This Offering Memorandum constitutes an offering of securities only in those jurisdictions and to those persons where and to whom they may be lawfully offered for sale. This Offering Memorandum is not, and under no circumstances is to be construed as, a prospectus or advertisement or a public offering of these securities. No person has been authorized to give any information or to make any representation not contained in this Offering Memorandum. Any such information or representation, which is given or received, must not be relied upon.

No securities regulatory authority or regulator has assessed the merits of these securities or reviewed this Offering Memorandum. Any representation to the contrary is an offence. This is a risky investment. See "Item 10 - Risk Factors".

Continuous Offering | **OFFERING MEMORANDUM** | **April 2, 2024**

INVICO DIVERSIFIED INCOME FUND
Suite 600, 209 – 8th Avenue S.W., Calgary, Alberta, T2P 1B8
Phone: (403) 538-4771; Website: invicocapital.com; E-mail: chayes@invicocapital.com

Class A Units, Class F Units and Class FU Units

The Trust:	Invico Diversified Income Fund (the "**Trust**") is a private open-ended investment trust established under the laws of Alberta on September 25, 2013. The Trust is not a reporting issuer in any jurisdiction. **These securities do not and will not trade on any exchange or market**.
SEDAR+ Filer:	Yes, but only as required pursuant to Section 2.9 of National Instrument 45-106 – *Prospectus Exemptions*. The Trust is not a reporting issuer and does not file continuous disclosure documents on SEDAR+ that are required to be filed by reporting issuers.
Securities Offered:	The securities being offered pursuant to this offering (the "**Offering**") are Class A Units of the Trust ("**Class A Units**"), Class F Units of the Trust ("**Class F Units**") and Class FU Units of the Trust ("**Class FU Units**").
Price per Security:	The price per Class A Unit, Class F Unit and Class FU Unit is set by Invico Diversified Income Administration Ltd., the administrator of the Trust (the "**Administrator**"), on behalf of the Trust from time to time based on the Net Asset Value per Unit (as defined herein) of the class A units ("**Class A Partnership Units**"), class F units ("**Class F Partnership Units**") and class FU units ("**Class FU Partnership Units**") of Invico Diversified Income Limited Partnership (the "**Partnership**"), which are purchased by the Trust using the subscription proceeds of the Class A Units, Class F Units and Class FU Units, respectively. The Class A Units and Class F Units will be issued in Canadian dollars (designated herein as "**$**"). The Class FU Units will be issued in U.S. dollars (designated herein as "**US$**").
Minimum/Maximum Offering:	The Trust seeks to raise a combined maximum of $100,000,000 under this Offering for the Class A Units, Class F Units and Class FU Units (the "**Maximum Offering**"), in one or more closings, although the Administrator, on behalf of the Trust, may, in its sole discretion, determine to raise more than $100,000,000 for such classes of Units. **There is no minimum offering. You may be the only purchaser.**
Minimum Subscription Amount:	The minimum subscription amount is $7,000 for the Class A Units. The minimum subscription amount is $500 for the Class F Units. The minimum subscription amount is US$500 for the Class FU Units. The Administrator, on behalf of the Trust, may in its sole discretion lower these minimum subscription amounts.
Payment Terms:	Full payment of the subscription price will be due upon execution and delivery of the subscription agreement and related subscription documentation. Payment should be made as directed in the subscription agreement. See "*Item 5.2 - Subscription Procedure*".
Proposed Closing Date(s):	Closings will take place on the dates determined by the Administrator. It is anticipated that closings will take place on the last Wednesday of every month.
Income Tax Consequences:	There are important tax consequences to investors holding Trust Units. The Trust has been advised that, provided that the Trust qualifies as a "mutual fund trust" for purposes of the Tax Act at all relevant times, the Trust Units will be qualified investments for Tax Deferred Plans (as defined herein). Potential investors should consult their own tax advisors in respect to an investment in Trust Units. See "*Item 7 - Canadian Federal Income Tax Considerations*".
Insufficient Funds:	**Funds available under the Offering may not be sufficient to accomplish our proposed objectives. See "*Item 2.10 - Insufficient Proceeds*" and "*Item 10 - Risk Factors*".**
Selling Agents and Compensation Paid to Sellers and Finders:	A person has received or will receive compensation for the sale of Trust Units under this Offering. Specifically, the Trust will retain registered dealers, financial advisors, sales persons, brokers, intermediaries or other eligible persons (collectively, the "**Selling Agents**") in respect of the distribution and sale of the Trust Units. In addition, Invico Capital Corporation (the "**Portfolio Manager**"), a registered exempt market dealer, may also act as a Selling Agent. The Partnership may pay an annual fee of up to 1.0% per annum of the net asset value of the Class A Partnership Units (purchased by the Trust using the subscription proceeds of the Class A Units) that remains

invested in the Partnership, payable to certain Selling Agents. No such fees will be paid in respect of the Class F Partnership Units or the Class FU Partnership Units.

In addition, the Trust may retain Invico Alternative Asset Management Inc. ("**IAAM**"), an affiliate of the Portfolio Manager, as a wholesaler in connection with the Offering to provide marketing and sales assistance to Selling Agents. IAAM will be reimbursed by the Partnership for expenses incurred in connection with wholesaling services.

The Trust is a connected issuer and related issuer of the Portfolio Manager as Jason Brooks and Allison Taylor indirectly own all of the voting shares of the Portfolio Manager, which owns all of the shares of the Trustee, the Administrator and the General Partner. Jason Brooks is the President of the Trustee, Administrator, the General Partner and the Portfolio Manager, and Allison Taylor is the Chief Executive Officer of the Trustee, Administrator, the General Partner and the Portfolio Manager.

See "*Item 8 - Selling Agents and Compensation Paid to Sellers and Finders*".

Concurrent Offerings:

In addition to Class A Units, Class F Units and Class FU Units, the Trust will, from time to time, also be distributing other securities of the Trust, including class B units, class BU units and class I units of the Trust. The Partnership, the entity through which the Trust will be making all of its investments will, from time to time, also be distributing securities of the Partnership. Such securities may have different rights and obligations, including with respect to distributions and Commissions payable.

Up-front commissions and fees for the class B units and class BU units of the Trust may be up to 5% and trailing commissions may also be applicable. No up-front commissions and fees or trailing commissions are payable on the class I units of the Trust. For additional information about the class B units, class BU units and class I units of the Trust, ask your Selling Agent, who may provide you with a separate offering memorandum or other offering materials related thereto.

See "*Item 9 - Concurrent Offerings*".

Resale Restrictions:

The Trust Units are subject to restrictions on resale. You will be restricted from selling your Class A Units, Class F Units and Class FU Units for an indefinite period. You will not be able to sell these securities except in very limited circumstances. You may never be able to resell these securities. See "*Item 12 - Resale Restrictions*".

Payments to Related Party:

All of your investment will be paid to the Partnership, a related party of the Trust, by the purchase of units in the Partnership. See "*Item 1.2 - Use of Proceeds*".

Redemption and Retraction:

You will have a right to redeem the Trust Units, but this right is qualified by the Redemption Price, restrictions and fees set forth herein. As a result, you might not receive the amount of proceeds that you want.

An investment in Trust Units is only suitable for investors who are able to make a long-term investment and do not need full liquidity with respect to this investment. Redemption rights under the Trust Indenture are restricted and provide limited opportunity for investors to liquidate their investment in Trust Units.

Redemption by Unitholder

A Unitholder may redeem Trust Units on the last Business Day of any fiscal quarter end (the "**Redemption Date**"), subject to certain restrictions, by providing written notice to the Trustee not less than 45 days prior to the Redemption Date. Subject to certain conditions, payment for the redeemed Trust Unit shall occur on the 45th day following the Redemption Date. The Trust may, in the future, amend the rights of the Trust Units to provide for redemptions on a more frequent basis.

The Redemption Price for any Trust Unit being redeemed shall be equal to the net redemption proceeds per Partnership Unit that are received by the Trust upon redemption by the Trust of the Corresponding LP Unit redeemed by the Trust to pay for the redemption of such Trust Unit and the redemption price in respect of a Class A Partnership Unit, a Class F Partnership Unit and a Class FU Partnership Unit shall equal the Net Asset Value per Unit of the Class A Partnership Unit, Class F Partnership Unit or Class FU Partnership Unit, as applicable, at the applicable Redemption Date and in each case, less, to the extent not accrued in the Net Asset Value per Unit of the Class A Partnership Unit, Class F Partnership Unit or Class FU Partnership Unit, as applicable, any Special Allocation owed with respect to such Unit.

Payment of the Redemption Price shall be made by cheque payable to or to the order of the Unitholder or by such other manner of payment, including electronic fund transfer, wire transfer or payment in kind, approved by the Trustee from time to time. However, if on any Redemption Date, the Trustee determines, in its sole discretion, that the Trust does not have sufficient cash reserves to pay the amounts payable on the redemption of Trust Units, the Trustee shall advise the Unitholder in writing that all or a portion of the Redemption Price payable in respect of Trust Units tendered for redemption in the applicable calendar quarter shall be paid within 45 days of the Redemption Date by the Trust issuing Redemption Notes having a principal amount equal to such portion of the Redemption Price for each Trust Unit to be redeemed. At any time in the 7 days following the date of the Trustee's notice set out above, the Unitholder may rescind its notice of redemption in respect of all or a portion of the Trust Units tendered for redemption.

Cash payable in respect of the Redemption Price for a class of Trust Units to be redeemed will be paid *pro rata* to Unitholders tendering Trust Units of such class, as applicable, for redemption in any calendar quarter (determined based on the initial number of Trust Units of such class, as applicable, tendered for redemption).

Redemption Notes are not qualified investments for Tax Deferred Plans. See "*Item 5.1.2 - Redemption and Retraction*" and "*Item 7 - Canadian Federal Income Tax Considerations*".

Redemption by the Trust

The Trust may, at any time and from time to time, require the redemption of all or a portion of the Trust Units held by a Unitholder by written notice to such Unitholder. The effective date of such redemption shall be determined by the Trustee or the Administrator in its sole discretion. In the event of such redemption, payment shall be made to such Unitholder as though the redemption was initiated by the Unitholder. Factors that the Trustee or the Administrator may consider in making the determination to redeem Trust Units shall include, without limitation: (a) ensuring that the composition and tax-profile of the Unitholders remains such that the principal objectives of this Trust Indenture are achieved; and (b) reducing administrative burden on the Trust, Trustee or the Administrator, as applicable. For greater certainty, the Trustee or the Administrator may exercise its optional redemption right upon the death of a Unitholder. The Trustee or the Administrator may, in its sole discretion, redeem Trust Units held by a Unitholder after the Trust has received a redemption request from such Unitholder. The effective date and payment date for such redemptions may be determined by either the Trustee or the Administrator, in its sole discretion. See "*Item 5.1.2 - Redemption and Retraction*" and "*Item 7 - Canadian Federal Income Tax Considerations*".

Investors' Rights:

If you are purchasing Trust Units pursuant to the offering memorandum exemption contained in Section 2.9 of National Instrument 45-106 – *Prospectus Exemptions* ("**NI 45-106**"), you have two business days to cancel your agreement to purchase these Class A Units, Class F Units and Class FU Units. If there is a misrepresentation in this Offering Memorandum, you will have a right to damages or to cancel the agreement. See "*Item 13 - Investors' Rights*".

