

## OFFERING MEMORANDUM

Dated April 23, 2020

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**Offering Series F Units, Series A Units, Series C Units and Series O Units:**

**CANSO CORPORATE VALUE FUND**

**CANSO CORPORATE BOND FUND**

**CANSO CANADIAN BOND FUND**

**CANSO SHORT TERM AND FLOATING RATE INCOME FUND**

(each a **Fund** and collectively the **Funds**)

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This Offering Memorandum constitutes an offering of these securities and to those persons to whom they may be lawfully offered for sale. **No securities commission or similar regulatory authority in Canada has reviewed this Offering Memorandum or has in any way passed upon the merits of the securities offered hereunder and any representation to the contrary is an offence.** No prospectus has been filed with any such authority in connection with the securities offered hereunder. This Offering Memorandum is confidential and is provided to specific prospective investors for the purpose of assisting them and their professional advisors in evaluating the securities offered hereby and is not to be construed as a prospectus or advertisement or a public offering of these securities. No person is authorized to give any information or make any representation not contained in this Offering Memorandum in connection with the offering of the securities described herein and, if given or made, any such information or representation may not be relied upon.

The Funds and the securities offered under this Offering Memorandum are not registered with the United States Securities and Exchange Commission and may not be offered or sold in the United States.

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## SUMMARY

- The Funds** Each of the Funds listed on the first page is an open-end investment trust established under the laws of Ontario.
- Units Offered** An unlimited number of multiple series of units of a Fund (each, a “Unit” and together, the “Units”) offered hereby on a continuous basis in Canadian dollars. Each Unit within a particular series will be of equal value; however, the value of a Unit in one series may differ from the value of a Unit in another series. Each series shall have the attributes and characteristics as set out under the heading “The Offering” below.
- Price per Unit** The price per Unit shall be equal to the Net Asset Value (“Net Asset Value”) per Unit of the applicable Series (“Series Net Asset Value per Unit”) at the Valuation Time (defined below) on the applicable Valuation Date (defined below). The Trustee intends to offer Units only on each Valuation Date although it retains the right to cease distribution of Units of any or all Series at any time, in its sole discretion.
- Minimum Individual Subscription** The Units are being distributed only pursuant to available exemptions in each province and territory of Canada to (a) investors who are accredited investors under *National Instrument 45-106*, (b) investors that are not individuals and that invest a minimum of \$150,000 in a Fund, and (c) investors to whom Units may otherwise be sold. The minimum initial investment in any Series of Units of a Fund is Cdn. \$150,000 or such lesser amount as is permitted by securities legislation and approved by the Trustee. Additional investments may be made at the discretion of the Trustee, subject to a minimum subsequent investment amount established by the Trustee from time to time and applicable securities legislation.
- The Trustee** Canso Fund Management Ltd. (the “Trustee”) is a corporation amalgamated under the laws of Ontario. The Trustee has ultimate responsibility for the business and

undertaking of the Funds in accordance with the terms of the Master Declaration (defined below). The Trustee has engaged the Manager to manage the Funds on a day-to-day basis, including management of a Fund's portfolio and distribution of the Units of the Funds.

**The Manager** Canso Fund Management Ltd. (the "Manager") is a corporation amalgamated under the laws of Ontario. The Trustee has engaged the Manager to direct the day-to-day business, operations and affairs of each Fund. The Manager has the right to appoint investment advisers, including an affiliate, to assist it in performing its obligations, pursuant to management agreements between each Fund.

**The Investment Manager** Canso Investment Counsel Ltd. (the "Investment Manager") is a corporation incorporated under the laws of Ontario corporation and registered as a portfolio manager and exempt market dealer in each of the provinces of Canada. The Investment Manager assumes the responsibility for the investment management of the Funds as appointed by the Manager, pursuant to investment management agreements between each Fund, the Manager and the Investment Manager.

**Unitholders** Eligible investors become unitholders of a Fund by acquiring interests in the Fund as Units (the "Unitholders").

**The Offering** Investment in a Fund is made by subscribing for Units of Series A, Series F, Series C or Series O (individually and collectively, the "Series"). Series F Units and Series A Units are available to all eligible investors. Series C Units are available to eligible investors who meet certain investment criteria determined by the Manager from time to time. Series O Units are available to eligible investors who wish to apply management fees outside the Funds as approved by the Manager. Each Series of Units is subject to different management fees. See "Eligible Investors" section beginning on page 13.

**Investment Objective** Each Fund has adopted an investment objective and investment strategies that are

described in detail in Schedule “B” under the heading “Fund Specific Information” beginning on page 41.

**Risk** Investment in each Fund involves certain risks and considerations which investors should evaluate before making a decision to acquire Units of each Fund. See “Risk Factors” on page 20.

**Valuation Date and Valuation Time** A valuation date is any business day selected by the Trustee from time to time provided that no less than one Valuation Date shall be selected by the Trustee in each calendar month (“Valuation Date”). The valuation time is set at 4:00 p.m. (Eastern Time) on each applicable Valuation Date (“Valuation Time”).

**Distributions** In general, net income of each Fund is calculated and distributed to each Series, as applicable, on a quarterly basis each year. In general, net realized capital gains are calculated and distributed to each Series, as applicable, as of December 31 of each year. The Manager may, however, distribute net income and net realized capital gains at any time during the year in its discretion. Distributions will be reinvested in additional Units of the same Series of each Fund unless the Trustee has received written instructions to the contrary. See “Computation and Distributions of Income and Gains” on page 18.

**Redemptions** Units of any Series of a Fund may be redeemed at the Series Net Asset Value per Unit as of each Valuation Date as at the Valuation Time. Where the amount to be redeemed exceeds 10% of the market value of the Fund, the redemption will be processed only upon 5 business days’ notice (or such shorter period as is approved by the Trustee). In certain circumstances, the Trustee may suspend redemptions as set out in the Master Declaration (defined below). See “Redemption of Units” on page 17.

**Income Tax Considerations** In general, each Fund will distribute in each year its net income and net realized capital gains so that it will not be liable for tax under Part I of the *Income Tax Act*

(Canada) (the “Tax Act”). See “Canadian Federal Income Tax Considerations” on page 19.

**Transfer or Resale**

Units may only be transferred with the consent of the Manager and transfers will generally not be permitted. The transfer or resale of Units (which does not include a redemption of Units) is also subject to restrictions under applicable securities legislation. See “Transfer and Resale Restrictions” on page 25.

**Fees and Expenses**

Each Fund is responsible for its own expenses. In its discretion, the Manager or the Investment Manager may pay certain of the expenses of the Funds or any Series, but any such payment shall not oblige the Manager or the Investment Manager to make similar future payments.

Each Fund shall pay the Manager a management fee in respect of each Series of Units of the Fund as follows:

<b>Fund Name</b>	<b>Series F Units</b>	<b>Series A Units</b>	<b>Series C Units</b>
Canso Corporate Value Fund	0.65%	1.40%	0.50%
Canso Corporate Bond Fund	0.60%	1.35%	0.40%
Canso Canadian Bond Fund	0.55%	1.30%	0.40%
Canso Short Term and Floating Rate Income Fund	0.45%	0.95%	0.30%

The Funds shall not pay the Manager a fee in respect of Series O Units of the Funds. Unitholders holding Series O Units of a Fund pay management fees outside of the Fund.

In the case of cash purchases and cash redemptions of Units, the Trustee may assess a Unitholder the estimated brokerage and related expenses incurred as a result of

such purchase or redemption. See “Fees and Expenses” on page 11.

**Short-Term  
Trading**

The Funds may also charge a Unitholder a fee of up to 2% of the value of the Series Net Asset Value per Unit of the Fund redeemed or switched if the Unitholder engages in short-term trading, as defined on page 18. This fee is paid to the Fund and is in addition to any other fees that may apply.

**Sales  
Commissions**

Units are offered for purchase without sales commission charged by the Manager. A broker or dealer may charge an investor a negotiable sales commission or other fee to buy, switch or sell Series F Units, Series A Units, Series C Units or Series O Units of a Fund. This negotiable sales commission may be paid by an investor to their broker or dealer. See “Sales Commissions” on page 12.

**Trailing  
Commissions**

Trailing commissions may be paid to brokers and dealers to compensate them for providing ongoing services to investors who hold Series A Units. No trailing commissions are paid for Series F Units, Series C Units or Series O Units of the Funds. See “Trailing Commissions” on page 13.

## THE FUNDS

Each Fund is an open-end investment trust governed under an amended and restated Master Declaration of Trust dated November 30, 2016, as amended from time to time, under the laws of the Province of Ontario (the “Master Declaration”). A copy of the Master Declaration is available from the Manager upon request.

The head office of the Trustee and the Funds is located at Suite 550, 100 York Boulevard, Richmond Hill, Ontario L4B 1J8.

## THE TRUSTEE

The Trustee is a corporation amalgamated under the laws of Ontario. The Trustee has ultimate responsibility for the business and undertaking of the Funds in accordance with the terms of the Master Declaration. The Trustee has engaged the Manager to manage the Funds on a day-to-day basis, including management of a Fund’s portfolio and distribution of the Units of the Funds.

## THE MANAGER

The Trustee has engaged the Manager to direct the day-to-day business, operations and affairs of each Fund. The Manager has the right to appoint investment advisers, including an affiliate, to assist it in performing its obligations, pursuant to management agreements between each Fund, (individually a “Management Agreement” and collectively, “Management Agreements”). For details of the Management Agreements, see “Fund Specific Information” of each Fund beginning on page 41.

The Manager is a corporation amalgamated under the laws of Ontario. The principal place of business of the Manager is 100 York Boulevard, Suite 550, Richmond Hill, Ontario L4B 1J8. The name, position(s) and municipality of residence of each of the directors and officers of the Manager appear below. Unless otherwise stated, all directors and officers have been associated with their respective companies in the specified capacity for more than five years.

<b>Name and Municipality of Residence</b>	<b>Office</b>	<b>Principal Occupation</b>
John P. Carswell Richmond Hill, Ontario	Director	President and Chief Investment Officer, Canso Investment Counsel Ltd.
Heather Mason-Wood Richmond Hill, Ontario	Director	Chief Strategy and Operating Officer and Portfolio Manager, Canso Investment Counsel Ltd. since June 2019; prior thereto, Chief Compliance Officer and Portfolio Manager, Canso Investment Counsel Ltd.

B. Richard Usher-Jones Toronto, Ontario	Director	Portfolio Manager, Canso Investment Counsel Ltd. and President, Lysander Funds Limited.
Timothy Hicks Toronto, Ontario	President and Director	President, Canso Fund Management Ltd. and Portfolio Manager, Canso Investment Counsel Ltd.; prior thereto Chief Compliance Officer, Canso Fund Management Ltd.
Elizabeth Sit Richmond Hill, Ontario	Vice President	Director – Securities Administration, Canso Investment Counsel Ltd; prior thereto, Vice-President – Securities Operations, Canso Investment Counsel Ltd.
Brian Carney Toronto, Ontario	Vice President	Portfolio Manager, Canso Investment Counsel Ltd.; and Chief Executive Officer and President of Canso Select Opportunities Corporation since February 2018.
Shirley Sumsion Newmarket, Ontario	Vice President and Corporate Secretary	Vice President - Finance & Corporate Operations, Canso Investment Counsel Ltd. since July 2015 and Chief Financial Officer of Canso Select Opportunities Corporation since February 2018; prior thereto, Partner, Hennick Herman LLP from 1995 to 2015.
Neda Bizzotto King City, Ontario	Chief Compliance Officer	Chief Compliance Officer, Canso Fund Management Ltd. since February 2020, General Counsel, Canso Investment Counsel Ltd., Vice-President and Corporate Secretary of Canso Select Opportunities Corporation since February 2018; prior thereto, Lawyer, Borden Ladner Gervais LLP from 2004 to 2015.

