipated proceeds at lower interest rates, resulting in a decline in the Fund’s income.

(c) *Special redemption rights.* In certain circumstances, an issuer of preferred securities may redeem the securities prior to their stated maturity date. For instance, for certain types of preferred securities, a redemption may be triggered by a change in federal income tax or securities laws or regulatory or major corporate action. A redemption by the issuer may negatively impact the return of the security held by the Fund.

(d) *Payment deferral.* Generally, preferred securities may be subject to provisions that allow an issuer, under certain conditions, to skip (“non-cumulative” preferred securities) or defer (“cumulative” preferred securities) distributions. Non-cumulative preferred securities can defer distributions indefinitely. Cumulative preferred securities typically contain provisions that allow an issuer, at its discretion, to defer distribution payments for up to 10 years. If the Fund owns a preferred security that is deferring its distribution, the Fund may be required to report income for tax purposes while it is not receiving any corresponding cash.

(e) *Subordination.* Preferred securities are subordinated to bonds and other debt instruments in a company’s capital structure and therefore are subject to greater credit risk than those debt instruments.

(f) *Liquidity.* Preferred securities may be substantially less liquid than many other securities, such as government securities or common shares.

(g) *Regulatory risk.* Issuers of preferred securities may be in industries that are heavily regulated and that may receive government funding. The value of preferred securities issued by these companies may be affected by changes in government policy, such as increased regulation, ownership restrictions, deregulation or reduced government funding.

(h) *New Types of Securities.* From time to time, preferred securities, including hybrid securities, have been, and may in the future be, offered having features other than those described herein. The Fund reserves the right to invest in these securities if the Investment Advisor believes that doing so would be consistent with the Fund’s investment objectives. Since the market for these instruments would be new, the Fund may have difficulty disposing of them at a suitable price and time. In addition to limited liquidity, these instruments may present other risks, such as high price volatility.

(i) *Conversion.* Holders of preferred securities (such as the Fund) could become holders of common shares of issuers at a time when such issuer’s financial condition is deteriorating or when it has become insolvent or bankrupt or resolved to be wound-up or has been ordered wound-up or liquidated. There can be no guarantee that the common shares issued in such circumstances will pay a dividend, appreciate, or that there will be a liquid market for such common shares. There can be no guarantee that in such circumstances payment of interest or other distributions on the preferred securities will resume. As a result, in such circumstances, were the Fund to become a holder of common shares, it could receive substantially less than as a holder of preferred securities that have not been exchanged for common shares, which in turn could affect the ability of the Fund to meet its investment objectives, including paying targeted monthly distributions. There can be no guarantee that any triggering events which require a holder of preferred securities (such as the Fund) to subscribe for common shares of such issuers will not change over time or will not vary from one security to another.

(j) *Credit risk.* Issuers of preferred securities in which the Fund may invest may default on their obligations to pay dividends, principal or interest when due. This non-payment could result in a reduction of income to the Fund, a reduction in the value of a preferred security or debt instrument experiencing non-payment and, potentially, a decrease in the NAV of the Fund. There can be no assurance that liquidation of collateral would satisfy the issuer’s obligation in the event of non-payment of scheduled dividends, interest or principal when due or that such collateral could be readily liquidated. In the event of bankruptcy of an issuer, the Fund could experience delays or limitations with respect to its ability to realize the benefits of any collateral securing a preferred security or debt instrument. To the extent that the credit rating assigned to a security in the Portfolio is downgraded, the market price and liquidity of such security may be adversely affected. Preferred securities are subordinated borrowing to bonds

and hybrid instruments in a company's capital structure in terms of priority to corporate income and assets upon liquidation, and therefore will be subject to greater credit risk than those hybrid instruments.

Risks Related to Issuers Operating in the Financial Sector

The Fund will at all times invest in the Portfolio Securities selected in accordance with the Fund's investment strategy. The Portfolio may be concentrated in the financial services sector. A financial services company is one that is primarily involved in banking, mortgage finance, consumer finance, specialized finance, investment banking and brokerage, asset management and custody, corporate lending, insurance or financial investments. This makes the Fund more susceptible to adverse economic or regulatory occurrences affecting this sector. Concentration of investments in financial services companies include the following risks: (a) financial services companies may suffer a setback if regulators change the rules under which they operate; (b) unstable interest rates can have a disproportionate effect on the financial services sector; (c) financial services companies whose securities the Fund may purchase may themselves have concentrated portfolios, such as a high level of loans to real estate developers, which makes them vulnerable to economic conditions that affect that sector; (d) financial services companies have been affected by increased competition, which could adversely affect the profitability or viability of such companies; and (e) financial services companies have been significantly and negatively affected by the downturn in the subprime mortgage lending markets and the resulting impact on the world's economies.

The Portfolio Securities may not be diversified by country or industry. The NAV of the Fund may be more volatile than the net asset value of a more broadly diversified portfolio and may fluctuate substantially over short periods of time. This may have a negative effect on the value of the Units and the Fund's capital appreciation objectives. The value of such securities and the operations and profitability of such issuers will be affected by Canadian, U.S. and global economic and political factors such as unemployment, the amount of consumer spending, business investment, government spending, the volatility and strength of Canadian, U.S. and global capital markets, political instability and inflation. Any downturn in the Canadian, U.S. or global economies or political instability, which may result in higher unemployment, lower family income, lower corporate earnings, lower business investment and/or lower consumer spending, may adversely impact the performance and/or financial condition of the issuers whose securities comprise the Portfolio and the NAV.

Foreign Currency Exposure

The Portfolio will include securities denominated and paying distributions in U.S. dollars and Canadian dollars. As the NAV will be calculated in Canadian dollars, to the extent the Fund's exposure to U.S. dollars has not been hedged back to the Canadian dollar, the NAV will be affected by changes in the value of the U.S. dollar against the Canadian dollar. While the Fund generally will seek to hedge its exposure to the U.S. dollar back to the Canadian dollar, it may not be fully hedged at all times. Distributions received on Portfolio securities will not be hedged and any hedging strategy of the Fund may not be successful. Accordingly, no assurance can be given that the Fund will not be adversely impacted by changes in foreign exchange rates or other factors.

Risks Related to the Structure of the Fund

Distributions

The Fund initially intends to pay monthly distributions on all Units in an amount equal to \$0.125 per Unit. The Manager will review such distribution policy from time to time and the distribution amount may change. If the returns on the Portfolio (including net realized capital gains from the sale of securities in the Portfolio) are less than the amount necessary to fund the monthly distributions, the Manager may return a portion of the capital of the Fund to Unitholders to ensure the distribution is paid and, accordingly, the NAV per Unit would be reduced which may reduce the Fund's ability to generate future income.

Reliance on the Manager and the Investment Advisor

Each of the Manager and the Investment Advisor will provide investment advice regarding the Portfolio in a manner consistent with the Fund's investment objectives, strategy and restrictions. Although the employees of the Manager and the Investment Advisor who will be primarily responsible for providing such advice in respect of the Portfolio have extensive experience in managing investment portfolios, there is no certainty that such individuals

will continue to be employees of the Manager and the Investment Advisor throughout the life of the Fund or that the Manager and the Investment Advisor, as applicable, will continue to be engaged by the Fund.

Use of Leverage by the Fund

The use of leverage by the Fund may result in capital losses or a decrease in distributions to Unitholders. If the value of the Portfolio decreases such that (a) the amount utilized as leverage by the Fund for the purpose of purchasing additional securities for the Portfolio, exceeds 25% of the value of the total assets of the Fund, (b) the amount borrowed by the Fund for other purposes (including effecting market purchases of Units, maintaining liquidity and funding redemptions) exceeds 5% of the value of the total assets of the Fund, or (c) the Fund exceeds a ratio of 1.333 to 1 (maximum total assets of the Fund divided by the NAV of the Fund), the Fund may be required to sell assets in order to comply with such restrictions. Such sales may be required to be done at prices which may adversely affect the value of the Portfolio and the returns to the Fund. The interest expense and banking and other fees incurred in respect of any loan facility or prime brokerage facility entered into by the Fund will decrease the value of the assets of the Fund, thereby reducing the amounts available to pay distributions on the Units. In addition, the Fund may not be able to renew any borrowings on acceptable terms or at all. There can be no assurance that the borrowing strategy employed by the Fund will assist the Fund in achieving its objectives.

Hedging Strategy

The use of hedging involves special risks, including illiquidity and the possible default by the counterparty to any hedging transaction, which could result in the counterparty being unable to meet its obligations. In addition, the Fund's success in using hedging instruments is subject to the Manager's or the Investment Advisor's ability to predict correctly changes in the relationships of such hedging instruments to the Portfolio; there can be no assurance that the Manager's or the Investment Advisor's judgment in this respect will be accurate, with the risk that the use of hedges could result in losses greater than if the hedging had not been used. In addition, the costs associated with a hedging program may outweigh the benefits of the arrangements in such circumstances.

Use of Derivatives

The Fund may also invest in or use derivative instruments for hedging purposes consistent with its investment objectives and investment restrictions. The Fund's use of derivatives for such purposes is not otherwise subject to any limitations. For example, the Fund may use derivatives for hedging purposes with the intention of offsetting or reducing risks, such as currency value fluctuations, stock market risks and interest rate changes, associated with an investment or group of investments.

There are many different types of derivatives. They usually take the form of a contract to buy or sell a specific commodity, currency or security index. The most common types of derivatives are:

- (a) *Futures or forward contract.* These types of contract are agreements made today to buy or sell a particular currency, security or market index on a specific day in the future at a specified price;
- (b) *Option contract.* This type of contract gives the buyer the right, but not the obligation, to buy or sell certain securities within a certain time period at a specified price; and
- (c) *Swap agreement.* This type of agreement is a negotiated contract between parties agreeing to exchange payments based on returns of different investments. The most common type is an interest rate swap. Under an interest rate swap, Party A agrees to pay Party B a fixed amount based on a pre-set interest rate. In return, Party B agrees to pay Party A a floating amount based on a reference rate such as bankers acceptance or the London Inter-Bank Offered Rate.

The Fund may also invest in or use derivative instruments for non-hedging purposes as a substitute for purchasing or selling preferred securities consistent with its investment objectives and investment restrictions. The Fund's use of derivatives for non-hedging purposes is limited to up to a maximum of 10% of the NAV.

The use of derivative instruments involves risks different from and possibly greater than, the risks associated with investing directly in securities and other traditional investments. Risks associated with the use of derivatives include: (i) hedging to reduce risk does not guarantee that there will not be a loss or that there will be a

gain; (ii) there is no guarantee that a market will exist when the Fund wants to complete the derivative contract, which could prevent the Fund from reducing a loss or making a profit; (iii) securities exchanges may impose trading limits on options and futures contracts, and these limits may prevent the Fund from completing the derivative contract; (iv) the Fund could experience a loss if the other party to the derivative contract is unable to fulfill its obligations; and (v) if the Fund has an open position in an option, a futures contract or a forward contract with a dealer who goes bankrupt, the Fund could experience a loss and, for an open futures or forward contract, a loss of margin deposits with that dealer.

In circumstances where there is an interest rate hedge employed, total returns on the Portfolio may be higher with the hedge than without it when interest rates rise significantly, but total returns may be lower than it otherwise would be in a stable to falling interest rate environment. In a forward transaction on an underlying asset whose value is based on interest rates, there is a risk that yields will move in the direction opposite to the direction anticipated by the Fund (i.e. decline), which would cause the Fund to make payments to the forward counterparty in the transaction that could adversely affect Fund performance. Forward agreements may be considered to be illiquid. The forward market is largely unregulated.

In addition, to the extent that derivatives are used by the Fund for non-hedging purposes, there is a risk that the non-hedging purposes for which such derivatives have been utilized by the Fund result in losses, which in turn could have an adverse effect on the performance of the Fund and its ability to meet its objectives.

Repurchase and Reverse Repurchase Transactions

The Fund may enter into purchase and reverse repurchase transactions in order to generate additional returns. A repurchase transaction involves the Fund selling a security and agreeing to buy it back to the same party at a future time. A reverse repurchase transaction involves the opposite, i.e. the Fund buying a security and agreeing to sell it back to the same party at a future time. Over time, the value of the securities purchased by the Fund under a reverse repurchase transaction may decline below the amount of cash paid by the Fund to the other party. If the other party defaults on its obligation to repurchase the securities from the Fund, the Fund may need to sell the securities for a lower price and suffer a loss for the difference.

Credit Risk

Credit risk is the possibility that a borrower, or the counterparty to a derivatives contract, is unable or unwilling to repay the loan or obligation, either on time or at all. Debt securities issued by companies or governments in emerging markets often have higher credit risk (a lower credit rating assigned by specialized credit rating agencies), while debt securities issued by well-established companies or by governments of developed countries tend to have lower credit risk (a higher credit rating). A downgrade in an issuer's credit rating can negatively affect a debt security's market value. Other factors can also influence a debt security's market value, such as the level of liquidity of the security and a change in the market perception of the creditworthiness of the security. Lower rated and unrated debt instruments generally offer a better return than higher grade debt instruments but have the potential for substantial loss if the borrower defaults on payment. Funds that invest in companies or markets with higher credit risk tend to be more volatile in the short term. However, they may offer the potential of higher returns over the long term.

No Guaranteed Returns

There is no guarantee that an investment in the Fund will earn any positive returns in the short or long term.

Loss of Investment

An investment in Units is appropriate only for an investor that can withstand distributions not being made on the Units for any period of time, and that can withstand a partial or total loss of its investment.

Illiquid Securities

There is no assurance that an adequate market will exist for the securities held in the Portfolio, including private securities. The Fund cannot predict whether the securities held by it will trade at a discount to, a premium to, or at their respective net asset values, if applicable. If the market for a specific security is particularly illiquid, the

Fund may be unable to dispose of such securities or may be unable to dispose of such securities at an acceptable price. In addition, if the Manager is unable, or determines that it is inappropriate, to dispose of some or all of the securities held in the Portfolio prior to the date of the termination of the Fund, Unitholders may, subject to applicable laws, receive distributions of Portfolio securities *in specie* for which there may be an illiquid market or which may be subject to resale restrictions of indefinite duration.

A liquid asset typically trades on an organized market, such as a stock exchange, which provides price quotations for the asset. The use of an organized market means that it should be possible to convert the asset to cash at, or close to, the quoted price or the price used to calculate the fund's net asset value.

An asset is considered illiquid if it is more difficult to convert it to a liquid investment such as cash. A company's securities may be illiquid if the company is not well known, there are few outstanding shares of that company, there are few potential buyers or the shares of that company cannot be resold because of a promise or agreement. This may be applicable even if the asset is traded on an organized market.

Also, in highly volatile markets, securities, especially debt securities, that were considered liquid may suddenly and unexpectedly become illiquid.

The value of a fund that holds illiquid securities may rise and fall substantially because the fund may not be able to sell the securities for the value that we use in calculating the net asset value of the fund. There are restrictions on the amount of illiquid securities a fund may hold.

Risks Relating to Market Purchases

Pursuant to the Declaration of Trust, the Fund will establish a mandatory market purchase program pursuant to which the Fund will offer to purchase any Class T Units offered in the market at a price that is less than the NAV per Class T Unit when the market price is less than 98.50% of the latest NAV per Class T Unit. The Manager will publish this price on the Manager's website at www.purposeinvest.com each day on which the TSX is open for business. Pursuant to the mandatory market purchase program, the Fund will purchase up to a maximum amount in any rolling 10 day period of 10% of the number of Class T Units outstanding at the beginning of such 10 day period, subject to a limit of 2% of the number of Class T Units outstanding each day and subject to the terms set out in the Declaration of Trust. All Class T Units purchased pursuant to this mandatory market purchase program will be cancelled. If a significant number of Class T Units are purchased and cancelled, the expenses of the Fund would be spread among fewer Units resulting in a potentially lower distribution per Unit. The Manager has the ability to terminate the Fund at any time without the approval of Unitholders if, in its opinion, it is no longer economically feasible to continue the Fund and/or it would be in the best interests of the Unitholders to terminate the Fund. If the Fund is terminated as a consequence of market purchases and/or redemptions, it may be terminated before the Manager would otherwise choose to do so and the return to Unitholders may be less than anticipated as the Portfolio may not have had sufficient time to provide a return that equals or exceeds the expenses of the Offering.

Moreover, because an amount of 1.32% of the NAV per Class T Unit plus applicable taxes purchased by the Fund will be paid to the Manager as part of the Management Fee, the purchase of Class T Units under the mandatory market purchase program may not be accretive (or be less accretive) to the Fund and Unitholders, to the extent that this portion of the Management Fee is not being waived by the Manager. However, as the purchases made under the mandatory market purchase program are being effected at a maximum of 98.50% of the NAV per Class T Unit (calculated as at the latest Valuation Time), they will not be dilutive to the Class T unitholders.

Securities Lending

The Fund may engage in securities lending. Although the Fund will receive collateral for the loans, and such collateral is marked to market, the Fund will be exposed to the risk of loss should the borrower default on its obligation to return the borrowed securities and should the collateral be insufficient to reconstitute the portfolio of loaned securities. In addition, the Fund will bear the risk of loss of any investment of cash collateral.

Trading Price of Units

Units may trade in the market at a premium or discount to the NAV per Unit and there can be no assurance that Units will trade at a price equal to such amount. This risk is separate and distinct from the risk that the NAV per Unit may decrease, or possibly be zero.

In recognition of the possibility that Class T Units may trade at a discount, the terms and conditions attaching to Class T Units have been designed to attempt to reduce or eliminate a market value discount from the NAV per Class T Unit by way of the Fund's mandatory market purchase program, as described under "Attributes of Securities – Mandatory Market Purchase Program". There can be no assurance that purchases of Class T Units by the Fund will result in Class T Units trading at a price which is equal to the NAV per Unit. The Fund anticipates that the market price of Class T Units will in any event vary from the NAV per Unit. The market price of Class T Units will be determined by, among other things, the relative demand for and supply of Class T Units in the market, the performance of the Portfolio and investor perception of the Fund's overall attractiveness as an investment as compared with other investment alternatives. The NAV per Unit and the market price of Class T Units is subject to factors beyond the control of the Fund, the Manager, the Trustee and the Investment Advisor.

Marketability and Operating History

The Fund is a newly organized investment fund with no previous operating history. There is currently no public market for the Units and there can be no assurance that an active public market will develop or be sustained after completion of this Offering.

Availability of Leverage

The Fund's ability to achieve its investment objectives is dependent on employing leverage. Given the nature of prime brokerage facilities, in the event the Fund enters into the Prime Brokerage Facility, the ongoing availability of credit and the terms of such credit, including interest cost and margin requirements, will be subject to change at the Lender's sole discretion at any time and there will be no guarantee that the Fund will be able to borrow on terms satisfactory to the Fund or at all, which may affect the total returns of the Portfolio.

Risks Related to Redemptions

If holders of a substantial number of Units exercise their redemption rights, the number of Units outstanding and the NAV could be significantly reduced. If a substantial number of Units are redeemed, this could decrease the liquidity of the Units in the market and increase the management expense ratio of the Fund. In any such circumstance, the Manager may determine it appropriate to: (i) suspend redemptions of Units (as described under "Redemptions of Securities — Suspension of Redemptions"); or (ii) terminate the Fund without the approval of the Unitholders if, in the opinion of the Manager, it is no longer economically feasible to continue the Fund or the Manager determines that it would be in the best interests of Unitholders to terminate the Fund.

Redemption costs will be paid by the redeeming Unitholder. The amount of any such Redemption costs will depend on the circumstances at the time of the redemption, including the NAV, the number of Units surrendered for redemption, the available cash of the Fund, the interest rate under the Loan Facility, the current market price of the securities of each issuer included in the Portfolio at the time of the redemption, and the brokerage fees, commissions and other transaction costs as described under "Redemptions of Securities". As a result of the foregoing variables, the amount of Redemption costs payable by a Unitholder upon the redemption of Units may vary from time to time.

Status of the Fund

The Fund is non-redeemable investment fund that is a reporting issuer under the securities legislation of the provinces and territories of Canada. Consequently, the Fund is subject to the various policies and regulations that apply to non-redeemable investment funds which are reporting issuers, including parts of NI 81-102, as well as NI 81-106 and National Instrument 81-107 - *Independent Review Committee for Investment Funds* ("NI 81-107").

The Fund is not a trust company and is not registered under legislation of any jurisdiction governing trust companies as it does not carry on, nor does it intend to carry on, the business of a trust company. The Units are not

“deposits” within the meaning of the *Canada Deposit Insurance Corporation Act* and are not insured under the provisions of that Act or any other legislation.

Conflicts of Interest

The services to be provided or caused to be provided by the Manager under the Management Agreement and by the Investment Advisor under the Investment Advisory Agreement are not exclusive to the Fund. Neither the Manager nor the Investment Advisor is prevented from offering its services to other funds, some of which may invest primarily in the same securities as the Fund from time to time invests and which may be considered competitors of the Fund.