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FORWARD-LOOKING STATEMENTS

Certain statements or information contained in this Offering Memorandum constitute "forward-looking statements" within the meaning of that phrase under applicable Canadian securities laws. Any statements that express, or involve discussions as to, expectations, beliefs, plans, projections, objectives, assumptions or future events or performance (often, but not always, through the words or phrases such as "may", "will", "will likely result", "are expected to", "expects", "does not expect", "anticipates", "does not anticipate", "believe", "continue", "estimate", "intend", "plan", "potential", "predict", "project", "seek", "target", "aim", "ambition", "goal", "initiative", "focused on", "should" or other similar words) or the negative of these terms or other variations or comparable terminology are not statements of historical fact and may be forward-looking statements.

Forward-looking statements contained in this Offering Memorandum include, but are not limited to, statements with respect to: use of proceeds of the Offering; the business to be conducted by the Trust and the Partnership; timing and payment of distributions; payment of fees and expenses; the Trust's and the Partnership's investment objectives, investment strategies (including the target asset allocation), investment criteria and investment focus; the Partnership's active investment approach; the degree of control exerted over management of investee companies by the Partnership; anticipated investments; the assets to be held by the Partnership; the process by which the Partnership determines whether or not to make an investment; the satisfaction of return objectives by prospective Energy Working Interests; the composition and responsibilities of the Independent Review Committee; the General Partner's expected amortization of expenses related to the Offering and valuation of Energy Working Interests for the purpose of calculating the Net Asset Value; the allocation of a portion of the Equity Yield strategy to Secondaries Investments; Invico Energy USA's intention to continue to partner with established operators with respect to working interests; the additional wells to be drilled on joint interest lands; the expected volatility of oil and natural gas prices and currency exchange rates; the Partnership's expected capital investments and objectives with respect to Invico Energy USA, Invico Energy Canada, Gator, Sockeye, Redrock and Redrock USA, including the Partnership's intention to focus on Energy Working Interests that involve the acquisition of producing assets, royalty assets and lower risk development drilling; the outstanding commitments of the Partnership, including with respect to borrowers and Invico Secondaries; the expectation for additional wells to come on production, the number of such wells and the timing thereof; the Partnership's expectations with respect to drilling and production of its royalty interests; the Partnership's anticipated capital budgets with respect to Invico Energy USA's and Invico Energy Canada's holdings; the terms of the Partnership's new loan investments, including with respect to floating interest rates; the possibility of liquidity for the securityholders of Fort Greene Fund, including the Partnership; the possibility that the Partnership may enter into hedging transactions; the possibility that the Partnership may offer mortgages, utilize receivables factoring and own royalty rights; the productions and reserve estimates for the Partnership's assets; additional costs incurred to comply with environmental legislation; the expected impact and lingering effects of COVID-19; the possibility of changing the redemption from quarterly to more frequent intervals; the regular reporting to be received by the Unitholders; treatment under governmental regulatory regimes and tax laws; financial and business prospects and financial outlook; timing of dissolution of the Trust; possibility of extension of the dissolution date of the Trust; and types of portfolio securities and results of investments, the timing thereof and the methods of funding.

In addition to other factors and assumptions which may be identified in this Offering Memorandum, assumptions have been made regarding, among other things: general economic, market, business and geopolitical conditions; that the global economy, financial markets and economic conditions in Canada and the United States will not, in the long-term, be adversely impacted by COVID-19; the Trust's qualification as a "mutual fund trust" and not a "SIFT trust" under the Tax Act; use of proceeds of the Offering; the retention of securities dealers in connection with the Offering and payment of service fees to such securities dealers; the business to be conducted by the Trust and the Partnership; that the Partnership's use of hedging will protect against volatility in commodity prices; the general stability of the economic and political environment in which the Trust and the Partnership operates; the Trust's and the Partnership's investment objectives and investment strategies; timing and payment of distributions; amendments to environmental legislation; treatment under governmental regulatory regimes, securities laws and tax laws; the ability of the Portfolio Manager to obtain qualified staff, equipment and services in a timely and cost efficient manner; valuation of the Trust's and the Partnership's investments; one or more of the paths to repayment identified with respect to each of the Wholly-Owned Subsidiaries will be available; the timing of dissolution of the Trust and the Partnership; the possibility of substantial redemptions of Trust Units; and currency, exchange and interest rates.

These forward-looking statements are subject to numerous known and unknown risks and uncertainties which could, and likely will, materially affect actual results, levels of activity, performance or achievement, including but not limited to: general economic, market, business and geopolitical conditions; risks associated with COVID-19, including risks associated with raising additional capital and the risk that the business, financial condition, results of operations or cash flows of the Partnership and its investee companies will be adversely affected; the ability of the Trust to achieve or continue to achieve its investment objectives; distributions are not guaranteed; the ability of the Trust and

the Partnership to obtain financing; incorrect assessments of the value of investments; availability of investments that meet the Trust's and the Partnership's investment objectives and criteria; concentration of investments in the portfolio of the Trust which could result in the Trust's portfolio being less diversified than anticipated; the possibility of the Trust being unable to acquire or dispose of illiquid securities; possibility of substantial redemptions of Trust Units; reliance on the Administrator and Portfolio Manager; retention of certain key employees of the Administrator and the Portfolio Manager; conflicts of interest involving certain directors, officers or employees of the Trustee, Portfolio Manager or Administrator; longer-term commitment being required for Wholly-Owned Subsidiaries; currency and hedging risks; risks involved with Secondaries Investments including contingent liabilities acquired, pooled investments, multiple fees and expenses, reliance on underlying managers and general business and financial risks; risks associated with Lending Strategies, including credit risk and losses, change in value of collateral, interest rate risk and availability of undrawn capital; risks associated with the oil and gas sector including volatility, governmental regulation, availability of equipment, materials, labour and funding; the risks discussed under "*Item 10 - Risk Factors*" and other factors, many of which are beyond the control of the Trust, the Partnership, the Trustee, the Administrator and the Portfolio Manager. Readers are cautioned that the foregoing list of factors is not exhaustive.

This Offering Memorandum and certain of the documents (or part thereof) incorporated by reference contain future oriented financial information and financial outlook information (collectively, "**FOFI**") about the Trust's and the Partnership's prospective results of operations and components thereof, which are subject to the same risks, uncertainties and assumptions as set forth in the above paragraphs. FOFI contained in this Offering Memorandum and certain of the documents (or part thereof) incorporated by reference are made as of the date of this Offering Memorandum or the document incorporated by reference, as applicable, and is provided for the purpose of providing further information about the Trust's and the Partnership's business operations and anticipated effects of its investments. Readers are cautioned that the FOFI contained in this document should not be used for purposes other than for which it is disclosed herein and reliance on such information may not be appropriate for other purposes.

Although the Trust and the Portfolio Manager believe that the expectations reflected in the forward-looking statements and FOFI are reasonable, it cannot guarantee future results, levels of activity, performance or achievement. The Trust's actual results, performance or achievement could differ materially from those expressed or implied in any forward-looking statements made by, or on behalf of, the Trust. No assurance can be given that any of the events anticipated by the forward-looking information will transpire or occur, or if any of them do so, what benefits the Trust and the Partnership will derive therefrom. Because of the risks, uncertainties and assumptions set forth in the above paragraphs, prospective investors should not place undue reliance on forward-looking information or FOFI.

Management has included the above summary of forward-looking information in order to provide Unitholders with a more complete perspective on the Trust's and the Partnership's current and future operations and such information may not be appropriate for other purposes. These forward-looking statements and FOFI are made as of the date of this Offering Memorandum and the Trust, the Administrator and the Portfolio Manager disclaim any intent or obligation to update publicly any forward-looking statements or FOFI, whether as a result of new information, future events or results or otherwise, other than as required by applicable securities laws. Investors should read this entire Offering Memorandum and consult with their own professional advisors to ascertain and assess the income tax, legal, risks and other aspects of their investment in the Trust Units. **The forward-looking statements and FOFI contained or incorporated by reference in this Offering Memorandum are expressly qualified by the foregoing cautionary statements.**

MARKETING MATERIALS

Any "OM marketing materials" (as such term is defined in NI 45-106) related to each distribution under this Offering Memorandum and delivered or made reasonably available to a prospective investor before the termination of such distribution will be, and will be deemed to be, incorporated by reference into this Offering Memorandum, provided that any OM marketing materials to be incorporated by reference into this Offering Memorandum are not part of the Offering Memorandum to the extent that the contents of such OM marketing materials have been modified or superseded by a statement contained in an amended and restated offering memorandum or OM marketing materials subsequently delivered or made reasonably available to a prospective investor prior to the execution of the subscription agreement by the investor. The modifying or superseding statement need not state that it has modified or superseded a prior statement or include any other information set forth in the document that it modifies or supersedes. The making of a modifying or superseding statement is not deemed an admission for any purposes that the modified or superseded statement, when made, constituted a misrepresentation, 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 a statement not misleading in light of the circumstances in which it was made. Any statement so modified or superseded is not deemed, except as so modified or superseded, to constitute a part of this Offering Memorandum.

The Trust intends to update certain information disclosed in this Offering Memorandum, including information concerning assets then held by the Partnership, on a quarterly basis, with OM marketing materials. Potential investors should confirm with their Selling Agent that they have received the most recent OM marketing materials. OM marketing materials will be filed by the Trust on SEDAR+ as required pursuant to section 2.9 of NI 45-106, which information is available electronically from SEDAR+ at www.sedarplus.com.

SUPPLEMENTARY FINANCIAL MEASURES

In addition to using financial measures prescribed by IFRS, this Offering Memorandum contains references to "EBITDA" and "TVPI" which are measures that do not have any standardized meaning as prescribed by IFRS and are not represented in the financial statements of the Trust or the Partnership. These measures are not necessarily comparable to similar measures presented by other issuers in similar or different industries and should be considered as supplemental in nature and not as substitutes for related financial information prepared in accordance with IFRS. Management uses "EBITDA" and "TVPI" to aid in describing performance of the Trust and the Partnership and/or an Investment and provides this additional measure so that readers may do the same. Management believes references to "EBITDA" and "TVPI", which supplement the IFRS measures, provide readers with a more comprehensive understanding of management's perspective on the Trust's and the Partnership's (and/or a specific Investment's) performance. Caution should be used if any comparisons are made to other issuers.

"**EBITDA**" means earnings before interest, taxes, depreciation and amortization.

"**TVPI**" means total value paid in. TVPI represents the total value of an Investment relative to the amount of capital paid into the Investment.

However, "EBITDA" and "TVPI" are not reliable indicators of the Trust's or the Partnership's future performance and future performance may not compare to the performance in previous periods.

OIL AND GAS INFORMATION

Information and statements in this Offering Memorandum relating to reserves are deemed to be forward-looking statements which are subject to certain risks and uncertainties. See "*Forward-Looking Statements*" and "*Item 10 - Risk Factors*".

Certain information in this presentation may constitute "anticipated results" as defined in NI 51-101 (as defined herein), including, but not limited to, information relating to the fair market value of certain assets held by the Trust. The reader is cautioned that the data relied upon by the Trust may be in error and/or may not be analogous to the Trust's reserves.

Disclosure provided in this Offering Memorandum for barrels of oil equivalent ("**boe**") may be misleading, particularly if used in isolation. A boe conversion ratio of six Mcf to one bbl is based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead. Given that the value ratio based on the current price of oil as compared to natural gas is significantly different from the energy equivalency conversion ratio of six to one, utilizing a boe conversion ratio of six Mcf to one bbl would be misleading as an indication of value.

Reserves

The oil and natural gas reserves of Invico Energy USA and Invico Energy Canada (both as defined herein) described herein and the related future net revenue attributable to such reserves were prepared internally by professional engineers employed by IAAM, an affiliate of the Portfolio Manager, and audited by GLJ Ltd., an independent qualified reserve auditor, in accordance with the requirements of NI 51-101 and the COGE Handbook, effective as of December 31, 2023.