### **THE INVESTMENT MANAGER**

The Manager has appointed the Investment Manager to assume the responsibility for the investment management of the Funds pursuant to investment management agreements between each Fund, the Manager and the Investment Manager (individually an “Investment Management Agreement” and collectively, “Investment Management Agreements”). For details on the Investment Management Agreements, see “Fund Specific Information” of each Fund beginning on page 41. The Investment Manager has the right to appoint one or more sub-advisers, including affiliates, to assist it in performing its obligations.

The Investment Manager was incorporated as an Ontario corporation in 1997 and carries on business as a portfolio manager in the province of Ontario. The name, positions and municipality of residence of each of the directors and officers of the Investment Manager appear below. Unless otherwise stated, all directors and officers have been associated with their respective companies in the specified capacity for more than five years.

<b>Name and Municipality of Residence</b>	<b>Office</b>	<b>Principal Occupation</b>
John P. Carswell Richmond Hill, Ontario	President, Chief Investment Officer, Director	President and Chief Investment Officer, Canso Investment Counsel Ltd.
Kim Carswell Richmond Hill, Ontario	Director	Director, Canso Investment Counsel Ltd.
Gail Mudie Richmond Hill, Ontario	Portfolio Manager, Director	Portfolio Manager, Canso Investment Counsel Ltd.
Heather Mason-Wood Richmond Hill, Ontario	Chief Strategy and Operating Officer, Portfolio Manager, Director	Chief Strategy and Operating Officer, Canso Investment Counsel Ltd., since June 2019; prior thereto, Chief Compliance Officer and Portfolio Manager, Canso Investment Counsel Ltd.
Vivek Verma Markham, Ontario	Portfolio Manager	Portfolio Manager, Canso Investment Counsel Ltd.
Elizabeth Sit Richmond Hill, Ontario	Director – Securities Operations	Director – Securities Operations, Canso Investment Counsel Ltd.; prior thereto, Vice-President – Securities Operations, Canso Investment Counsel Ltd.
B. Richard Usher-Jones Toronto, Ontario	Portfolio Manager	Portfolio Manager, Canso Investment Counsel Ltd. and President, Lysander Funds Limited.
Joseph Morin Mississauga, Ontario	Portfolio Manager	Portfolio Manager, Canso Investment Counsel Ltd.
Timothy Hicks Toronto, Ontario	Portfolio Manager	Portfolio Manager, Canso Investment Counsel Ltd. and President, Canso Fund Management Ltd.
Brian Carney Toronto, Ontario	Portfolio Manager	Portfolio Manager, Canso Investment Counsel Ltd. and Chief Executive Officer and President of Canso Select Opportunities Corporation since February 2018.
Jeff Carter Toronto, Ontario	Chief Compliance Officer	Chief Compliance Officer and Portfolio Manager, Canso Investment Counsel Ltd.

		since June 2019; prior thereto, Portfolio Manager, Canso Investment Counsel Ltd. since April 2015.
Shirley Sumsion Newmarket, Ontario	Vice President - Finance & Corporate Operations	Vice President - Finance & Corporate Operations and Corporate Secretary, Canso Investment Counsel Ltd. since July 2015 and Chief Financial Officer of Canso Select Opportunities Corporation since February 2018; prior thereto, Partner, Hennick Herman LLP from 1995 to 2015.
Harold Won	Vice President – Securities Operations	Vice President – Securities Operations, Canso Investment Counsel Ltd.

The Trustee, Manager and Investment Manager are or may become involved in the management of other trusts and the provision of similar services to other entities. Certain officers and directors of the Manager and/or its affiliates and associates may purchase and hold Units of each Fund and the securities of related issuers and underlying funds from time to time.

#### **FEES AND EXPENSES**

Each Fund is responsible for its own expenses. Each Fund shall pay the Manager a fee in respect of each Series of Units of the Fund in accordance with the terms of its Management Agreement (the “Management Fee”).

The Management Fee accrues daily, is paid quarterly, other than Canso Short Term and Floating Rate Fund which is paid monthly, in arrears by each Fund and is calculated at the following annual rates (% of the net asset value of a Fund) according to each Fund:

<b>Fund Name</b>	<b>Series F Units</b>	<b>Series A Units</b>	<b>Series C Units</b>
Canso Corporate Value Fund	0.65%	1.40%	0.50%
Canso Corporate Bond Fund	0.60%	1.35%	0.40%
Canso Canadian Bond Fund	0.55%	1.30%	0.40%
Canso Short Term and Floating Rate Income Fund	0.45%	0.95%	0.30%

No Management Fee is applicable to the net asset value of a Fund allocated to Series O Units. Unitholders holding Series O Units pay management fees outside of the Fund. For details on the Management Agreements, please see “Fund Specific Information” for each Fund beginning on page 41.

In the event that the Manager agrees to accept a reduction in the Management Fee charged to a Fund with respect to the Units held by a Unitholder and/or to provide a rebate in respect of all or any portion of the Unitholder's share of the Fund's operating expenses on condition that an amount equal to such reduction in the fees and/or expenses otherwise payable by the Fund is paid to the Unitholder, the Manager shall distribute an amount equal to such reduction to such Unitholder (a "Management Fee Distribution"). Management Fee Distributions will be calculated on each Valuation Date and distributed at such intervals as prescribed from time to time by the Trustee and will be payable out of net income and net realized capital gains of the applicable series of the Fund for the taxation year with respect to which the Management Fee Distributions are made to the extent so that the Fund will not have any obligation to pay tax under Part I of the Tax Act after taking into account any entitlement to a capital gains refund under the Tax Act, and otherwise out of capital of the particular series.

For the Investment Manager's investment management services in respect of the Funds, the Manager will pay the Investment Manager a fee out of its Management Fee in accordance with the Investment Management Agreement of each Fund. For details on the Investment Management Agreements, please see "Fund Specific Information" for each Fund beginning on page 41.

The Trustee's fee for providing trustee services to a Fund are paid by the Fund and will be as agreed between the Trustee and the Manager.

### **Expenses**

Reasonable expenses incurred in the administration of the Funds, including the custodial, legal and audit fees, bookkeeping charges and charges paid in connection with providing information, together with any applicable taxes, are paid by the Funds. The Funds are also responsible for the organizational expenses associated with the formation and creation of the Funds. Actual and estimated expenses of a Fund are applied daily against the Series Net Asset Value per Unit of the Fund. From time to time, the Manager or the Investment Manager, in their discretion, or any other person approved by the Manager or the Investment Manager, may pay the expenses of a Fund or any Series, provided that any such payments shall not create an obligation on the Manager, the Investment Manager, or any other person, to make similar payments in the future and such payments, if commenced, may be discontinued at any time, in whole or in part, without the consent of, or notice to, Unitholders.

### **Sales Commissions**

Units are offered for purchase without sales commission charged by the Manager. A broker or dealer may charge an investor a negotiable sales commission or other fee to buy, switch or sell Series F Units, Series A Units, Series C Units or Series O Units of a Fund. This negotiable sales commission may be paid by an investor to their broker or dealer. Except as otherwise disclosed, all monies invested will be invested in Units of the relevant Series of a Fund. All purchases must be made in Canadian dollars. The Trustee reserves the right to accept or reject any subscription for Units.

## **Trailing Commissions**

Trailing commissions may be paid to brokers and dealers to compensate them for providing ongoing services to Unitholders who hold Series A Units. These fees are calculated as an annual percentage of the average daily value of the Units held by the Series A Unitholders and are paid monthly by the Manager. The maximum service is 1% on the Series A Units for a Fund, other than Canso Short Term and Floating Rate Income Fund, which is 0.5%. Trailing commissions are exclusive of any applicable taxes. No trailing commissions are paid on Series F Units, Series C Units or Series O Units of the Funds.

## **INVESTMENT OBJECTIVES AND STRATEGIES**

Each Fund has adopted an investment objective and investment strategies that are described in detail in Schedule “B” under the heading “Fund Specific Information” beginning on page 41.

## **ELIGIBLE INVESTORS**

Units are being offered in reliance on exemptions from the prospectus requirements of applicable securities laws. Units are being offered on a continuous basis to investors resident in the provinces and territories of Canada who:

- (a) are accredited investors under *National Instrument 45-106 – Prospectus Exemptions* (“NI 45-106”) or section 73.3 of the *Securities Act (Ontario)*, as may be amended from time to time (an “Accredited Investor”);
- (b) are not individuals and that invest each a minimum of \$150,000; or
- (c) those to whom Units may otherwise be sold.

Unless an investor can establish to the Manager’s satisfaction that another exemption is available, subscribing for Units will generally require that each investor is investing as principal (and not for or on behalf of any other persons) and is either (i) an Accredited Investor; or (ii) is not an individual and is investing a minimum amount of \$150,000.

## **Accredited Investors**

A list of criteria to qualify as an Accredited Investor is set out in the subscription agreement or other purchase agreement delivered with this Offering Memorandum and generally includes individuals who have net assets of at least \$5,000,000, or financial assets of at least \$1,000,000, or personal income of at least \$200,000, or combined spousal income of at least \$300,000 in the previous two years with reasonable prospects of same in the current year, or an individual registered under the securities legislation of a jurisdiction of Canada as a representative of a registered adviser or dealer. NI 45-106 requires that individuals who invest on the basis that they are Accredited Investors (other than certain high net worth individuals) must sign a risk acknowledgement form, which may be included in the subscription agreement, as applicable.

An investor (other than an individual) that is not an Accredited Investor, or is an Accredited Investor solely on the basis that they have net assets of at least \$5,000,000, must also represent to the Manager (and may be required to provide additional evidence at the request of the Manager to establish) that such investor was not formed solely in order to make private placement investments which may not have otherwise been available to any persons holding an interest in such investor.

Investors will be required to make certain representations in the subscription agreement and the Manager will rely on such representations to establish the availability of the exemptions. No subscription will be accepted unless the Manager is satisfied that the subscription is in compliance with applicable securities laws.

### **Know-Your-Client and Suitability**

Whether the subscriber for Units is purchasing through their own dealer or directly from the Investment Manager (in its capacity as an exempt market dealer), the dealer through whom the Units are purchased has an obligation under applicable securities laws to determine suitability of the investment for such purchaser, unless the purchaser is a “permitted client” and either waives such requirement or the dealer is otherwise exempt from such requirement. Subscribers purchasing directly from the Investment Manager will be required to provide certain information in the subscription (referred to as know-your-client information) on which the Investment Manager will rely in determining such suitability. Subscribers will also be required to provide certain information and documentation to their dealers under anti-money laundering and anti-terrorist financing legislation.