In addition, the directors and officers of the Manager and the Investment Advisor or their respective affiliates may be directors, officers, shareholders or unitholders of one or more issuers in which the Fund may acquire securities or of corporations which act as the manager of other funds that invest primarily in the same securities as the Fund from time to time invests and which may be considered competitors of the Fund. The Manager or its affiliates may be managers or portfolio managers of one or more issuers in which the Fund may acquire securities.

Nature of Units

A Unit represents an undivided beneficial interest in the net assets of the Fund. Unitholders will not have the statutory rights normally associated with ownership of shares of a corporation including, for example, the right to bring “oppression” or “derivative” actions. Units are dissimilar to debt instruments in that there is no principal amount nor interest obligations owing to Unitholders.

No Market for Class A Units

The Class A Units will not be listed on any stock exchange. It is expected that liquidity for Class A Units will be obtained primarily by means of conversion of Class A Units into Class T Units and the subsequent sale of such Class T Units.

No Ownership Interest

An investment in Units does not constitute an investment by Unitholders in the securities comprising the Portfolio. Unitholders will not own the securities held by the Fund.

Exchange Option

A portion of the proceeds realized pursuant to the Offering may be by way of deposits of securities of Exchange Eligible Issuers under the Exchange Option (as each such term is defined under “Purchase of Securities – Method to Purchase Units”). To achieve the desired initial Portfolio, the Manager may be required to dispose of certain securities of Exchange Eligible Issuers acquired pursuant to the Exchange Option at prices below the prices at which they are then trading and possibly at prices which are below what the Manager believes they are worth. Such dispositions may have an adverse impact on the NAV per Unit. Additionally, if the price of a security of an Exchange Eligible Issuer on the closing of the Offering is less than the price used to calculate the Exchange Ratio (as defined under “Purchase of Securities - Determination of Exchange Ratio”), the Fund will, in effect, have paid more to acquire the security of the Exchange Eligible Issuer than it would have paid if it had acquired the same security in the market at that time.

Taxation of the Fund

If the Fund fails to or ceases to qualify as a mutual fund trust under the Tax Act, the income tax considerations described under the heading “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 Canada Revenue Agency (“CRA”) respecting the treatment of mutual fund trusts will not be changed in a manner which adversely affects the Unitholders. There can be no assurances that the CRA will agree with the tax treatment adopted by the Fund in filing its tax return (e.g., deduction of expenses or

recognition of income) and the CRA could reassess the Fund on a basis that results in tax being payable by the Fund or additional tax being paid by Unitholders.

The tax treatment of gains and losses realized by the Fund will depend on whether such gains or losses are treated as being on income or capital account, and whether they result from a “derivative forward agreement”. In determining its income for tax purposes, the Fund will treat gains or losses realized on the disposition of Portfolio securities held by it as capital gains and losses. Generally, the Fund will include gains and deduct losses on income account in connection with investments made through certain derivatives, except where such derivatives are used to hedge Portfolio securities held on capital account provided there is sufficient linkage, and will recognize such gains or losses for tax purposes at the time they are realized by the Fund. For example, the Fund intends to take the position that gains or losses in respect of foreign currency hedges entered into in respect of amounts invested in the Portfolio will constitute capital gains and capital losses to the Fund if the Portfolio securities are capital property to the Fund and there is sufficient linkage. Designations with respect to the Fund’s income and capital gains will be made and reported to Unitholders on the foregoing basis. The CRA’s practice is not to grant advance income tax rulings on the characterization of items as capital gains or income and no advance income tax ruling has been requested or obtained. If these foregoing dispositions or transactions of the Fund are determined not to be on capital account, the net income of the Fund for tax purposes and the taxable component of distributions to Unitholders could increase. Any such redetermination by the CRA may result in the Fund being liable for unremitted withholding taxes on prior distributions made to Unitholders who were not resident in Canada for purposes of the Tax Act at the time of the distribution. Such potential liability may reduce the NAV of the Fund and NAV per Unit.

The Tax Act contains rules (the “**DFA Rules**”) that target certain financial arrangements (described in the DFA Rules as “derivative forward agreements”) that seek to deliver a return based on an “underlying interest” (other than certain excluded underlying interests) for purposes of the DFA Rules. The DFA Rules are broad in scope and could apply to other agreements or transactions (including certain forward currency contracts and other derivatives , in certain circumstances). If the DFA Rules were to apply to any derivatives used by the Fund the gains in respect of which would otherwise be capital gains, gains realized in respect of the property underlying such derivatives could be treated as ordinary income rather than capital gains.

The SIFT Rules will apply to the Fund if it is a SIFT Trust. The Fund should not be a SIFT Trust for the purposes of these rules because the Fund should not hold “non-portfolio property”, as defined in the SIFT Rules, based on its investment restrictions, as described under the heading “Investment Restrictions”. If the SIFT Rules were to apply to the Fund, they may have an adverse impact on the Fund including on distributions received by Unitholders.

The Fund intends to invest in foreign securities, including U.S. securities. Many foreign countries, including the United States, preserve their right under domestic tax laws and applicable tax conventions with respect to taxes on income and on capital (“**Tax Treaties**”) to impose tax on dividends and interest paid or credited to persons who are not resident in such countries. While the Fund intends to make its investments in such a manner as to mitigate the amount of foreign taxes incurred under foreign tax laws and subject to any applicable Tax Treaties, investments in selected foreign securities may subject the Fund to foreign taxes on dividends and interest paid or credited to the Fund and any gains realized on the disposition of such securities. Any foreign taxes incurred by the Fund will generally reduce the value of the Fund and amounts payable to Unitholders. To the extent that such foreign tax paid by the Fund exceeds 15% of the amount included in the Fund’s income from such investments, such excess may generally be deducted by the Fund in computing its net income for the purposes of the Tax Act. To the extent that such foreign tax paid does not exceed 15% of such amount and has not been deducted in computing the Fund’s income and the Fund designates its income from a foreign source in respect of a Unitholder of the Fund, the Unitholder will, for the purposes of computing its foreign tax credits, be entitled to treat the Unitholder’s proportionate share of foreign taxes paid by the Fund in respect of such income as foreign taxes paid by the Unitholder. The availability of foreign tax credits to a Unitholder of the Fund is subject to the detailed rules in the Tax Act.

The after-tax return from an investment in Units to a Unitholder resident in Canada for the purposes of the Tax Act will depend in part on the Unitholder’s ability to recognize for purposes of the Tax Act foreign taxes paid by or on behalf of the Unitholder through foreign tax credits under the Tax Act (see “Income Tax Considerations”). A Unitholder’s ability to recognize foreign taxes through foreign tax credits may be affected where the Unitholder does not have sufficient taxes otherwise payable under Part I of the Tax Act or sufficient foreign source income in

the taxation year the foreign taxes are paid or where the Unitholder has other foreign sources of income or losses or has paid other foreign taxes. Furthermore, foreign tax credits will be dependent upon the Canadian federal and provincial tax rates and foreign tax rates that will prevail in future years to apply to applicable sources of income. Unitholders are therefore advised to consult their own tax advisors in regard to foreign tax credits.

A Unitholder that is a Registered Plan will not be entitled to a foreign tax credit under the Tax Act in respect of any foreign tax paid by the Fund and designated in respect of the Registered Plan. As a result, the after tax return from an investment in Units to a Unitholder that is a Registered Plan may be adversely affected.

Changes in Legislation

There can be no assurance that income tax, securities and other laws and government incentive programs relevant to the Fund and its investments will not be changed in a manner which adversely affects the Fund and/or the distributions, if any, received by the Fund or by the Unitholders.

Potential Liability of Unitholders

The Fund is a unit trust and as such its Unitholders do not receive the protection of statutorily mandated limited liability in some provinces and territories as in the case of shareholders of most Canadian corporations. There is no guarantee, therefore, that Unitholders could not be made party to legal action in connection with the Fund. However, the Declaration of Trust provides that no Unitholder, in its capacity as such, will be subject to any liability whatsoever, in tort, contract or otherwise, to any person in connection with the Fund's property or the obligations or the affairs of the Fund and all such persons are to look solely to the Fund's property for satisfaction of claims of any nature arising out of or in connection therewith and only the Fund's property will be subject to levy or execution.

Pursuant to the Declaration of Trust, the Fund will indemnify and hold harmless each Unitholder from any costs, damages, liabilities, expenses, charges and losses suffered by a Unitholder resulting from or arising out of such Unitholder not having limited liability. The Declaration of Trust also provides that the Trustee and the Manager shall use reasonable efforts to cause to be inserted in each material written agreement, undertaking and obligation signed by or on behalf of the Fund a provision to the effect that such agreement, undertaking or obligation will not be binding upon Unitholders personally.

As a result of the foregoing, it is considered that the risk of any personal liability of Unitholders is minimal in view of the nature of its activities. 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.

DISTRIBUTION POLICY

The Fund intends to provide Unitholders with monthly cash distributions to be declared payable to Unitholders of record on the last day of each month or such other date as the Trustee may set from time to time (any such date being the "**Record Date**") and to be paid on or before the last business day of the following month (the "**Distribution Date**"). The Fund will at least annually determine and announce (commencing in June 2016) a target monthly distribution amount (the "**Target Distribution Amount**") based upon prevailing market conditions and the estimate by the Manager of distributable cash flow for the period to which such Target Distribution Amount pertains. The initial Target Distribution Amount for the period ending May 31, 2016 is \$0.0417 per Unit per month (corresponding to an annualized distribution of \$0.50 per Unit per annum and representing an annualized yield of 5% per annum based on the original subscription price). The initial distribution is expected to be declared payable to Unitholders of record on September 30, 2015 and to be paid on or before the last business day of the following month. Assuming the gross proceeds of the Offering are \$100 million and the fees and expenses are as described herein, the Portfolio is expected to generate dividend and distribution income (net of applicable withholding tax) of approximately 5.62% per annum, assuming leverage of 22% of the total assets of the Fund is employed, which is the Fund's initial intention. If the return on the Portfolio (including net realized capital gains from the sale of Portfolio securities) is less than the amount necessary to fund the monthly distributions at the Target Distribution Amount and all expenses of the Fund, this will result in a portion of the capital of the Fund being returned to Unitholders and, accordingly, the NAV per Unit would be reduced.

The Fund also may, at the discretion of the Manager, make other distributions of cash and/or in Units at any time if it considers it appropriate. Based on the anticipated composition of the initial Portfolio, it is expected that the dividends, interest and distributions received from the Portfolio and additional income derived from call options on the Portfolio securities will be sufficient to allow the Fund to fund its distributions at the initial Target Distribution Amount. **The amount of the monthly distributions may fluctuate from month to month and there can be no assurance that the Fund will make any distributions in any particular month or months or that the Target Distribution Amount will be satisfied each month.** See “Risk Factors”. The Fund intends to fund the Target Distribution Amount from the interest, dividends, distributions and other income received from, and capital gains realized on, the Portfolio. If the returns on the Portfolio are less than the amount necessary to fund monthly distributions, the Manager may sell Portfolio securities or may return a portion of the capital of the Fund in order to fund distributions. Distributions of cash by the Fund to Unitholders will decrease the net assets of the Fund and accordingly will reduce the NAV. It is expected that distributions to Unitholders will be characterized as income, dividends and capital gains. See “Income Tax Considerations”.

If, in any year, after payment of any distributions paid on the Units, there would otherwise remain in the Fund additional net income or net realized capital gains, the Fund intends to make, on or before December 31 of that year, a special distribution of such portion of the remaining net income and net realized capital gains on the Units as is necessary to ensure that the Fund will not be liable for income tax thereon under the Tax Act. Such distributions may be made in Units and/or cash. A distribution payable in Units will increase the aggregate adjusted cost base to the Unitholders of their Units. Immediately following payment of such distribution in Units, the number of Units outstanding will be automatically consolidated such that the number of Units outstanding will be equal to the number of Units outstanding immediately prior to such payment, except in the case of a non-resident Unitholder if tax was required to be withheld in respect of the distribution. See “Income Tax Considerations”.

Distribution Reinvestment Plan

The Fund intends to adopt a distribution reinvestment plan (the “**Reinvestment Plan**”) which will provide that all monthly cash distributions made by the Fund shall, at the election of each Unitholder, be automatically reinvested in additional Units on each such Unitholder’s behalf in accordance with the terms of such plan (as described below) and the reinvestment plan agency agreement (to which the Reinvestment Plan is to be appended) to be entered into by the Fund, the Manager and TMX Equity Transfer Services Inc. (the Fund’s registrar and transfer agent acting as plan agent) (the “**Plan Agent**”) to establish the Reinvestment Plan. Notwithstanding the foregoing, Unitholders who are not residents of Canada will not be able to participate in the Reinvestment Plan and Unitholders who cease to be residents of Canada will be required to terminate such Unitholders’ participation in the Reinvestment Plan. The Manager expects that the Reinvestment Plan will commence approximately four months after the date of the closing of the Offering.

Subject to the foregoing, all monthly cash distributions will be automatically reinvested in additional Units on behalf of those Unitholders who are residents of Canada and who elect to participate in the Reinvestment Plan (each such Unitholder being a “**Plan Participant**”). Such distributions due to Plan Participants will be paid to the Plan Agent and applied to the purchase of Units of the same class of the Units as the Units held by such Plan Participant on behalf of Plan Participants in the following manner.

Regarding the Class T Units, if the Market Price of the Class T Units on the TSX plus estimated brokerage fees and commissions is greater than or equal to the NAV per Class T Unit as at such Distribution Date, the Plan Agent will, after the relevant Distribution Date, apply distributions to the purchase of Class T Units from the Fund at a price equal to NAV per Class T Unit as at the Distribution Date, provided that if the NAV per Class T Unit as at the Distribution Date is less than 95% of the Market Price per Class T Unit as at the Distribution Date, then Class T Units will be purchased from the Fund at a price equal to 95% of the Market Price as at the Distribution Date (the “**Treasury Purchase Procedure**”). Otherwise, if the Market Price plus estimated brokerage fees and commissions is less than the NAV per Class T Unit as at the Distribution Date, purchases of Class T Units will be made in the market during the 10 trading days following the relevant Distribution Date, on any business day when the Market Price plus estimated brokerage fees and expenses is less than the NAV per Class T Unit as at such Distribution Date, and on the 11th trading day after the Distribution Date the unused part (if any) of the distributions paid to the Plan Agent for the benefit of Plan Participants will be applied to a purchase of Class T Units from the Fund in accordance with the Treasury Purchase Procedure. Applicable brokerage fees and commissions incurred in connection with

purchases of Class T Units made in the market pursuant to the Reinvestment Plan will be paid by and from the accounts of Plan Participants.

Regarding the Class A Units, the Plan Agent will, after the relevant Distribution Date, apply distributions to the purchase of Class A Units from the Fund at a price equal to NAV per Class A Unit as at the Distribution Date.

The Reinvestment Plan will also allow Plan Participants, to the extent permitted under applicable law and regulatory rulings obtained, to make cash payments (“**Optional Cash Payments**”) which will be invested in Units by the Plan Agent. A Plan Participant may invest a minimum of \$100 per Optional Cash Payment and the Plan Agent may limit the maximum amount of Optional Cash Payments by Plan Participants in order to ensure that the two percent limit described below is not exceeded. Optional Cash Payments will be invested on the same basis as monthly cash distributions. Optional Cash Payments must be received by the Plan Agent at least five business days prior to a Distribution Date to be used to purchase Units immediately following such Distribution Date. Optional Cash Payments received less than five business days prior to a Distribution Date will be held by the Plan Agent and will not be used by the Plan Agent to purchase Units until after the second following Distribution Date. A Plan Participant who wishes to make an Optional Cash Payment must ensure that the written notice of such Plan Participant’s intention to make such Optional Cash Payment and the funds necessary to make such Optional Cash Payment are received by the Plan Agent by 5:00 p.m. (Toronto time) on the day which is five business days prior to the Distribution Date. The aggregate number of Units that may be purchased with Optional Cash Payments in a calendar year may not exceed two percent of the outstanding Units at the commencement of such calendar year, except for the 2013 calendar year in respect of which the number of Units purchased with Optional Cash Payments may not exceed two percent of the outstanding Units immediately following the closing of this Offering.

The Units purchased in the market or from the Fund will be allocated on a *pro rata* basis to the Plan Participants. The Plan Agent will credit a Plan Participant’s account in respect of Units acquired on behalf of such Plan Participant under the Reinvestment Plan. While the Fund will not issue fractional Units, a Plan Participant’s *pro rata* entitlement to Units purchased under the Reinvestment Plan may include a fraction of a Unit and such fractional Units shall accumulate. A cash adjustment for any fractional Units will be paid by the Plan Agent upon the withdrawal from or termination by a Plan Participant of his or her participation in the Reinvestment Plan, or upon termination of the Reinvestment Plan, based on the NAV per Unit on the last business day prior to such withdrawal or termination. No certificates representing Units issued or purchased pursuant to the Reinvestment Plan will be issued. **The automatic reinvestment of the distributions under the Reinvestment Plan will not relieve Plan Participants of any income tax applicable to such distributions.** See “Income Tax Considerations”.

If the Class T Units are thinly traded, purchases in the market under the Reinvestment Plan may significantly affect the market price of Class T Units. Depending on market conditions, direct reinvestment of cash distributions by Unitholders in the market may be more, or less, advantageous than the reinvestment arrangements under the Reinvestment Plan. The Plan Agent’s fees for administering the Reinvestment Plan will be paid by the Fund.

Unitholders will be able to terminate their participation in the Reinvestment Plan by providing, or by causing to be provided, at least 10 business days’ prior written notice to the Manager. Such notice, if actually received by the Manager no later than 10 business days prior to a Record Date, will have effect in respect of the distribution to be made as of such date. Thereafter, distributions to such Unitholders will be in cash. The Manager will be able to terminate the Reinvestment Plan, in its sole discretion, upon not less than 30 days’ notice to the Plan Participants and the Plan Agent. The Manager will also be able to amend, modify or suspend the Reinvestment Plan at any time in its sole discretion, provided that it gives notice of that amendment, modification or suspension to Unitholders, which notice may be given by the Fund by issuing a press release or by publishing an advertisement containing a summary description of the amendment in at least one major daily newspaper of general and regular paid circulation in Canada or in any other manner the Manager determines to be appropriate. The Fund will not be required to issue Units into any jurisdiction where that issuance would be illegal.

PURCHASE OF SECURITIES

Method to Purchase Units

Prospective purchasers may acquire Units either by: (a) cash payment; or (b) an exchange (the “**Exchange Option**”) of freely tradeable securities of one or more of those issuers set forth below under the heading “Purchase of Securities – Exchange Eligible Issuers” (collectively, the “**Exchange Eligible Issuers**”) in accordance with the procedure described below. Prospective purchasers may subscribe for Units through one of the Agents or any member of a sub-agency group that the Agents may form. Closing of this Offering is expected to occur on or about August 21, 2015 and, in any event, no later than 90 days after the issuance of a receipt for the final prospectus. Subscriptions will be received for the Units offered hereby, subject to rejection or allotment in whole or in part, and the right is reserved to close the subscription books at any time.

The maximum number of securities of any one Exchange Eligible Issuer which the Fund may acquire under the Offering pursuant to the Exchange Option is the lesser of (i) the number of securities which would amount to less than 10.0% of the outstanding securities of that class of such Exchange Eligible Issuer for the purposes of reporting obligations under applicable securities laws, and (ii) that number of securities having a fair market value which constitutes 9.9% of the equity value of such Exchange Eligible Issuer for purposes of section 122.1 of the Tax Act (such number being referred to as the “**Maximum Ownership Level**”). For greater certainty, when the Maximum Ownership Level has been achieved in respect of the securities of a particular Exchange Eligible Issuer accepted as payment for Units pursuant to this Offering, the Fund will not accept any further securities of such Exchange Eligible Issuer as payment. To the extent the Maximum Ownership Level has been achieved in respect of the securities of any one Exchange Eligible Issuer, and an excess of securities of such Exchange Eligible Issuer above the Maximum Ownership Level have been deposited and not withdrawn, then the securities of such Exchange Eligible Issuer will be accepted by the Fund to the Maximum Ownership Level on a *pro rata* basis or such other reasonable basis that it may determine to be appropriate. The Fund reserves the right to accept, in its sole discretion and for any reason, the securities of additional issuers under the Exchange Option and to reject, in its sole discretion, in whole or in part, any securities of Exchange Eligible Issuers deposited pursuant to the Exchange Option.