According to the Standards Pertaining to the Estimating and Auditing of Oil and Gas Reserves Information published by the Society of Petroleum Engineers (June 2019), "A Reserves audit is the process of reviewing certain of the pertinent facts interpreted and assumptions made that have resulted in an estimate of Reserves and/or Reserves information prepared by others and the rendering of an opinion about the appropriateness of the methodologies used, the adequacy and quality of the data relied upon, the depth and thoroughness of the Reserves estimation process, the categorization of Reserves appropriate to the relevant definitions used, and the reasonableness of the estimated Reserves quantities and/or the Reserves information."

The determination of oil and natural gas reserves involves the preparation of estimates that have an inherent degree of associated uncertainty. Categories of proved and probable reserves have been established to reflect the level of these uncertainties and to provide an indication of the probability of recovery.

There are numerous uncertainties inherent in estimating quantities of petroleum reserves. The discounted and undiscounted estimates of future net revenues presented in the tables below may or may not represent the fair market value of the reserves. There is no assurance that the forecast prices and costs assumptions will be attained and variances could be material.

The reserves and associated cash flow information set forth in this Offering Memorandum are estimates only and there is no guarantee that the estimated reserves will be recovered. Actual crude oil, natural gas and natural gas liquid reserves may be greater than or less than the estimates provided in this Offering Memorandum.

The estimates of reserves and future net revenue for individual properties may not reflect the same confidence level as estimates of reserves and future net revenue for all properties, due to the effects of aggregation.

All evaluations of future revenue are after the deduction of royalties, development costs, production costs and well abandonment costs but before income tax expenses and consideration of indirect costs such as administrative, overhead and other miscellaneous expenses.

Estimates of reserves and future net revenue have been made assuming that development of each property in respect of which the estimate is made will occur, without regard to the likely availability to Invico Energy USA and Invico Energy Canada of adequate liquidity and capital resources required for that development to occur.

Reserve Categories

The estimation and classification of reserves requires the application of professional judgment combined with geological and engineering knowledge to assess whether or not specific reserves classification criteria have been satisfied. Knowledge of concepts including uncertainty and risk, probability and statistics, and deterministic and probabilistic estimation methods are required to properly use and apply reserves definitions.

"**Reserves**" are estimated remaining quantities of oil and natural gas and related substances anticipated to be recoverable from known accumulations, from a given date forward, based on:

(a) analysis of drilling, geological, geophysical and engineering data;

(b) the use of established technology; and

(c) specified economic conditions, which are generally accepted as being reasonable, and shall be disclosed.

Reserves are classified according to the degree of certainty associated with the estimates.

"**Proved reserves**" are those reserves that can be estimated with a high degree of certainty to be recoverable. It is likely that the actual remaining quantities recovered will exceed the estimated proved reserves.

"**Probable reserves**" are those additional reserves that are less certain to be recovered than proved reserves. It is equally likely that the actual remaining quantities recovered will be greater or less than the sum of the estimated proved plus probable reserves.

Each of the reserves categories may be divided into developed and undeveloped categories.

"**Developed reserves**" are those reserves that are expected to be recovered from existing wells and installed facilities, or, if facilities have not been installed, that would involve a low expenditure (e.g. when compared to the cost of drilling a well) to put the reserves on production. The developed category may be subdivided into producing and non-producing.

"**Developed producing reserves**" are those reserves that are expected to be recovered from completion intervals open at the time of the estimate. These reserves may be currently producing or, if shut in, they must have previously been on production, and the date of resumption of production must be known with reasonable certainty.

"**Developed non-producing reserves**" are those reserves that either have not been on production, or have previously been on production but are shut-in and the date of resumption of production is unknown.

"**Undeveloped reserves**" are those reserves expected to be recovered from known accumulations where a significant expenditure (e.g., when compared to the cost of drilling a well) is required to render them capable of production. They must fully meet the requirements of the reserves category (proved and probable) to which they are assigned.

In multi-well pools, it may be appropriate to allocate total pool reserves between the developed and undeveloped categories or to sub-divide the developed reserves for the pool between developed producing and developed non-producing. This allocation is based on the estimator's assessment as to the reserves that will be recovered from specific wells, facilities and completion intervals in the pool and their respective development and production status.

Levels of Certainty for Reported Reserves

The qualitative certainty levels referred to in the definitions above are applicable to "individual reserves entities", which refers to the lowest level at which reserves calculations are performed, and to "reported reserves", which refers to the highest level sum of individual entity estimates for which reserves estimates are presented. Reported reserves should target the following levels of certainty under a specific set of economic conditions:

(a) at least a 90% probability that the quantities actually recovered will equal or exceed the estimated proved reserves; and

(b) at least a 50% probability that the quantities actually recovered will equal or exceed the sum of the estimated proved plus probable reserves.

A quantitative measure of the certainty levels pertaining to estimates prepared for the various reserves categories is desirable to provide a clearer understanding of the associated risks and uncertainties. However, the majority of reserves estimates are prepared using deterministic methods that do not provide a mathematically derived quantitative measure of probability. In principle, there should be no difference between estimates prepared using probabilistic or deterministic methods.

ABBREVIATIONS

In this Offering Memorandum, the following abbreviations have the meanings set forth below:

API	American Petroleum Institute	Mboe	thousands of barrels of oil equivalent
bbl and bbls	barrel and barrels, each barrel representing 34.972 Imperial gallons or 42 U.S. gallons	Mcf	thousand cubic feet
bbls/d	barrels per day	MMcf	million cubic feet
boe	barrels of oil equivalent	M	thousand
boe/d	barrels of oil equivalent per day	MM	million
Mbbls	thousands of barrels	STB	stock tank barrels of oil

STANDARD CONVERSIONS

The following table sets forth certain standard conversions between Standard Imperial Units and the International System of Units (or metric units).

To Convert From	**To**	**Multiply By**
Mcf	cubic metres	28.174
cubic metres	cubic feet	35.315
bbls	cubic metres	0.159
cubic metres	bbls	6.293
feet	metres	0.305
metres	feet	3.281
miles	kilometers	1.609
kilometers	miles	0.621
acres	hectares	0.405
hectares	acres	2.471

GLOSSARY OF TERMS

The following terms and abbreviations used throughout this Offering Memorandum have the following meanings:

"**ABCA**"	means the *Business Corporations Act* (Alberta), as amended.
"**Administration Agreement**"	means the administration agreement entered into on April 1, 2023, among the Administrator, the Partnership and the Trust, pursuant to which the Administrator will provide certain management, administrative and support services to the Trust, as such agreement may be amended, supplemented, restated or replaced from time to time.
"**Administrator**"	means Invico Diversified Income Administration Ltd., and its successors and assigns as Administrator of the Trust.
"**Aggregate Overall Appreciation**"	means, with respect to each Offered Unit and any Special Allocation Period, the positive difference, if any, between the Net Asset Value per Unit of such Offered Unit at the end of such Special Allocation Period (prior to the deduction of any Special Allocation for such Special Allocation Period and adjusted as necessary to reflect any distributions made by the Partnership during such Special Allocation Period) and the Net Asset Value per Unit for such Offered Unit at the start of such Special Allocation Period.
"**Aspen**"	means Aspen Air U.S., LLC.
"**Aspen Oldco**"	means either or both of Aspen Air Corporation and Aspen Air U.S. Corp. as applicable.
"**Business Day**"	means a day other than a Saturday, Sunday or a day on which the principal chartered banks located at Calgary, Alberta are not open for business.
"**Canadian Prime Rate**"	means the rate of interest publicly announced by a Canadian Reference Bank as its prime rate that is in effect on the first day of each calendar year. For greater certainty, the prime rate is the rate used for determining interest rates on Canadian Dollar denominated commercial loans in Canada by the reference bank (but such rate is not necessarily the most favored rate of such reference bank and such reference bank may lend to its customers at rates that are at, above or below such rate).
"**Canadian Reference Bank**"	means a bank listed in Schedule I to the *Bank Act* (Canada) as the General Partner may from time to time designate, in its discretion.
"**Capital Account**"	means the capital account established for each Partner, with respect to each class of Partnership Units, on the books of the Partnership.
"**Capital Contribution**"	of a Limited Partner means the total amount of money or property paid or agreed to be paid to the Partnership by such Limited Partner, or a predecessor Limited Partner, in respect of Partnership Units subscribed for by such Limited Partner, or a predecessor Limited Partner, where subscriptions therefor have been accepted by the General Partner, and may include adjustments or modifications by the General Partner pursuant to the Partnership Agreement, as determined by the General Partner.
"**CCAA**"	means the *Companies' Creditors Arrangement Act* (Canada).
"**Class A Partnership Unit**"	means a class A unit of the Partnership.
"**Class A Pool**"	means the portion of the Distributable Proceeds allocated to Class A Partnership Units by the General Partner.
"**Class A Unit**"	means a Class A Unit of the Trust.

"**Class A Unitholder**"	means a holder of a Class A Unit.
"**Class F Partnership Unit**"	means a class F unit of the Partnership.
"**Class F Pool**"	means the portion of the Distributable Proceeds allocated to Class F Partnership Units by the General Partner.
"**Class F Unit**"	means a Class F Unit of the Trust.
"**Class F Unitholder**"	means a holder of a Class F Unit.
"**Class FU Partnership Unit**"	means a class FU unit of the Partnership.
"**Class FU Pool**"	means the portion of the Distributable Proceeds allocated to Class FU Partnership Units by the General Partner.
"**Class FU Unit**"	means a Class FU Unit of the Trust.
"**Class FU Unitholder**"	means a holder of a Class FU Unit.
"**Class NAV**"	means in respect of a class of Partnership Units, a portion of the Net Asset Value attributed to such class of Partnership Units by the General Partner in its sole discretion, acting reasonably, with reference to factors including, but not limited to, assets, liabilities, revenues, Commissions, costs, expenses, or any transaction unique to each class of Partnership Units (including, for greater certainty, any accrued Special Allocation with respect to a class of Partnership Units).
"**Class Pool**"	has the meaning set forth in "*Summary of This Offering Memorandum - Distributions*".
"**Commissions**"	means, in respect of a Partnership Unit, or class of Partnership Units, any commissions (including trailing commissions) paid or fees paid to brokers or intermediaries (including Selling Agents) in connection with the issuance of such Partnership Units.
"**Corresponding LP Unit**"	means, with respect to a Trust Unit (or fraction of a Trust Unit), the Partnership Unit (or fraction of the Partnership Unit) that is acquired by the Trust with the proceeds the Trust receives from the issuance of such Trust Unit (or fraction of such Trust Unit).
"**COVID-19**"	means the COVID-19 coronavirus and each of its variants, which the World Health Organization declared to be a pandemic on March 11, 2020.
"**Distributable Proceeds**"	means the amount that remains after payment and reservation of all amounts necessary for the payment of all expenses of the Partnership, including, but not limited to, Expenses of the General Partner, any contribution that may be made by the General Partner to the Capital Accounts and payment of the Portfolio Management Fee, and reservation of such amounts as in the opinion of the General Partner are necessary having regard to the then current and anticipated resources of the Partnership and its commitments and anticipated commitments, distributions of cash assets or property of the Partnership or from the proceeds of the sale of all or any assets of the Partnership or consideration of non-cash items.
"**Distribution Payment Date**"	means the day that is 30 days following the last day of each calendar month.
"**Distribution Period**"	means each calendar month, or such other periods in respect of a particular class of Trust Units as may be determined from time to time by the Administrator from and including the first day thereof and to and including the last day thereof.
"**Distribution Record Date**"	means the last Business Day of each Distribution Period.
"**DRIP**"	means the distribution reinvestment plan of the Trust.