### **DESCRIPTION OF UNITS**

The Master Declaration provides that each Fund may issue an unlimited number of Units in an unlimited number of Series. Each of the Funds offers Series F, Series A Series C and Series O Units. The Trustee may in its discretion create different series of Units. Each series may be subject to different fees and may have such other features as the Trustee may determine. Units may be redesignated, either automatically or at the option of the holder or the Trustee, into Units of any other Series of the same Fund (and amend the number of such Units based on the applicable Series Net Asset Value per Unit for the two Series on the date of the redesignation) and will do so in accordance with the Master Declaration. Fractional Units may be issued.

The proportionate interest of each Unitholder in a Series of Units is expressed by the number of Units of such Series and fractions thereof held by and registered in the name of each Unitholder.

Series F Units and Series A Units are available to all eligible investors. Series C Units are available to eligible investors who meet certain investment criteria determined by the Manager from time to time. Series O Units are available to eligible investors who wish to apply management fees outside the Funds as approved by the Manager.

Units are transferable only with the approval of the Trustee in accordance with the Master Declaration. See “Transfer and Resale Restrictions” on page 25. Units have voting rights only in the circumstances set out in the Master Declaration.

## **VALUATION OF THE FUNDS AND UNITS**

As of the Valuation Time on every Valuation Date, the Trustee is responsible for determining each Series Net Asset Value of a Fund and each Series Net Asset Value per Unit thereof. A Valuation Date is any business day selected by the Trustee from time to time provided that no less than one Valuation Date is selected by the Trustee in each calendar month. The Valuation Time is 4:00 p.m. (Eastern Time) on each applicable Valuation Date. The Series Net Asset Value is determined in accordance with the provisions of the Master Declaration by valuing the assets of the Fund attributed to each Series and deducting from the total of the foregoing all expenses and liabilities of such Series of the Fund and the proportionate share of the common expenses allocated to such Series. The Series Net Asset Value per Unit of a Fund as of a Valuation Date is determined by dividing the net asset value of such Series of the Fund on that Valuation Date by the number of Units of such Series of the Fund outstanding at the close of business on that Valuation Date as at the Valuation Time.

## **SUBSCRIPTIONS**

### **Purchase Price**

The Trustee intends to offer Units in each Series on each Valuation Date at the Valuation Time, although it retains the right to cease distribution of Units of any or all Series at any time, in its sole discretion. Each Unit of a Series of a Fund may be purchased at a price per Unit equal to the Series Net Asset Value per Unit of the applicable Series of the Fund on each Valuation Date as at the Valuation Time.

### **Minimum Initial Investment**

A minimum initial investment of Cdn. \$150,000 is required or such lesser amount as is approved by the Trustee.

### **Subscription Procedure**

Investors may purchase Units through registered dealers including the Investment Manager in its capacity as an exempt market dealer. An investor will only be permitted to purchase Units if the investor’s purchase qualifies for one of the exemptions in the section called “Eligible Investors” on page 13. The Manager relies on the representations the investor makes in its subscription agreement to ensure that the investor’s purchase qualifies for these exemptions and to ensure that the investor is otherwise eligible to purchase Units.

An investor may acquire Units on each Valuation Date if the Trustee receives a signed and completed subscription agreement in the form that the Trustee approves from time to time and any additional documentation or information that may be required by no later than 4:00 p.m.

(Eastern time) on the second business day after the Valuation Date. If the completed subscription agreement is not received by 4:00 p.m. (Eastern time) on the second business day after the applicable Valuation Date, the subscription will be processed on the next Valuation Date. Subscriptions, once received by the Trustee, are irrevocable.

The subscriber must pay the amount of the purchase to the Trustee by the close of the second business day after the Valuation Date. If the Trustee doesn't receive payment for a subscriber's purchase by the close of the second business day after the applicable Valuation Date, the Trustee will sell the subscriber's Units no later than the tenth business day following the Valuation Date. If the proceeds from the sale are more than the cost of the subscriber's purchase, the Fund will keep the difference. If the proceeds are less than the cost of the subscriber's purchase, the Trustee will pay the shortfall and may collect the shortfall and any related cost from the dealer or broker who placed the subscriber's purchase order, or from the subscriber, if the subscriber placed the order directly with the Trustee.

By applying to invest in a Fund, the subscriber is indicating its consent to the Manager's collection, use and disclosure of its personal information in the manner described in the Canso Privacy Policy outlined in the subscription agreement.

### **Subscriptions Made in Cash**

The Trustee intends to minimize the impact on the Fund of cash purchases of Units. Any subscriber making a cash purchase of Units (whether directly or from a managed account, as described below) may be charged the estimated brokerage and related expenses associated with investing the cash in securities or other assets suitable for the Fund.

If an investor subscribes in cash for Units and the cash subscription exceeds 10% or more of the Net Asset Value of the Fund (before such purchase), the Manager, in its discretion, may require the subscriber to enter into a discretionary investment management agreement with the Investment Manager to allow the Investment Manager to invest the cash in securities or other assets suitable for the Fund. The various charges and expenses associated with the investment of such cash, such as brokerage fees and similar expenses will be borne by the subscriber. The fee payable to the Investment Manager will be the same as that in the Investment Management Agreement. The Trustee's reasonable fee for providing trustee services and all other reasonable expenses incurred in the administration of the subscriber's account will be deducted by the Trustee directly from the subscriber's account. This policy permits the Fund's assets to remain fully invested, as appropriate, in accordance with its investment objectives and policies, and also results in the portfolio transaction charges related to the investment of the cash being allocated to the relevant subscriber.

### **Additional Investments**

If a Unitholder initially acquired Units of a Series for not less than the \$150,000 minimum investment amount, then at the time of issuance of the additional investment, the Units held by the Unitholder must have an acquisition cost or a net asset value equal to at least the \$150,000 minimum investment amount.

A Unitholder who is an Accredited Investor may make additional investments at any time in any amount as agreed from time to time by the Trustee.

At the time of making each additional investment in the Fund, the Unitholder will be deemed to have repeated to the Fund the covenants and representations contained in the subscription agreement delivered by the Unitholder to the Fund at the time of the initial purchase and, if applicable, that the Units held by the Unitholder have an acquisition cost or Net Asset Value, whichever is applicable, at least equal to the required amount as described above.

## **REDEMPTION OF UNITS**

Units of a Fund may be redeemed at a price per Unit equal to the Series Net Asset Value of the Fund on each Valuation Date. Redemption requests received by the Trustee by the Valuation Time on the Valuation Date will be processed on that Valuation Date unless the redemption request is in an amount greater than 10% of the Net Asset Value of the Fund in which case the Trustee requires 5 business days' notice (or such shorter period as is approved by the Trustee) of a redemption. Redemption requests must be in writing or by any other means as approved by the Trustee and must specify the Series and number of Units to be redeemed or the dollar amount to be paid. The request is irrevocable and must be signed by the Unitholder.

A redeeming Unitholder must provide all documents required by the Trustee with regard to a redemption request within 10 business days of the applicable Valuation Date. If the redeeming Unitholder fails to do so, the Trustee shall buy back the Units on the first following Valuation Date. If the cost of buying the Units is less than the redemption proceeds, the applicable Fund will keep the difference. If the cost of buying the Units is more than the redemption proceeds, the Trustee will pay the shortfall. The Trustee can collect the shortfall and any related costs from the broker or dealer who placed the redemption request, or from the redeeming Unitholder, if the investor placed the redemption request directly with the Trustee.

For each of the Funds, the Trustee shall pay the redemption proceeds within a reasonable time after the relevant Valuation Date which, in normal circumstances, will be no later than 5 business days after such date. The Unitholder receiving the redemption shall not be entitled to any interest or income earned with respect to monies pending distribution.

A redemption shall be deemed to have been made upon the mailing or delivery of a cheque or by wire or electronic transfer as the Trustee may determine to the Unitholder at the address or account listed on the register of each Fund, unless another method of payment has been agreed to by the redeeming Unitholder and the Trustee.

Notwithstanding the foregoing, the Trustee may suspend the redemption of Units of a Fund on the occurrence of certain events stipulated in the Master Declaration. The Trustee will suspend the calculation of the Net Asset Value per Unit, and the right to redeem Units, when required to do so under any applicable securities legislation or under any exemptive relief granted by Canadian securities regulatory authorities from such securities legislation. The Trustee may also suspend the calculation of the Net Asset Value per Unit, and the right to redeem Units, at such other times as it deems appropriate, provided that such suspension is permitted under applicable

securities legislation or under any exemptive relief granted by Canadian securities regulatory authorities from such securities legislation.

Payment for a redemption shall be made in cash or in property or both as the Trustee shall, in its sole discretion, determine and direct, although under normal conditions distributions generally will be made in cash. To the extent reasonably possible, all distributions in kind will involve a pro-rata distribution of all the securities in a Fund's portfolio, except that no odd lots will be distributed.

Where redemptions are made in cash, the Trustee reserves the right to charge the Unitholder making such redemption the estimated brokerage and related expenses relating to such redemption.

### **Short Term Trading Fee**

Each Fund may also charge a Unitholder a fee of up to 2% of the value of the Series Net Asset Value per Unit of the Fund redeemed or switched if the Unitholder engages in short-term trading. This fee is paid to the Fund and is in addition to any other fees that may apply. Short term trading is defined as the holding of a Series of Units for a period of less than thirty (30) days. Short term trading fees will not be charged in the case of certain redemptions including those related to the payment of fees on Series O Units or where the Manager, in its discretion, determines that the redemption relates to a special circumstance, such as the death of a Unitholder or a hardship situation.

## **COMPUTATION AND DISTRIBUTION OF INCOME AND GAINS**

Net income is computed on a quarterly basis and net realized capital gains of a Fund are computed as of the last business day in the calendar year and allocated to each Series in accordance with the provisions of the Master Declaration.

Net income of a Fund is distributed to Unitholders of record of each Series of the Fund as of the close of business on the last Valuation Date of each quarter according to each Unitholder's proportionate share of the applicable Series of the Fund less any tax required to be deducted. Realized capital gains of a Fund are distributed to Unitholders of record of each Series of the Fund as of the close of business on the last Valuation Date in the calendar year, according to each Unitholder's proportionate share of the applicable Series of the Fund less any tax required to be deducted. Distributions will be reinvested in additional Units of the applicable Series of a Fund unless the Trustee has received written instructions to the contrary. On or before March 31 in each year, the Trustee will provide Unitholders with a statement including all distributions and allocations and other information which is necessary to permit Unitholders to complete their individual income tax returns for the preceding year.

## **BROKERAGE ARRANGEMENTS**

It is intended that there will be no principal broker for the purchase and sale of the securities for the portfolio of the Funds.

## CANADIAN FEDERAL INCOME TAX CONSIDERATIONS

The following is a fair summary of the principal Canadian federal income tax considerations, as of the date hereof, with respect to the acquisition, ownership and disposition of Units generally applicable to an individual investor, other than a trust, who, for purposes of the Tax Act, is resident in Canada and holds Units as capital property.