Procedure

A prospective purchaser of Units who elects to pay for such Units by using the Exchange Option (the “**Exchange Option Election**”) must have done so by means of a book-entry deposit of the securities of Exchange Eligible Issuers through CDS. Prospective purchasers who utilize the Exchange Option must deposit their securities of Exchange Eligible Issuers with TMX Equity Transfer Services Inc. (in such capacity, the “**Exchange Agent**”) through CDS prior to 5:00 p.m. (Toronto time) on August 13, 2015. Such book-entry deposits must have been made by a CDS participant which may have an earlier deadline for receiving instructions from their clients to deposit securities of Exchange Eligible Issuers under the Exchange Option. Once submitted to the Exchange Agent through CDS, a deposit of securities of an Exchange Eligible Issuer (including the transfers authorized thereby) is, subject to the completion of this Offering, irrevocable unless withdrawn as described below under the heading “Purchase of Securities – Withdrawal of Exchange Option Elections”. By authorizing a deposit of securities of an Exchange Eligible Issuer through CDS, a prospective purchaser has authorized the transfer to the Fund of each security of the Exchange Eligible Issuers so deposited and represents and warrants that the prospective purchaser has full right and authority to transfer the securities of the Exchange Eligible Issuers covered thereby and is the beneficial owner of such securities, that such securities have not previously been conveyed, that the transfer of such securities is not prohibited by laws applicable to the prospective purchaser and that such securities are free and clear of all liens, encumbrances and adverse claims. Such representations and warranties will survive the issuance of Units in exchange for such securities of Exchange Eligible Issuers. The Fund’s interpretation of the terms and conditions of the Exchange Option will be final and binding. The Fund reserves the right to waive any conditions of the Exchange Option and any irregularities in the deposit of securities of Exchange Eligible Issuers pursuant to the Exchange Option and to accept the deposit of securities of Exchange Eligible Issuers in exchange for less than an aggregate of 100 Units. Neither the Fund, the Agents nor the Exchange Agent shall be under any duty to notify a prospective purchaser of irregularities related to its deposit of securities of Exchange Eligible Issuers under the Exchange Option and will not incur any liability for failure to give such notification.

If for any reason securities of an Exchange Eligible Issuer deposited pursuant to the Exchange Option are not acquired by the Fund, the holders of such securities will be notified of such fact as soon as practicable following

the closing or the termination of this Offering, as the case may be, and such securities will be re-credited to their accounts through CDS.

Determination of Exchange Ratio

The number of Units issuable for each class of security of an Exchange Eligible Issuer (the “**Exchange Ratio**”) will be determined for common shares, income trust units and preferred shares, by dividing the weighted average trading price of such security on the TSX (or such other exchange or market on which such security is then listed) during the period of five consecutive trading days ending on August 18th, 2015 (the “**Pricing Period**”), as adjusted to reflect distributions declared by any Exchange Eligible Issuer that will not be received by the Fund, by \$10.00. The Exchange Ratio for any such securities that do not trade in Canadian dollars will be determined by converting the weighted average trading price on the applicable exchange of such securities into Canadian dollars based on the Bank of Canada noon rate of exchange on the last day of the Pricing Period. Holders of securities of Exchange Eligible Issuers (“**Exchange Eligible Holders**”) who deposited such securities pursuant to the Exchange Option will continue to be holders of record up to but not including the date of the closing of this Offering and will be entitled to receive distributions in respect of such securities of Exchange Eligible Issuers that are declared up to but not including such date. Each Exchange Ratio will be rounded down to five decimal places. The Fund will not issue fractional Units pursuant to the Exchange Option. Entitlement to fractional Units will be determined on the basis of the aggregate number of securities of each Exchange Eligible Issuer acquired pursuant to the Exchange Option and the Fund will issue to CDS cash in lieu thereof. Allocations by CDS of cash in lieu of fractional Units to participants in CDS will be at the discretion of CDS and the allocation of cash in lieu of fractional Units to purchasers who have authorized the deposit of securities of Exchange Eligible Issuers through CDS will be at the discretion of the CDS participants.

Delivery of Final Prospectus

Each prospective purchaser who properly authorizes the deposit of securities of an Exchange Eligible Issuer through CDS will be furnished with a copy of the final prospectus relating to this Offering.

The Fund will issue a press release as soon as practicable after the close of business on August 18, 2015 announcing for each of the Exchange Eligible Issuers, the name of the Exchange Eligible Issuer, the ticker symbol, the CUSIP number, the ISIN, the volume weighted average trading price of the securities during the Pricing Period and the Exchange Ratio.

Withdrawal of Exchange Option Elections

Each prospective purchaser who deposits securities of an Exchange Eligible Issuer through CDS has the right to withdraw such deposit of securities by notifying in writing such prospective purchaser’s investment advisor or other nominee who effected the deposit. To be effective, a written notice of withdrawal must be received by the CDS participant who effected such deposit on or before midnight on the second business day after the later of: (i) receipt or deemed receipt of the final prospectus relating to the Offering and any amendment thereto, and (ii) the date on which the press release referred to above is issued. Any such notice of withdrawal must specify the securities of each Exchange Eligible Issuer to be so withdrawn and the name of the prospective purchaser, and notification thereof must be received by the Exchange Agent through CDS prior to the specified time. Each such notice must be signed by the person who authorized the deposit under the Exchange Option.

Maximum Offering

The maximum Offering, comprised of the aggregate cash subscriptions and securities of the Exchange Eligible Issuers (based on the applicable Exchange Ratio and excluding that number of securities of Exchange Eligible Issuers deposited and not acquired as a result of such securities causing the Fund to hold more than the Maximum Ownership Level of the outstanding securities of an Exchange Eligible Issuer), shall not be more than \$200,000,000. If the maximum Offering is exceeded, the Fund will accept cash subscriptions first and will then accept securities of Exchange Eligible Issuers on a *pro rata* basis or such other reasonable basis that it may determine appropriate until the maximum Offering size of \$200,000,000 is achieved, subject to the conditions set forth above under the heading “Purchase of Securities – Method to Purchase Units”.

Exchange Eligible Issuers

The following table lists the names of the Exchange Eligible Issuers whose securities will be accepted by the Fund pursuant to the Exchange Option, as well as the ticker symbol, CUSIP number and ISIN of the applicable securities. The list below includes the securities of certain Canadian and U.S.-listed issuers that have CDS as their depository and clearing system and which may be included in the Portfolio. The Fund will ensure that all securities of Exchange Eligible Issuers acquired pursuant to the Exchange Option are held in compliance with the investment restrictions of the Fund set out under “Investment Restrictions”.

NAME	TICKER SYMBOL	CUSIP	ISIN
Aimia Inc	AIM.PR.A, AIM.PR.B, AIM.PR.C	00900Q202, 00900Q301, 00900Q400	CA00900Q2027, CA00900Q3017, CA00900Q4007
Algonquin Power & Utilities Corp	AQN.PR.A, AQN.PR.D	015857303, 015857501	CA0158573034, CA0158575013
AltaGas Ltd	ALA.PR.A, ALA.PR.E, ALA.PR.G, ALA.PR.U	021361209, 021361803, 021361886, 021361506	CA0213612090, CA0213618030, CA0213618865, CA0213615069
Artis Real Estate Investment Trust	AX.PR.A, AX.PR.E, AX.PR.G, AX.PR.U	04315L303, 04315L709, 04315L881, 04315L501	CA04315L3039, CA04315L7097, CA04315L8814, CA04315L5018
Bank of Montreal	BMO.PR.K, BMO.PR.L, BMO.PR.M, BMO.PR.Q, BMO.PR.R, BMO.PR.S, BMO.PR.T, BMO.PR.W	063671143, 063671796, 063671788, 063679203, 063671770, 063679401, 063679609, 063679880	CA0636711438, CA0636717963, CA0636717880, CA0636792032, CA0636717708, CA0636794012, CA0636796090, CA0636798807
Bank of Nova Scotia/The	BNS.PR.A, BNS.PR.B, BNS.PR.C, BNS.PR.D, BNS.PR.L, BNS.PR.M, BNS.PR.N, BNS.PR.O, BNS.PR.P, BNS.PR.Q, BNS.PR.R, BNS.PR.Y, BNS.PR.Z	064149735, 064149719, 064149685, 064149628, 064149784, 064149776, 064149768, 064149750, 064149743, 064149727, 064149693, 064149636, 064149610	CA0641497353, CA0641497197, CA0641496850, CA0641496280, CA0641497841, CA0641497767, CA0641497684, CA0641497502, CA0641497437, CA0641497270, CA0641496934, CA0641496363, CA0641496108
BCE Inc	BCE.PR.A, BCE.PR.B, BCE.PR.C, BCE.PR.D, BCE.PR.E, BCE.PR.F, BCE.PR.G, BCE.PR.H, BCE.PR.I, BCE.PR.J, BCE.PR.K, BCE.PR.M, BCE.PR.O, BCE.PR.Q, BCE.PR.R, BCE.PR.S, BCE.PR.T, BCE.PR.Y, BCE.PR.Z	05534B794, 05534B695, 05534B786, 05534B687, 05534B752, 05534B745, 05534B737, 05534B729, 05534B711, 05534B653, 05534B679, 05534B646, 05534B620, 05534B596, 05534B703, 05534B869, 05534B810, 05534B851, 05534B828	CA05534B7943, CA05534B6952, CA05534B7869, CA05534B6879, CA05534B7521, CA05534B7455, CA05534B7372, CA05534B7299, CA05534B7117, CA05534B6531, CA05534B6796, CA05534B6465, CA05534B6200, CA05534B5962, CA05534B7034, CA05534B8693, CA05534B8107, CA05534B8511, CA05534B8289
BMO S&P/TSX Laddered Preferred Share Index ETF	ZPR	05575R104	CA05575R1047
Bombardier Inc	BBD.PR.B, BBD.PR.C, BBD.PR.D	097751507, 097751705, 097751606	CA0977515075, CA0977517055, CA0977516065
Brookfield Asset Management Inc	BAM.PF.A, BAM.PF.B, BAM.PR.B, BAM.PF.C, BAM.PR.C, BAM.PF.D, BAM.PF.E, BAM.PR.E, BAM.PF.F, BAM.PF.G, BAM.PR.G, BAM.PR.K, BAM.PR.M, BAM.PR.N, BAM.PR.R, BAM.PR.T, BAM.PR.X, BAM.PR.Z	112585641, 112585625, 112585203, 112585591, 112585401, 112585567, 112585559, 112585500, 112585534, 112585518, 112585609, 112585872, 112585831, 112585823, 112585740, 112585724, 112585690, 112585666	CA1125856411, CA1125856254, CA1125852030, CA1125855918, CA1125854010, CA1125855678, CA1125855595, CA1125855009, CA1125855348, CA1125855181, CA1125856098, CA1125858722, CA1125858318, CA1125858235, CA1125857401, CA1125857245, CA1125856908, CA1125856668
Brookfield Infrastructure Properties	BIP.PR.A	EP0482877	BMG162521279
Brookfield Investments Corp	BRN.PR.A	112741202	CA1127412023
Brookfield Office Properties	BPO.PR.A, BPO.PR.P, BPO.PR.R, BPO.PR.T, BPO.PR.Y	112900683, 112900816, 112900782, 112900766, 112900717	CA1129006831, CA1129008167, CA1129007821, CA1129007664, CA1129007177
Brookfield Property Split Corp	BPS.PR.A, BPS.PR.B, BPS.PR.C, BPS.PR.U	112827308, 112827407, 112827506, 112827209	CA1128273085, CA1128274075, CA1128275064, CA1128272095
Brookfield Renewable Power Preferred Equity	BRF.PR.A, BRF.PR.B, BRF.PR.C, BRF.PR.E, BRF.PR.F	11283Q206, 11283Q305, 11283Q404, 11283Q602, 11283Q701	CA11283Q2062, CA11283Q3052, CA11283Q4043, CA11283Q6022, CA11283Q7012
Canaccord Genuity	CF.PR.A, CF.PR.C	134801307, 134801604	CA1348013071, CA1348016041

NAME	TICKER SYMBOL	CUSIP	ISIN
Group Inc			
Canadian General Investments Ltd	CGI.PR.C, CGI.PR.D	135825131, 135825404	CA1358251314, CA1358254045
Canadian Imperial Bank of Commerce/Canada	CM.PR.O, CM.PR.P, CM.PR.Q	136069440, 136069424, 136069390	CA1360694402, CA1360694246, CA1360693909
Canadian Utilities Ltd	CU.PR.C, CU.PR.D, CU.PR.E, CU.PR.F, CU.PR.G	136717691, 136717675, 136717667, 136717659, 136717642	CA1367176916, CA1367176759, CA1367176676, CA1367176593, CA1367176429
Canadian Western Bank	CWB.PR.B	136765500	CA1367655000
Capital Power Corp	CPX.PR.A, CPX.PR.C, CPX.PR.E	14042M300, 14042M508, 14042M706	CA14042M3003, CA14042M5081, CA14042M7061
Co-Operators General Insurance Co	CCS.PR.C	189906407	CA1899064077
CU Inc	CIU.PR.A, CIU.PR.C	22944C205, 22944C502	CA22944C2058, CA22944C5028
DREAM Unlimited Corp	DRM.PR.A	26153M309	CA26153M3093
Dundee Corp	DC.PR.B, DC.PR.C, DC.PR.D	264901703, 264901885, 264901802	CA2649017035, CA2649018850, CA2649018025
E-L Financial Corp Ltd	ELF.PR.F, ELF.PR.G, ELF.PR.H	26857Q309, 26857Q408, 26857Q507	CA26857Q3098, CA26857Q4088, CA26857Q5077
Element Financial Corp	EFN.PR.A, EFN.PR.C, EFN.PR.E	286181870, 286181839, 286181813	CA2861818706, CA2861818391, CA2861818136
Emera Inc	EMA.PR.A, EMA.PR.C, EMA.PR.E, EMA.PR.F	290876309, 290876507, 290876705, 290876804	CA2908763097, CA2908765076, CA2908767056, CA2908768047
Enbridge Inc	ENB.PF.A, ENB.PR.A, ENB.PR.B, ENB.PF.C, ENB.PR.D, ENB.PF.E, ENB.PR.F, ENB.PF.G, ENB.PR.H, ENB.PR.J, ENB.PR.N, ENB.PR.P, ENB.PR.T, ENB.PF.U, ENB.PR.U, ENB.PR.V, ENB.PF.V, ENB.PR.Y	29250N626, 29250N204, 29250N709, 29250N592, 29250N881, 29250N576, 29250N865, 29250N550, 29250N840, 29250N642, 29250N774, 29250N758, 29250N733, 29250N790, 29250N824, 29250N717, 29250N667, 29250N683	CA29250N6265, CA29250N2041, CA29250N7099, CA29250N5929, CA29250N8816, CA29250N5762, CA29250N8659, CA29250N5507, CA29250N8402, CA29250N6422, CA29250N7743, CA29250N7586, CA29250N7339, CA29250N7909, CA29250N8246, CA29250N7172, CA29250N6679, CA29250N6836
Equitable Group Inc	EQB.PR.C	294505607	CA2945056075
Fairfax Financial Holdings Ltd	FFH.PR.C, FFH.PR.D, FFH.PR.E, FFH.PR.F, FFH.PR.G, FFH.PR.I, FFH.PR.K, FFH.PR.M	303901508, 303901607, 303901888, 303901870, 303901862, 303901847, 303901821, 303901797	CA3039015084, CA3039016074, CA3039018880, CA3039018708, CA3039018625, CA3039018476, CA3039018211, CA3039017973
First National Financial Corp	FN.PR.A	33564P202	CA33564P2026
Fortis Inc/Canada	FTS.PR.E, FTS.PR.F, FTS.PR.G, FTS.PR.H, FTS.PR.I, FTS.PR.J, FTS.PR.K, FTS.PR.M	349553800, 349553867, 349553834, 349553826, 349553818, 349553792, 349553784, 349553768	CA3495538009, CA3495538678, CA3495538348, CA3495538264, CA3495538181, CA3495537928, CA3495537845, CA3495537688
George Weston Ltd	WN.PR.A, WN.PR.C, WN.PR.D, WN.PR.E	961148889, 961148863, 961148855, 961148848	CA9611488896, CA9611488631, CA9611488557, CA9611488482
GMP Capital Inc	GMP.PR.B	380134205	CA3801342054
Great-West Lifeco Inc	GWO.PR.F, GWO.PR.G, GWO.PR.H, GWO.PR.I, GWO.PR.L, GWO.PR.M, GWO.PR.N, GWO.PR.P, GWO.PR.Q, GWO.PR.R, GWO.PR.S	39138C809, 39138C882, 39138C874, 39138C866, 39138C825, 39138C817, 39138C791, 39138C775, 39138C767, 39138C759, 39138C734	CA39138C8097, CA39138C8824, CA39138C8741, CA39138C8667, CA39138C8253, CA39138C8170, CA39138C7917, CA39138C7750, CA39138C7677, CA39138C7594, CA39138C7347
HSBC Bank Canada/Toronto	HSB.PR.C, HSB.PR.D	40427H509, 40427H707	CA40427H5096, CA40427H7076
Husky Energy Inc	HSE.PR.A, HSE.PR.C, HSE.PR.E	448055202, 448055400, 448055608	CA4480552021, CA4480554001, CA4480556089
IGM Financial Inc	IGM.PR.B	449586304	CA4495863041
Industrial Alliance Insurance & Financial Services	IAG.PR.A, IAG.PR.G	455871301, 455871806	CA4558713018, CA4558718066
Innergex Renewable Energy Inc	INE.PR.A, INE.PR.C	45790B500, 45790B708	CA45790B5009, CA45790B7088
Intact Financial Corp	IFC.PR.A, IFC.PR.C	45823T304, 45823T601	CA45823T3047, CA45823T6016
iShares S&P/TSX	CPD	46431G205	CA46431G2053

NAME	TICKER SYMBOL	CUSIP	ISIN
Canadian Preferred Share Index ETF			
iShares S&P/TSX North American Preferred Stock Index ETF (CAD-Hedged)	XPS	46431J100	CA46431J1003
iShares US Preferred Stock ETF	PFF	464288687	US4642886877
Horizons Active Preferred Share ETF	HPR	44051D107	CA44051D1078
Laurentian Bank of Canada	LB.PR.F, LB.PR.H	51925D841, 51925D825	CA51925D8411, CA51925D8254
Loblaw Cos Ltd	L.PRA	539481606	CA5394816063
Manulife Financial Corp	MFC.PR.A, MFC.PR.B, MFC.PR.C, MFC.PR.F, MFC.PR.G, MFC.PR.H, MFC.PR.I, MFC.PR.J, MFC.PR.K, MFC.PR.L, MFC.PR.M, MFC.PR.N	56501R304, 56501R403, 56501R502, 56501R858, 56501R833, 56501R817, 56501R783, 56501R767, 56501R742, 56501R726, 56501R692, 56501R676	CA56501R3045, CA56501R4035, CA56501R5024, CA56501R8580, CA56501R8333, CA56501R8176, CA56501R7830, CA56501R7673, CA56501R7426, CA56501R7269, CA56501R6923, CA56501R6766
National Bank of Canada	NA.PR.M, NA.PR.Q, NA.PR.S, NA.PR.W	633067418, 633067335, 633067319, 633067285	CA6330674186, CA6330673352, CA6330673196, CA6330672859
Northland Power Inc	NPL.PR.A, NPL.PR.C	666511308, 666511605	CA6665113081, CA6665116050
Nova Scotia Power Inc	NSI.PR.D	669816803	CA6698168037
Partner Value Split Corp	PVS.PR.D	70214J608	CA70214J6088
Pembina Pipeline Corp	PPL.PR.A, PPL.PR.C, PPL.PR.E, PPL.PR.G, PPL.PR.I	706327202, 706327400, 706327111, 706327608, 706327806	CA7063272024, CA7063274004, CA7063271117, CA7063276082, CA7063278062
Power Corp of Canada	POW.PR.A, POW.PR.B, POW.PR.C, POW.PR.D, POW.PR.E, POW.PR.G	739239887, 739239804, 739239879, 739239861, 739239408, 739239853	CA7392398870, CA7392398045, CA7392398797, CA7392398615, CA7392394085, CA7392398532
Power Financial Corp	PWF.PR.A, PWF.PR.E, PWF.PR.F, PWF.PR.G, PWF.PR.H, PWF.PR.I, PWF.PR.K, PWF.PR.L, PWF.PR.O, PWF.PR.P, PWF.PR.R, PWF.PR.S, PWF.PR.T	73927C209, 73927C803, 73927C886, 73927C878, 73927C860, 73927C845, 73927C837, 73927C829, 73927C787, 73927C779, 73927C753, 73927C746, 73927C738	CA73927C2094, CA73927C8034, CA73927C8869, CA73927C8786, CA73927C8604, CA73927C8455, CA73927C8372, CA73927C8299, CA73927C7879, CA73927C7796, CA73927C7531, CA73927C7465, CA73927C7382
PowerShares Canadian Preferred Share Index ETF	PPS	73937J103	CA73937J1030
RioCan Real Estate Investment Trust	REI.PR.A, REI.PR.C	766910301, 766910129	CA7669103011, CA7669101296
RONA Inc	RON.PRA	776249302	CA7762493020
Royal Bank of Canada	RY.PR.A, RY.PR.B, RY.PR.C, RY.PR.D, RY.PR.E, RY.PR.F, RY.PR.G, RY.PR.H, RY.PR.I, RY.PR.J, RY.PR.K, RY.PR.L, RY.PR.M, RY.PR.W, RY.PR.Z	780085445, 780085247, 780102604, 780102844, 780102760, 780102653, 780102554, 78012H567, 78010A416, 78012Q112, 78010A390, 78010A333, 78012T470, 780085502, 78012G411	CA7800854456, CA7800852476, CA7801026047, CA7801028449, CA7801027607, CA7801026534, CA7801025544, CA78012H5675, CA78010A4164, CA78012Q1129, CA78010A3901, CA78010A3331, CA78012T4708, CA7800855024, CA78012G4117
Shaw Communications Inc	SJR.PR.A	82028K879	CA82028K8793
Sun Life Financial Inc	SLF.PR.A, SLF.PR.B, SLF.PR.C, SLF.PR.D, SLF.PR.E, SLF.PR.G, SLF.PR.H, SLF.PR.I	866796204, 866796303, 866796402, 866796501, 866796600, 866796881, 866796865, 866796832	CA8667962044, CA8667963034, CA8667964024, CA8667965013, CA8667966003, CA8667968819, CA8667968652, CA8667968322
Toronto-Dominion Bank/The	TD.PF.A, TD.PF.B, TD.PF.C, TD.PF.D, TD.PF.E, TD.PR.S, TD.PR.T, TD.PR.Y, TD.PR.Z	891145690, 891145674, 891145658, 891145633, 891145617, 891145609, 891145724, 891145708, 891145716	CA8911456900, CA8911456744, CA8911456587, CA8911456330, CA8911456173, CA8911456090, CA8911457247, CA8911457080, CA8911457163
TransAlta Corp	TA.PR.D, TA.PR.F, TA.PR.H, TA.PR.J	89346D768, 89346D735, 89346D727, 89346D677	CA89346D7687, CA89346D7356, CA89346D7273, CA89346D6770
TransCanada Corp	TRP.PR.A, TRP.PR.B, TRP.PR.C, TRP.PR.D, TRP.PR.E, TRP.PR.F	89353D404, 89353D503, 89353D701, 89353D883, 89353D867, 89353D305	CA89353D4049, CA89353D5038, CA89353D7018, CA89353D8834, CA89353D8677, CA89353D3058, CA89353D8420