"**E&P Companies**"	means, collectively, Invico Energy USA and Invico Energy Canada.
"**Effective Date**"	has the meaning set forth in "*Item 2.11.2 - Summary of the Partnership Agreement - Redemption Notice*".
"**Energy Working Interests**"	means investments in producing oil and gas properties, non-producing properties and undeveloped land by participating in working interest ownership and/or gross overriding royalties in proven producing oil and gas properties in both Canada and the United States, that are owned by Invico Energy Canada and Invico Energy USA, respectively.
"**Equity Yield**"	means, collectively: (a) equity securities of debtors to the Partnership (resulting from the Lending Strategies approach) obtained through the exercise of warrants, the exercise of convertible debt and/or other equity consideration in loan agreements; (b) equity investments (acquired as a result of the Lending Strategies approach) that were deemed necessary or desirable to protect or restore interest and principal payments to the Partnership and/or position the debtor for sale; (c) equity investments acquired through an insolvency process; and (d) Secondaries Investments.
"**ESG**"	means environmental, social and governance.
"**Expenses of the General Partner**"	means all costs and expenses incurred by the General Partner in the performance of its duties under the Partnership Agreement, including Offering Costs.
"**Gator**"	means Gator Technologies, LLC.
"**General Partner**"	means Invico Diversified Income Managing GP Inc., a corporation incorporated under the laws of the Province of Alberta.
"**GPs**"	means both the General Partner and the Special General Partner.
"**Hurdle**"	means: (a) with respect to a Class A Partnership Unit, the Net Asset Value per Unit of such Class A Partnership Unit on the first day of the applicable Special Allocation Period multiplied by the sum of (i) the Canadian Prime Rate in effect for such calendar year *plus* (ii) four and one quarter percent (4.25%), rounded to the nearest half-percent, such sum to be no more than eight percent (8%) and no less than five percent (5%); (b) with respect to a Class F Partnership Unit, the Net Asset Value per Unit of such Class F Partnership Unit on the first day of the applicable Special Allocation Period multiplied by the sum of (i) the Canadian Prime Rate in effect for such calendar year *plus* (ii) five and one quarter percent (5.25%), rounded to the nearest half-percent, such sum to be no more than nine percent (9%) and no less than six percent (6%); and (c) with respect to a Class FU Partnership Unit, the Net Asset Value per Unit of such Class FU Partnership Unit on the first day of the applicable Special Allocation Period multiplied by the sum of (i) the Canadian Prime Rate in effect for such calendar year *plus* (ii) five and one quarter percent (5.25%), rounded to the nearest half-percent, such sum to be no more than nine percent (9%) and no less than six percent (6%). For greater certainty, the Hurdle is non-cumulative (i.e. it re-sets at the start of each Special Allocation Period), will be pro-rated where the applicable Special Allocation Period is less than 365 days. The percentage used in calculating the Hurdle for 2024 for the Class A Partnership Units, the Class F Partnership Units and Class FU Partnership Units are 8%, 9% and 9%, respectively.

"**IAAM**"	means Invico Alternative Asset Management Inc., a corporation incorporated under the laws of the Province of Alberta.
"**IFRS**"	means International Financial Reporting Standards.
"**Independent Review Committee**"	means the independent review committee established and maintained by the Portfolio Manager, comprised of not less than two independent members. At all times, all members of the independent review committee shall be "independent" as such term is defined in NI 81-107. In the event the Independent Review Committee does not have any members, then the Trust, the Partnership and the Portfolio Manager will not proceed on a matter that is a conflict of interest that the Trustee or directors of the General Partner, as applicable, determine is referable to the Independent Review Committee. For clarity, NI 81-107 does not apply to the Trust but is being used solely as a reference for "independence".
"**Investments**"	means any investments made by the Partnership pursuant to the terms of the Partnership Agreement.
"**Invico Energy Canada**"	means Invico Energy Ltd., the entity through which the Partnership holds Energy Working Interests located in Canada.
"**Invico Energy USA**"	means Invico Energy USA Inc., the entity through which the Partnership holds Energy Working Interests located in the United States.
"**Invico Secondaries**"	means Invico Secondaries 2022 LP.
"**Lending Strategies**"	means strategies based on investing in (either as the initial lender or as an acquiror on the secondary market) debt or debt-like obligations including asset-backed corporate lending, first and second mortgages (including residential and commercial mortgage-backed securities), lending for development drilling of established oil and gas reserves in Canada and the United States, collateralized debt obligations, consumer financing for durable goods (including automobiles), secured senior and subordinated debt obligations (including syndicated lending arrangements) and factoring of receivables.
"**Limited Partner**"	means each person that has subscribed for at least one Partnership Unit and is accepted as a limited partner of the Partnership.
"**Net Asset Value**"	means the net asset value of the entire Partnership and, for a Valuation Period shall mean, the excess, if any, of the value of the assets of the Partnership as determined pursuant to the Partnership Agreement on the last day of such Valuation Period less the amount of liabilities of the Partnership at such time. Net Asset Value shall be determined in accordance with the Partnership Agreement. See "*Item 2.11.2 - Summary of the Partnership Agreement - Valuations*".
"**Net Asset Value per Unit**"	means in respect of a particular class of Partnership Units, the quotient obtained by dividing the Class NAV by the total number of Partnership Units outstanding in such class.
"**Net Income**" **or** "**Net Loss**"	of the Trust means: (a) for any period other than a taxation year, the actual distributions received by the Trust from the Partnership; and (b) for any taxation year means the income or loss of the Trust for such year computed in accordance with the provisions of the Tax Act other than paragraph 82(1)(b) and subsection 104(6) of the Tax Act regarding the calculation of income for the purposes of determining the "taxable income" of the Trust thereunder; provided, however, that: (a) no account shall be taken of any gain or loss, whether realized or unrealized, that would, if realized, be a capital gain or capital loss for the purposes of the Tax Act; (b) if any amount has been designated by the Trust under subsection 104(19) of the Tax Act, such designation shall be disregarded; and (c) if such calculation results in income there shall be deducted the amount of any non-capital losses (as defined in the Tax Act) of the Trust for any preceding years, and Net Income of the Trust for

	any period means the income of the Trust for such period computed in accordance with the foregoing as if that period were the taxation year of the Trust.
"**Net Realized Capital Gains**"	of the Trust for any taxation year of the Trust shall be determined as the amount, if any, by which the aggregate of the capital gains of the Trust for the year exceeds: (a) the aggregate of the capital losses of the Trust for the year; and (b) the amount determined by the Administrator in respect of any net capital losses for prior taxation years which the Trust is permitted by the Tax Act to deduct in computing the taxable income of the Trust for the year.
"**NI 45-106**"	means National Instrument 45-106 – *Prospectus Exemptions* of the Canadian Securities Administrators.
"**NI 51-101**"	means National Instrument 51-101 – *Standards of Disclosure for Oil and Gas Activities* of the Canadian Securities Administrators.
"**NI 81-107**"	means National Instrument 81-107 – *Independent Review Committee for Investment Funds* of the Canadian Securities Administrators.
"**Non-resident**"	means a person who, at the relevant time, is not resident in Canada within the meaning of the Tax Act and includes a partnership that is not a "Canadian partnership" within the meaning of the Tax Act.
"NYMEX"	means the New York Mercantile Exchange.
"**Offering**"	means the private placement of Class A Units, Class F Units and Class FU Units pursuant to this Offering Memorandum.
"**Offering Costs**"	means any fees, costs and expenses incurred by or on behalf of the Partnership in connection with the offering and sale of Partnership Units from time to time, including marketing costs, the Commission and any other commission or fee payable to a registered dealer, financial advisor or eligible sales person in connection with the sale of Partnership Units.
"**Offering Memorandum**"	means this offering memorandum of the Trust dated April 2, 2024 as the same may be amended or amended and restated from time to time.
"**Ordinary Resolution**"	for the Trust or Partnership, as applicable, means: (a) a resolution passed by more than 50% of the votes cast by those Unitholders or holders of Partnership Units, as applicable, of the particular class or classes of Trust Units or Partnership Units, as applicable, entitled to and did vote on such resolution, whether cast in person or by proxy, at a meeting of Unitholders of such class or classes of Trust Units or a meeting of holders of Partnership Units of such class or classes, as applicable, at which a quorum was present, called (at least in part) for the purpose of approving such resolution, or (b) a resolution approved in writing, in one or more counterparts, by holders of more than 50% of the votes represented by those Trust Units or Partnership Units, as applicable, of the particular class or classes of Trust Units or Partnership Units entitled to be voted on such resolution.
"**Other Trust Securities**"	means any type of securities of the Trust, other than Trust Units, including options, rights, warrants and other securities convertible into or exercisable for Trust Units or other securities of the Trust (including convertible debt securities, subscription receipts and instalment receipts).
"**Partner**"	means a Limited Partner or General Partner of the Partnership.
"**Partnership**"	means Invico Diversified Income Limited Partnership, a limited partnership formed in the Province of Alberta on September 25, 2013 pursuant to the Partnership Act.

"**Partnership Act**"	means the *Partnership Act* (Alberta), as may be amended or supplemented.
"**Partnership Agreement**"	means the eleventh amended and restated limited partnership agreement of the Partnership dated December 1, 2021, as may be further amended from time to time.
"**Partnership Units**"	means limited partnership units, of any class, of the Partnership.
"**Portfolio and Investment Fund Management Agreement**"	means the second amended and restated Portfolio and Investment Fund Management Agreement between the Trust, the Partnership and the Portfolio Manager dated December 1, 2021.
"**Portfolio Management Fee**"	means the amount payable by the Partnership to the Portfolio Manager equal to a monthly fee equal to one twelfth (1/12) of 1.75% of the Class NAV of the applicable class of Partnership Units, calculated and payable, in advance, at the beginning of each month based on the Class NAV of the applicable class of Partnership Units on the last date of the preceding month. Any Portfolio Management Fee attributable to any period of less than one full month (whether as to the Partnership generally or to any Limited Partner) shall be pro-rated appropriately and be payable on the first day of such period. At the sole discretion of the Portfolio Manager, payment of the Portfolio Management Fee or any accrual thereof, in whole or in part, may be waived, including with respect to particular Partnership Units.
"**Portfolio Manager**"	means Invico Capital Corporation, which is appointed as the portfolio manager and investment fund manager pursuant to the Portfolio and Investment Fund Management Agreement, and such other person or persons as the General Partner may appoint as Portfolio Manager from time to time in place of Invico Capital Corporation in compliance with applicable securities legislation, including, but not limited, to the *Securities Act* (Alberta) and all regulations thereto.
"**Redemption Date**"	means the last Business Day of a fiscal quarter.
"**Redemption Notes**"	for the Trust or Partnership, as applicable, means promissory notes issued in series, or otherwise, by the Trust or Partnership, as applicable, pursuant to a note indenture or otherwise and issued to a redeeming Unitholder or Limited Partner, as applicable, in principal amounts equal to the applicable portion of the Redemption Price of the Trust Units or Partnership Units to be redeemed and having the following terms and conditions: (a) unsecured and bearing interest from and including the issue date of each such note at a market rate determined at the time of issuance, based on the advice of an independent financial advisor, by the Administrator or General Partner, as applicable, and payable annually in arrears (with interest after as well as before maturity, default and judgement, and interest on overdue interest at such rate); (b) subordinated and postponed to all senior indebtedness and which may be subject to specific subordination and postponement agreements to be entered into by the Trust or Partnership, as applicable, pursuant to the note indenture with holders of senior indebtedness; (c) subject to earlier prepayment, being due and payable on the third anniversary of the date of issuance; and (d) subject to such other standard terms and conditions as would be included in a note indenture for promissory notes of this kind, as may be approved by the General Partner, Trustee or Administrator, as applicable.