This summary is based on the current provisions of the Tax Act, the regulations thereunder (the “Regulations”), proposals for specific amendments to the Tax Act and the Regulations publicly announced by the Minister of Finance (Canada) prior to the date hereof, and the current published administrative practices and policies of the Canada Revenue Agency. Otherwise, this summary does not take into account or anticipate any changes in law, whether by legislative, regulatory, administrative or judicial action, nor does this summary take into account provincial or foreign income tax legislation or considerations. This summary assumes that each of the Funds will qualify as a mutual fund trust under the Tax Act effective at all material times. The Manager expects that the Funds will so qualify. **This summary is of a general nature only and is not intended to constitute advice to any particular investor. You should consult your own professional advisors to obtain advice on the tax consequences that apply to you.**

### TAXATION OF THE FUNDS

Generally, a Fund is subject to tax under Part I of the Tax Act on its taxable income for each year (including net taxable capital gains) less the portion thereof that is paid or payable to Unitholders. As well, the Fund may be subject to alternative minimum tax under Part I of the Tax Act, particularly if its expenses exceed its income other than taxable capital gains. Provided that, in each year, the Fund distributes to Unitholders sufficient of its net income and net realized capital gains, it will not be liable for tax under Part I of the Tax Act. Gains and losses of the Fund from transactions in derivatives for non-hedging purposes will result in ordinary income and losses rather than capital gains and capital losses. In certain circumstances, losses of a Fund may be superseded or restricted, and therefore would not be available to shelter capital gains or income.

All of a Fund’s deductible expenses, including expenses common to all Series and expenses specific to a particular Series (such as Management Fees) will be taken into account in determining the income or loss of the Fund as a whole.

### TAXATION OF UNITHOLDERS

A Unitholder must include in computing income for tax purposes for a particular year the portion of the net income and the taxable portion of the net realized capital gains of a Fund that is paid or payable to the Unitholder in the year. A Unitholder must include such amounts in income even though they are reinvested in additional Units. Unitholders will be taxed on distributions of income and capital gains even if the income and capital gains accrued to the Fund or were realized by the Fund before the Unitholder acquired Units and were reflected in the purchase price of the Units. Net taxable capital gains of the Fund and taxable dividends received by the Fund on shares of taxable Canadian corporations, if any, that are paid or payable to a Unitholder may be designated by the Fund as taxable capital gains and taxable dividends earned by the

Unitholder and, if so designated, will be subject to the special tax treatment applicable to income of that character. As well, the Fund may make designations in respect of its foreign source income so that, for the purposes of computing any foreign tax credit to a Unitholder, the Unitholder will generally be deemed to have paid as foreign tax the Unitholder's proportionate share of the foreign taxes paid by the Fund. To the extent that distributions by a Fund to a Unitholder in a year exceed the Unitholder's share of the net income and net realized capital gains of the Fund for the year, those distributions (except to the extent that they are proceeds of disposition) will be a return of capital and will not be taxable to the Unitholder but will reduce the adjusted cost base of the Unitholder's Units.

When a Unitholder disposes of Units, including on the redemption of Units, the Unitholder will realize a capital gain (or capital loss) to the extent that the proceeds of disposition, less any associated costs of disposition, are greater (or less) than the adjusted cost base of the Units. Generally, one-half of a capital gain is included in determining a Unitholder's income and one-half of a capital loss may be deducted against taxable capital gains, subject to and in accordance with the rules in the Tax Act.

Capital gains and dividends may result in a liability for alternative minimum tax under the Tax Act.

## **TAX INFORMATION REPORTING**

Generally, prospective investors will be required to provide their dealer with information related to their citizenship or tax residence and, if applicable, their foreign tax identification number. If a prospective investor does not provide the information or is identified as a U.S. citizen (including a U.S. citizen living in Canada) or a foreign tax resident, information about the prospective investor and their investment in a Fund will generally be reported to the CRA unless Units are held within a registered plan. The CRA will provide that information to the U.S. Internal Revenue Service (in the case of U.S. citizens or tax residents) or the relevant tax authority of any country that is a signatory of the *Multilateral Competent Authority Agreement on Automatic Exchange of Financial Account Information* or that has otherwise agreed to a bilateral information exchange with Canada.

The IRS considers Canadian investment trusts to generally be classified as corporations for U.S. tax purposes. This means that any U.S. taxpayer holding the securities of a Fund is generally subject to the Passive Foreign Investment Company ("PFIC") rules, including an annual requirement to report each PFIC investment, held directly or indirectly, on a separate PFIC form. If you are a U.S. taxpayer, you are encouraged to consult your tax advisor regarding the impact of U.S. tax rules on your investment in the Funds. You should also discuss with your tax advisor the advisability of making (or refraining from making) any election that may be available to you, such as a Qualified Electing Fund election.

## **REGISTERED PLANS**

Provided that each Fund qualifies as a "mutual fund trust" for purposes of the Tax Act, Units of the Funds will be qualified investments under the Tax Act for trusts governed by registered

retirement plans, registered retirement income funds, deferred profit sharing plans, registered education savings plans, registered disability savings plans and tax-free savings accounts. Annuitants of registered retired savings plans and registered retired income funds, subscribers of registered education savings plans, and holders of tax-free savings accounts and registered disability savings plans, should consult with their own tax advisors as to whether Units of the Funds would be “prohibited investments” under the Tax Act in their particular circumstances.

## **RISK FACTORS**

The Net Asset Value of a Unit of a Fund is directly related to the market value of the Fund’s investments at any given time. The value of a Fund’s investments may fluctuate up and down depending on a number of factors including general economic and market conditions, the level of interest rates and material changes in issuers in which the Fund invests.

Although the value of each Series of Units of a Fund is calculated separately, there is a risk that the expenses or liabilities of one Series of Units may affect the value of the other Series. If one Series is unable to cover its liabilities, the other Series are legally responsible for covering the difference. The Manager and the Investment Manger believe that this risk is remote.

Each Fund may engage in various hedging and other investment strategies in an effort to hedge various market risks (such as interest rates, currency exchange rates, and broad or specific equity market movements) or to manage the effective maturity or duration of fixed-income securities or the Fund’s exposure to various securities markets. These hedging and other investment strategies of each Fund involve certain risks, including the possible default of the other party to the transaction, the lack of liquidity, the imperfect nature of the hedge or the ineffectiveness of the strategy in a particular situation, and the possible accentuation of losses or reductions in gains of the underlying portfolio securities.

### **Investment Risk Rating**

The Manager’s determination of the risk rating for the Funds is the methodology required by the Canadian Securities Administrators (CSA) for retail mutual funds and is based on the Funds’ historical volatility as measured by the 10-year standard deviation of the returns of the Funds. Just as historical performance may not be indicative of future returns, a fund’s historical volatility may not be indicative of its future volatility. The use of standard deviation as a measurement tool allows for a reliable and consistent quantitative comparison of a fund’s relative volatility and related risk. Standard deviation is widely used to measure volatility of return.

The Funds are not required to make this same determination; however, the Manager has calculated a risk rating for the Funds using the same methodology as required for retail mutual funds. In accordance with the methodology described above, the risk rating of each Fund is shown in the table below.

<b>Fund Name</b>	<b>Risk Rating</b>
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Canso Corporate Value Fund	Low
Canso Corporate Bond Fund	Low
Canso Canadian Bond Fund	Low
Canso Short Term and Floating Rate Income Fund	Low

The risk ratings set forth in the table above do not necessarily correspond to a prospective investor's risk tolerance assessment. Prospective investors should also be aware that other types of risk, both measurable and non-measurable, may exist. Investors are advised to consult their own professional advisors for advice regarding an individual investor's personal circumstances. In providing these risk ratings, the Manager makes no representations whatsoever about their usefulness for an investor to determine if any of the Funds are suitable. The Manager reviews the investment risk level of the Funds on an annual basis and each time a material change is made to a Fund's investment strategies and/or investment objective. Details about the methodology that the Manager uses to identify the investment risk level of the Fund is available on request.

### **REPORTING AND FISCAL YEAR**

The Trustee furnishes to each Unitholder, at the time of investment in Units, a statement setting forth the number and Series of Units of a Fund held by the Unitholder. The Manager will prepare and deliver, or arrange for the preparation and delivery of, financial statements in such manner and frequency as required under securities legislation. The Manager intends to rely on Section 2.11 of National Instrument 81-106 - *Investment Fund Continuous Disclosure* and as such will not be filing its financial statements on [www.SEDAR.com](http://www.SEDAR.com). Requests for financial statements can be made by contacting client services via email at [clientservice@cansofunds.com](mailto:clientservice@cansofunds.com) or by telephone at 905-881-8853. The fiscal year end of each Fund is December 31.

### **AMENDMENTS TO THE MASTER DECLARATION**

The Master Declaration may be amended by the Trustee, at any time, without prior approval or notice to Unitholders holding Units of a Fund if the Trustee reasonably believes that such proposed amendment does not have the potential to materially adversely impact the financial interests or rights of Unitholders of the applicable Fund or that such proposed amendment is necessary to:

- (a) ensure compliance with applicable laws, regulations or policies of any governmental authority having jurisdiction over the Fund or the distribution of its Units;
- (b) remove any conflicts or other inconsistencies that may exist between any of the terms of this Master Declaration and any provisions of any applicable laws, regulations or policies affecting the Fund, the Trustee or its agents;
- (c) make any change or correction in the Master Declaration that is a typographical correction or is required to cure or correct any ambiguity or defective or inconsistent

- provision, clerical omission or error contained in the Master Declaration;
- (d) facilitate the administration of the Fund as applicable or make amendments or adjustments in response to any existing or proposed amendments to the Tax Act or its administration which might otherwise adversely affect the tax status of the Fund or its Unitholders; or
  - (e) protect the Unitholders of the Fund.

The Trustee will provide no less than 21 days' notice to Unitholders affected by the proposed amendment in circumstances where:

- (a) securities legislation requires that written notice be given to Unitholders before the change takes effect; or
- (b) the change would not be prohibited by securities legislation and the Trustee reasonably believes that the proposed amendment has the potential to materially adversely impact the financial interests or rights of the Unitholders, so that it is equitable to give Unitholders advance notice of the proposed change.

#### **TERMINATION OF TRUST**

The Trustee may terminate and dissolve a Fund, or a Series of Units of a Fund which the Unitholder holds, by giving the Unitholder written notice of its intention to terminate before the date on which the Fund or Series, as applicable, is to be terminated. During the period after the giving of such notice, a Unitholder's right to redemption of Units will cease and the Trustee will make appropriate arrangements for converting the assets of the Fund, or those attributable to the Series, into cash or redesignating all of the Units of a Series to Units of another Series. After payment of the liabilities of the Fund, or those attributable to the Series, the Trustee will distribute the assets of the Fund, or Series, in accordance with the Master Declaration, except where a Series is terminated through a redesignation of Units into another Series.

The Trustee will be entitled to retain out of any moneys in its hands full provision for all costs, charges, expenses, claims and demands incurred, made or reasonably anticipated by it in connection with or arising out of the termination of a Fund or Series of a Fund and the distribution of the assets attributable to Unitholders and out of the moneys so retained to be indemnified and saved harmless against any such costs, charges, expenses, claims and demands.

The Trustee may resign as trustee of a Fund upon 90 days' written notice to the Manager. If no successor trustee is appointed in accordance with the Master Declaration, the Fund will be terminated. On termination of a Fund, the Trustee will distribute the assets of the Fund in accordance with the Master Declaration.