NAME	TICKER SYMBOL	CUSIP	ISIN
	TRP.PR.G	89353D842	
Union Gas Ltd	UNG.PR.C, UNG.PR.D	906667209, 906667308	CA9066672093, CA9066673083
Valener Inc	VNR.PR.A	91912H207	CA91912H2072
Veresen Inc	VSN.PR.A, VSN.PR.C, VSN.PR.E	92340R304, 92340R502, 92340R700	CA92340R3045, CA92340R5024, CA92340R7004
Westcoast Energy Inc	W.PR.H, W.PR.J	95751D888, 95751D862	CA95751D8888, CA95751D8623

REDEMPTIONS OF SECURITIES

Annual Redemptions of Class T Units

Commencing in 2018, Class T Units may be surrendered annually for redemption during the period from the first Business Day in July until 5:00 p.m. (Toronto time) on the last Business Day in July of each year (the “**Notice Period**”). Subject to the Fund’s right to suspend redemptions in certain circumstances, Class T Units properly surrendered for redemption during the Notice Period will be redeemed on the second last Business Day in August of each year following the relevant Notice Period (the “**Annual Redemption Date**”) for a redemption price per Unit equal to 100% of the NAV per Class T Unit as determined on the Annual Redemption Date, less any costs associated with the redemption, including commissions, wire transfer fees and such other costs charged to the Fund by third parties, if any, on or before the Redemption Payment Date and the brokerage fees, commissions and other transaction costs incurred by the Fund in order to fund such redemption (the “**Annual Redemption Price**”). Class A units will be redeemable monthly pursuant to the monthly redemption right set forth below.

Monthly Redemptions of Class A Units and Class T Units

In addition to the annual redemption right for Class T Units, holders of Class A Units and Class T Units may make a redemption request at any time, in which case the Fund will redeem the Units on the second last Business Day of each month (“**Monthly Redemption Date**”), subject to certain conditions, and in order to effect such a redemption, the Units must be surrendered by no later than 5:00 p.m. (Toronto time) on the date which is the last Business Day of the month preceding the month in which the Monthly Redemption Date falls. Payment of the redemption price will be made on the Redemption Payment Date, subject to the Manager’s right to suspend redemptions in certain circumstances. A Unitholder who properly surrenders a Class T Unit for redemption during the Notice Period for an annual redemption will receive the Annual Redemption Price.

Monthly Redemption Price for Class T Units

A Unitholder who properly surrenders a Class T Unit for redemption on a Monthly Redemption Date, will receive the amount (the “**Monthly Redemption Price**”), if any, equal to the lesser of (i) 95% of the Market Price and (ii) 100% of the Closing Market Price of a Unit on the applicable Monthly Redemption Date, less, in each case, any costs associated with the redemption including brokerage fees, commissions and other transaction costs incurred by the Fund in order to fund such redemption, if any. Notwithstanding the foregoing, the Monthly Redemption Price with respect to a Unit being redeemed on such date will not be greater than 100% of the NAV per Class T Unit on the Monthly Redemption Date.

Monthly Redemption Price for Class A Units

Unitholders surrendering a Class A Unit for redemption will receive an amount equal to the product of (i) the Monthly Redemption Price, and (ii) a fraction, the numerator of which is the most recently calculated NAV per Class A Unit and the denominator of which is the most recently calculated NAV per Class T Unit. **In addition, any redemption of Class A Units prior to the Automatic Conversion Date will be subject to an Early Exchange Fee of up to 3.00%, declining over time, as described under “Fees and Expenses”.**

Pursuant to the Declaration of Trust, the Fund may allocate and designate as payable any capital gains realized by the Fund as a result of any disposition of property of the Fund undertaken to permit or facilitate the redemption of Units to a Unitholder whose Units are being redeemed. Any such allocations and designations will reduce the redemption price otherwise payable to the redeeming Unitholder.

Exercise of Redemption Right

An owner of Units who desires to exercise redemption privileges thereunder must do so by causing a CDS participant to deliver to CDS on behalf of the owner a written notice (the “**Redemption Notice**”) of the owner’s intention to redeem Units. An owner who desires to redeem Units should ensure that the CDS participant is provided with notice of his or her intention to exercise his or her redemption privilege sufficiently in advance of the relevant notice date so as to permit the CDS participant to deliver notice to CDS and so as to permit CDS to deliver notice to the registrar and transfer agent of the Fund in advance of the required time. The form of Redemption Notice will be available from a CDS participant or the registrar and transfer agent. Any expense associated with the preparation and delivery of Redemption Notices will be for the account of the owner exercising the redemption privilege.

Except as provided under “Suspension of Redemptions”, by causing a CDS participant to deliver to CDS a notice of the owner’s intention to redeem Units, an owner shall be deemed to have irrevocably surrendered his or her Units for redemption and appointed such CDS participant to act as his or her exclusive settlement agent with respect to the exercise of the redemption privilege and the receipt of payment in connection with the settlement of obligations arising from such exercise.

Any Redemption Notice delivered by a CDS participant regarding an owner’s intent to redeem which CDS determines to be incomplete, not in proper form or not duly executed shall for all purposes be void and of no effect and the redemption privilege to which it relates shall be considered for all purposes not to have been exercised thereby. A failure by a CDS participant to exercise redemption privileges or to give effect to the settlement thereof in accordance with the owner’s instructions will not give rise to any obligations or liability on the part of the Fund or the Manager to the CDS participant or to the owner.

Any and all Units which have been properly surrendered to the Fund for redemption are, subject to the Fund’s right to recirculate Units described below, deemed to be outstanding until (but not after) the close of business on the applicable Valuation Day, unless the redemption proceeds are not paid on or before the applicable Redemption Payment Date in which event such Units will remain outstanding.

Suspension of Redemptions

The Manager may suspend the redemption of Units or payment of redemption proceeds: (i) during any period when normal trading is suspended on stock exchanges or other markets on which securities owned by the Fund are listed and traded, if these securities represent more than 50% by value or underlying market exposure of total assets of the Fund without allowance for liabilities and if these securities are not traded on any other exchange that represents a reasonably practical alternative for the Fund or (ii) during any period, with the consent of the securities regulatory authorities. The suspension may apply to all requests for redemption received prior to the suspension but as to which payment has not been made, as well as to all requests received while the suspension is in effect. All Unitholders making such requests shall be advised by the Manager of the suspension and that the redemption will be effected at a price determined on the first Business Day following the termination of the suspension. All such Unitholders shall have and shall be advised that they have the right to withdraw their requests for redemption. The suspension shall terminate in any event on the first day on which the condition giving rise to the suspension has ceased to exist, provided that no other condition under which a suspension is authorized then exists. To the extent not inconsistent with official rules and regulations promulgated by any government body having jurisdiction over the Fund, any declaration of suspension made by the Manager shall be conclusive.

Resale of Units Tendered for Redemption

The Fund may enter into a recirculation agreement with a recirculation agent whereby such recirculation agent will agree to use commercially reasonable efforts to find purchasers for Units tendered for redemption prior to the relevant Monthly Redemption Date or Annual Redemption Date, as applicable. The Fund may, but is not obligated to, require a recirculation agent to seek such purchasers. In such event, the amount to be paid to the Unitholder on or before the Redemption Payment Date will be an amount equal to the proceeds of the sale thereof less any applicable fees and commissions. Such amount will not be less than the amount that a Unitholder would have been otherwise entitled to receive on a Redemption Payment Date. The recirculation agreement will provide that the recirculation agent will not recirculate Units unless the price achieved by the recirculation agent in selling Units tendered for redemption is equal to or in excess of the redemption price to be paid to the redeeming Unitholder net of applicable fees and expenses.

INCOME TAX CONSIDERATIONS

In the opinion of Fasken Martineau DuMoulin LLP, counsel to the Fund and the Agents, the following is, as of the date hereof, a summary of the principal Canadian federal income tax considerations that generally apply to the acquisition, holding and disposition of Units by a purchaser who acquires Units pursuant to this prospectus. This summary only applies to a purchaser who is an individual (other than a trust that is not a Registered Plan) and who, for purposes of the Tax Act, is resident in Canada, deals at arm's length with the Fund, is not affiliated with the Fund and holds Units and securities of Exchange Eligible Issuers as capital property (a "Holder"). Generally, the Units will be considered to be capital property to a purchaser provided that the purchaser does not hold such securities in the course of carrying on a business of buying and selling securities and has not acquired them in one or more transactions considered to be an adventure or concern in the nature of trade. Certain Holders who might not otherwise be considered to hold Units as capital property may, in certain circumstances, be entitled to have their Units and all other "Canadian securities" owned or subsequently acquired by them treated as capital property by making the irrevocable election permitted by subsection 39(4) of the Tax Act.

This summary is based on the assumption that the Fund will qualify at all times as a "mutual fund trust" within the meaning of the Tax Act. The Manager has advised counsel that the Fund will satisfy the criteria to be a "mutual fund trust" and that the Fund intends to make an election so that it will qualify under the Tax Act as a mutual fund trust from the commencement of its first taxation year. **In the event the Fund were not to qualify as a mutual fund trust at all times, the income tax consequences described below would be materially different and in some respects adverse.**

This summary is based on the provisions of the Tax Act and the regulations thereunder in force on the date hereof, counsel's understanding of the current publicly available administrative and assessing practices of the CRA published in writing by it prior to the date hereof and all specific proposals to amend the Tax Act and the regulations thereunder publicly announced by or on behalf of the Minister of Finance (Canada) prior to the date hereof (the "Tax Proposals"). This summary does not otherwise take into account or anticipate any changes in law, whether by legislative, governmental or judicial decision or action, nor does it take into account other federal or any provincial, territorial or foreign tax legislation or considerations. There is no assurance that the Tax Proposals will be enacted in the form proposed or at all. This summary also relies on advice from the Manager relating to certain factual matters.

This summary is also based on the assumption that the fund will comply with its investment restrictions at all times.

This summary is not exhaustive of all possible Canadian federal income tax considerations that may apply to an investment in Units and does not describe the income tax considerations relating to the deductibility of interest on money borrowed to acquire Units. Moreover, the income and other tax consequences of acquiring, holding or disposing of Units will vary depending on the investor's particular circumstances including the province(s) or territory(ies) 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 particular investor. Prospective investors should consult their own tax advisors for advice with respect to the income tax consequences of an investment in Units based on their particular circumstances and consider the information under "Risk Factors - Taxation of the Fund".

Status of the Fund

Based on the assumption noted above the Fund will be a "mutual fund trust" for purposes of the Tax Act.

Provided the Fund qualifies as a mutual fund trust within the meaning of the Tax Act, or the Units are listed on a "designated stock exchange" within the meaning of the Tax Act, the Units will be qualified investments under the Tax Act for Registered Plans.

Taxation of the Fund

The Fund is subject to tax under Part I of the Tax Act in each taxation year on its income for the year, including net realized taxable capital gains, less the portion thereof that it claims in respect of the amount payable to Unitholders 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. Pursuant to the

Declaration of Trust, the Trustee intends to make sufficient income, including net realized taxable capital gains of the Fund, payable to Unitholders in each taxation year so that the Fund is not liable to pay tax under Part I of the Tax Act for the taxation year, other than tax on net realized taxable capital gains that would be refunded to it with respect to such taxation year.

The Fund will be required to include in its income for a taxation year all dividends received (or deemed to be received) in the year on shares of corporations. Distributions and allocations of certain income and capital gains from “SIFT trusts” and “SIFT partnerships” (as defined in the Tax Act) received by the Fund will be treated as dividends paid from taxable Canadian corporations.

With respect to each issuer included in the Portfolio that is a Canadian resident trust (other than a SIFT trust), for example, a “real estate investment trust,” and whose units are held by the Fund as capital property, the Fund will be required to include in the calculation of its income the net income, including net taxable capital gains, paid or payable to the Fund by the issuer in the year, notwithstanding that certain of such amounts may be reinvested in additional units of such issuer. Provided that appropriate designations are made by such an issuer, net taxable capital gains realized by the issuer and taxable dividends from taxable Canadian corporations received by the issuer that are paid or payable by the issuer to the Fund will effectively retain their character in the hands of the Fund.

The Fund will be required to include in its income for each taxation year in respect of debt obligations held by the Fund all interest that accrues to it to the end of the year, or becomes receivable or is received by it before the end of the year, except to the extent that such interest was included in computing its income for a preceding taxation year. Upon the actual or deemed disposition of a debt obligation, the Fund will be required to include in computing its income for the year of disposition all interest that accrued on such debt obligation from the last interest payment date to the date of disposition except to the extent such interest was included in computing the Fund’s income for that or another taxation year and such income inclusion will reduce the proceeds of disposition for purposes of computing any capital gain or loss.

The Portfolio will include securities that are not denominated in Canadian dollars. Cost, proceeds of disposition of securities, distributions, interest and all other amounts will be determined for the purposes of the Tax Act in Canadian dollars at the exchange rate prevailing at the time of the transaction. The Fund may realize gains or losses by virtue of the fluctuation in the value of foreign currencies relative to Canadian dollars.

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

In determining the income of the Fund, subject to the application of the DFA Rules, gains or losses realized upon dispositions of Portfolio securities of the Fund will constitute capital gains or capital losses of the Fund in the year realized unless the Fund is considered to be trading or dealing in securities or otherwise carrying on an investment business of buying and selling securities or the Fund has acquired the securities in a transaction or transactions considered to be an adventure or concern in the nature of trade. The Manager has advised counsel that the Fund will purchase the Portfolio with the objective of earning distributions and income from the Portfolio securities over the life of the Fund and will take the position that gains and losses realized on the disposition thereof are capital gains and capital losses. In addition, the Manager has advised counsel that the Fund will elect in accordance with the Tax Act to have each of its “Canadian securities” (as defined in the Tax Act) treated as capital property. Subject to the DFA Rules, such election will ensure that gains or losses realized by the Fund on the disposition of Canadian securities (including on short sales), including most shares of corporations and units of trusts structured as mutual fund trusts, are capital gains or capital losses, as the case may be.

Gains and losses made through derivative securities will generally be treated as being on income account except where the derivative is used to hedge securities held on capital account.

The DFA Rules target certain financial arrangements that seek to deliver a return based on an “underlying interest” (other than certain excluded underlying interests). The DFA Rules are broad in scope and could apply to other agreements or transactions (including certain forward currency contracts and other derivatives). If the DFA Rules were to apply in respect of any derivatives used by the Fund, gains realized in respect of the property underlying such derivatives could be treated as ordinary income rather than capital gains.

The Fund will be entitled for each taxation year throughout which it is a mutual fund trust 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 (“capital gains refund”). In certain circumstances, 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 of securities in connection with redemptions of Units.

In computing its income for tax purposes, the Fund may deduct reasonable administrative and other expenses incurred to earn income, including interest on any loan facility or prime brokerage facility entered into by the Fund generally to the extent borrowed funds are used to purchase Portfolio securities. The Fund may not deduct interest on any loan facility or prime brokerage facility entered into by the Fund to the extent that borrowed funds are used to fund redemptions. The Fund may deduct ratably over a five year period (subject to reduction in any taxation year that is less than 365 days) the Agents’ fees and other expenses of this Offering that are paid by the Fund and not reimbursed.

In certain situations where the Fund disposes of property and would otherwise realize a capital loss, the capital loss will be deemed to be a “suspended loss” under the Tax Act. This may occur if the Fund disposes of and acquires the same property during the period that begins 30 days before and ends 30 days after the disposition of property and holds it at the end of that period. If a capital loss is suspended, the Fund cannot deduct the capital loss until the substituted property is sold and not reacquired within 30 days before and after the sale.

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.

Taxation of Holders

A Holder generally will be required to include in computing income for a taxation year the amount of the Fund’s net income for the taxation year, including the taxable portion of the Fund’s net realized capital gains, paid or payable to the Holder in the taxation year whether received in cash, additional Units or reinvested in additional Units including pursuant to the Reinvestment Plan. The non-taxable portion of the net realized capital gains of the Fund paid or payable to a Holder in a taxation year will not be included in computing the Holder’s income for the year. Any amount in excess of such Holder’s share of the net income and the net realized capital gains of the Fund for a taxation year that is paid or becomes payable to the Holder in such year generally will not be included in the Holder’s income for the year but will reduce the adjusted cost base of the Holder’s Units. To the extent that the adjusted cost base of a Unit would otherwise be a negative amount, the negative amount will be deemed to be a capital gain and the adjusted cost base of the Unit to the Holder will be increased by the amount of such deemed capital gain.

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 received or deemed to be received by the Fund on shares of taxable Canadian corporations, as is paid or payable to a Holder will effectively retain its character and be treated as such in the hands of the Holder for purposes of the Tax Act. To the extent that amounts are designated as taxable dividends from taxable Canadian corporations, the gross-up and dividend tax credit rules will apply including an enhanced gross-up and dividend tax credit in respect of “eligible dividends” paid by taxable Canadian corporations. In addition, provided that appropriate designations are made by the Fund in respect of foreign income or gains of the Fund, for the purpose of computing any foreign tax credit available to a Holder, and subject to the rules in the Tax Act, the Holder will be deemed to have paid as tax to the government of a foreign country the Holder’s share of the taxes paid or considered to be paid by the Fund to that country. Any loss of the Fund for purposes of the Tax Act cannot be allocated to, and cannot be treated as a loss of, a Holder.

A Holder who acquires additional Units, including on the reinvestment of distributions pursuant to the Reinvestment Plan, may become taxable on the Holder's share of any income and gains of the Fund that have accrued or been realized but have not been made payable at the time the additional Units are acquired.

On the disposition or deemed disposition of Units (whether on a sale, redemption or otherwise), the Holder will realize a capital gain (or capital loss) to the extent that the Holder'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 Holder's income as described herein including any income or capital gain of the Fund that may be allocated to a redeeming Holder) exceed (or are less than) the aggregate of the adjusted cost base of the Units and any reasonable costs of disposition. Any additional Units acquired by a Holder on the reinvestment of distributions or on the investment of an Optional Cash Payment will generally have a cost equal to the amount reinvested or invested, as the case may be. If a Holder participates in the Reinvestment Plan and, because the Plan Agent is unable to purchase sufficient Units in the market to fully reinvest a distribution or invest an Optional Cash Payment, the Holder acquires a Unit from the Fund at a price that is less than the then fair market value of the Unit, it is the administrative position of the CRA that the Holder must include the difference in income and that the cost of the Unit will be correspondingly increased.

Based in part on the current published administrative policies and assessing practices of the CRA, a conversion of Class A Units into Class T Units will not constitute a disposition of the Class A Units for the purposes of the Tax Act except to the extent that Class A Units are redeemed to pay an Early Exchange Fee.