"**Redemption Price**"	means, in the event of a redemption of any Trust Unit, the net redemption proceeds per Partnership Unit that are received by the Trust upon redemption by the Trust of the Corresponding LP Unit redeemed by the Trust to pay for the redemption of such Trust Unit, and the redemption price in respect of a Class A Partnership Unit, a Class F Partnership Unit and a Class FU Partnership Unit shall equal the Net Asset Value per Unit of the Class A Partnership Unit, Class F Partnership Unit or Class FU Partnership Unit, as applicable, at the applicable Redemption Date and in each case, less, to the extent not accrued in the Net Asset Value per Unit of the Class A Partnership Unit, Class F Partnership Unit or Class FU Partnership Unit, as applicable, any Special Allocation owed with respect to such Unit.
"**Redrock**"	means Redrock Camps LP.
"**Redrock Oldco**"	means Redrock Camps Inc.
"**Redrock USA**"	means Redrock Camps USA, LLC.
"**Secondaries Investments**"	means investments in existing alternative investment funds through the acquisition of an existing interest in such funds by the Partnership from another entity in a negotiated transaction, including the Partnership's investment in Invico Secondaries.
"**Securities Act**"	means the *Securities Act* (Alberta), as may be amended or supplemented from time to time, and the regulations and rules under that act and the blanket rulings and orders issued by the Alberta Securities Commission.
"**Selling Agents**"	means registered dealers, financial advisors, sales persons, brokers, intermediaries or other eligible person. See "*Item 8 - Selling Agents and Compensation Paid to Sellers and Finders*".
"**Sockeye**"	means Sockeye Modular Installations LP.
"**Sockeye Oldco**"	means Sockeye Enterprises Inc., a subsidiary of Redrock Oldco.
"**Special Allocation**"	has the meaning set forth in "*Summary of This Offering Memorandum - Special Allocation*".
"**Special Allocation Period**"	means, with respect to a Class A Partnership Unit, Class F Partnership Unit or Class FU Partnership Unit, the period (a) commencing: (i) initially, on the date of issuance of such Class A Partnership Unit, Class F Partnership Unit or Class FU Partnership Unit; and (ii) thereafter, immediately following the end of the preceding Special Allocation Period; and (b) ending on the earlier of: (i) the 31st day of December in each fiscal year; (ii) the date on which the Class A Partnership Unit, Class F Partnership Unit or Class FU Partnership Unit is redeemed; (iii) the effective date that Invico Capital Corporation (or an affiliate thereof) ceases to be the Portfolio Manager; and (iv) the date on which the Partnership dissolves and/or terminates.
"**Special General Partner**"	means Invico Diversified Income GP Ltd., a corporation incorporated under the laws of the Province of Alberta.
"**Special Resolution**"	for the Trust or Partnership, as applicable, means: (a) a resolution passed by more than $66^2/_3\%$ of the votes cast by those Unitholders or holders of Partnership Units, as applicable, of the particular class or classes of Trust Units or Partnership Units entitled to and did vote on such resolution, whether cast in person or by proxy, at a meeting of Unitholders or holders of Partnership Units, as applicable, of such class or classes of Trust Units or Partnership Units, at which a quorum was present, called (at least in part) for the purpose of approving such resolution, or

(b) a resolution approved in writing, in one or more counterparts, by holders of more than 66⅔% of the votes represented by those Trust Units or Partnership Units of the particular class or classes of Trust Units or Partnership Units entitled to be voted on such resolution.

"**Subscriber**"	means a subscriber of Class A Units, Class F Units and Class FU Units under this Offering.
"**Tax Act**"	means the *Income Tax Act* (Canada), as amended.
"**Tax Deferred Plan**"	means a trust governed by a registered retirement savings plan ("**RRSP**"), registered retirement income fund ("**RRIF**"), deferred profit sharing plan, registered disability savings plan ("**RDSP**"), registered education savings plan ("**RESP**"), tax-free savings account ("**TFSA**") or first home savings account ("**FHSA**") all within the meaning of the Tax Act.
"**Trust**"	means Invico Diversified Income Fund, a private open-ended investment trust established under the laws of Alberta on September 25, 2013.
"**Trust Indenture**"	means the fourth amended and restated trust indenture of the Trust dated December 1, 2021, including any amendments or supplemental indentures thereto.
"**Trust Property**"	at any time, means all of the money, properties and other assets of any nature or kind whatsoever, including both income and capital of the Trust, as are, at such time, held by the Trust or by the Trustee on behalf of the Trust.
"**Trust Unit**"	means a trust unit of the Trust, including the Class A Units, Class F Units and Class FU Units.
"**Trustee**"	means Invico Diversified Income Fund Trustee Corporation in its capacity as trustee of the Trust, or any successor trustee of the Trust in accordance with the provision of the Trust Indenture.
"**Unitholder**"	means a holder of Trust Units.
"**US$**" or "**U.S. dollar**"	means United States Dollars.
"**Valuation Period**"	shall mean each month or quarter of the Partnership, as applicable, or, if for any month or quarter of the Partnership any contribution to the capital of the Partnership shall have been made at any time other than the first day of such month or quarter or any withdrawal from the capital of the Partnership shall have been made at any time other than as of the last day of such month or quarter, then: (a) the period commencing on the first day of such month or quarter and ending on the date of such withdrawal or the day next preceding the date of any such contribution; and (b) each successive period in such month or quarter commencing on the date of any such contribution or day following the date of such withdrawal and ending on the earlier to occur of: (i) the last day of such month or quarter; or (ii) the date of the next such withdrawal or the day next preceding the date of the next such contribution to the capital of the Partnership during such month or quarter.
"**Wholly-Owned Subsidiaries**"	means, collectively, Gator, Redrock, Redrock USA, and Sockeye or any of them (as the context requires).
"**$**" **or** "**C$**"	means Canadian Dollars.

SUMMARY OF THIS OFFERING MEMORANDUM

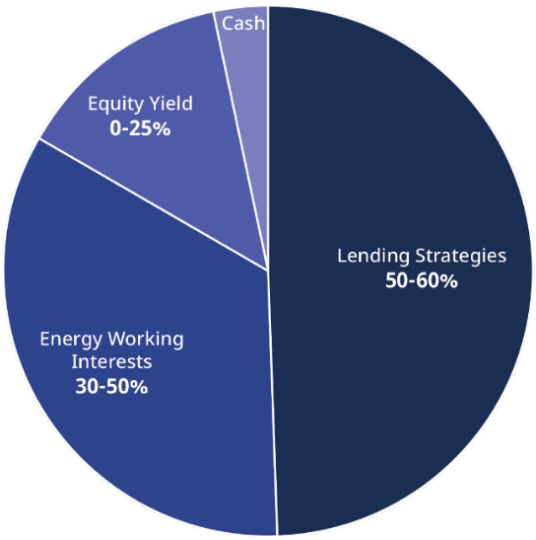
The following is a summary of the principal features of this Offering Memorandum and should be read together with the more detailed information contained elsewhere in this Offering Memorandum. Certain terms used in this Offering Memorandum are defined in the Glossary of Terms.

Investment Objectives and Strategies:

The Trust was established for the purposes of investing indirectly, through the Partnership, in securities or other investments. The Partnership intends to focus on investments that provide a high level of current income while offering the potential for moderate capital appreciation by investing primarily in high-yielding investments in a well-diversified manner. Target investments include: (a) strategies based on investing in (either as the initial lender or as an acquiror on the secondary market) debt or debt-like obligations including asset-backed corporate lending, first and second mortgages (including residential and commercial mortgage-backed securities), lending for development drilling of established oil and gas reserves in Canada and the United States, collateralized debt obligations, consumer financing for durable goods (including automobiles), secured senior and subordinated debt obligations (including syndicated lending arrangements) and factoring of receivables (collectively, "**Lending Strategies**"); (b) investment in producing oil and gas properties, non-producing properties and undeveloped land by participating in working interest ownership and/or gross overriding royalties in proven producing oil and gas reserves ("**Energy Working Interests**") in both Canada and the United States; (c) collectively: (i) equity securities of debtors to the Partnership (resulting from the Lending Strategies approach) obtained through the exercise of warrants, the exercise of convertible debt and/or other equity consideration in loan agreements; (ii) equity investments (acquired as a result of the Lending Strategies approach) that were deemed necessary or desirable to protect or restore interest and principal payments to the Partnership and/or position the debtor for sale; (iii) equity investments acquired through an insolvency process; or (iv) Secondaries Investments (collectively, "**Equity Yield**"); and (d) subject to the unanimous approval of the Independent Review Committee, such other investments that meet the Partnership's desire for security and returns.

The Partnership's current target asset allocation and ranges are as set out in the pie chart below. However, the Partnership may change its targeted asset allocation at any time with the unanimous approval of the Independent Review Committee. The actual composition of the Partnership's composition will vary over time as the Partnership's investments or loans mature and funds are reinvested in accordance with the Partnership's investment strategies.

Target Asset Allocation



The Partnership undertakes an active investment management approach. Active management involves exerting degrees of control over the management of investee companies, to be determined by the General Partner on an investment by investment basis.

With respect to Lending Strategies, the Partnership will seek the ability to restrict certain actions of the management of investee companies pursuant to certain covenants contained in the loan documentation or other definitive agreements with such investee companies. Such restrictions may include approval or veto rights over certain decisions made by the management of investee companies. The Partnership may also, in certain circumstances, have the right to designate one non-voting board observer. Such observer is entitled to attend all board meetings of the investee company, participate in all board deliberations and receive copies of all materials provided to the board. The documentation in respect of each investment is expected to contain financial and non-financial covenants, financial reporting and monitoring requirements. Investee companies are expected to be subject to reporting requirements, which may consist of annual and quarterly financial statements, listings of accounts payable and accounts receivable, compliance certificates and other such information the Partnership may reasonably request. The Partnership's loan documentation as a primary lender places negative covenants upon investee companies such as restrictions on: (a) amalgamations, reorganizations, recapitalizations, consolidations, mergers, transfers or similar events; (b) creating or incurring liens upon or with respect to any of its undertakings, properties, rights or assets; (c) asset sales above a determined value; (d) interest payments to subordinated lenders; (e) payment of dividends or distributions; (f) transactions with affiliates or associates; (g) providing financial assistance; (h) creating, incurring or assuming indebtedness; (i) making of investments; (j) modifying, amending or altering material contracts; (k) changing the nature of its business; and (l) making additions to the board of directors or substitutions of existing directors. Additionally, the Partnership's loan documentation as a primary lender will contain financial covenants specific to the investee companies. Certain loans provide an option to the borrower to request additional funds, subject to certain terms, conditions and restrictions included in the loan documentation.

Energy Working Interests are managed by the Partnership. The Partnership acquires non-operated working interests in the United States through Invico Energy USA and in Canada through Invico Energy Canada, both of which are wholly-owned by the Partnership.

Additionally, the Partnership owns, directly or indirectly, the Wholly-Owned Subsidiaries. The Partnership retains full control of the management of such entities.

The Partnership may enter into hedging transactions to protect against commodity and exchange rate volatility.

See "*Item 2.3.1 - Investment Objectives and Strategies*".

Although it is intended that the Trust qualify as a "mutual fund trust" for purposes of the Tax Act, the Trust will not be a "mutual fund" or "investment fund" under applicable securities laws.