#### **MATERIAL CONTRACTS**

There are no material contracts other than the Master Declaration, the Management Agreements and the Investment Management Agreements for each Fund. Copies of the Master Declaration, the Management Agreements and the Investment Management Agreements, as amended from time to time, for the Funds may be requested from the Trustee.

## **AUDITORS, REGISTRAR AND TRANSFER AGENT AND CUSTODIAN**

The auditor of the Funds is Deloitte, LLP, except for the Canso Short Term and Floating Rate Income Fund, whose auditor is Hennick Herman, LLP. The auditor of the Funds shall be determined from time to time by the Trustee. The Trustee acts as registrar and transfer agent for the Units at its office in Richmond Hill, Ontario and has engaged Convexus Managed Services Inc. to perform those services. The CIBC Mellon Global Securities Services Company, 320 Bay St., Toronto, Ontario, M5H 4A6, acts as custodian of the Funds for safekeeping the cash and securities of the Funds.

## **CORPORATE GOVERNANCE**

### **General**

The Manager has the authority to manage and direct the business, operations and affairs of the Funds, subject to applicable law and the Management Agreements. The Manager has established appropriate policies, procedures and guidelines to ensure the proper management of the Funds. The systems implemented monitor and manage the business and sales practices, risks and internal conflicts of interest relating to the Funds while ensuring compliance with regulatory and corporate requirements.

### **Independent Review Committee**

The Manager has appointed an Independent Review Committee (“IRC”) for the Funds to act as an independent review committee for cross trades and in-specie trades involving the Funds and related investment funds and managed accounts of the Investment Manager pursuant to relief granted by the Canadian securities regulatory authorities. The members of the IRC are independent of the Manager, the Funds and entities related to the Manager. The cost associated with the IRC will form part of the operating expenses of each Fund. Each member of the IRC will receive an annual retainer and may receive a fee for each meeting of the IRC attended by the member, and may be reimbursed for reasonable expenses incurred.

### **Conflicts of Interest**

The Manager will not be devoting its time exclusively to the affairs of the Funds. In addition, the Manager will perform similar or different services for others and may sponsor or establish other funds during the same period that it acts in relation to the Funds. The Manager, therefore, will have conflicts of interest in allocating investment opportunities, management time, services and functions among the Funds and such other persons for which it provides services. However, the Manager will undertake to act in a fair and equitable manner as between the Funds and other investment funds managed by the Manager and at all times the Manager will ensure a fair and

equitable allocation of its management time, services, functions and investment opportunities between the Funds and any other such persons it provides services to. Also, the Funds' administrator or other service provider engaged to calculate the Net Asset Value of the Funds may consult from time to time with the Manager, and defer to the Manager's expertise, when valuing a specific security to which the general valuation rules cannot or should not be applied. This can create a conflict of interest for the Manager, as the Manager's remuneration is dependent upon the Net Asset Value of the Funds. However, the Manager must discharge its duties according to a standard of care that requires it to act in the best interests of the Funds, and will be held accountable under the Management Agreements if it fails to do so.

The Manager is registered as an investment fund manager in the provinces of Ontario, Québec and Newfoundland and Labrador. The Investment Manager is registered as a portfolio manager and exempt market dealer in each of the provinces of Canada. The Funds and any related issuers that are managed by the Manager from time to time may be considered to be "connected issuers" and "related issuers" of the Manager and the Investment Manager under applicable securities legislation. The Investment Manager acts as the investment adviser to the Funds, and earns fees for advising the Funds. The Investment Manager acts as an exempt market dealer in connection with the marketing and sales of Units. However, no commissions are paid to the Investment Manager in connection with the sale of Units of the Funds. The Manager and the Investment Manager are controlled, directly or indirectly, by the same entity.

## LEGAL MATTERS

### General

The foregoing summary is subject to any express provisions of the securities legislation of each offering jurisdiction and the regulations, rules and policy statements thereunder and reference is made thereto for the complete text of such provisions.

The rights of action described herein are in addition to and without derogation from any other right or remedy that the purchaser may have at law.

### Transfer and Resale Restrictions

The Units are being offered on a private placement basis in reliance upon prospectus exemptions under applicable securities legislation in each of the provinces and territories of Canada. Resale of the Units will be subject to restrictions under applicable securities legislation, which will vary depending upon the relevant jurisdiction. Generally, the Units may be resold only pursuant to an exemption from the prospectus requirements of applicable securities legislation, pursuant to an exemption order granted by appropriate securities regulatory authorities or after the expiry of a hold period following the date on which a Fund becomes a reporting issuer under applicable securities legislation. It is not anticipated that the Fund will become a reporting issuer. In addition, Unitholders reselling Units may have reporting and other obligations. Accordingly, Unitholders are advised to seek legal advice with respect to such restrictions. Resale of Units is also restricted under the terms of the Master Declaration. **Transfers will generally only be**

**permitted in exceptional circumstances.** Accordingly, each prospective investor must be prepared to bear the economic risk of the investment for an indefinite period.

Each purchaser of Units will be required to deliver to the Fund a subscription agreement in which such purchaser will represent to the Fund that such purchaser is entitled under applicable provincial securities laws to purchase such Units without the benefit of a prospectus qualified under such securities laws.

### **Cooling-off Period**

Securities legislation in certain provinces may give a purchaser certain rights of rescission, against the registered dealer who sold Units to them, but those rights must be exercised within a certain time period as little as forty-eight (48) hours following the purchase of Units.

### **Statutory Caution**

The foregoing disclosure of investment objectives and strategies may constitute “forward-looking information” for the purpose of applicable securities legislation, as it contains statements of the intended course of conduct and future operations of the Funds. These statements are based on assumptions made by the Manager of the success of its investment strategies in certain market conditions, relying on the experience of the Manager’s officers and employees and their knowledge of historical economic and market trends. Investors are cautioned that the assumptions made by the Manager and the success of its investment strategies are subject to a number of mitigating factors. Economic and market conditions may change, which may materially impact the success of the Manager’s intended strategies as well as its actual course of conduct. Investors are urged to read “Risk Factors” on page 20 for a discussion of other factors that will impact the operations and success of the Funds.

**FOR ALBERTA RESIDENTS PURCHASING UNITS IN RELIANCE ON THE  
PROSPECTUS EXEMPTION IN SECTION 2.10 (MINIMUM AMOUNT EXEMPTION)  
OF NATIONAL INSTRUMENT 45-106**

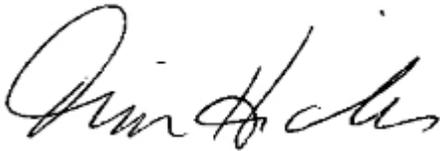
**CERTIFICATE**

This offering memorandum does not contain a misrepresentation.

April 23, 2020

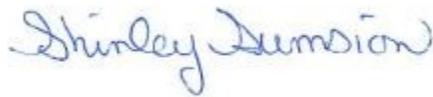
**CANSO CORPORATE VALUE FUND  
CANSO CORPORATE BOND FUND  
CANSO CANADIAN BOND FUND  
CANSO SHORT TERM AND FLOATING RATE INCOME FUND**

**by its Trustee and Manager  
CANSO FUND MANAGEMENT LTD.**



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Timothy Hicks  
President



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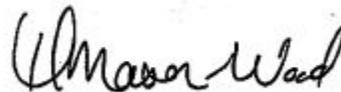
Shirley Sumsion  
Corporate Secretary

**On behalf of the Board of Directors of  
CANSO FUND MANAGEMENT LTD.**



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John Carswell  
Director



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Heather Mason-Wood  
Director

## SCHEDULE "A"

### PURCHASERS' RIGHTS OF ACTION

Securities legislation in certain of the provinces and territories of Canada provides purchasers or requires purchasers to be provided with a remedy for rescission or damages where an offering memorandum or any amendment to it contains a Misrepresentation. As used herein, "Misrepresentation" means an untrue statement of a material fact or an omission to state a material fact that is required to be stated or that is necessary to make any statement in the Offering Memorandum not misleading in light of the circumstances in which it was made. A "material fact" means a fact that significantly affects, or would reasonably be expected to have a significant effect on, the market price or value of the Units. These remedies, or notice with respect thereto, must be exercised, or delivered, as the case may be, by the purchaser within the time limit prescribed by the applicable securities legislation.

The following is a summary of the rights of rescission or damages, or both, available to purchasers under the securities legislation of Ontario, Alberta, Saskatchewan, Manitoba, New Brunswick, Nova Scotia, Prince Edward Island and Newfoundland and Labrador. Purchasers should refer to the applicable provisions of the securities legislation of their province of residence for the particulars of these rights or consult with a legal adviser.

#### *Rights for Purchasers in Ontario*

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

1. no action may be commenced to enforce a right of action:
  - a) for rescission more than 180 days after the date of the purchase; or
  - b) for damages more than the earlier of (i) 180 days after the purchaser first had knowledge of the facts giving rise to the cause of action, or (ii) three years after the date of purchase;
2. the Fund will not be liable if it proves that the purchaser purchased the Units with knowledge of the Misrepresentation;
3. in an action for damages, the Fund will not be liable for all or any portion of the damages that it proves do not represent the depreciation in value of the Units as a result of the Misrepresentation relied upon;
4. in no case shall the amount recoverable exceed the price at which the Units were sold to the purchaser; and

5. the Fund will not be liable for a Misrepresentation in forward-looking information if the Fund proves that:
  - (i) this Offering Memorandum contains, proximate to the forward-looking information, reasonable cautionary language identifying the forward-looking information as such, and identifying material factors that could cause actual results to differ materially from a conclusion, forecast or projection in the forward-looking information, and a statement of material factors or assumptions that were applied in drawing a conclusion or making a forecast or projection set out in the forward-looking information; and
  - (ii) the Fund had a reasonable basis for drawing the conclusions or making the forecasts and projections set out in the forward-looking information.

The foregoing rights do not apply if the purchaser purchased Units using the “Accredited Investor” exemption and is:

- (a) a Canadian financial institution (as defined in National Instrument 45-106) or a Schedule III bank;
- (b) the Business Development Bank of Canada incorporated under the Business Development Bank of Canada Act (Canada); or
- (c) a subsidiary of any person referred to in paragraphs (a) and (b), if the person owns all of the voting securities of the subsidiary, except the voting securities required by law to be owned by directors of that subsidiary.

### ***Rights for Purchasers in Alberta***

The rights herein for purchasers in Alberta are only available to investors who purchase under the minimum amount investment exemption.