For the purpose of determining the adjusted cost base of Units to a Holder, when a Unit is acquired, the cost of the newly-acquired Unit will be averaged with the adjusted cost base of all of the Units owned by the Holder as capital property at that time. A consolidation of Units following a distribution paid in the form of additional Units will not be regarded as a disposition of Units.

One-half of any capital gain (a "taxable capital gain") realized on the disposition of Units will be included in the Holder's income and one-half of any capital loss (an "allowable capital loss") realized must be deducted from taxable capital gains realized in the same taxation year in accordance with the provisions of the Tax Act. Allowable capital losses for a taxation year in excess of taxable capital gains 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.

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

The Exchange Option

A Holder who disposes of securities of Exchange Eligible Issuers ("**Exchanged Securities**") for Units pursuant to the Exchange Option generally will realize a capital gain (or a capital loss) in the taxation year of the Holder in which the disposition of Exchanged Securities occurs to the extent that the proceeds of disposition for such Exchanged Securities, net of any reasonable costs of disposition, exceed (or are less than) the adjusted cost base of such Exchanged Securities to the Holder. For this purpose, the proceeds of disposition to the Holder will equal to the sum of the aggregate of the fair market value of the Units received and the amount of any cash received in lieu of fractional Units. The cost to a Holder of Units so acquired will be equal to the fair market value at the time of disposition of the Exchanged Securities disposed of in exchange for such Units less any cash received in lieu of fractional Units, which amount would generally be equal to or would approximate the fair market value of the Units received as consideration for the Exchanged Securities.

In computing the adjusted cost base of a Unit acquired by a Holder pursuant to the Exchange Option, the cost of such Unit must be averaged with the adjusted cost base of any other Units then held by that Holder as capital property.

Taxation of Registered Plans

Registered Plans will generally not be subject to tax under Part I of the Tax Act on amounts of income and capital gains received from the Fund or on capital gains realized on the disposition of Units, provided that the Units are qualified investments for the Registered Plan. See "Income Tax Considerations – Status of the Fund". Holders

should consult their own advisors with respect to other tax considerations that are relevant to Registered Plans that invest in Units, including the taxation of amounts withdrawn from a Registered Plan.

As noted above, provided the Fund qualifies as a mutual fund trust within the meaning of the Tax Act, or the Units are listed on a “designated stock exchange” within the meaning of the Tax Act, the Units will be qualified investments under the Tax Act for Registered Plans.

Notwithstanding that Units may be qualified investments for a trust governed by a TSFA, a RRSP, or a RRIF, the holder of a TFSA, or the annuitant of a RRSP or a RRIF, as the case may be, will be subject to a penalty tax if such units are a “prohibited investment” for and held in the particular TFSA, RRSP or RRIF. Units will generally be a “prohibited investment” if the holder of the TFSA or the annuitant of the RRSP or RRIF, as the case may be, (i) does not deal at arm’s length with the Fund for purposes of the Tax Act, or (ii) has a “significant interest” (within the meaning of the Tax Act) in the Fund. In addition, the Units generally will not be a “prohibited investment” if such units are “excluded property”. Holders of a TFSA and annuitants of a RRSP or RRIF should consult their own tax advisors in regards to the application of these rules in their particular circumstances.

Tax Implications of the Fund’s Distribution Policy

The NAV 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 Units are acquired. A Holder who acquires Units may become taxable on the Holder’s share of income and gains of the Fund that accrued before the Units were acquired notwithstanding that such amounts may have been reflected in the price paid by the Unitholder for the Units. The consequences of acquiring Units late in a calendar year will generally depend on the amount of the monthly distributions throughout the year, if any, and whether one or more year-end special distributions to Unitholders are necessary late in the calendar year to ensure that the Fund will not be liable for income tax under Part I of the Tax Act.

ORGANIZATION AND MANAGEMENT DETAILS OF THE FUND

Manager of the Fund

Purpose, an Ontario corporation incorporated on August 28, 2012, is the Manager of the Fund. The Manager manages the day-to-day business and operations of the Fund and provides all general management and administrative services. The Manager will also be responsible for the implementation of the investment strategy of the Fund with respect to the Canadian portion of the Portfolio.

Officers and Directors of the Manager of the Fund

The name, municipality of residence, position with the Manager and current principal occupation of each of the directors and executive officers of the Manager are set out below:

Name and Municipality of Residence	Position with the Manager	Principal Occupation
SOM SEIF Toronto, Ontario	President, Chief Executive Officer and Director	President and Chief Executive Officer, Purpose Investments Inc.
SCOTT BARTHOLOMEW Milton, Ontario	Chief Financial Officer, Chief Operating Officer and Director	Chief Financial Officer and Chief Operating Officer, Purpose Investments Inc.
LARA MISNER Toronto, Ontario	Chief Compliance Officer and Corporate Secretary	Chief Compliance Officer and Corporate Secretary, Purpose Investments Inc.
DAN RUBIN Toronto, Ontario	Vice President, Marketing and Director	Vice President, Marketing, Purpose Investments Inc.

A description of the experience and background relevant to the business of the Fund of each of the directors and officers of the Manager is set out below. Initially, Som Seif will be responsible for the management of the Canadian portion of the Portfolio.

Som Seif

Som Seif is the founder and Chief Executive Officer of Purpose which he formed following the sale of Claymore to BlackRock Inc. in March 2012. Mr. Seif started Claymore in Canada in January 2005 and was the former President and Chief Executive Officer leading the implementation of the company's business development and corporate strategies. Over the seven years of its operation, Claymore organically grew to \$8 billion in assets and established itself as a Canadian leader in bringing intelligent, low-cost exchange-traded funds to investors through its family of thirty-four exchange-traded funds across broad asset classes. During his time at Claymore, Som structured and managed what became the largest Canadian preferred share exchange traded fund which had in excess of \$1 billion in assets at the time of the sale of Claymore.

Prior to joining Claymore, Mr. Seif was an investment banker with RBC Capital Markets, where he worked since 1999. He played a key role in developing the structured products group at RBC Capital Markets in both Canada and the U.S., where he structured and raised capital for both Canadian and U.S. asset managers. Som led the team at RBC that developed, created and managed the biggest preferred share closed-end fund in Canada that raised over \$140 million through initial public offering.

Mr. Seif is a Chartered Financial Analyst and has a Bachelor of Applied Science with an emphasis on Industrial and Systems Engineering from the University of Toronto. Mr. Seif has a strong commitment to the community and is currently Vice Chair of the Sunnybrook Hospital Foundation Board, Chair of the Art Gallery of Ontario Corporate Advisory Committee, and a member of the University of Toronto Mechanical & Industrial Engineering Advisory Board and the Engineering Alumni Association Biz Skule™ Committee. Through support for programs such as the Next 36 and the UoFT Hatchery Program, Mr. Seif is an advocate for leadership and entrepreneurship in Canada. In 2011, Mr. Seif was recognized for his vision and leadership by Caldwell Partners International with the Top 40 Under 40 award, a celebrated, national program that honors leaders for their achievements in leadership, vision, innovation, community involvement and contribution.

Scott Bartholomew

Scott Bartholomew is the Chief Financial Officer and Chief Operating Officer of Purpose. He has 19 years of experience in the Canadian investment fund industry. Mr. Bartholomew was an integral part in the development of the Canadian mutual fund services business during his 14 years at State Street Fund Services Toronto Inc. as Assistant Vice-President of Fund Administration. During the last 4 years, Mr. Bartholomew ran the operations for Claymore, and was involved in the sale and business integration of Claymore to BlackRock Inc. in 2012. During his last year with Claymore, Mr. Bartholomew was also Chief Compliance Officer of the firm. He has a Bachelor of Commerce from Ryerson University and is a CFA charterholder.

Lara Misner

Lara Misner is the Chief Compliance Officer of Purpose. She has over 20 years of investment experience in equity research, portfolio management, client service, operations and compliance. Ms. Misner was the Chief Compliance Officer of Marret Asset Management Inc. and prior to that she worked with BMO Harris Private Banking as a portfolio manager for segregated client portfolios. Ms. Misner has served as a Director on the Board of CFA Society Montreal and CFA Society Toronto. She has a Bachelor of Commerce from McGill University, an MBA from HEC Montreal and is a CFA charterholder.

Dan Rubin

Dan Rubin is the Vice President, Marketing of Purpose. He has over 10 years of experience in the investment management industry. Mr. Rubin served as Vice President, Marketing at Claymore where he oversaw the development and implementation of all marketing and communications strategies. His experience also includes terms as Vice President, Marketing at Horizons ETFs and Associate Vice President, Marketing at JovFunds Inc. Mr. Rubin graduated with a Bachelor of Arts, Business Economics from York University.

Duties and Services to be provided by the Manager

Pursuant to a management agreement dated as of July 30, 2015 (the "**Management Agreement**"), the Manager has been appointed as the sole and exclusive manager of the affairs of the Fund. In such capacity, the

Manager is responsible for the day-to-day activities of the Fund from time to time. The services to be provided by the Manager under the terms of the agreement include, without limitation: (i) appointing, supervising and removing service providers for the Fund as the Manager sees fit; (ii) carrying out all capital markets responsibilities, such as securities offerings; (iii) preparing or causing to be prepared the requisite continuous disclosure documents of the Fund; (iv) maintaining proper books, accounts and records of the Fund; (v) providing employees having the requisite experience and skill to perform the obligations of the Manager under the Management Agreement; and (vi) doing all such other acts or things and entering into agreements or documents on behalf of the Fund to seek to achieve the investment objectives of the Fund. Furthermore, the Manager has been appointed to act as the investment advisor to the Fund with regard to the Canadian portion of the Portfolio. The Manager will manage the Canadian assets held by the Fund in accordance with the investment objectives of the Fund and subject to the investment restrictions set forth in the Declaration of Trust and described herein. In carrying out its obligations under the Management Agreement, the Manager will be required to exercise its powers and discharge its duties diligently, honestly and in good faith and in the best interests of the Fund, including, without limitation, exercising the standard of care, diligence and skill that a reasonably prudent person would exercise in similar circumstances.

Details of the Management Agreement

The Manager will continue as manager of the Fund until the termination of the Fund unless: (i) the Manager resigns by written notice to the Fund; (ii) the Manager is removed by written notice given by the Fund following the occurrence of certain specified events of default (as described below); or (iii) the Manager is removed by written notice given by the Fund following an Extraordinary Resolution of the Unitholders directing the Fund to remove the Manager as manager of the Fund. The following comprise an event of default under the Management Agreement: (i) the bankruptcy or insolvency of the Manager, or if the Manager either voluntarily or under an order of a court of competent jurisdiction makes a general assignment for the benefit of its creditors or otherwise acknowledges its insolvency; (ii) the Manager's wilful misconduct, bad faith, negligence or breach of its standard of care owed under the Management Agreement, which, in the case of negligence which is capable of being cured, is not cured within 30 days following written notice to the Manager from the Fund specifying in reasonable detail the nature of such negligence; or (iii) the Manager no longer holds the licenses, registrations or other authorizations necessary to carry out its obligations under the Management Agreement and is unable to obtain them within a reasonable period after their loss. There is no provision for the termination of the Manager for breach of its obligations under the Management Agreement unless such breach constitutes a breach of the standard of care owed by the Manager.

The Management Agreement contains indemnification provisions whereby the Fund indemnifies the Manager against any loss, expense, damage or injury suffered in the scope of its authority under the Management Agreement, provided the same does not result from wilful misconduct, bad faith, negligence or breach of its standard of care owed under the Management Agreement. In addition, under the Management Agreement, the Manager indemnifies the Fund against any loss, expense, damage or injury suffered as a result of the Manager's wilful misconduct, bad faith, negligence or breach of its standard of care owed under the Management Agreement.

For its services, the Manager will be paid the Management Fee (and the Investment Advisor will be remunerated by the Manager out of such Management Fee) described under "Fees and Expenses – Fees and Expenses Payable by the Fund - Management Fee". Pursuant to the terms of the Management Agreement, the Manager will bear all costs and expenses incurred by the Manager in connection with all salaries, employee expenses, office rent and equipment, and other expenses customarily considered to be overhead expenses.

Investment Advisor

Under the terms of the Investment Advisory Agreement, Nuveen will be retained by the Manager, on behalf of the Fund, to act as the investment advisor to the Fund (in such capacity, the "**Investment Advisor**") with regard to the non-Canadian portion of the Portfolio.

Nuveen is a U.S. registered investment advisor and had approximately \$137.8 billion of assets under management as of March 31, 2015. Nuveen offers a broad range of investment strategies in a variety of asset classes, including global equities and fixed income, infrastructure, real estate and quantitative asset allocation. The principal office of Nuveen is located at 333 West Wacker Drive, Chicago, Illinois 60606.

Investment advisory services will initially be provided to the Fund by a portfolio management team consisting of Douglas M. Baker and Brenda A. Langenfeld. Biographical information regarding each member of the portfolio management team is set forth below.

Douglas M. Baker

Douglas M. Baker, CFA, is a Senior Vice President at Nuveen Asset Management, LLC, a subsidiary of Nuveen Investments, Inc., and a portfolio manager for the Fund. He is the head of the Preferred Securities Team and a portfolio manager for all related preferred security strategies. He is also a member of Nuveen's Fixed Income Strategy Committee. He joined Nuveen in 2006 as a Vice President and Derivatives Analyst, and later that year his responsibilities expanded to include portfolio management duties. Mr. Baker also manages Nuveen's derivative overlay group, where he is responsible for implementing derivatives-based hedging strategies across the Nuveen municipal strategies complex. Prior to joining Nuveen, Mr. Baker spent three years at Lehman Brothers in institutional fixed-income and derivatives sales, and prior to that he spent five years at Bank of America in corporate and commercial banking. As of March 31, 2015, he managed approximately \$3.5 billion in preferred and hybrid securities strategies. He earned his B.Sc. in finance with honours from the University of Illinois and his M.B.A. in finance and economics with honours from the University of Chicago's Graduate School of Business. Doug holds the Chartered Financial Analyst designation and is a member of the CFA Institute and the CFA Society of Chicago.

Brenda A. Langenfeld

Brenda A. Langenfeld, CFA is a portfolio manager for the Preferred Securities Strategy and related institutional portfolios. She joined the Preferred Securities Sector Team in 2011. She is also a co-manager for the Real Asset Income Strategy, which invests in income-generating debt and equity securities from both the real estate and infrastructure segments, since 2015. Brenda started working in the financial services industry in 2004 when she joined a predecessor of the firm. Prior to her portfolio management roles, she was a member of the High-Grade Credit Sector Team, responsible for trading corporate bonds. Previously, she was a member of the Securitized Debt Sector Team, trading mortgage-backed securities, asset-backed securities and commercial mortgage-backed securities. A graduate of the University of Wisconsin-Madison, Brenda received a B.B.A. in finance and international business. She also holds the Chartered Financial Analyst designation.

Details of the Investment Advisory Agreement

Pursuant to the Investment Advisory Agreement, the Investment Advisor will manage the non-Canadian assets held by the Fund in accordance with the investment objectives of the Fund and subject to the investment restrictions set forth in the Declaration of Trust and described herein. In consideration for the services provided by the Investment Advisor pursuant to the Investment Advisory Agreement, the Investment Advisor will receive from the Manager a fee in an amount to be agreed upon by the Manager and the Investment Advisor from time to time payable out of the Management Fee.

Under the Investment Advisory Agreement, the Investment Advisor covenants to act honestly and in good faith with a view to the best interests of the Fund and, in connection therewith, to exercise the degree of care, diligence and skill that a reasonably prudent person would exercise in the circumstances. Pursuant to the Investment Advisory Agreement, the Investment Advisor, its affiliates and any of its officers, directors, employees, shareholders and agents shall be indemnified out of the Fund's property against all losses (other than loss of profits), expenses and liabilities incurred by any of them in connection with any matter relating to its respective duties under the Investment Advisory Agreement, unless any such indemnified person committed a material breach or default of its obligations under the Investment Advisory Agreement or an act or omission involving wilful misconduct, bad faith, negligence or reckless disregard of such person's duties under the Investment Advisory Agreement.

The Investment Advisory Agreement, unless terminated as described below, will continue until the termination of the Fund. The Investment Advisor may terminate the Investment Advisory Agreement, without payment of any penalty, in the following circumstances: (i) upon 60 days' notice; (ii) immediately upon termination of the Management Agreement; (iii) in the event that the Manager is in material breach of the Investment Advisory Agreement and the material breach has not been cured within 20 business days of notice thereof by the Manager; (iv) if there is a dissolution and commencement of winding-up of the Manager; (v) if the Manager becomes bankrupt or insolvent or makes a general assignment for the benefit of the creditors or a receiver is appointed in respect of the Manager or a substantial portion of the assets of the Manager; (vi) if the assets of the Manager become subject to

seizure or confiscation by any public or governmental organization; (vii) if the Manager has lost any registration, license or other authorization or cannot rely on an exemption therefrom required by the Manager for it to perform the services delegated to it thereunder; or (viii) if the Manager has breached its standard of care or acted with wilful misconduct, fraud or negligence.

The Manager may terminate the Investment Advisory Agreement, without payment of any penalty, in the following circumstances: (i) upon 60 days' notice; (ii) in the event that the Investment Advisor is in material breach of this Agreement and the material breach has not been cured within 20 business days of notice thereof to the Investment Advisor; (iii) immediately if there is a dissolution and commencement of winding-up of the Investment Advisor; (iv) immediately if the Investment Advisor becomes bankrupt or insolvent or makes a general assignment for the benefit of the creditors or a receiver is appointed in respect of the Investment Advisor or a substantial portion of the assets of the Investment Advisor; (v) immediately if the assets of the Investment Advisor become subject to seizure or confiscation by any public or governmental organization; (vi) immediately if the Investment Advisor has lost any registration, license or other authorization or cannot rely on an exemption therefrom required by the Investment Advisor for it to perform the services delegated to it thereunder; (vii) immediately if the Investment Advisor has breached its standard of care or acted with wilful misconduct, fraud or negligence; or (viii) immediately in the event of persistent trading errors by the Investment Advisor.

The Investment Advisory Agreement will not be subject to termination under clause (ii) in the preceding paragraph if a material breach by the Investment Advisor cannot be cured within 20 business days of notice thereof but the Investment Advisor commences the cure within the 20 business day period and completes the cure as soon as practicable and in no case more than 30 days of such notice. In addition, if the Investment Advisor purchases or sells a security for the Portfolio or takes any other action with respect to the assets of the Portfolio that through inadvertence violates any investment strategy or restriction set forth in the Investment Advisory Agreement and the violation has or will have a material adverse effect on the Portfolio then it will not be considered a material breach for purposes of the termination right in clause (ii) in the preceding paragraph if the Investment Advisor takes action that returns the Portfolio to compliance with such investment strategy or restriction within the cure period described above, as the same may be extended by agreement in writing by the parties to the Investment Advisory Agreement.

The Manager is responsible for payment of the fees of the Investment Advisor.

The Investment Advisor is not currently registered as an adviser with the Ontario Securities Commission or any other provincial or territorial regulatory authority in Canada. The Investment Advisor provides investment advisory services to the Fund pursuant to the "international adviser" exemption provided by section 8.26 of National Instrument 31-103 – Registration Requirements, Exemptions and Ongoing Registrant Obligations. The Investment Advisor has its offices, and has all or a substantial portion of its assets, located outside of Canada and there may be difficulty enforcing legal rights against it.

Conflicts of Interest

The management services to be provided or caused to be provided by the Manager under the Management Agreement are not exclusive to the Fund and nothing in the Management Agreement prevents the Manager or any of its affiliates from providing similar services to other investment funds and other clients (whether or not their activities are similar to those of the Fund) or from engaging in other activities.

The Investment Advisor is engaged in a wide range of investment management, investment advisory and other business activities. The services of the Investment Advisor under the Investment Advisory Agreement are not exclusive and nothing in the Investment Advisory Agreement prevents the Investment Advisor or any of its affiliates from providing similar services to other investment funds and other clients (whether or not their investment objectives or strategies are similar to those of the Fund) or from engaging in other activities. The Investment Advisor's investment advice regarding the Portfolio and decisions with respect to the composition of the Portfolio, will be made independently of those made for their other clients and independently of their own investments. On occasion, however, the Investment Advisor may decide on the same investment for the Fund and for one or more of their other clients. If the Fund and one or more of the other clients of the Manager or its affiliates are engaged in the purchase or sale of the same security, the transactions will be effected on an equitable basis in accordance with the Investment Advisor's trade allocation policy in effect from time to time.

The Manager or its affiliates may act as the manager to other funds which may invest primarily in the same securities as the Fund from time to time invests and which may be considered competitors of the Fund. In addition, the directors and officers of the Manager or its affiliates may be directors, officers, shareholders or unitholders of one or more issuers in which the Fund may acquire securities or of corporations which act as the manager of other funds that invest primarily in the same securities as the Fund from time to time invests and which may be considered competitors of the Fund. The Manager or its affiliates may be managers or portfolio managers of one or more issuers in which the Fund may acquire securities and may be managers or portfolio managers of investment funds that invest in the same securities as the Fund. A decision to invest in such issuers will be made independently by the Investment Advisor and without consideration of the relationship of the Manager or its affiliates with such issuers. Conflicts of interest between the Manager and the Fund will be addressed by the Independent Review Committee.