Investment Criteria:

The General Partner will actively source potential investments and will, with input and approval from the Portfolio Manager, evaluate and assess prospective investees and determine the proportion of investments by the Partnership. The General Partner, through the Portfolio Manager and advisors, will determine whether prospective investees meet the Partnership's investment criteria and perform the due diligence required to make such determination. The General Partner and its advisors, with the input and approval of the Portfolio Manager, will continually monitor and evaluate the financial performance of such investees and the allocation of the Partnership's assets among such investees, and the portfolio exposure to external factors such as currency, interest rates, and commodity prices, to make ongoing asset allocation and hedging strategy decisions.

Through a diversified asset allocation strategy (based on managing the Partnership's exposure to any one loan in the case of Lending Strategies or any one operator in the case of Energy Working Interests, in an amount not to exceed 20% of the Net Asset Value) of both in-house and third party sourced opportunities, the Partnership intends to have a diversified set of high yield based opportunities across a number of asset classes and industries.

In 2021, the Portfolio Manager became a signatory of the United Nations-supported Principles for Responsible Investment ("**PRI**"), a leading proponent of responsible investment. PRI supports thousands of signatories in the asset management business in incorporating ESG considerations into their investment decision-making and investment management practices. Accordingly, the Portfolio Manager uses the responsible investment approach of ESG integration to manage risk holistically by integrating the assessment of ESG factors into its investment decision making-process. This approach involves an assessment and grading of relevant ESG factors and the requirement for a minimum score on each category and minimum average for all categories, thus ensuring that prospective borrowers that demonstrate weak ESG attributes in any category or across all categories will be excluded as investments of the Partnership.

With respect to Lending Strategies, the Partnership will consider investments that have an expected total return determined by the General Partner to meet the Partnership's desire for security and returns while maintaining an appropriate level of risk. The Partnership will require timely compliance reporting and financial reporting from investee companies, as well as such other reporting of information that is deemed prudent and necessary to monitor an investee company's performance. In addition to payments of interest income, the Partnership's total return from Lending Strategies may include estimated amounts from commitment fees, account administration or monitoring fees, underwriting or amendment fees, performance or incentive fees, royalties, make-whole payments, interest and default reserves, deferred interest payments (balloon payments), discounts on purchased invoices, secondary or original issue discounts, warrants, options, other equity consideration and any other amounts paid upon repayment.

The Partnership's Lending Strategies will focus on lending to businesses with the following features: acceptable leverage, well-defined capital and working capital expenditure requirements, dependable cash flow, growth prospects, quality management, the ability to obtain acceptable collateral or security, a clearly defined path to repayment. The Partnership will consider a variety of sectors including but not limited to, the financial services industry, the oil and gas industry, the manufacturing industry, the service industry, consumer products, media and entertainment, and the real estate industry.

With respect to Energy Working Interests, the Partnership focuses on investment opportunities in Canada and the United States that are expected to satisfy the return objectives set out by the General Partner. The Partnership will focus on Energy Working Interests that involve the acquisition of producing assets, royalty assets and lower risk development drilling that are expected to result in recovery of capital within a short period (i.e. simple payback of approximately three to four years) while still providing the Partnership with a long-term distribution profile with economic lives averaging 20 years or more. Concurrent with new investments and the day-to-day management of existing investments in Energy Working Interests, the Partnership assesses the prevailing commodity price environment and outlook with the view to considering opportune hedging strategies to lock in the expected returns from investments.

The Partnership's Equity Yield investments may consist of: (a) equity securities of debtors to the Partnership (resulting from the Lending Strategies approach) obtained through the exercise of warrants, the exercise of convertible debt and/or other equity consideration in loan agreements; (b) equity investments (acquired as a result of the Lending Strategies approach) that were deemed necessary or desirable to protect or restore interest and principal payments to the Partnership and/or position the debtor for sale; (c) equity investments acquired through an insolvency process; or (d) Secondaries Investments. For example, Equity Yield may be used to deploy capital to stabilize or expand the business of a Wholly-Owned Subsidiary that was acquired by the Partnership through creditor enforcement processes. In such circumstances, an equity investment will only be made where the underlying business of the debtor has demonstrated an ability to generate sustainable cash flow and where the Partnership determines that efficiencies can be realized by targeted changes in the debtor, including through improved management, restructuring, or sale of certain assets.

Secondary investments, or "secondaries", generally refer to investments in existing alternative investment funds through the acquisition of an existing interest in such funds by one investor from another in a negotiated transaction. Some investments may require the buyer to take on future funding obligations in exchange for future returns and distributions. A secondary investment will often take place at a discount to an investment fund's net asset value. Given that secondaries are generally made after an investment fund has deployed capital into portfolio companies, these investments are viewed as more mature and may not exhibit the initial decline in net asset value associated with primary investments and may reduce the impact of the J-curve associated with alternative investing. However, the realization of returns is dependent upon the performance of each alternative investment fund. See "*Item 10.3 - Risks Associated with the Business - Secondaries Investments*".

With respect to secondaries investment opportunities, the Partnership intends to focus on later stage funds within three to four years of fund maturity to ensure the liquidation of the underlying investments meet the Partnership's needs for current yield and liquidity. The Portfolio Manager must comply with the fair allocation policy contained in its policies and procedures manual with respect to the allocation of secondaries investment opportunities among the Partnership and other entities managed or controlled by the Portfolio Manager.

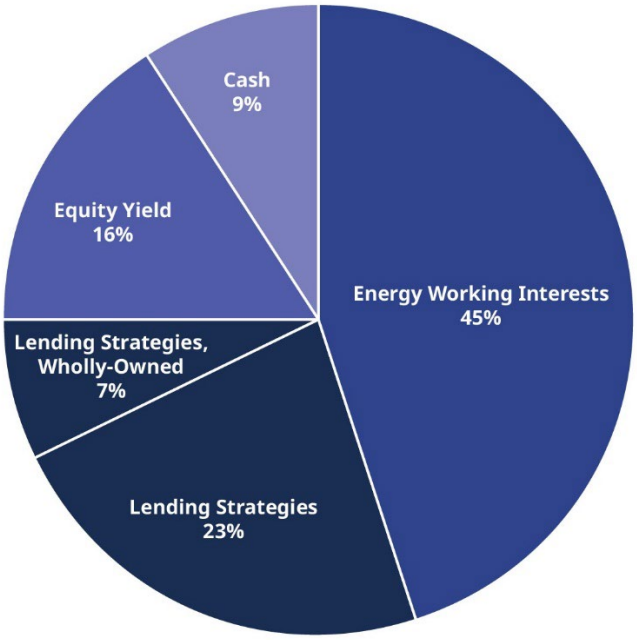
See "*Item 2.3.2 - Investment Criteria*".

The Partnership has established certain investment restrictions as set forth in the Partnership Agreement. The investment restrictions may be changed only by way of a Special Resolution. The Partnership may, from time to time, in consultation with the Portfolio Manager, establish certain other investment restrictions and policies as available opportunities and market conditions may dictate. See "*Item 2.3.7 - Investment Restrictions*" and "*Item 2.11.2 - Summary of the Partnership Agreement - Investment Restrictions*".

Assets Held:

The pie chart below shows the composition of the Partnership's asset portfolio as at March 15, 2024. Such composition will change over time as the Partnership's investments or loans mature and funds are reinvested in accordance with the Partnership's investment strategy.

Actual Asset Allocation



As at March 15, 2024, the Partnership held, directly or indirectly, the investments summarized below. For additional information on the individual investments of the Partnership, please refer to the financial statements of the Partnership attached herein.

Lending Strategies

As at March 15, 2024, the Partnership had 18 loan investments in Lending Strategies, representing approximately 30% of the Net Asset Value, with an average loan size of $7.6 million, consisting of 16 first charge security positions and 2 subordinated security positions, with interest rates on direct loans ranging from 10% to 16%, and maturities ranging from zero to 4.2 years. A portion of the Partnership's investment in Lending Strategies, comprised of three loans representing approximately 7% of the Net Asset Value, were outstanding to Wholly-Owned Subsidiaries, and such loans were made on substantially the same terms as loans made to arm's length parties. Certain of the Partnership's loan investments provide an option to the borrower to request additional funds, subject to certain terms and conditions. As at March 15, 2024, the total undrawn but committed amounts related to these loans equals approximately $0 million for loans made in Canadian dollar and approximately US$10 million for loans made in U.S. dollars.

As at March 15, 2024, approximately 0.4% of total investments (0.4% of the Net Asset Value) relates to Lending Strategies investments that are in arrears on scheduled interest payments, approximately 2.4% of total investments (2.2% of the Net Asset Value) relates to Lending Strategies investments that are in default with respect to material terms in the loan agreement, and approximately 2.4% of total investments (2.2% of the Net Asset Value) relates to loans that are impaired.

See "*Item 2.4.1 - Lending Strategies*".

Energy Working Interests

As at March 15, 2024, the Partnership's investment in Energy Working Interests in the United States and Canada were owned through Invico Energy USA and Invico Energy Canada, which together represented approximately 45% of the Net Asset Value.

United States: The Partnership's Investments in Energy Working Interests in the United States are owned through Invico Energy USA, in both equity and loan instruments. Invico Energy USA is a Delaware corporation that owns certain non-operated working interests and royalties in the Denver-Julesburg ("**DJ**") Basin in Colorado and Wyoming, the Williston Basin in North Dakota and Montana, the Powder River Basin in Wyoming and the Eagle Ford Basin in Texas. As at March 15, 2024, Invico Energy USA had interests in approximately 1640 gross producing wells across the DJ, Williston, Powder River and Eagle Ford Basins which were comprised of working interests in approximately 1090 gross producing wells (average 2.23% net revenue interest) and royalty interests in approximately 550 gross producing wells (average 0.5% net revenue interest).

Canada: The Partnership's Investments in Energy Working Interests in Canada are owned through Invico Energy Canada, in both equity and loan instruments. Invico Energy Canada is an Alberta corporation that owns predominantly non-operated working interests in Alberta and Southwestern Saskatchewan. As at March 15, 2024, Invico Energy Canada had investments in approximately 600 gross producing wells, comprised of small percentage positions (average 15% working interest).

See "*Item 2.4.2 - Energy Working Interests*".

Equity Yield

As at March 15, 2024, the Partnership's investments in Equity Yield represented approximately 16% of the Net Asset Value, which is comprised of: (a) investments in the Wholly-Owned Subsidiaries; (b) warrants and other equity securities of three borrowers, or their affiliates, issued to the Partnership in connection with entering loan agreements with such borrowers; (c) a majority equity investment in a U.S. pharmaceutical manufacturing company obtained through enforcement of a loan made by the Partnership to the company; and (d) a Secondaries Investment through Invico Secondaries.

All of the Wholly-Owned Subsidiaries of the Partnership were acquired through enforcement of a nonperforming loan investment or an insolvency process. The Wholly-Owned Subsidiaries currently consist of the following companies:

- Gator, an oilfield equipment rental company;
- Sockeye, a modular installations company; and
- Redrock and Redrock USA, both remote accommodations services companies.

With respect to its Secondaries Investment, the Partnership made a capital commitment in the amount of US$16.1 million to Invico Secondaries and, as at March 15, 2024, the Partnership has contributed US$8.05 million.

See "*Item 2.4.3 - Equity Yield*".

Cash

As of March 15, 2024, the Partnership's cash position included the following:

- $22.7 million in Canadian dollar denominated cash deposits held directly by the Partnership;
- US$9.2 million in U.S. dollar denominated cash deposits held directly by the Partnership; and
- US$3.6 million in U.S. dollar denominated cash deposits and an escrow receivable held by Invico Energy Holdings USA (Colorado) Inc., a corporation indirectly wholly-owned by the Partnership. Cash held by Invico Energy Holdings USA (Colorado) Inc. is the result of the disposition of Aspen.