If this Offering Memorandum, together with any amendment hereto, is delivered to a purchaser resident in Alberta and contains a Misrepresentation and it was a Misrepresentation at the time of purchase, the purchaser will be deemed to have relied upon the Misrepresentation and will have a right of action against the Fund, every person performing a function or occupying a position with respect to the Fund which is similar to that of a director at the date the Offering Memorandum was delivered to the purchaser and every person who signed this Offering Memorandum for damages or, alternatively, while still the owner of the Units, for rescission against the Fund, provided that:

1. no action may be commenced to enforce a right of action:
  - (a) for rescission more than 180 days after the date of the purchase; or

- (b) for damages more than the earlier of (i) 180 days after the investor first had knowledge of the facts giving rise to the cause of action, or (ii) three years after the date of purchase;
2. no person or company will be liable if the person or company proves that the purchaser purchased the Units with knowledge of the Misrepresentation;
  3. no person or company (but excluding the Fund) will be liable if the person or company proves that (i) the offering memorandum was delivered to the purchaser without the person's or company's knowledge or consent and that, on becoming aware of its delivery, the person or company gave written notice (or for persons or companies in Alberta, gave reasonable notice) to the Fund that it was delivered without the person's or company's knowledge or consent, (ii) on becoming aware of any Misrepresentation in the offering memorandum, the person or company withdrew the person's or company's consent to the offering memorandum and gave written notice (or for persons or companies resident in Alberta, gave reasonable notice) to the Fund of the withdrawal and the reason for it, or (iii) with respect to any part of the offering memorandum purporting to be made on the authority of an expert or to be a copy of, or an extract from, a report, an opinion or a statement of an expert, the person or company had no reasonable grounds to believe and did not believe that there had been a Misrepresentation, or the relevant part of the offering memorandum did not fairly represent the report, opinion or statement of the expert, or was not a fair copy of, or an extract from, the report, opinion or statement of the expert;
  4. no person or company (but excluding the Fund) will be liable with respect to any part of the offering memorandum not purporting to be made on the authority of an expert, or to be a copy of, or an extract from, a report, opinion or statement of expert unless the person or company failed to conduct an investigation to provide reasonable grounds for a belief that there had been no Misrepresentation, or believed that there had been a Misrepresentation;
  5. in an action for damages, the defendant will not be liable for all or any portion of the damages that the defendant proves does not represent the depreciation in value of the Units as a result of the Misrepresentation; and
  6. in no case shall the amount recoverable exceed the price at which the Units were sold to the purchaser.

A person or company is not liable in an action for a Misrepresentation in forward-looking information if the person or company proves that:

1. this Offering Memorandum contains, proximate to that information:
  - (a) reasonable cautionary language identifying the forward-looking information as such, and identifying material factors that could cause actual results to differ materially from a conclusion, forecast or projection in the forward-looking information; and

- (b) a statement of the material factors or assumptions that were applied in drawing a conclusion or making a forecast or projection set out in the forward-looking information; and
2. the person or company had a reasonable basis for drawing the conclusions or making the forecasts and projections set out in the forward-looking information.

### ***Rights for Purchasers in Saskatchewan***

If this Offering Memorandum, together with any amendment hereto, is delivered to a purchaser resident in Saskatchewan and contains a Misrepresentation at the time of purchase, the purchaser is deemed to have relied upon that Misrepresentation and will have a right for damages against the Fund, every promoter and every person performing a function or occupying a position with respect to the Fund which is similar to that of a director at the date the Offering Memorandum was delivered to the purchaser, every person or company who signed this Offering Memorandum and every person or company who sells Units on behalf of the Fund, or alternatively, while still the owner of the purchased Units, for rescission against the Fund, provided that:

1. no action shall be commenced to enforce the foregoing rights:
  - (a) in the case of an action for rescission, more than 180 days after the date of the transaction that gave rise to the cause of action; or
  - (b) in the case of any action, other than an action for rescission, the earlier of (i) one year after the purchaser first had knowledge of the facts giving rise to the cause of action, or (ii) six years after the date of the transaction that gave rise to the cause of the action;
2. no person or company will be liable if the person or company proves that the purchaser purchased the Units with knowledge of the Misrepresentation;
3. no person or company (excluding the Fund) will be liable if the person or company proves that (i) the offering memorandum was delivered without the person's or company's knowledge or consent and that, on becoming aware of its delivery, the person or company immediately gave reasonable general notice to the Fund that it was delivered without the person's or company's knowledge, (ii) on becoming aware of any Misrepresentation, the person or company withdrew the person's or company's consent to the offering memorandum and gave reasonable general notice to the Fund of the withdrawal and the reason for it, or (iii) with respect to any part of the offering memorandum purporting to be made on the authority of an expert or to be a copy of, or an extract from, a report, an opinion or a statement of an expert, the person or company had no reasonable grounds to believe and did not believe that there had been a Misrepresentation, or the relevant part of the offering memorandum did not fairly represent the report, opinion or statement of the expert, or was not a fair copy of or extract from the report, opinion or statement of the expert;

4. no person or company (but excluding the Fund) will be liable with respect to any part of the offering memorandum not purporting to be made on the authority of an expert, or to be a copy of or an extract from a report, opinion or statement of an expert, unless the person or company failed to conduct a reasonable investigation sufficient to provide reasonable grounds for a belief that there had been no Misrepresentation, or believed there had been a Misrepresentation;
5. in an action for damages, no person or company will be liable for all or any portion of the damages that it proves do not represent the depreciation in value of the Units as a result of the Misrepresentation relied on; and
6. in no case shall the amount recoverable exceed the price at which the Units were sold to the purchaser.

A person or company is not liable in an action for a Misrepresentation in forward-looking information if the person or company proves that:

1. this Offering Memorandum contains, proximate to that information:
  - (a) reasonable cautionary language identifying the forward-looking information as such, and identifying material factors that could cause actual results to differ materially from a conclusion, forecast or projection in the forward-looking information; and
  - (b) a statement of the material factors or assumptions that were applied in drawing a conclusion or making a forecast or projection set out in the forward-looking information; and
2. the person or company had a reasonable basis for drawing the conclusions or making the forecasts and projections set out in the forward-looking information.

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

### ***Rights for Purchasers in Manitoba***

In the event that this Offering Memorandum or any amendment hereto contains a Misrepresentation, a purchaser is deemed to have relied on the Misrepresentation and has a right of action for damages against the Fund, every person performing a function or occupying a position with respect to the Fund which is similar to that of a director at the date of the Offering Memorandum and every person or company who signed the Offering Memorandum, or

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

1. no action may be commenced to enforce a right of action:
  - (a) for rescission more than 180 days after the date of the purchase; or
  - (b) for damages, the earlier of (i) 180 days after the purchaser first had knowledge of the facts giving rise to the cause of action, or (ii) two years after the date of the purchase;
2. no person or company will be liable if the person or company proves that the purchaser purchased the Units with knowledge of the Misrepresentation;
3. no person or company (but excluding the Fund) will be liable if the person or company proves that (i) the offering memorandum was sent to the purchaser without the person's or company's knowledge or consent, and that, after becoming aware of its delivery, the person or company promptly gave reasonable notice to the Fund that it was sent without the person's or company's knowledge or consent, (ii) on becoming aware of the Misrepresentation, the person or company withdrew their respective consent to the offering memorandum and gave reasonable notice to the Fund of the withdrawal and the reason for it, or (iii) with respect to any part of the offering memorandum purporting to be made on the authority of an expert or to be a copy of, or an extract from, an expert's report, opinion or statement, the person or company proves that they had no reasonable grounds to believe and did not believe that there had been a Misrepresentation, or the relevant part of the offering memorandum did not fairly represent the expert's report, opinion or statement, or was not a fair copy of, or an extract from, the expert's report or statement;
4. no person or company (excluding the Fund) will be liable with respect to any part of the offering memorandum not purporting to be made on the authority of an expert and not purporting to be a copy of, or an extract from, an expert's report, opinion or statement, unless the person or company did not conduct an investigation sufficient to provide reasonable grounds for a belief that there had been on Misrepresentation, or believed that there had been a Misrepresentation;
5. in the case of an action for damages, no person or company will be liable for all or any portion of the damages that it proves does not represent the depreciation in value of the Units as a result of the Misrepresentation;
6. in no case shall the amount recoverable exceed the price at which the Units were sold to the purchaser.

A person or company is not liable in an action for a Misrepresentation in forward-looking information if the person or company proves that:

1. this Offering Memorandum contains, proximate to that information:

- (a) reasonable cautionary language identifying the forward-looking information as such, and identifying material factors that could cause actual results to differ materially from a conclusion, forecast or projection in the forward-looking information; and
  - (b) a statement of the material factors or assumptions that were applied in drawing a conclusion or making a forecast or projection set out in the forward-looking information; and
2. the person or company had a reasonable basis for drawing the conclusions or making the forecasts and projections set out in the forward-looking information.

### ***Rights for Purchasers in New Brunswick***

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

1. no action may be commenced to enforce a right of action:
  - (a) for rescission more than 180 days after the date of the purchase; or
  - (b) for damages more than the earlier of (i) one year after the purchaser first had knowledge of the facts giving rise to the cause of action, and (ii) six years after the date of purchase;
2. the Fund will not be liable if it proves that the purchaser purchased the Units with knowledge of the Misrepresentation;
3. in an action for damages, the Fund will not be liable for all or any portion of the damages that it proves do not represent the depreciation in value of the Units as a result of the Misrepresentation relied upon; and
4. in no case shall the amount recoverable exceed the price at which the Units were sold to the purchaser.

A person is not liable in an action for a Misrepresentation in forward-looking information if the person or company proves that:

1. this Offering Memorandum contains, proximate to that information:
  - (a) reasonable cautionary language identifying the forward-looking information as such, and identifying material factors that could cause actual results to differ materially from a conclusion, forecast or projection in the forward-looking information; and

- (b) a statement of the material factors or assumptions that were applied in drawing a conclusion or making a forecast or projection set out in the forward-looking information; and
2. the person or company had a reasonable basis for drawing the conclusions or making the forecasts and projections set out in the forward-looking information.

### ***Rights for Purchasers in Nova Scotia***

In Nova Scotia, in the event that this Offering Memorandum, together with any amendment hereto or any advertising or sales literature (as defined in the *Securities Act* (Nova Scotia) (the “Nova Scotia Act”)), contains a Misrepresentation and it was a Misrepresentation at the time of purchase, the purchaser resident in Nova Scotia will be deemed to have relied upon the Misrepresentation and will have a right of action against the Fund, every person acting in a capacity with respect to the Fund which is similar to that of a director at the date of this Offering Memorandum and every person who signed this Offering Memorandum for damages or, alternatively, while still the owner of the purchased Units, for rescission against the Fund, provided that:

1. no action may be commenced to enforce a right of action more than 120 days:
  - (a) after the date on which payment was made for the Units or;
  - (b) after the date on which the initial payment was made;
2. no person or company will be liable if the person or company proves that the purchaser purchased the Units with knowledge of the Misrepresentation;
3. no person or company (but excluding the Fund) will be liable if the person or company proves that (i) the offering memorandum was delivered to the purchaser without the person’s or company’s knowledge or consent and that, on becoming aware of its delivery, the person or company gave reasonable general notice that it was delivered without the person’s or company’s knowledge or consent, (ii) after delivery of the offering memorandum and before the purchase of the Units by the purchaser, on becoming aware of any Misrepresentation in the offering memorandum, the person or company withdrew the person’s or company’s consent to the offering memorandum and gave reasonable general notice of the withdrawal and the reason for it, or (iii) with respect to any part of the offering memorandum purporting to be made on the authority of an expert or to be a copy of, or an extract from, a report, an opinion or a statement of an expert, the person or company had no reasonable grounds to believe and did not believe that there had been a Misrepresentation, or the relevant part of the offering memorandum did not fairly represent the report, opinion or statement of the expert, or was not a fair copy of, or an extract from, the report, opinion or statement of the expert;
4. no person or company (but excluding the Fund) will be liable with respect to any part of the offering memorandum not purporting to be made on the authority of an expert, or to be a copy, or an extract from, a report, opinion or statement of expert unless the person or

company failed to conduct a reasonable investigation to provide reasonable grounds for a belief that there had been no Misrepresentation, or believed that there had been a Misrepresentation;

5. in an action for damages, the defendant will not be liable for all or any portion of the damages that the defendant proves does not represent the depreciation in value of the Units as a result of the Misrepresentation relied upon; and
6. in no case will the amount recoverable in any action exceed the price at which the Units were sold to the purchaser.