See also “Relationship between Investment Fund and Agents”, “Interest of Manager and Others in Material Transactions” and “Risk Factors – Risks Related to the Structure of the Fund – Conflicts of Interest”.

Independent Review Committee

An independent review committee (the “**Independent Review Committee**”) has been established by the Fund in accordance with NI 81-107. The Independent Review Committee will be required to be comprised of a minimum of three members, each of whom must be independent of the Manager, entities related to the Manager and the Fund.

The Independent Review Committee functions in accordance with applicable securities law, including NI 81-107. The mandate of the Independent Review Committee is to review and provide its decisions to the Manager on conflict of interest matters that the Manager has referred to the Independent Review Committee for review. The Manager is required to identify conflict of interest matters inherent in its management of the Fund and request input from the Independent Review Committee in respect of how it manages those conflicts of interest, as well as its written policies and procedures outlining its management of those conflicts of interest.

In performing their duties, members of the Independent Review Committee are required to act honestly, in good faith and in the best interests of the Fund and to exercise the degree of care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances. The Independent Review Committee will report annually to Unitholders which report will be available free of charge upon request to the Manager and will also be posted on Purpose’s website at www.purposeinvest.com.

Each member of the Independent Review Committee is paid an annual fee of \$7,500 per annum plus \$500 per meeting attended. These fees and other reasonable expenses of the Independent Review Committee will be paid pro rata out of the assets of the Fund, as well as out of the assets of the other investment funds managed by the Manager for which the Independent Review Committee acts as the independent review committee. The Manager has appointed the following members to the Independent Review Committee: Douglas G. Hall, Randall Barnes and Michael Hollend, which will also act as the independent review committee for other investment funds managed by the Manager. The backgrounds of such officers and directors are described below.

Douglas G. Hall

Douglas G. Hall was a Managing Director at RBC Capital Markets covering public and private capital raising, mergers and acquisitions support and strategic advisory assignments for diversified industry groups from 1979 until his retirement in 2005. Mr. Hall is currently a director of Pattern Energy Group Inc., a NASDAQ and TSX listed company owning and operating alternate energy assets, Millar Western Forest Products Ltd., a privately-held lumber and pulp company and Stanfield’s Ltd, a garment manufacturer, as well as a Member of the Advisory Board for Southwest Properties Ltd., a privately held real estate company.

Randall C. Barnes

Prior to his retirement in 1997, Mr. Barnes spent four years as Senior Vice President and Treasurer of PepsiCo, Inc., where he was employed since 1987. He was President of the Pizza Hut International division from 1991 to 1993, and prior to that time Senior Vice President, Strategic Planning and New Business Development. Mr. Barnes is a trustee of 11 NYSE-listed closed-end funds, 33 open-end funds and 37 exchange-traded funds advised, administered or serviced by Guggenheim Advisors, LLC.

Michael Hollend

Michael Hollend has been a Partner at TorQuest Partners (“**TorQuest**”) since 2009. Prior to joining TorQuest, Mr. Hollend was a Partner in the Venture Capital Funds of EdgeStone Capital Partners Inc. where he invested in and worked closely with some of Canada’s most innovative and successful technology companies, including SlipStream Data, Rypple, and Protus IP Solutions. Earlier in his career, Mr. Hollend was with Goodmans LLP where he established the Venture Group, and previously worked in the Investment Banking Group of Griffiths McBurney & Partners. Michael serves as a member of the boards of directors of Array Canada Inc. Outside of TorQuest, Mr. Hollend serves on the board of directors of the CVCA – Canada’s Venture Capital & Private Equity Association and as a volunteer mentor with The Mentoring Partnership program. He was also a volunteer member of the Investment Committee of the Province of Ontario’s Investment Accelerator Fund. Michael holds both LL.B. and M.B.A. degrees from the University of Toronto and a B.A. (Economics) from the University of Western Ontario.

Trustee

Purpose is the trustee of the Fund under the Declaration of Trust, and is responsible for managing all of the Fund’s activities. The address of Purpose where it principally provides services to the Fund is 130 Adelaide Street West, Suite 1700, Toronto, Ontario M5H 3P5.

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

Unless Purpose resigns or is removed as described below Purpose will continue as trustee of the Fund until the Termination Date. Purpose or any successor trustee may resign upon 60 days’ written notice to Unitholders, and the Trustee is deemed to have resigned in certain circumstances, including if the Trustee (i) becomes bankrupt or insolvent, (ii) ceases to be resident in Canada for the purposes of the Tax Act, (iii) ceases to carry out its functions of managing the Fund in Canada, or (iv) ceases to exercise the main powers and discretions of the trustee in respect of the Fund in Canada. Any such resignation or removal shall become effective only upon the appointment of a successor trustee. If the Trustee resigns or is removed by Unitholders, its successor must be approved by Unitholders. If, after the resignation or removal of the Trustee, no successor has been appointed within 90 days, the Manager or any Unitholder may apply to a court of competent jurisdiction for the appointment of a successor trustee. If a successor trustee is not appointed, the Fund shall be terminated.

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

The Trustee is entitled to receive fees from the Fund as described under “Fees and Expenses – Fees and Expenses Payable by the Fund – Operating Expenses of the Fund” and to be reimbursed by the Fund for all expenses which are reasonably incurred by the Trustee in connection with the activities of the Fund.

Custodian

NBCN Inc. (the “**Custodian**”) is the custodian of the assets of the Fund and may employ sub-custodians as considered appropriate in the circumstances. The address of the Custodian is 250 Yonge Street, Suite 1900, Toronto, Ontario M5B 2L7. Pursuant to an agreement (the “**Custodian Agreement**”), the Custodian will provide safekeeping and custodial services in respect of the assets of the Fund.

The Fund will pay the Custodian customary custodianship fees for its services as outlined in the Custodian Agreement. The Custodian Agreement may be terminated by either party on 60 days' notice, and immediately by either party on written notice if either party is declared bankrupt or becomes insolvent, the assets or the business of either party becomes liable to seizure or confiscation by any public or governmental authority, the Manager's powers and authorities to act on behalf of or represent the Fund have been revoked or terminated, or the Custodian ceases to be qualified under applicable laws.

Auditor

The independent auditor of the Fund is Ernst & Young LLP. The address of the auditor is Ernst & Young Tower, 222 Bay Street, Toronto, Ontario M5K 1J7. The auditors of the Fund may not be changed unless the Independent Review Committee has approved the change and Unitholders have received at least 60 days' notice before the effective date of the change.

Registrar and Transfer Agent

TMX Equity Transfer Services Inc. is the registrar and transfer agent for the Units at its principal office in Toronto, Ontario.

Valuation Agent

Pursuant to a valuation services agreement to be entered into on or before the closing of the Offering, CIBC Mellon Global Securities Services Company will be appointed by the Manager as the valuation agent of the Fund. The valuation agent will provide, among other things, valuation services to the Fund and will calculate the NAV in the manner described under the heading "Calculation of Net Asset Value".

Promoter

National Bank Financial Inc. may be considered the promoter of the Fund by reason of its initiative in forming and establishing the Fund and taking the steps necessary for the public distribution of the Units. National Bank Financial Inc. also acts as an Agent and thereby receives certain fees as described herein. National Bank Financial Inc. will not receive any benefits, directly or indirectly, from the issuance of Units offered hereunder other than as described below and under "Fees and Expenses", "Plan of Distribution" and "Interest of Manager and Others in Material Transactions".

Pursuant to a promoter agreement (the "**Promoter Agreement**") dated July 30, 2015 between the Fund, the Manager and the Promoter, the Promoter will (i) provide certain services in connection with the marketing and promotion of the Fund and (ii) pay the expenses of the Offering in excess of 0.50% of the gross proceeds of the Offering and as well as the fee of \$0.25 per Class A Unit payable to the Agents pursuant to the Agency Agreement.

The Promoter Agreement, unless terminated as described below, will continue in effect until August 21, 2025. The Fund may terminate the Promoter Agreement if the Promoter has committed certain events of bankruptcy or insolvency or is in material breach or default of the provisions thereof and, if capable of being cured, such breach has not been cured within 30 days after notice thereof has been given to the Promoter and the Trustee by the Manager. The Promoter may terminate the Promoter Agreement if the Fund or the Manager is in material breach or default of the provisions thereof and, if capable of being cured, such breach or default has not been cured within 30 days of notice of same to the Manager and to the Trustee. For the purposes of termination of the Promoter Agreement by the Promoter, the reorganisation, merger, termination or wind-up of the Fund will be considered as a default by the Fund of the provisions of the Promoter Agreement.

In the event where the Promoter Agreement is terminated within a 32-month period from its execution due to a reason other than a material breach or default of the provisions thereof by the Promoter, an early termination penalty will be payable to the Promoter. The early termination penalty will be the sum of (i) an amount equal to the Early Exchange Fee for each Class A Unit then outstanding, calculated as if all such Class A Units were redeemed or converted immediately prior to the termination of the Promoter Agreement; and (ii) 0.50% of the NAV of the Fund attributable to the Class T Units immediately prior to the termination of the Promoter Agreement, which percentage may be reduced by the Promoter, in its sole discretion, by a proportionate amount based on the number of months elapsed during such 32-month period.

In consideration for the design and structuring of the Fund, its role in paying the expenses of the Offering in excess of 0.50% of the gross proceeds of the Offering and the Agents' fee on the Class A Units thereby providing the Fund with greater amounts to invest under the Fund's investment strategy, and the marketing and promotion of the Fund, the Promoter is entitled to fees for its services as described under "Fees and Expenses" and will be reimbursed by the Fund for all reasonable costs and expenses incurred in connection with its services. In addition, the Promoter, and its directors, officers, employees and agents, will be indemnified by the Fund for all liabilities, costs and expenses incurred in connection with any action, suit or proceeding that is proposed or commenced, or other claim that is made against, the Promoter, or any of its officers, directors, employees or agents, in the performance of its services, except those resulting from the Promoter's wilful misconduct, bad faith or gross negligence.

Securities Lending Agent

The Fund will appoint NBCN Inc., at its office in Toronto, Ontario, as the Fund's securities lending agent for purposes of engaging in securities lending as described under "Investment Strategies - Securities Lending". Such agent will be responsible for the ongoing administration of the securities loans, including the obligation to mark-to-market the collateral on a daily basis. Collateral will generally be limited to liquid securities with a value equal to 105% of the value of the securities on loan. Any securities lending transactions entered into on behalf of the Fund may be terminated by the Fund at any time. NBCN Inc. is independent of the Manager.

CALCULATION OF NET ASSET VALUE

The NAV of the Fund and NAV per Unit will be calculated as of 4:00 p.m. (Toronto time), or such other time as the Manager deems appropriate (the "**Valuation Time**"), on each Business Day and any other day on which the Manager elects, in its discretion, to calculate the NAV per Unit (each, a "**Valuation Date**"). Information that becomes known after the NAV has been calculated on a particular day will not generally be used to retroactively adjust the price of a security or the NAV determined earlier that day.

The NAV calculation on a particular date will be equal to the aggregate value of the assets of the Fund less the aggregate value of the liabilities of the Fund, expressed in Canadian dollars (the "**NAV**"). The basic NAV per Unit for each class of Units of the Fund on any Valuation Date is calculated by dividing (i) the NAV attributable to that class of Units on such date, by (ii) the total number of Units of the class issued and outstanding on such date, the result being rounded to the nearest whole cent.

Valuation Policies and Procedures

In determining the NAV at any time:

- (a) the value of any cash on hand, on deposit or on call, prepaid expenses, cash dividends declared and interest accrued and not yet received, is deemed to be the face amount thereof, unless the Valuation Agent determines that any such deposit or call loan is not worth the face amount thereof, in which event the value thereof is deemed to be such value as the Valuation Agent determines to be the reasonable value thereof;
- (b) the value of any bonds, debentures, and other debt obligations are valued by taking the average of the bid and ask prices on a Valuation Day at such times as the Valuation Agent, in its discretion, deems appropriate. Short-term investments including notes and money market instruments are valued at cost plus accrued interest;
- (c) the value of any security, index futures or index options thereon which is listed on any recognized exchange is determined by the closing sale price at the Valuation Time or, if there is no sale price, the average between the closing bid and the closing asked price on the day on which the Net Asset Value of the Fund is being determined, all as reported by any report in common use or authorized as official by a recognized stock exchange; provided that if such stock exchange is not open for trading on that date, then on the last previous date on which such stock exchange was open for trading;

- (d) the value of any security or other asset for which a market quotation is not readily available is its fair market value as determined by the Valuation Agent;
- (e) the value of any security, the resale of which is restricted or limited, is the lesser of the value thereof based on reported quotations in common use and that percentage of the market value of securities of the same class, the trading of which is not restricted or limited by reason of any representation, undertaking or agreement or by law, equal to the percentage that the Fund's acquisition cost was of the market value of such securities at the time of acquisition; provided that a gradual taking into account of the actual value of the securities may be made where the date on which the restriction will be lifted is known;
- (f) purchased or written clearing corporation options, options on futures, over-the-counter options, debt like securities and listed warrants are valued at the current market value thereof;
- (g) where a covered clearing corporation option, option on futures or over-the-counter option is written, the premium received by the Fund will be reflected as a deferred credit which will be valued at an amount equal to the current market value of the clearing corporation option, option on futures or over-the-counter option that would have the effect of closing the position. Any difference resulting from revaluation of such options will be treated as an unrealized gain or loss on investment. The deferred credit will be deducted in arriving at the Net Asset Value of the Fund. The securities, if any, which are the subject of a written clearing corporation option, or over-the-counter option are valued at their then current market value;
- (h) the value of a futures contract, or a forward contract, is the gain or loss with respect thereto that would be realized if, at the Valuation Time, the position in the futures contract, or the forward contract, as the case may be, were to be closed out unless daily limits are in effect in which case fair value will be based on the current market value of the underlying interest;
- (i) margin paid or deposited in respect of futures contracts and forward contracts is reflected as an account receivable and margin consisting of assets other than cash is noted as held as margin;
- (j) all securities, property and assets of the Fund valued in a foreign currency and all liabilities and obligations of the Fund payable by the Fund in foreign currency are converted into Canadian funds by applying the rate of exchange obtained from the best available sources to the Valuation Agent, including, but not limited to, the Valuation Agent or any of its affiliates;
- (k) all expenses or liabilities (including fees payable to the Valuation Agent or the Manager) of the Fund are calculated on an accrual basis; and
- (l) the value of any security or property to which, in the opinion of the Valuation Agent, the above valuation principles cannot be applied (whether because no price or yield equivalent quotations are available as above provided, or for any other reason) is the fair value thereof determined in such manner as the Valuation Agent from time to time provides.

The Valuation Agent is entitled to rely on any values or quotations supplied to it by a third party, including the Manager, and is not required to make any investigation or inquiry as to the accuracy, completeness or validity of such values or quotations. Provided that the Valuation Agent acts in accordance with its standard of care, it will be held harmless by the Fund and will not be responsible for any losses or damages resulting from relying on such information.

Reporting of Net Asset Value

The Net Asset Value per Unit as at each Valuation Day will be available to the financial press for publication and at no cost, through the internet, at www.purposeinvest.com. The Manager will also provide such information at no cost to Unitholders who so request by calling toll-free at 1-877-789-1517 or by emailing at info@purposeinvest.com.

ATTRIBUTES OF SECURITIES

Description of the Securities

The beneficial interest in the net assets and net income of the Fund is divided into units of such classes and series as may be designated by the Manager from time to time, and the Fund is authorized to issue an unlimited number of transferable, redeemable units which evidence the proportionate ownership interest of a Unitholder in the capital of the Fund. Initially, the Fund will offer two classes of units: Class A Units and Class T Units.

No commission will be paid at the closing of the Offering to Agents that sell Class T Units, and the Class T Units will immediately commence trading in the market. A commission of \$0.25 per Class A Unit will be paid at Closing by the Promoter to Agents that sell Class A Units. Class A Units are intended to be purchased under the Offering by investors who intend to hold their Class A Units for at least thirty-two (32) months. At the closing of the Offering, the Promoter will pay a commission to the Agents for selling Class A Units. Thirty-two (32) months after the closing of the Offering, the Class A Units will automatically convert into Class T Units and trade in the market.

While at the closing of the Offering the NAV per Unit of each class will be the same, after the closing of the Offering the NAV per Unit of each class may not be the same as a result of the different fees allocable to each class of Units. See “Plan of Distribution” and “Fees and Expenses”.

A holder of Class A Units may convert Class A Units into Class T Units on a weekly basis and it is expected that liquidity for the Class A Units will be primarily obtained by means of conversion into Class T Units and the sale of those Class T Units. Class A Units may be converted in any week on the first Business Day of such week (each a “Conversion Date”) by delivering a notice and surrendering such Class A Units by 3:00 p.m. (Toronto time) at least five Business Days prior to the relevant Conversion Date.

The Units are freely transferable, except as restricted by the Trustee in order to comply with any applicable laws, regulations or other requirements imposed by regulatory authorities or to obtain, maintain or renew any licences, rights, status or powers pursuant to any applicable laws, regulations or other requirements imposed by any stock exchange or other applicable regulatory authorities.

Each Unit of a class entitles the holder to the same rights and obligations as a Unitholder of that class and no Unitholder of a class is entitled to any privilege, priority or preference in relation to any other Unitholder of that class. Each Unitholder of a class is entitled to one vote at all meetings of Unitholders and at all meetings of Unitholders of that class. Each Unitholder is entitled to participate equally with respect to any and all distributions made by the Fund, including distributions of net realized capital gains, if any. On the redemption of the Units, however, the Fund may in its sole discretion, designate payable to redeeming Unitholders, as part of the redemption price, any capital gains realized by the Fund in the taxation year in which the redemption occurred. On termination or liquidation of the Fund, Unitholders of record are entitled to receive on a pro rata basis all of the assets of the Fund remaining after payment of all debts, liabilities and liquidation expenses of the Fund. Unitholders will have no voting rights in respect of securities held by the Fund. The rights attaching to the Units may be modified as described under “Unitholder Matters”.

Fractions of Units may be issued that will have the same rights, restrictions, conditions and limitations attaching to whole Units in the proportion that they bear to a whole Unit, except that fractional Units will not have the right to vote. Units are transferable, except as otherwise restricted by the Trustee or the Manager in order to comply with any applicable laws, regulations or other requirements imposed by regulatory authorities or to obtain, maintain or renew any licenses, rights, status or powers pursuant to any applicable laws, regulations or other requirements imposed by any stock exchange or other applicable regulatory authorities.

The Fund may subdivide or consolidate the Units from time to time in such manner as the Manager determines appropriate, provided that any such subdivision or consolidation shall not change the rights attaching to the Units.

Pursuant to the *Trust Beneficiaries' Liability Act*, 2004 (Ontario), that holders of units of a trust are not, as beneficiaries, liable for any act, default, obligation or liability of the trust if, when the act or default occurs or the liability arises: (i) the trust is a reporting issuer under the *Securities Act* (Ontario); and (ii) the trust is governed by

the laws of Ontario. The Fund will be a reporting issuer under the *Securities Act* (Ontario) prior to the Closing Date and the Fund is governed by the laws of Ontario by virtue of the provisions of the Declaration of Trust.

The Declaration of Trust provides that the Fund will only issue additional units of any class following the initial Offering: (i) at a price that is not less than the most recent net asset value per unit of that class, or series of a class, calculated prior to the pricing of the offering and (ii) as far as reasonably practicable (within the meaning of NI 81-102), at a price that does not cause dilution of the net asset value of other outstanding securities of the Fund at the time the unit is issued.

In addition, the Declaration of Trust provides that the Fund may, subject to complying with applicable laws, issue additional units of any class following the initial Offering: (i) by way of Unit distributions or any offering of rights, warrants or options to acquire Units to all Unitholders permitted by applicable law, provided that the exercise price of such right, warrant or option is not less than that which would yield net proceeds of 100% of the most recently calculated NAV per Unit prior to the pricing of such right, warrant or option, plus the costs associated with the issuance of such right, warrant or option, (ii) with the approval of Unitholders by Extraordinary Resolution (defined below under “Unitholder Matters — Matters Requiring Unitholder Approval”), or (iii) pursuant to a distribution reinvestment plan. Immediately after a pro rata distribution of Units of a class to all Unitholders in satisfaction of any non-cash distributions, the number of outstanding Units of that class will be consolidated such that each Unitholder will hold, after the consolidation, the same number of Units of that class as the Unitholder held before the non-cash distribution, except in the case of a non-resident Unitholder to the extent tax was required to be withheld in respect of the distribution.

Subject to the foregoing, the Fund may allot and issue additional Units and additional classes and series of units and other securities of the Fund at such time or times, and in such manner, as the Trustee in its sole discretion shall determine.