The Partnership regularly monitors cash balances, inflows and outflows to maintain liquidity at appropriate levels. On January 24, 2024, the Partnership collected C$40.0 million from the repayment of a debt investment. During the period of January 1, 2024 to March 15, 2024, the Partnership provided funds of US$3.4 million to Invico Energy USA. On February 16, 2024, the Partnership provided funds of US$7.1 million as part of a global syndicated credit facility to a borrower operating in the agricultural industry. On February 27, 2024, the Partnership was repaid US$7.5 million from another global syndicated credit facility agreement for which the borrower operates in the accommodation industry. This facility was renewed, and the Partnership funded US$7.4 million on March 6, 2024. On March 1, 2024, the Partnership committed to funding an estimated US$8.5 million to a borrower in the apparel manufacturing industry as part of a global syndicated credit facility. The funding settlement is expected to occur on April 3, 2024. The Partnership actively seeks investment opportunities to deploy excess cash in accordance with its investment objectives and strategies.

See "*Item 2.4.4 - Cash*".

Portfolio Performance: For a summary of portfolio performance, including historical returns and historical distributions, please see "*Item 2.7 - Portfolio Performance*". Past performance is not indicative of future results. See also "*Item 10 - Risk Factors*". For more information, see the financial statements of the Trust and the Partnership attached to this Offering Memorandum.

Proposed Closing Date(s): Closings will take place on the dates determined by the Administrator. It is anticipated that closings will take place on the last Wednesday of every month.

Income Tax Consequences: There are important tax consequences to investors holding Trust Units. The Trust has been advised that, provided that the Trust qualifies as a "mutual fund trust" for purposes of the Tax Act at all relevant times, the Trust Units will be qualified investments for Tax Deferred Plans. Potential investors should consult their own tax advisors in respect to an investment in Trust Units. See "*Item 7 - Canadian Federal Income Tax Considerations*".

Selling Agents and Compensation Paid to Sellers and Finders: The Trust will retain Selling Agents in respect of the distribution and sale of the Trust Units. In addition, the Portfolio Manager, a registered exempt market dealer, may also act as a Selling Agent.

The Partnership may pay an annual fee of up to 1.0% per annum of the net asset value of the Class A Partnership Units (purchased by the Trust using the subscription proceeds of the Class A Units) that remains invested in the Partnership, payable to certain Selling Agents. No such fees will be paid in respect of the Class F Partnership Units and Class FU Partnership Units.

In addition, the Trust may retain IAAM, an affiliate of the Portfolio Manager, as a wholesaler in connection with the Offering to provide marketing and sales assistance to Selling Agents. IAAM will be reimbursed by the Partnership for expenses incurred in connection with wholesaling services.

The Trust is a connected issuer and related issuer of the Portfolio Manager as Jason Brooks and Allison Taylor indirectly own all of the voting shares of the Portfolio Manager, which owns all of the shares of the Trustee, the Administrator and the General Partner. Jason Brooks is the President of the Trustee, Administrator, the General Partner and the Portfolio Manager, and Allison Taylor is the Chief Executive Officer of the Trustee, Administrator, the General Partner and the Portfolio Manager.

See "*Item 8 - Selling Agents and Compensation Paid to Sellers and Finders*".

Distributions:

Unitholders shall be entitled to receive distributions of the Net Income and the Net Realized Capital Gains of the Trust in accordance with the terms of the Trust Indenture. Distributions to Class A Unitholders, Class F Unitholders and Class FU Unitholders will be derived from the distributions the Trust receives from the Partnership in respect of the Class A Partnership Units, Class F Partnership Units and Class FU Partnership Units, respectively.

After payment and reservation of all amounts necessary for the payment of all expenses of the Partnership, distributions of Distributable Proceeds will be made in accordance with the following process. First, the General Partner shall allocate the Distributable Proceeds to each class of Partnership Units to arrive at the "**Class Pool**" of each class of Partnership Units. The Class Pool of a class of Partnership Units may be adjusted, at the sole discretion of the Portfolio Manager, for factors including, but not limited to, assets, liabilities, revenues, Commissions, costs, expenses or any transaction unique to each class of Partnership Units (including, for greater certainty, any accrued Special Allocation with respect to a class of Partnership Units). Second, the General Partner may distribute all or any portion of the Class as set out below, provided that no distribution may be made with respect to a class of Partnership Units if the Class NAV of such class of Partnership Units after such distribution would be reduced to below zero. For greater certainty, a distribution may be made with respect to one or more classes of Partnership Units and not with respect to one or more other classes of Partnership Units.

The Trust will own all of the Class A Partnership Units. Distributions to the Trust, as the sole holder of Class A Partnership Units, will be as follows: 99.999% of the Class A Pool attributable to a Valuation Period will be distributed to the Trust and 0.001% of the Class A Pool will be distributed to the General Partner.

The Trust will own all of the Class F Partnership Units. Distributions to the Trust, as the sole holder of Class F Partnership Units, will be as follows: 99.999% of the Class F Pool attributable to a Valuation Period will be distributed to the Trust and 0.001% of the Class F Pool will be distributed to the General Partner.

The Trust will own all of the Class FU Partnership Units. Distributions to the Trust, as the sole holder of Class FU Partnership Units, will be as follows: 99.999% of the Class FU Pool attributable to a Valuation Period will be distributed to the Trust and 0.001% of the Class FU Pool will be distributed to the General Partner.

To the extent that there are no Distributable Proceeds after payment and reservation of all amounts necessary for the payment of all expenses of the Partnership, including, but not limited to, Expenses of the General Partner and the Portfolio Management Fee, the Partnership shall not be obligated to make any distributions of cash to the Partners.

See "*Item 5.1.1 - Distributions*".

The ability of the Trust to make cash distributions on the Trust Units is principally dependent upon the Trust receiving payment of distributions from the Partnership. It is in the Portfolio Manager's sole discretion to determine the utilization of available cash

assets or property of the Partnership, declare distributions and the amount of such distributions. The distribution policy of the Trust and the Partnership is described under "*Item 2.6 - Distribution Policy*".

For a summary of historical distributions of the Trust, see "*Item 2.7.2 - Historical Distributions*".

The Trust has adopted a distribution reinvestment plan (the "**DRIP**") that will allow eligible Unitholders to elect to have their monthly cash distributions reinvested in additional Trust Units on the Distribution Payment Date at a purchase price to be determined by the Administrator, on behalf of the Trust, from time to time based on the then issue price of the Class A Partnership Units, Class F Partnership Units and Class FU Partnership Units, as applicable. See "*Item 2.11.5 - Summary of the DRIP*".

Special Allocation:

In respect of each Class A Partnership Unit, Class F Partnership Unit or Class FU Partnership Unit and each Special Allocation Period, the Special General Partner shall be entitled to an allocation equal to 20% of the Aggregate Overall Appreciation during such Special Allocation Period that is in excess of the Hurdle for such Special Allocation Period, with the amounts allocated to the Special General Partner being the "**Special Allocation**".

The Special Allocation is estimated and accrued on each date that the Net Asset Value is determined (such that the Net Asset Value per Unit reflects such accrual) and calculated and paid at the end of each Special Allocation Period. Special Allocations with respect to a Class A Partnership Unit, Class F Partnership Unit or Class FU Partnership Unit are paid out of the assets of the Partnership attributable to the class to which the Unit belongs and are not specifically allocated to the holder of such Class A Partnership Unit, Class F Partnership Unit or Class FU Partnership Unit.

The General Partner shall have the right, without the consent of or notice to the Limited Partners, to waive, reduce or eliminate the Special Allocation otherwise attributable: (a) to any Limited Partner affiliated with the GPs (or any principal thereof); or (b) for such consideration it deems appropriate, to any other Limited Partner; provided, however, that in any case no such waiver, reduction or elimination shall increase the amount thereof to be borne by any Limited Partner.

See "*Item 5.1.1 - Distributions - Special Allocation*".

Redemption and Retraction:

Redemption by Unitholder

A Unitholder may redeem Trust Units on the last Business Day of any fiscal quarter end (the "**Redemption Date**"), subject to certain restrictions, by providing written notice to the Trustee not less than 45 days prior to the Redemption Date. Subject to certain conditions, payment for the redeemed Trust Unit shall occur on the 45th day following the Redemption Date. The Trust may, in the future, amend the rights of the Trust Units to provide for redemptions on a more frequent basis.

The Redemption Price for any Trust Unit being redeemed shall be equal to the net redemption proceeds per Partnership Unit that are received by the Trust upon redemption by the Trust of the Corresponding LP Unit redeemed by the Trust to pay for the redemption of such Trust Unit and the redemption price in respect of a Class A Partnership Unit, a Class F Partnership Unit and a Class FU Partnership Unit shall equal the Net Asset Value per Unit of the Class A Partnership Unit, Class F Partnership Unit or Class FU Partnership Unit, as applicable, at the applicable Redemption Date and in each case, less, to the extent not accrued in the Net Asset Value per Unit of the Class A Partnership Unit, Class F Partnership Unit or Class FU Partnership Unit, as applicable, any Special Allocation owed with respect to such Unit.

Payment of the Redemption Price shall be made by cheque payable to or to the order of the Unitholder or by such other manner of payment, including electronic fund transfer, wire transfer or payment in kind, approved by the Trustee from time to time. However, if on any Redemption Date, the Trustee determines, in its sole discretion,

that the Trust does not have sufficient cash reserves to pay the amounts payable on the redemption of Trust Units, the Trustee shall advise the Unitholder in writing that all or a portion of the Redemption Price payable in respect of Trust Units tendered for redemption in the applicable calendar quarter shall be paid within 45 days of the Redemption Date by the Trust issuing Redemption Notes having a principal amount equal to such portion of the Redemption Price for each Trust Unit to be redeemed. At any time in the 7 days following the date of the Trustee's notice set out above, the Unitholder may rescind its notice of redemption in respect of all or a portion of the Trust Units tendered for redemption.

Cash payable in respect of the Redemption Price for a class of Trust Units to be redeemed will be paid *pro rata* to Unitholders tendering Trust Units of such class, as applicable, for redemption in any calendar quarter (determined based on the initial number of Trust Units of such class, as applicable, tendered for redemption).

Redemption Notes are not qualified investments for Tax Deferred Plans. See "*Item 5.1.2 - Redemption and Retraction*" and "*Item 7 - Canadian Federal Income Tax Considerations*".

Redemption by the Trust

The Trust may, at any time and from time to time, require the redemption of all or a portion of the Trust Units held by a Unitholder by written notice to such Unitholder. The effective date of such redemption shall be determined by the Trustee or the Administrator in its sole discretion. In the event of such redemption, payment shall be made to such Unitholder as though the redemption was initiated by the Unitholder. Factors that the Trustee or the Administrator may consider in making the determination to redeem Trust Units shall include, without limitation: (a) ensuring that the composition and tax-profile of the Unitholders remains such that the principal objectives of this Trust Indenture are achieved, and (b) reducing administrative burden on the Trust, Trustee or the Administrator, as applicable. For greater certainty, the Trustee or the Administrator may exercise its optional redemption right upon the death of a Unitholder. The Trustee or the Administrator may, in its sole discretion, redeem Trust Units held by a Unitholder after the Trust has received a redemption request from such Unitholder. The effective date and payment date for such redemptions may be determined by either the Trustee or the Administrator, in its sole discretion.

See "*Item 5.1.2 - Redemption and Retraction*" and "*Item 7 - Canadian Federal Income Tax Considerations*".

Transfer of Units: No Unitholder shall transfer or dispose of its Trust Units to any other person except with the consent of the Trustee and in compliance with applicable securities laws and the Trust Indenture. See "*Item 2.11.1 - Summary of the Trust Indenture - Transfer of Trust Units*" and "*Item 12 - Resale Restrictions*".