A person is not liable in an action for a Misrepresentation in forward-looking information if the person or company proves that:

1. this Offering Memorandum contains, proximate to that information:
  - (a) reasonable cautionary language identifying the forward-looking information as such, and identifying material factors that could cause actual results to differ materially from a conclusion, forecast or projection in the forward-looking information; and
  - (b) a statement of the material factors or assumptions that were applied in drawing a conclusion or making a forecast or projection set out in the forward-looking information; and
2. the person or company had a reasonable basis for drawing the conclusions or making the forecasts and projections set out in the forward-looking information

These rights are intended to correspond with the rights against a seller of Units provided in the Nova Scotia Act and the securities regulations thereto and are subject to defences contained therein.

### ***Rights for Purchasers in Prince Edward Island***

If this Offering Memorandum, together with any amendment hereto, delivered to a purchaser resident in Prince Edward Island contains a Misrepresentation and it was a Misrepresentation at the time of purchase, the purchaser will be deemed to have relied upon the Misrepresentation and will have a right of action against the Fund, every person acting in a capacity with respect to the Fund which is similar to that of a director at the date of this Offering Memorandum and every person who signed this Offering Memorandum for damages or, alternatively, while still the owner of the purchased Units, for rescission against the Fund, provided that:

1. no action shall be commenced to enforce the foregoing rights:
  - (a) in the case of an action for rescission, more than 180 days after the date of the transaction that gave rise to the cause of action; or

- (b) in the case of any action, other than an action for rescission, the earlier of (i) 180 days after the purchaser first had knowledge of the facts giving rise to the cause of the action, or (ii) three years after the date of the transaction that gave rise to the cause of the action;
2. no person or company will be liable if the person or company proves that the purchaser purchased the Units with knowledge of the Misrepresentation;
  3. no person or company (but excluding the Fund) will be liable if it proves that (i) the offering memorandum was delivered to the purchaser without the person's or company's knowledge or consent and that, on becoming aware of its delivery, the person or company gave reasonable general notice that it was delivered without the person's or company's knowledge or consent, (ii) after the delivery of the offering memorandum and before the purchase of the Units by the purchaser, on becoming aware of any Misrepresentation in the offering memorandum, the person or company withdrew the person's or company's consent to the offering memorandum and gave reasonable general notice of the withdrawal and the reason for it, or (iii) with respect to any part of the offering memorandum purporting to be made on the authority of an expert or to be a copy of, or an extract from, a report, an opinion or a statement of an expert, the person or company had no reasonable grounds to believe and did not believe that there had been a Misrepresentation, or the relevant part of the offering memorandum did not fairly represent the report, opinion or statement of the expert, or was not a fair copy of, or an extract from, the report, opinion or statement of the expert;
  4. no person or company (but excluding the Fund) will be liable with respect to any part of the offering memorandum not purporting to be made on the authority of an expert or to be a copy of, or an extract from, a report, an opinion or a statement of an expert unless the person or company (i) failed to conduct a reasonable investigation to provide reasonable grounds for a belief that there had been no Misrepresentation or, (ii) believed that there had been a Misrepresentation;
  5. no person or company will be liable for a Misrepresentation in forward-looking information if:
    - (a) the offering memorandum contains, proximate to the forward looking information, reasonable cautionary language identifying the forward looking information as such, and identifying material factors that could cause actual results to differ materially from a conclusion, forecast or projection in the forward looking information, and a statement of material factors or assumptions that were applied in drawing a conclusion or making a forecast or projection set out in the forward looking information; and
    - (b) the person or company had a reasonable basis for drawing the conclusions or making the forecasts or projections set out in the forward looking information;

6. if a Misrepresentation is contained in a record incorporated by reference in, or deemed to be incorporated into, the offering memorandum, the Misrepresentation is deemed to be contained in the offering memorandum;
7. in an action for damages, the defendant will not be liable for all or any portion of the damages that it proves do not represent the depreciation in value of the Units as a result of the Misrepresentation relied upon; and
8. in no case shall the amount recoverable exceed the price at which the Units were sold to the purchaser.

### ***Rights for Purchasers in Newfoundland and Labrador***

If this Offering Memorandum, together with any amendment hereto, delivered to a purchaser resident in Newfoundland and Labrador contains a Misrepresentation and it was a Misrepresentation at the time of purchase, the purchaser will be deemed to have relied upon the Misrepresentation and will have a right of action for damages against the Fund, every person acting in a capacity with respect to the Fund which is similar to that of a director at the date of this Offering Memorandum and a person or company who signed this offering memorandum, or alternatively, while still the owner of the purchased Units, a right for rescission against the Fund, provided that:

1. no action shall be commenced to enforce the foregoing rights:
  - (a) in the case of an action for rescission, more than 180 days after the date of the transaction that gave rise to the cause of action; or
  - (b) in the case of any action, other than an action for rescission, the earlier of (i) 180 days after the purchaser first had knowledge of the facts giving rise to the cause of the action, or (ii) three years after the date of the transaction that gave rise to the cause of the action;
2. no person or company is liable if the person or company proves that the purchaser purchased the Units with knowledge of the Misrepresentation;
3. no person or company (but excluding the Fund) will be liable if it proves that (i) the offering memorandum was delivered to the purchaser without the person's or company's knowledge or consent and that, on becoming aware of its delivery, the person or company gave reasonable general notice that it was delivered without the person's or company's knowledge or consent, (ii) after the delivery of the offering memorandum and before the purchase of the Units by the purchaser, on becoming aware of any Misrepresentation in the offering memorandum, the person or company withdrew the person's or company's consent to the offering memorandum and gave reasonable general notice of the withdrawal and the reason for it, or (iii) with respect to any part of the offering memorandum purporting to be made on the authority of an expert or to be a copy of, or an extract from, a report, an opinion or a statement of an expert, the person or company had no reasonable grounds to believe and did not believe that there had been a

Misrepresentation, or the relevant part of the offering memorandum did not fairly represent the report, opinion or statement of the expert, or was not a fair copy of, or an extract from, the report, opinion or statement of the expert;

4. no person or company (but excluding the Fund) will be liable with respect to any part of the offering memorandum not purporting to be made on the authority of an expert or to be a copy of, or an extract from, a report, an opinion or a statement of an expert unless the person or company (i) failed to conduct a reasonable investigation to provide reasonable grounds for a belief that there had been no Misrepresentation or, (ii) believed that there had been a Misrepresentation;
5. in an action for damages, the defendant will not liable for all or any portion of the damages that the defendant proves do not represent the depreciation in value of the Units as a result of the Misrepresentation relied upon; and
6. in no case shall the amount recoverable exceed the price at which the Units were sold to the purchaser.

A person is not liable in an action for a Misrepresentation in forward-looking information if the person or company proves that:

1. this Offering Memorandum contains, proximate to that information:
  - (a) reasonable cautionary language identifying the forward-looking information as such, and identifying material factors that could cause actual results to differ materially from a conclusion, forecast or projection in the forward-looking information; and
  - (b) a statement of the material factors or assumptions that were applied in drawing a conclusion or making a forecast or projection set out in the forward-looking information; and
2. the person or company had a reasonable basis for drawing the conclusions or making the forecasts and projections set out in the forward-looking information.

### ***Rights for Purchasers in the Yukon, Northwest Territories and Nunavut***

If this Offering Memorandum, together with any amendment hereto, delivered to a purchaser resident in the Yukon, Northwest Territories or Nunavut contains a Misrepresentation and it was a Misrepresentation at the time of purchase, the purchaser will have, without regard to whether the purchaser relied on the Misrepresentation, a right of action for damages against the Fund and against every person performing a function or occupying a position with respect to the Fund which is similar to that of a director at the date of this Offering Memorandum or, alternatively, while still the owner of the Units, for rescission against the Fund (in which case, if the purchaser elects to exercise the right of rescission, the purchaser will have no right of action for damages), provided that:

1. no person or company will be liable if the person or company proves that the purchaser purchased the Units with knowledge of the Misrepresentation;
2. no person (excluding the Fund) will be liable if the person proves that (i) the Offering Memorandum was delivered to the purchaser without the person's knowledge or consent and that, on becoming aware of its being sent, the person promptly gave reasonable notice to the Fund that it was sent without the person's knowledge or consent, and (ii) on becoming aware of any Misrepresentation in the Offering Memorandum, the person withdrew the person's consent to the Offering Memorandum and gave reasonable notice to the Fund of the withdrawal and the reason for it;
3. no person (excluding the Fund) will be liable with respect to any part of the Offering Memorandum unless the person (i) failed to conduct a reasonable investigation to provide reasonable grounds for a belief that there had been no Misrepresentation or (ii) believed that there had been a Misrepresentation;
4. no person will be liable for a Misrepresentation in forward-looking information if:
  - (a) this Offering Memorandum contains, proximate to the forward-looking information, (A) reasonable cautionary language identifying the forward-looking information as such, and identifying material factors that could cause actual results to differ materially from a conclusion, forecast or projection in the forward-looking information, and (B) a statement of material factors or assumptions that were applied in drawing a conclusion or making a forecast or projection set out in the forward-looking information; and
  - (b) the person had a reasonable basis for drawing the conclusions or making the forecasts and projections set out in the forward-looking information;
5. in an action for damages, the defendant will not be liable for all or any portion of the damages that it proves do not represent the depreciation in value of the Units as a result of the Misrepresentation relied upon;
6. in no case shall the amount recoverable exceed the price at which the Units were sold to the purchaser; and
7. no action shall be commenced to enforce the foregoing rights:
  - (a) in the case of an action for rescission, more than 180 days after the date of the purchase of the Units; or
  - (b) in the case of any action, other than an action for rescission, the earlier of (i) 180 days after the purchaser first had knowledge of the Misrepresentation, or (ii) three years after the date of the purchase of Unit.

## **SCHEDULE “B”**

### **FUND SPECIFIC INFORMATION**

#### **CANSO CORPORATE VALUE FUND**

##### **Investment Objective of the Fund**

The Fund seeks to achieve above average income returns through a diversified portfolio comprised primarily of debt and money market securities. The Fund may occasionally invest in equity securities. The Fund will attempt to manage the allocation among securities to lower the risk of capital loss as the Investment Manager deem appropriate.

##### **Investment Policies of the Fund**

The Fund's portfolio securities will, under normal circumstances, be invested in fixed income securities. The Fund may hold cash or cash equivalents or invest in bonds or money market instruments for liquidity or defensive purposes.