Units will be issued only through the book-entry only system administered by CDS as described below under “Book-Entry Only System”.

Conversion of Class A Units into Class T Units

A holder of Class A Units may convert Class A Units into Class T Units on a weekly basis in accordance with the Declaration of Trust and it is expected that liquidity for the Class A Units will be primarily obtained by means of conversion into Class T Units and the sale of those Class T Units. Class A Units may be converted in any week on the first Business Day of such week (each a “**Conversion Date**”) by delivering a notice and surrendering such Class A Units by 3:00 p.m. (Toronto time) at least five Business Days prior to the relevant Conversion Date.

Class A Units will be automatically converted into Class T Units on April 21, 2018 (the “**Automatic Conversion Date**”), with no Early Exchange Fee.

Any conversion of Class A Units into Class T Units prior to the Automatic Conversion Date will be subject to an Early Exchange Fee per Class A Unit converted of up to 3.00% of the NAV per Class A Unit, declining over time, as described under “Fees and Expenses – Fees and Expenses Payable by Unitholders”. The Fund will redeem such number of Class A Units from those otherwise being converted as is necessary to pay the Early Exchange Fee and will deduct the Early Exchange Fee from the redemption proceeds. The Early Exchange Fee so deducted by the Fund will be remitted by the Fund, on behalf of the Unitholder, to the Promoter.

For each Class A Unit converted, the holder will receive the number of Class T Units that is equal to (i) the NAV per Class A Unit as of the close of trading on the relevant Conversion Date, divided by (ii) the NAV per Class T Unit as of the close of trading on such Conversion Date. No Early Exchange Fee will apply when Class A Units are automatically converted into Class T Units on the Automatic Conversion Date. With respect to the total number of Class A Units being converted by a holder on a Conversion Date or the Automatic Conversion Date, no fractional Class T Unit will be issued to the holder and, instead, the aggregate number of Class T Units issuable to the holder will be rounded down to the nearest whole number.

Holders of Class T Units cannot convert Class T Units into Class A Units, subject to what is contained below under “Attributes of the Securities – Take-over Bids”.

Based in part on the current published administrative policies and assessing practices of the CRA, a conversion of Class A Units into Class T Units will not constitute a disposition of the Class A Units for the purposes of the Tax Act except to the extent that Class A Units are redeemed to pay an Early Exchange Fee.

Take-over Bids

The Declaration of Trust contains provisions to the effect that if a take-over bid is made for the Class T Units and not less than 90% of the aggregate of the Class T Units (but not including any Class T Units held at the date of the take-over bid by or on behalf of the offeror or associates or affiliates of the offeror) are taken up and paid for by the offeror, the offeror will be entitled to acquire the Class T Units held by the Unitholders who did not accept the take-over bid on the terms offered by the offeror.

The Declaration of Trust also provides that if, prior to the termination of the Fund, a formal bid (as defined in the *Securities Act* (Ontario)) is made for all of the Class A Units and such bid would constitute a formal bid for all Class T Units if the Class A Units had been converted to Class T Units immediately prior to such bid and the offer does not include a concurrent identical take-over bid, including in terms of price (relative to the NAV per Unit of the class), for the Class T Units, then the Fund shall provide the holders of Class T Units the right to convert all or a part of their Class T Units into Class A Units and to tender such Class A Units to the offer. In the circumstances described above, the Fund shall by press release provide written notice to the holders of the Class T Units that such an offer has been made and of the right of such holders to convert all or a part of their Class T Units into Class A Units and to tender such Class A Units to the offer.

Mandatory Market Purchase Program

To enhance liquidity and to provide market support for the Class T Units, the Fund will have a mandatory market purchase program under which the Fund will, subject to the following exceptions and to compliance with any applicable regulatory requirements, be obligated to purchase any Class T Units offered on the TSX if, at any time, the price at which Class T Units are then offered on the TSX is less than 98.50% of the NAV per Unit as at the close of business in Toronto, Ontario on the immediately preceding business day. The maximum number of Units to be purchased by the Fund pursuant to such mandatory market purchase program in any rolling 10 day period is 10% of the number of Class T Units outstanding at the beginning of such 10 day period, subject to a limit of 2% of the number of Class T Units outstanding each day and subject to the terms set out in the Declaration of Trust. In addition, the Fund will not be obligated to make such purchases, if among other things: (i) the Manager reasonably believes that the Fund would be required to make an additional distribution in respect of the year to Unitholders of record on or before December 31 of that year in order that the Fund will generally not be liable to pay income tax after the making of such purchase, (ii) in the opinion of the Manager, the Fund lacks the cash, debt capacity or other resources to make such purchases, or (iii) in the opinion of the Manager, such purchases would adversely affect the ongoing activities of the Fund or the remaining Unitholders. In addition, the Fund will have the right (but not the obligation), exercisable in its sole discretion, at any time to purchase additional Units in the market, subject to any applicable regulatory requirements and limitations.

Because 1.32% of the NAV per Class T Unit purchased by the Fund will be paid to the Manager as part of the Management Fee, the purchase of Class T Units under the mandatory market purchase program may not be accretive to the Fund and Unitholders of that portion of the Management Fee is not being waived by the Manager. However, as the purchases made under the mandatory market purchase program are being effected at a maximum of 98.50% of the NAV per Class T Unit (calculated as at the latest Valuation Time), they will not be dilutive to the Class T unitholders.

Book-Entry Only System

Registration of interests in and transfers of the Units will be made only through the book-entry only system of CDS. On the date of closing of the Offering, the Fund will deliver to CDS certificates evidencing the aggregate number of Units subscribed for under the Offering. Units must be purchased, transferred and surrendered for redemption only through a CDS participant. All rights of a Unitholder must be exercised through, and all payments or other property to which such Unitholder is entitled will be made or delivered by, CDS and the CDS participant through which the Unitholder holds such Units. Upon a purchase of Units, the holder will receive only the customary confirmation. All distributions in respect of Units will be made by the Fund to CDS, which will be

forwarded by CDS to the CDS participants for forwarding by such CDS participants to the beneficial holders of Units.

None of the Fund, the Trustee, the Manager, the Investment Advisor, the Custodian nor the Agents will have any liability for: (i) any aspect of the records maintained by CDS relating to the beneficial interests in the Units or the book-entry accounts maintained by CDS; (ii) maintaining, supervising or reviewing any records relating to such beneficial ownership interests; or (iii) any advice or representation made by or given by or with respect to CDS, whether contained in this prospectus or otherwise, or made or given with respect to the rules and regulations of CDS or any action taken by CDS or at the direction of the CDS participants. The rules governing CDS provide that it acts as the agent and depository for the CDS participants. As a result, CDS participants must look solely to CDS. Persons, other than CDS participants, having an interest in the Units must look solely to CDS participants for payment made by the Fund to CDS.

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

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

SECURITYHOLDER MATTERS

Meetings of Unitholders

A meeting of Unitholders may be convened by the Manager by a written requisition specifying the purpose of the meeting, and must be convened by the Manager if requisitioned by Unitholders holding not less than 10% of then outstanding Units by a written requisition specifying the purpose of the meeting.

Notice of all meetings of Unitholders will be given in accordance with applicable law. The quorum for a meeting of all Unitholders is two or more Unitholders holding not less than 5% of the outstanding Units (whether Class A Units or Class T Units, represented in person or by proxy at a meeting. If, within 30 minutes of the time called for such meeting, no quorum is present at a meeting convened by the Manager on the requisition of a Unitholder, the meeting will be terminated. In any other case, the meeting will be adjourned to be held on the day that is 14 days after the so adjourned meeting at the same time and place; provided that, if such day is not a business day, the meeting shall be held on the next business day. At the adjourned meeting, the Unitholders then present in person or represented by proxy will form the necessary quorum.

At all meetings of Unitholders, holders of Units of a class will vote as a single class unless the circumstances are such that one class is affected differently, in which case, the holders of Class A Units and Class T Units will vote separately on such matters.

The Fund does not intend to hold annual meetings of Unitholders. However, the Fund will undertake to the TSX to hold annual meetings of Unitholders if so requested by the TSX.

Matters Requiring Unitholder Approval

Subject to matters requiring the approval Unitholders by Extraordinary Resolution (as specified below) or unanimous approval of Unitholders as discussed (discussed under "Unitholder Matters – Amendments to the Declaration of Trust"), any matter to be considered at a meeting of Unitholders (including matters specified in NI 81-102 as requiring Unitholder approval) will require the approval of Unitholders by a resolution passed by holders of more than 50% of the Units voting thereon (an "**Ordinary Resolution**") at a meeting duly convened for the consideration of such matter.

Notwithstanding the foregoing, the following matters may be undertaken only with the approval of Unitholders by a resolution passed by holders of not less than 66²/₃% of the Units voting thereon at a meeting duly convened for the consideration of such matter (an “**Extraordinary Resolution**”):

- (a) any change in the fundamental investment objectives or investment restrictions of the Fund as set forth under “Investment Objectives” and “Investment Restrictions”, respectively, unless such change is necessary to ensure compliance with applicable laws, regulations or other requirements imposed by applicable regulatory authorities from time to time;
- (b) any change of the Manager (other than to an affiliate) or termination of the Management Agreement except in accordance with its terms;
- (c) any change of the Investment Advisor (other than to an affiliate) or termination of the Investment Advisory Agreement other than in circumstances where the Investment Advisor has been removed by the Manager on behalf of the Fund pursuant to the Investment Advisory Agreement;
- (d) any increase in the annual rate of the management fee payable to the Manager;
- (e) the termination of the Fund other than as set forth under the heading “Termination of the Fund”;
- (f) any amendment, modification or variation in the provisions or rights attaching to the Units;
- (g) any treasury issue of a Unit where the net proceeds to the Fund is less than the NAV per Unit, determined on the date prior to the entering into of the commitment by the subscriber to purchase such Units or prior to the pricing of the offering, as the case may be, other than (i) pursuant to any offering of rights, warrants, or options to existing Unitholders to acquire Units from treasury, (ii) pursuant to an issuance of Units as a special distribution of remaining net income or net capital gains on December 31 of any year in order that the Fund generally will not be liable for income tax thereon under the Tax Act, (iii) pursuant to the Offering, or (iv) pursuant to the Reinvestment Plan;
- (h) a reorganization (other than a Permitted Merger (as defined below)) with, or transfer of assets to, a mutual fund trust, if (i) the Fund ceases to continue after the reorganization or transfer of assets; and (ii) the transaction results in Unitholders becoming unitholders in a mutual fund trust;
- (i) a reorganization (other than a Permitted Merger (as defined below)) with, or acquisition of assets of, a mutual fund trust, if (i) the Fund continues after the reorganization or acquisition of assets; (ii) the transaction results in the unitholders of the mutual fund trust becoming Unitholders of the Fund; and (iii) the transaction would be a material change to the Fund;
- (j) a reduction in the frequency of calculating the NAV per Unit;
- (k) any change in the basis of calculating fees or other expenses that are charged to the Fund which could result in an increase in charges to the Fund; and
- (l) any amendment to the above provisions except as permitted by the Declaration of Trust.

A resolution in writing signed by Unitholders holding that number of Units which represent, in the aggregate, not less than the minimum number of votes that would be necessary to carry the resolution at a meeting of Unitholders is as valid as if it had been passed at a meeting of Unitholders.

For greater certainty, changes in the Fund’s targeted distribution amount (including the Target Distribution Amount) or yield levels do not require Unitholder approval.

Permitted Mergers

The Fund may, without obtaining Unitholder approval, enter into a merger or other similar transaction which has the effect of combining the Fund or its assets on a tax-deferred “rollover basis” (a “**Permitted Merger**”) with any other investment fund or funds managed or advised by the Manager or an affiliate thereof that has or have

investment objectives and investment strategies that are substantially the same as the Fund's on an exchange ratio based on the relative NAVs of such funds, subject to NI 81 102 which requires, among other things:

- a) approval of the Permitted Merger by the Fund's independent review committee;
- b) written notice to Unitholders at least 60 days before the effective date of the Permitted Merger;
- c) a special redemption right allowing Unitholders to redeem Units at 100% of the NAV per Unit if they so choose prior to the Permitted Merger (subject to the termination penalty set forth in the Promoter Agreement should the Permitted Merger fall within the 32-month period); and
- d) the merging funds bearing none of the costs associated with the Permitted Merger.

Amendment to the Declaration of Trust

Unless all of the Unitholders consent thereto, no amendment can be made to the Declaration of Trust which would have the effect of reducing the interests in the Fund of the Unitholders, increasing the liability of any Unitholder, or changing the right of any Unitholder to vote at any meeting of the Fund. No amendment may be made to the Declaration of Trust which would have the effect of reducing the fees payable or expenses reimbursable to the Manager or terminating the Manager unless the Manager, in its sole discretion, consents.

The Trustee at the request of the Manager may, without the approval of or notice to Unitholders, amend the Declaration of Trust for certain limited purposes specified therein, including to:

- (a) remove any conflicts or other inconsistencies which may exist between any terms of the Declaration of Trust and any provisions in this prospectus or any provisions of any law or regulation applicable to or affecting the Fund;
- (b) make any change or correction in the Declaration of Trust which is of a typographical nature or is required to cure or correct any ambiguity or defective or inconsistent provision, clerical omission, mistake or manifest error contained therein;
- (c) bring the Declaration of Trust into conformity with (i) applicable laws, rules and policies of Canadian securities regulators or (ii) current practice within the securities or investment fund industries, provided that any amendment contemplated by (ii) does not adversely affect the pecuniary value of the interests of the Unitholders;
- (d) maintain the status of the Fund as a "unit trust" and "mutual fund trust" for the purposes of the Tax Act or to respond to amendments (including proposed amendments) to such Act or to the interpretation thereof;
- (e) terminate the Fund without Unitholder approval as set forth under the heading "Termination of the Fund";
- (f) effect a Permitted Merger as described under the heading "Permitted Mergers";
- (g) create one or more new class or classes of securities of the Fund having rights or privileges inferior to or equal to the outstanding securities of any class and make consequential amendments to the Declaration of Trust related thereto;
- (h) change the name of the Fund; or
- (i) provide added protection or benefit to Unitholders or to the Fund.

Except for changes to the Declaration of Trust which require the approval of Unitholders or changes described above which require neither approval of nor prior notice to Unitholders, the Declaration of Trust may be amended from time to time by the Trustee at the request of the Manager upon not less than 30 days' prior written notice to Unitholders. Such written notice may be given by the Fund by issuing a press release or by publishing an

advertisement containing a summary description of the amendment in at least one major daily newspaper of general and regular paid circulation in Canada, or in any other manner the Manager determines to be appropriate.

Information and Reports to Unitholders

The fiscal year end of the Fund is December 31. The Fund will deliver to Unitholders annual audited and interim unaudited financial statements of the Fund and other reports as from time to time are required by applicable law. Each Unitholder will be mailed annually, within the first 90 days of the year, information necessary to enable such holder to complete a Canadian federal income tax return with respect to amounts paid or payable by the Fund in respect of the preceding taxation year of the Fund. See “Income Tax Considerations”.

Prior to any meeting of Unitholders, the Fund will provide to Unitholders, together with the notice of such meeting, all such information as is required by applicable law to be provided to such Unitholders.

Exchange of Tax Information

Part XVIII of the Tax Act imposes due diligence and reporting obligations on “reporting Canadian financial institutions” in respect of their “U.S. reportable accounts”. The Fund is a “reporting Canadian financial institution” but as long as Units continue to be registered in the name of CDS, the Fund should not have any “U.S. reportable accounts” and, as a result, should not be required to provide information to the CRA in respect of its Unitholders. However, dealers through which Unitholders hold their Units are subject to due diligence and reporting obligations with respect to financial accounts they maintain for their clients. Accordingly, Unitholders may be requested to provide information to their dealer to identify U.S. persons holding Units. If a Unitholder is a U.S. person (including a U.S. citizen) or if a Unitholder does not provide the requested information, Part XVIII of the Tax Act will generally require information about the Unitholder’s investments held in the financial account maintained by the dealer to be reported to the CRA, unless the investments are held within a Plan. The CRA is expected to provide that information to the U.S. Internal Revenue Service.

TERMINATION OF THE FUND

The Fund does not have a fixed termination date. However, the Fund may be terminated at any time by the Trustee upon the request of the Manager, without the approval of Unitholders, if the Manager, in its sole discretion, determines to terminate the Fund because the Manager believes it is no longer economically practical to continue the Fund or because the Manager believes that it would be in the best interests of Unitholders to terminate the Fund. The Fund also may be terminated pursuant to a merger, combination or other consolidation as described under “Unitholder Matters – Permitted Mergers”. Any such merger, combination or other consolidation pursuant to which the Fund is terminated may, although unlikely, be with an entity that is not a reporting issuer, in which case the liquidity of the Unitholder upon the completion of such transaction may be limited; however, prior to effecting any such transaction with a non-reporting issuer, the Fund would offer Unitholders the ability to redeem their Units at a redemption price of 100% of the NAV per Unit.

In the event of the termination of the Fund, the Manager will provide no less than 15 and no more than 90 days’ notice of the date of the termination of the Fund. The date of termination of the Fund is the “**Termination Date**”.

Upon termination of the Fund, the net assets of the Fund (after all liabilities of the Fund have been satisfied or appropriately provided for) will be distributed *pro rata* to the Unitholders of each class based on the NAV of each class of Units. Prior to the Termination Date, the Manager will, to the extent practicable and other than in the event that the Fund is terminated pursuant to a merger, combination or other consolidation, convert the assets of the Fund to cash. The Manager may, in its discretion and upon not less than 30 days prior written notice to Unitholders by press release, extend the Termination Date by a maximum of 180 days if the Manager would be unable to convert all the Fund’s assets to cash and the Manager determines that it would be in the best interests of the Unitholders to do so. Should the liquidation of certain securities not be practicable or should the Manager consider such liquidation not to be appropriate prior to the Termination Date, such securities may be distributed to Unitholders in kind rather than in cash subject to compliance with any securities or other laws applicable to such distributions. In the case of termination pursuant to a merger, combination or other consolidation, the distribution may be made in the securities of the resulting or continuing investment fund. Following any such distribution, the Fund will be dissolved.

USE OF PROCEEDS

The net proceeds from the sale of the Units will be as follows:

	<u>Maximum Offering</u>	<u>Minimum Offering⁽¹⁾</u>
Gross proceeds to the Fund	\$200,000,000	\$20,000,000
Agents' fees ⁽²⁾	Nil	Nil
Estimated expenses of issue	<u>\$600,000⁽³⁾</u>	<u>\$100,000⁽³⁾</u>
Net proceeds to the Fund.....	\$199,400,000	\$19,900,000

Notes:

- (1) There will be no closing unless a minimum of 2,000,000 Units are sold. If subscriptions for a minimum of 2,000,000 Units have not been received within 90 days following the date of issuance of a final receipt for this prospectus, the Offering may not continue unless an amendment to this prospectus has been filed and a receipt therefor has been issued.
- (2) No compensation will be paid by the Fund to the Agents. The Promoter, out of its own account, will pay a fee to the Agents equal to \$0.25 per Class A Unit issued. In addition, the Manager will pay annual deferred compensation to the Agents for a period of time. See "Plan of Distribution".
- (3) The Fund will bear up to a maximum of 0.50% of the gross proceeds of the Offering. The Promoter will bear the expenses of the Offering in excess of 0.50% of the gross proceeds of the Offering.

The Fund will use the net proceeds of this Offering to: (i) invest in U.S. and Canadian dollar denominated securities comprised primarily of U.S. investment grade preferred securities issued primarily by companies in the financial sector in accordance with the Fund's investment objectives, strategy and restrictions as described herein and (ii) fund the ongoing fees and expenses of the Fund as described under "Fees and Expenses".

To the extent that securities of Exchange Eligible Issuers are acquired pursuant to the Exchange Option, the Fund will consider such securities in light of the Fund's investment objectives, strategy and restrictions and also in light of the Manager's outlook for the issuers of such securities and the sectors in which such issuers operate. In the event the Fund determines to sell any such securities based on the foregoing considerations, the timing and manner of any such sales will be made having regard to maximizing value for the Fund. The Fund will ensure that the holdings of such securities comply with the investment restrictions of the Fund set out under "Investment Restrictions".

PLAN OF DISTRIBUTION

Pursuant to an agency agreement dated as of July 30, 2015 (the "**Agency Agreement**") among the Fund, the Manager and National Bank Financial Inc., CIBC World Markets Inc., Scotia Capital Inc., GMP Securities L.P., Canaccord Genuity Corp., Raymond James Ltd., Desjardins Securities Ltd., Dundee Securities Ltd., Global Securities Corporation, Mackie Research Capital Corporation, Manulife Securities Incorporated, PI Financial Corp. and Rothenberg Capital Management Inc. (collectively, the "**Agents**"), the Agents have agreed to offer the Units for sale, as agents of the Fund, on a best efforts basis, if, as and when issued by the Fund. As negotiated between the Agents and the Manager, the Units will be issued at a price of \$10.00 per Unit (payable in cash or securities of Exchange Eligible Issuers pursuant to the Exchange Option) with a minimum purchase of 100 Units. The price per Unit was established by negotiation between the Fund and the Agents. In consideration for their services in connection with this Offering, the Promoter will pay to the Agents a fee of \$0.25 per Class A Unit sold (either for cash or for securities of Exchange Eligible Issuers deposited pursuant to the Exchange Option) under this Offering, substantially all of which is expected to be paid by the Agents to their individual representatives who sold the Class A Units. The Agents also will be reimbursed by the Fund for reasonable out-of-pocket expenses incurred by them. In addition, the Manager will pay to the Agents out of the Management Fee an annual deferred compensation equal to (i) 0.50% of the net asset value of the Fund, and (ii) 1.32% of the aggregate net asset value of all Units that are purchased and cancelled by the Fund during the year under the mandatory market purchase program (the "**Contingent Agents Fee**"). No portion of the annual deferred compensation is expected to be paid by the Agents to their individual representatives. The annual deferred compensation in relation to the Offering will be paid until the aggregate amount of all deferred compensation paid to the Agents in relation to the Offering equals 2.00% of the gross proceeds from the Offering. The Agents may form a sub-agency group including other qualified dealers and determine the fee payable to the members of such group, which fee will be paid by the Agents out of their fees. While the Agents have agreed to use their best efforts to sell the Units offered hereby, the Agents will not be obligated to purchase any Units that are not sold. Under the terms of the Agency Agreement, the Agents may, at

their discretion on the basis of their assessment of the state of the financial markets and upon the occurrence of certain stated events, terminate the Agency Agreement and withdraw all subscriptions for Units on behalf of subscribers.

Subscriptions will be received for the Units offered hereby, subject to rejection or allotment in whole or in part, and the right is reserved to close the subscription books at any time. Closing of this Offering is expected to occur on or about August 21, 2015 and, in any event, no later than 90 days after the issuance of a receipt for the final prospectus. The closing of the Offering is conditional upon receipt of subscriptions for the minimum aggregate number of 2,000,000 Units. If subscriptions for an aggregate minimum of 2,000,000 Units or \$20,000,000 (including securities of Exchange Eligible Issuers deposited and accepted pursuant to the Exchange Option and based on the applicable Exchange Ratio) have not been received within a period of 90 days following the date of issuance of a final receipt for the final prospectus, the Offering may not continue unless an amendment to this prospectus has been filed and a receipt therefor obtained. The Agents will hold funds received from subscribers and if the closing of the Offering has not occurred within 90 days after the issuance of a receipt for the final prospectus, the Offering may be withdrawn in which case subscription proceeds received from prospective purchasers in respect of this Offering will be returned to such purchasers promptly without interest or deduction. The maximum aggregate number of Units which will be sold pursuant to this Offering is an aggregate of 20,000,000 Units.

Registrations, transfers and redemptions of Units will be effected only through the book-entry only system administered by CDS. Beneficial owners of Units will not have the right to receive physical certificates evidencing their ownership. A purchaser of Units will receive a customer confirmation from the registered dealer from or through whom the Units are purchased. All rights of Unitholders must be exercised through, and all payments or other property to which such Unitholder is entitled will be made or delivered by, CDS or the CDS participant through which the Unitholder holds such Units. This prospectus also qualifies the distribution of the right granted by the Fund to the Manager to receive payment of the management fee in Units.

The TSX has conditionally approved the listing of the Class T Units. Listing is subject to the Fund fulfilling all the initial listing requirements of the TSX on or before October 21, 2015, including distribution of the Units to a minimum number of public holders. No application will be made to list the Class A Units.

Pursuant to policy statements of certain Canadian securities regulators, the Agents may not, throughout the period of distribution, bid for or purchase Units. The foregoing restriction is subject to certain exceptions, on the conditions that the bid or purchase not be engaged in for the purpose of creating actual or apparent active trading in, or raising the price of, the Units. Such exceptions include a bid or purchase permitted under applicable by-laws and rules of the relevant self-regulatory authorities relating to market stabilization and passive market making activities and a bid or purchase made for and on behalf of a customer where the order was not solicited during the period of distribution. Pursuant to the first mentioned exception, in connection with this Offering, the Agents may over-allot and effect transactions in connection with their over-allotted position. Such transactions, if commenced, may be discontinued at any time.

The Fund is not a trust company and is not registered under legislation of any jurisdiction governing trust companies as it does not carry on, nor does it intend to carry on, the business of a trust company. The Units are not “deposits” within the meaning of the *Canada Deposit Insurance Corporation Act* and are not insured under the provisions of that Act or any other legislation.

The Agents have agreed that the Agents will not solicit acceptances or offer to sell Units in the United States or its territories or possessions or from United States Persons (as that term is defined in Regulation S under the United States Securities Act of 1933, as amended (the “1933 Act”)) except as permitted by United States securities laws. The Units have not been, and will not be, registered under the 1933 Act. Accordingly, except in limited circumstances, the Units will not be offered, sold or delivered in the U.S.

RELATIONSHIP BETWEEN INVESTMENT FUND AND AGENTS

National Bank Financial Inc., which is one of the Agents and the Promoter, is an affiliate of a Canadian chartered bank and has been requested to provide the Fund with the Loan Facility or Prime Brokerage Facility, the proceeds of which would be used by the Fund for various purposes, including purchasing additional securities for the Portfolio, effecting market purchases of Units, maintaining liquidity and funding redemptions. See “Interest of

Manager and Others in Material Transactions”. Finally, NBCN Inc., the Custodian, is an affiliate of National Bank Financial Inc.

Therefore, the Fund may be considered to be a “connected issuer” of National Bank Financial Inc. under Canadian securities legislation. National Bank Financial Inc. was involved, together with the other Agents, in the decision of the Fund to undertake the Offering and the determination of the terms of the distribution. National Bank Financial Inc. will receive no benefit in connection with the Offering other than the Promoter Fee and a portion of the Agents’ fee described under “Fees and Expenses”. See “Plan of Distribution” and “Fees and Expenses”.

INTEREST OF MANAGER AND OTHERS IN MATERIAL TRANSACTIONS

The Manager, the Investment Advisor, the Promoter and the Trustee will receive the fees described under “Fees and Expenses – Fees and Expenses Payable by the Fund” for their respective services to the Fund and will be reimbursed by the Fund for all reasonable expenses and liabilities incurred in connection with such services.

The interest rates, fees and expenses under the Loan Facility or Prime Brokerage Facility, as applicable, will be typical of credit facilities of that nature and the Fund expects that the Lender will require the Fund to provide a security interest in favour of the Lender over the assets held by the Fund to secure such borrowings. See “Investment Strategy – Leverage”.

PROXY VOTING POLICY

The Investment Advisor votes proxies with respect to the non-Canadian portion of the Portfolio in accordance with its policies and procedures in effect from time to time. The Investment Advisor’s Proxy Voting Committee (“PVC”) provides oversight of the Investment Advisor’s proxy voting policies and procedures, including providing an administrative framework to facilitate and monitor the exercise of such proxy voting, and to fulfill obligations of reporting and recordkeeping.

The Investment Advisor has approved and adopted the proxy voting policies of an independent third party, Institutional Shareholder Services, Inc. (“ISS”), a leading provider of proxy voting administrative and research services. As a result, such policies set forth the Investment Advisor’s positions on recurring proxy issues and criteria for addressing non-recurring issues. These policies are reviewed periodically by ISS, and therefore are subject to change. Even though it has adopted ISS’s policies, The Investment Advisor maintains the fiduciary responsibility for all proxy voting decisions. From time to time, a portfolio manager may initiate action to override ISS’s recommendation for a particular vote. Any such override will be reviewed by the Investment Advisor’s legal department for material conflicts. If the legal department determines that no material conflicts exist, the approval of a member of the PVC (or a respective designee) shall authorize the override. If a material conflict exists, the conflict, and ultimately the override recommendation, will be addressed pursuant to the procedures described below. The Investment Advisor’s policy permits it to refrain from voting where it determines that it would be in the client’s overall best interest not to vote. In special circumstances, as an alternative to reliance on an independent third party, the Investment Advisor may vote a proxy with the consent or based on the instructions of the client or its representative. Day-to-day administration of proxy voting may be provided internally or by a third party service provider, depending on client type, subject to the ultimate oversight of the PVC.

The Manager votes proxies with respect to the Canadian portion of the Portfolio in accordance with its established policies and procedures with respect to the voting of proxies (the “**Proxy Voting Guidelines**”) received from issuers of securities held in a fund’s portfolio. The Proxy Voting Guidelines provide that the Manager will vote (or refrain from voting) proxies for each fund for which it has voting power in the best economic interests of the Fund. The Proxy Voting Guidelines are not exhaustive and due to the variety of proxy voting issues that the Manager may be required to consider, are intended only to provide guidance and are not intended to dictate how proxies are to be voted in each instance. The Manager may depart from the Proxy Voting Guidelines in order to avoid voting decisions that may be contrary to the best interests of the Fund.

The proxies associated with securities held by the Fund will be voted in accordance with the best interests of the Fund determined at the time the vote is cast. The Manager maintains policies and procedures that are designed to be guidelines for the voting of proxies; however, each vote is ultimately cast on a case-by-case basis taking into consideration the relevant facts and circumstances at the time of the vote.

The Manager's proxy voting policies and procedures set out various considerations that the Manager will address when voting, or refraining from voting, proxies, including that:

- a) the Manager will generally vote with management on routine matters such as electing corporate directors, appointing external auditors and adopting or amending management compensation plans unless it is determined that supporting management's position would not be in the best interests of the securityholders;
- b) the Manager will address on a case-by-case basis, non-routine matters, including those business issues specific to the issuer or those raised by securityholders of the issuer with a focus on the potential impact of the vote on the NAV of the Fund; and
- c) the Manager has the discretion whether or not to vote on routine or non-routine matters. In cases where the Manager determines that it is not in the best interests of the securityholders to vote, or in cases where no value is added by voting, the Manager will not be required to vote.

The Fund's proxy voting record for each calendar year will be available at no cost to any Unitholder upon request and at www.purposeinvest.com at any time after August 31 of the following calendar year.

MATERIAL CONTRACTS

Other than contracts entered into in the ordinary course of business, the following contracts can reasonably be regarded as material to purchasers of Units:

- (a) the Declaration of Trust described under "Overview of the Structure of the Fund", "Organization and Management Details of the Fund – The Trustee", and "Unitholder Matters";
- (b) the Management Agreement described under "Organization and Management Details of the Fund – Details of the Management Agreement";
- (c) the Investment Advisory Agreement described under "Organization and Management Details of the Fund - Details of the Investment Advisory Agreement";
- (d) the Promoter Agreement described under "Organization and Management Details of the Fund – Promoter";
- (e) the Custodian Agreement referenced under "Organization and Management Details of the Fund – Custodian"; and
- (f) the Agency Agreement described under "Plan of Distribution".

Copies of the agreements referred to above, after the execution thereof, may be inspected during business hours at the principal office of the Fund during the course of distribution of the Units offered hereby.

EXPERTS

The matters referred to under "Income Tax Considerations" and certain other legal matters relating to the securities offered hereby will be passed upon by Fasken Martineau DuMoulin LLP on behalf of the Fund and the Agents.

Ernst & Young LLP has issued an independent auditor's report dated July 30, 2015 on the statement of financial position of the Fund as at July 30, 2015.

As of the date of this prospectus, none of these professional firms has any registered or beneficial interest, direct or indirect, in the Units.

PURCHASERS' STATUTORY RIGHTS OF WITHDRAWAL AND RESCISSION

Securities legislation in certain of the provinces and territories of Canada provides purchasers with the right to withdraw from an agreement to purchase securities. This right may be exercised within two business days after receipt or deemed receipt of a prospectus and any amendment. In several of the provinces and territories, the securities legislation further provides a purchaser with remedies for rescission or, in some jurisdictions, revisions of the price or damages if the prospectus and any amendment contains a misrepresentation or is not delivered to the purchaser, provided that the remedies for rescission, revisions of the price or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province or territory. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province or territory for the particulars of these rights or consult with a legal advisor.

INDEPENDENT AUDITOR'S REPORT

To the Trustee of
Investment Grade Managed Duration Income Fund

We have audited the accompanying financial statement of Investment Grade Managed Duration Income Fund (the “**Fund**”), which comprises the statement of financial position as at July 30, 2015, and a summary of significant accounting policies and other explanatory information.

Management’s Responsibility for the Financial Statement

Management is responsible for the preparation and fair presentation of this financial statement in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor’s Responsibility

Our responsibility is to express an opinion on this financial statement based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statement is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statement. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the financial statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity’s preparation and fair presentation of the financial statement in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity’s internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statement.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statement presents fairly, in all material respects, the financial position of the Fund as at July 30, 2015 in accordance with International Financial Reporting Standards.

(signed) “*Ernst & Young LLP*”
Chartered Professional Accountants, Chartered Accountants
Licensed Public Accountants
Toronto, Ontario
July 30, 2015

Investment Grade Managed Duration Income Fund

STATEMENT OF FINANCIAL POSITION

As at July 30, 2015

Assets

Cash	\$ <u>10</u>
	<u>\$ 10</u>

Unitholder's Equity

Net assets attributable to holders of redeemable units (Notes 1 and 3)	\$ <u>10</u>
	<u>\$ 10</u>

The accompanying notes are an integral part of this financial statement.

Approved by the Manager

By: (signed) *Som Seif*
Director

By: (signed) *Scott Bartholomew*
Director

Investment Grade Managed Duration Income Fund

NOTES TO STATEMENT OF FINANCIAL POSITION July 30, 2015

1. FORMATION OF THE FUND

Investment Grade Managed Duration Income Fund (the “**Fund**”) is an investment fund established as a trust under the laws of the Province of Ontario pursuant to a declaration of trust dated July 30, 2015. The manager of the Fund is Purpose Investments Inc. (in such capacity, the “**Manager**”). Purpose Investments Inc. is the trustee of the Fund (in such capacity, the “**Trustee**”). Nuveen Asset Management, LLC (the “**Investment Advisor**”), will provide investment advisory services, including advice in respect of asset mix and securities selection for the non-Canadian portion of the Portfolio (as defined below), subject to the Fund’s investment restrictions. The Fund is authorized to issue an unlimited number of units, including Class A Units and Class T Units (the “**Units**”). On July 30, 2015, the Fund issued one Class A Unit for \$10.00 cash.

The Fund’s investment objectives are to,

- (i) provide holders of Units (“**Unitholders**”) with a stable stream of monthly distributions;
- (ii) preserve the net asset value per Unit; and
- (iii) reduce the risk of rising interest rates by managing portfolio duration,

by investing primarily in U.S. and Canadian dollar denominated investment grade preferred securities.

To achieve its investment objectives, the Fund will invest in a portfolio of U.S. and Canadian dollar denominated securities comprised primarily of U.S. investment grade preferred securities of issuers that the Investment Advisor (as defined below) (with respect to the non-Canadian portion) or the Manager (as defined below) (with respect to the Canadian portion) believes have strong fundamentals and are priced at attractive relative valuations (the “**Portfolio**”) and will be actively managed by the Investment Advisor or the Manager, respectively. Preferred securities are primarily issued by companies in the financial sector and, to a lesser degree, by companies in other sectors, such as industrials and utilities.

The Fund will seek to reduce the risk of rising interest rates by managing the portfolio duration over time. The Fund is expected to maintain a weighted average Portfolio target duration (as described below) of no more than four years for at least 18 months following the closing of the Offering and not more than six years thereafter.

Currently the Investment Advisor believes that the financial services sector offers attractive opportunities based on historically strong fundamentals across the financial services sector, and as a result of intense new bank regulation and capital requirements mandated by the Dodd-Frank Act and Basel III regulatory framework.

The Fund will be entitled to utilize leverage, through borrowings (such as through a loan facility (the “**Loan Facility**”) and a prime brokerage facility (the “**Prime Brokerage Facility**”), through the use of derivatives or a combination of both, in an amount not exceeding 25% of the value of the total assets of the Fund for the purposes of purchasing additional securities for the Portfolio.

The Loan Facility or Prime Brokerage Facility, as applicable, will also permit the Fund to borrow an amount not exceeding 5% of the value of the total assets of the Fund for various purposes, including effecting market purchases of Class T Units, maintaining liquidity and funding redemptions.

The Fund initially intends to borrow approximately 20% of the value of the total assets of the Fund for the purpose of purchasing additional securities for the Portfolio.

The statement of financial position has been prepared in accordance with International Financial Reporting Standards (“IFRS”).

2. MANAGEMENT FEES AND OTHER EXPENSES

The Manager, as the manager of the Fund, is responsible for managing the business and day-to-day operations of the Fund and is entitled to a management fee equal to the sum of (i) 0.85% of the net asset value of the Fund, plus applicable taxes, calculated daily and payable monthly, and (ii) an amount equal to the Contingent Agents Fee, plus applicable taxes. The portion of the management fee described in (ii) above will be waived by the Manager from time to time during such periods when it is under no obligation to be compensating registered dealers for selling Units (either under its initial public offering of Units or a future distribution of Units).

“**Contingent Agents Fee**” means the annual deferred compensation paid by the Manager to the Agents equal to 1.32% of the aggregate net asset value of all Units that are purchased and cancelled by the Fund during the year under the mandatory market purchase program.

The Fund will pay to National Bank Financial Inc. 0.25% per annum of the NAV of the Fund attributable to the Class T Units, calculated daily and payable quarterly until August 21, 2025, and 1.25% per annum of the NAV of the Fund attributable to the Class A Units, calculated daily and payable quarterly (collectively, the “**Promoter Fee**”), plus applicable taxes.

The Fund also will be responsible for commissions and other costs of Portfolio transactions, debt service and costs relating to any loan facility or prime brokerage facility, as applicable, entered into by the Fund and all liabilities and any extraordinary expenses which it may incur from time to time. The Investment Advisor will be remunerated by the Manager out of the Management Fee.

3. RELATED PARTY TRANSACTIONS

The Fund will pay the Manager an annual management fee (the “**Management Fee**”) equal to the sum of (i) 0.85% of the NAV of the Fund, plus applicable taxes, calculated daily and payable monthly, and (ii) an amount equal to the Contingent Agents Fee, plus applicable taxes. The portion of the Management Fee described in (ii) above will be waived by the Manager from time to time during such periods when it is under no obligation to be compensating registered dealers for selling Units (either under this Offering or a future distribution of Units).

The Manager may, from time to time, in its sole discretion, pay all or a portion of any costs and expenses which would otherwise be payable by the Fund.

CERTIFICATE OF THE FUND, THE MANAGER AND THE PROMOTER

Dated: July 30, 2015

This prospectus constitutes full, true and plain disclosure of all material facts relating to the securities offered by this prospectus as required by the securities legislation of the provinces and territories of Canada.

**INVESTMENT GRADE MANAGED DURATION INCOME FUND
by its Manager, Purpose Investments Inc.**

(signed) *Som Seif*
Chairman of the Board and
Chief Executive Officer

(signed) *Scott Bartholomew*
Executive Vice President and
Chief Financial Officer

**On Behalf of the Board of Directors of
Purpose Investments Inc.**

(signed) *Som Seif*
Director

(signed) *Scott Bartholomew*
Director

(signed) *Dan Rubin*
Director

**PURPOSE INVESTMENTS INC.
as Manager and promoter**

(signed) *Som Seif*
Chairman of the Board and
Chief Executive Officer

**The Promoter
NATIONAL BANK FINANCIAL INC.**

(signed) *Timothy Evans*
Managing Director

CERTIFICATE OF THE AGENTS

Dated: July 30, 2015

To the best of our knowledge, information and belief, this prospectus constitutes full, true and plain disclosure of all material facts relating to the securities offered by this prospectus as required by the securities legislation of the provinces and territories of Canada.

NATIONAL BANK FINANCIAL INC.

CIBC WORLD MARKETS INC.

SCOTIA CAPITAL INC.

(signed) *Timothy Evans*

(signed) *Michael D. Shuh*

(signed) *Robert Hall*

GMP SECURITIES L.P.

CANACCORD GENUITY CORP.

RAYMOND JAMES LTD.

(signed) *Andrew Kiguel*

(signed) *Ron Sedran*

(signed) *J. Graham Fell*

DESJARDINS SECURITIES
INC.

DUNDEE SECURITIES LTD.

GLOBAL SECURITIES
CORPORATION

MACKIE RESEARCH
CAPITAL CORPORATION

(signed) *Naglaa Pacheco*

(signed) *Aaron Unger*

(signed) *Adam Garvin*

(signed) *David J. Keating*

MANULIFE SECURITIES
INCORPORATED

PI FINANCIAL CORP.

ROTHENBERG CAPITAL
MANAGEMENT INC.

(signed) *David MacLeod*

(signed) *Trina Wang*

(signed) *Robert Rothenberg*