It is expected that investments of the Fund will be concentrated in Canada, and the maximum foreign exposure will be such as to permit the eligibility of Units of the Fund as an investment under applicable Canadian pension fund legislation. Regard will be paid to the provisions of such legislation relating to permitted investments of Canadian pension funds.

The Fund generally invests in securities of established companies traded “over-the-counter” in the bond market. It also may invest in debt securities convertible into common stock, and convertible and non-convertible preferred stock, and fixed-income securities of governments, government agencies, supranational agencies and companies when the Investment Manager or a sub-adviser believes the potential return will equal or exceed that available from investments in equity securities.

The Fund may not invest more than 10% of its total assets at the time of purchase in securities of a single issuer nor hold more than 10% of any issuer's outstanding voting securities.

The Fund may engage in hedging operations and in this connection may enter into forward currency contracts and currency and security futures contracts and related options, purchase and sell options (exchange traded or “over-the-counter”) on currencies, securities, or related futures and enter into repurchase agreements. The Fund may also purchase foreign currencies in the form of bank deposits.

The Fund may invest a portion of its assets in any other pooled funds or public mutual funds created and managed or advised by the Manager or its affiliates from time to time (the “Underlying Funds”). Where the Fund invests in an Underlying Fund, there are fees and expenses payable by the Underlying Fund in addition to the fees and expenses payable by the Fund, however, there will be no duplication of the Management Fee paid. As well, the Manager

will not vote the securities of the Underlying Fund held by the Fund. The Fund will invest in units of the Underlying Funds in order to help achieve the investment objective of the Fund. Appropriate underlying funds will provide diversification of the Fund's investments and provide exposure to areas of investment not easily obtainable directly by the Fund.

**Details of Management Agreement and Investment Management Agreement**

The Fund entered into an Amended and Restated Management Agreement with the Manager on May 31, 2009, as may be amended. The Investment Manager entered into an Investment Management Agreement with the Manager on March 5, 2008, as may be amended.

Unitholders of the Fund may obtain, free of charge, a copy of any Underlying Fund offering memorandum or simplified prospectus and annual information form, and annual and semi-annual financial statements, or the Management Agreement or Investment Management Agreement by contacting:

Client Service Group  
Canso Fund Management Ltd.  
100 York Blvd., Suite 550  
Richmond Hill, ON L4B 1J8

Phone: (905) 881-8853  
Fax: (905) 881-1466  
E-mail: [clientservice@cansofunds.com](mailto:clientservice@cansofunds.com)

**FUND SPECIFIC INFORMATION**  
**CANSO CORPORATE BOND FUND**

**Investment Objective of the Fund**

The Fund seeks to achieve a total return greater than the return achieved by a representative Canadian fixed income index, such as the FTSE Canada Corporate Bond Index.

**Investment Policies of the Fund**

The Fund's portfolio positions will, under normal circumstances, be invested in fixed income securities of Canadian issuers, but will occasionally be invested in corporate securities such as unit trusts. The Fund may hold cash or cash equivalents or invest in short term bonds or money market instruments for liquidity or defensive purposes. It also may invest in debt securities convertible into common stock. It may invest in foreign fixed-income securities of governments, government agencies, supranational agencies and companies when the Investment Manager or the Sub-adviser believes the potential return will equal or exceed that available from investments in Canadian securities.

The Fund will not be leveraged.

The Fund investment positions will permit the eligibility of Units of the Fund as an investment under applicable Canadian pension fund legislation.

The Fund may not invest more than 10% of its total assets at the time of purchase in securities of a single issuer nor hold more than 10% of any issuer's outstanding voting securities.

The Fund may invest up to 10% of its total assets at the time of purchase in securities which in aggregate are not readily marketable at the time of purchase but which are reasonably expected to be marketable at fair market value within 90 days of purchase.

The Fund may engage in hedging operations and in this connection may enter into forward currency contracts and currency and security futures contracts and related options, purchase and sell options (exchange traded or over-the-counter) on currencies, securities, or related futures and enter into repurchase agreements. The Fund may also purchase foreign currencies in the form of bank deposits.

The Fund may invest a portion of its assets in any other pooled funds or public mutual funds created and managed or advised by the Manager or its affiliates from time to time (the "Underlying Funds"). Where the Fund invests in an Underlying Fund, there are fees and expenses payable by the Underlying Fund in addition to the fees and expenses payable by the Fund, however, there will be no duplication of the Management Fee paid. As well, the Manager will not vote the securities of the Underlying Fund held by the Fund. The Fund will invest in units of the Underlying Funds in order to help achieve the investment objective of the Fund.

Appropriate underlying funds will provide diversification of the Fund's investments and provide exposure to areas of investment not easily obtainable directly by the Fund.

### **Details of Management Agreement and Investment Management Agreement**

The Fund entered into an Amended and Restated Management Agreement with the Manager on August 30, 2001, as may be amended. The Investment Manager entered into the Investment Management Agreement with the Manager on June 12, 2008, as may be amended.

Unitholders of the Fund may obtain, free of charge, a copy of any Underlying Fund offering memorandum or simplified prospectus and annual information form, and annual and semi-annual financial statements, or the Management Agreement or Investment Management Agreement by contacting:

Client Service Group  
Canso Fund Management Ltd.  
100 York Blvd., Suite 550  
Richmond Hill, ON L4B 1J8

Phone: (905) 881-8853  
Fax: (905) 881-1466  
E-mail: [clientservice@cansofunds.com](mailto:clientservice@cansofunds.com)

**FUND SPECIFIC INFORMATION**  
**CANSO CANADIAN BOND FUND**

**Investment Objective of the Fund**

The Fund seeks to achieve a total return greater than the return achieved by a representative Canadian fixed income index, such as the FTSE Canada Universe Bond Index.

**Investment Policies of the Fund**

The Fund's portfolio positions will, under normal circumstances, be invested in fixed income securities of Canadian issuers, but will occasionally be invested in corporate securities such as unit trusts. The Fund may hold cash or cash equivalents or invest in short term bonds or money market instruments for liquidity or defensive purposes. It also may invest in debt securities convertible into common stock. It may invest in foreign fixed-income securities of governments, government agencies, supranational agencies and companies when the Investment Manager or the Sub-adviser believes the potential return will equal or exceed that available from investments in Canadian securities.

The Fund will not be leveraged.

The Fund may not invest more than 10% of its total assets at the time of purchase in securities of a single issuer nor hold more than 10% of any issuer's outstanding voting securities.

The Fund may invest up to 10% of its total assets at the time of purchase in securities which in aggregate are not readily marketable at the time of purchase but which are reasonably expected to be marketable at fair market value within 90 days of purchase.

The Fund may engage in hedging operations and in this connection may enter into forward currency contracts and currency and security futures contracts and related options, purchase and sell options (exchange traded or over-the-counter) on currencies, securities, or related futures and enter into repurchase agreements. The Fund may also purchase foreign currencies in the form of bank deposits.

The Fund may invest a portion of its assets in any other pooled funds or public mutual funds created and managed or advised by the Manager or its affiliates from time to time (the "Underlying Funds"). Where the Fund invests in an Underlying Fund, there are fees and expenses payable by the Underlying Fund in addition to the fees and expenses payable by the Fund, however, there will be no duplication of the Management Fee paid. As well, the Manager will not vote the securities of the Underlying Fund held by the Fund. The Fund will invest in units of the Underlying Funds in order to help achieve the investment objective of the Fund. Appropriate underlying funds will provide diversification of the Fund's investments and provide exposure to areas of investment not easily obtainable directly by the Fund.

## **Details of Management Agreement and Investment Management Agreement**

The Fund entered into an Amended and Restated Management Agreement with the Manager on May 31, 2009, as may be amended. The Investment Manager entered into an Investment Management Agreement with the Manager on October 25, 2016, as may be amended.

Unitholders of the Fund may obtain, free of charge, a copy of any Underlying Fund offering memorandum or simplified prospectus and annual information form, and annual and semi-annual financial statements, or the Management Agreement or Investment Management Agreement by contacting:

Client Service Group  
Canso Fund Management Ltd.  
100 York Blvd., Suite 550  
Richmond Hill, ON L4B 1J8

Phone: (905) 881-8853  
Fax: (905) 881-1466  
E-mail: [clientservice@cansofunds.com](mailto:clientservice@cansofunds.com)

## FUND SPECIFIC INFORMATION

### CANSO SHORT TERM AND FLOATING RATE INCOME FUND

#### **Investment Objective of the Fund**

The Fund seeks to achieve a total return greater than the return achieved by a representative Canadian fixed income index, such as the FTSE Canada Short Term Corporate Bond Index.

#### **Investment Objective of the Fund**

The Fund's portfolio positions will, under normal circumstances, be invested in fixed income securities of Canadian issuers, but will occasionally be invested in corporate securities such as unit trusts. The Fund may hold cash or cash equivalents or invest in short term bonds or money market instruments for liquidity or defensive purposes. It also may invest in debt securities convertible into common stock. It may invest in foreign fixed-income securities of governments, government agencies, supranational agencies and companies when the Investment Manager or the Sub-adviser believes the potential return will equal or exceed that available from investments in Canadian securities.

The Fund will never be leveraged.

The Fund investment positions will permit the eligibility of Units of the Fund as an investment under applicable Canadian pension fund legislation.

The Fund may not invest more than 10% of its total assets at the time of purchase in securities of a single issuer nor hold more than 10% of any issuer's outstanding voting securities.

The Fund may invest up to 10% of its total assets at the time of purchase in securities which in aggregate are not readily marketable at the time of purchase but which are reasonably expected to be marketable at fair market value within 90 days of purchase.

The Fund may engage in hedging operations and in this connection may enter into forward currency contracts and currency and security futures contracts and related options, purchase and sell options (exchange traded or over-the-counter) on currencies, securities, or related futures and enter into repurchase agreements. The Fund may also purchase foreign currencies in the form of bank deposits.

The Fund may invest a portion of its assets in any other pooled funds or public mutual funds created and managed or advised by the Manager or its affiliates from time to time (the "Underlying Funds"). Where the Fund invests in an Underlying Fund, there are fees and expenses payable by the Underlying Fund in addition to the fees and expenses payable by the Fund, however, there will be no duplication of the Management Fee paid. As well, the Manager will not vote the securities of the Underlying Fund held by the Fund. The Fund will invest in units of the Underlying Funds in order to help achieve the investment objective of the Fund.

Appropriate underlying funds will provide diversification of the Fund's investments and provide exposure to areas of investment not easily obtainable directly by the Fund.

### **Details of Management Agreement and Investment Management Agreement**

The Fund entered into an Amended and Restated Management Agreement with the Manager on April 30, 2013, as may be amended. The Investment Manager entered into an Investment Management Agreement with the Manager on January 1, 2011, as may be amended.

Unitholders of the Fund may obtain, free of charge, a copy of any Underlying Fund offering memorandum or simplified prospectus and annual information form, and annual or semi-annual financial statements, by contacting:

Client Service Group  
Canso Fund Management Ltd.  
100 York Blvd., Suite 550  
Richmond Hill, ON  
L4B 1J8

Phone: (905) 881-8853  
Fax: (905) 881-1466  
E-mail: [clientservice@cansofunds.com](mailto:clientservice@cansofunds.com)