Portfolio Manager: The Trust is not a "mutual fund" or "investment fund" under applicable securities laws. However, the Partnership and the Trust have retained the Portfolio Manager to, among other things, provide general administrative and support services, portfolio management, investment advisory and investment management services, administrative and other services to the Partnership and will also provide the Partnership with office facilities, equipment and staff as required. The Portfolio Manager will identify, analyze and select investment opportunities, structure and negotiate prospective investments, make investments for the Partnership in securities, monitor the performance of such investments, and determine the timing, terms, and method of disposition of investments. The principals of the Portfolio Manager are the same as those of the Trustee, the Administrator and the GPs.

See "*Item 2.1.3 - The Portfolio Manager*".

Portfolio Management Fee:

The Partnership will pay the Portfolio Manager a monthly fee (the "**Portfolio Management Fee**") equal to one twelfth (1/12) of 1.75% of the Class NAV of the applicable class of Partnership Units, calculated and payable, in advance, at the beginning of each month based on the Class NAV of the applicable class of Units on the last date of the preceding month. Any Portfolio Management Fee attributable to any period of less than one full month (whether as to the Partnership generally or to any Limited Partner) shall be pro-rated appropriately and be payable on the first day of such period. At the sole discretion of the Portfolio Manager, payment of the Portfolio Management Fee or any accrual thereof, in whole or in part, may be waived, including with respect to particular Partnership Units.

The Portfolio Manager may, at its sole discretion, reimburse a portion of the Portfolio Management Fee to Limited Partners where individual Selling Agents meet certain sales thresholds.

Other Fees and Expenses:

The Trust, the Partnership and the Wholly-Owned Subsidiaries will pay for all ongoing expenses associated with the operation of the Trust, the Partnership and the Wholly-Owned Subsidiaries, including all general and administrative expenses, marketing and operating expenses, insurance costs, staffing costs, expenses related to the acquisition and disposition of assets, legal, banking, audit and accounting fees, investor reporting costs, and costs incurred in connection with any governmental or regulatory filing requirements. Such required services may be performed by the Portfolio Manager and/or its affiliates for which they receive fees and/or reimbursement of expenses. All such fees and/or reimbursement of expenses must be unanimously approved by the Independent Review Committee. All such services are reimbursed on a cost recovery basis other than as follows:

- Up to March 31, 2023, IAAM charged a monthly management fee equal to US$2.65 per produced boe with a minimum monthly amount of US$100,000, charged on a combined basis to Invico Energy Canada and Invico Energy USA. From April 1, 2023 to March 31, 2024, IAAM charged a monthly management fee equal to US$2.50 per produced boe with a minimum monthly amount of US$150,000, charged on a combined basis to Invico Energy Canada and Invico Energy USA. Beginning April 1, 2024, IAAM increased the minimum monthly amount to US$165,000, but the fee per produced boe remained unchanged at US$2.50. These amounts cover general and administrative costs related to managing Invico Energy USA and Invico Energy Canada, including geology, engineering and land administration costs. The amount of the management fee was set by IAAM based on the general and administrative costs incurred by entities similar to Invico Energy USA and Invico Energy Canada and unanimously approved by the Independent Review Committee. IAAM will continue to monitor and review these monthly fees in the context of the general and administrative costs incurred by Invico Energy USA and Invico Energy Canada and may adjust such fee with the unanimous approval of the Independent Review Committee. The fee for 2023 amounted to a total of approximately US$2,829,212 for Invico Energy USA and Invico Energy Canada.

- In addition to recovery of all direct and indirect expenses, including any third-party costs, the Administrator is entitled to 5% of the aggregate amount of such expenses and costs reimbursed by the Trust or the Partnership pursuant to the Administration Agreement.

- The Partnership holds an investment in a U.S. mortgage portfolio, Fort Greene Fund. Invico Capital Advisory Services Inc., an affiliate of the Portfolio Manager, officially took over the fund management duties of this investment effective July 10, 2015 and has since been acting in such a capacity. Invico Capital Advisory Services Inc. is entitled to remuneration for these services in an amount equivalent to an annual management fee of 2% of the principal invested in such fund as defined in the fund documents. However, Invico Capital Advisory Services Inc. waived this fee effective January 1, 2023 and

consequently did not charge or receive such fee in 2023. Invico Capital Advisory Services Inc. has also waived this fee effective January 1, 2024. The Portfolio Manager is working to achieve liquidity for the shareholders of Fort Greene Fund, including the Partnership.

In addition, the General Partner is entitled to participate in the distributions of the Partnership and the Special General Partner is entitled to the Special Allocation. See "*Item 5.1.1 - Distributions*" and "*Item 5.1.1 - Distributions - Special Allocation*".

See "*Item 3.2 - Fees and Expenses*".

Relationships with Investee Companies:

Invico Capital Corporation and its affiliates may, from time to time, enter into business relationships with or provide additional services to investee companies of the Partnership. Such relationships or provision of services (including remuneration) will be unanimously approved by the Independent Review Committee. Invico Capital Corporation currently has the following relationships with investee companies of the Partnership:

- Pursuant to an investment fund management agreement, the Portfolio Manager acts as "fund manager" of a private real estate fund based in Calgary, Alberta. Additional services are provided to the fund by IAAM, an affiliate of the Portfolio Manager. From time to time, fees are paid by the fund to the Portfolio Manager and/or IAAM. As at March 15, 2024, the Partnership holds an investment in 95,238.095 units of the aforementioned private real estate fund, which were issued to the Partnership in connection with a loan agreement with an affiliate of such private real estate fund. The loan agreement has since been terminated and all amounts owing to the Partnership were repaid in full.

- The Manager is also the manager of Invico Secondaries. The Manager charges a management fee and the special limited partner of Invico Secondaries, an affiliate of the Manager, is entitled to carried interest. The Manager and the special limited partner grant the Partnership a rebate of such management fee and carried interest, respectively, in respect of the Partnership's investment in Invico Secondaries. Invico Secondaries is responsible for paying its pro rata share of fees owed to third party managers in connection with any investments made by Invico Secondaries. See "*Item 2.4.3 - Equity Yield - Invico Secondaries*".

See "*Item 3.3 - Relationships with Investee Companies*".

Conflicts of Interest:

The actions of certain directors, officers, employees and agents of the Trustee, the Portfolio Manager, the Administrator and the GPs may, from time to time, be in conflict with the activities of the Trust and the Partnership. Such conflicts are expressly permitted by the terms of the Trust Indenture and the Partnership Agreement. See "*Item 2.11.1 - Summary of the Trust Indenture - Conflict of Interest*", "*Item 2.11.2 - Summary of the Partnership Agreement - Competing Interests*" and "*Item 10.2 - Risks Associated with the Trust and the Partnership - Conflicts of Interest*".

Independent Review Committee:

The Portfolio Manager shall maintain an independent review committee comprised of not less than two individuals that are "independent" as such term is defined in NI 81-107. For clarity, NI 81-107 does not apply to the Trust and the Partnership but is being used solely as a reference for "independence".

The unanimous approval of the Independent Review Committee shall be required to consent to or approve the following matters:

(a) to approve any "conflict of interest matter" (as defined below) regarding the business of the Trust, the Partnership or the Portfolio Manager, including, but not limited to, the approval of any new or changes to expenses, fees or other costs and any related-party transactions or contracts involving the Trust, the

Partnership or the Portfolio Manager or related-party transactions or contracts involving their directors, officers, shareholders or affiliates; and

(b) to approve the reallocation of the use of proceeds from the Offering for any purpose that is materially different than the articulated use of proceeds set out in this Offering Memorandum.

A "conflict of interest matter" means a situation where a reasonable person would consider the person or entity in question, or an entity related to such person or entity, to have an interest which may conflict with their ability act in good faith and in the best interests of the Trust and the Partnership.

The Independent Review Committee is also required to make an annual report reasonably available to the Unitholders and Partnership unitholders. See "*Item 11 - Reporting Obligations*". Every member of an Independent Review Committee, in exercising his or her powers and discharging his or her duties related to the Trust and the Partnership, and, for greater certainty, not to any other person, as a member of the Independent Review Committee must: (a) act honestly and in good faith, with a view to the best interests of the Trust and the Partnership; and (b) exercise the degree of care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances. Every member of an Independent Review Committee must comply with applicable law and any written charter of the Independent Review Committee.

A member of the Independent Review Committee does not breach his or her standard of care, if the member exercised the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances, including reliance in good faith on: (a) a report or certification represented as full and true to the Independent Review Committee by the Partnership, the Trust, the Administrator, the Portfolio Manager or their related entities; or (b) a report of a person whose profession lends credibility to a statement made by the person.

Term of the Trust: Subject to the other provisions of the Trust Indenture, the Trust shall continue for a term ending 21 years after the date of death of the last surviving issue of Her Majesty, Queen Elizabeth II, alive on September 25, 2013. For the purpose of terminating the Trust by such date, the Trustee shall commence to wind-up the affairs of the Trust on such date as may be determined by the Trustee, being not more than two years prior to the end of the term of the Trust.

Trustee: The Trustee of the Trust is Invico Diversified Income Fund Trustee Corporation, a corporation incorporated under the laws of the Province of Alberta. The principals of the Trustee are the same as those of the Administrator, the GPs and the Portfolio Manager.

Concurrent Offerings: In addition to Class A Units, Class F Units and Class FU Units, the Trust will, from time to time, also be distributing other securities of the Trust, including class B units, class BU units and class I units of the Trust. The Partnership, the entity through which the Trust will be making all of its investments will, from time to time, also be distributing securities of the Partnership. Such securities may have different rights and obligations, including with respect to distributions and Commissions payable.

Up-front commissions and fees for the class B units and class BU units of the Trust may be up to 5% and trailing commissions may also be applicable. No up-front commissions and fees or trailing commissions are payable on the class I units. For additional information about the class B units, class BU units and class I units of the Trust, ask your Selling Agent, who may provide you with a separate offering memorandum or other offering materials related thereto.

See "*Item 9 - Concurrent Offerings*".

Risk Factors:	**It is strongly recommended that each Subscriber, in order to assess tax, legal and other aspects of an investment in Trust Units and, indirectly, underlying Partnership Units, obtain independent advice with respect to the Offering and this Offering Memorandum. There is a risk that an investment in the Trust will be lost entirely. Only investors who do not require immediate liquidity of their investment and who can afford the loss of their entire investment should consider the purchase of the Trust Units. See "*Item 10 - Risk Factors*".**

ITEM 1 - USE OF AVAILABLE FUNDS

1.1 Available Funds

The following table discloses the estimated gross proceeds of the Offering and the estimated proceeds that will be available to the Trust after the Offering.

	Assuming Minimum Offering	Assuming Maximum Offering[(1)]
Amount to be raised by this Offering	$0	$100,000,000
Commissions and fees paid to Selling Agents[(2)]	$0	$0
Estimated Offering Costs (including legal, wholesaling and audit)[(3)]	$0	$1,000,000
Available funds	$0	$99,000,000
Additional sources of funding required	$0	$0
Working capital deficiency	$0	$0
Total	$0	$99,000,000

Notes:

(1) The Trust seeks to raise a combined maximum of $100,000,000 under this Offering for the Class A Units, Class F Units and Class FU Units, in one or more closings, although the Administrator, on behalf of the Trust, may, in its sole discretion, determine to raise more than $100,000,000 for such classes of Units.

(2) No up-front commissions and fees are payable on the Class A Units, Class F Units or Class FU Units. This amount does not include any trailing commissions. See "*Item 8 - Selling Agents and Compensation Paid to Sellers and Finders*".

(3) Pursuant to the Administration Agreement, the Partnership shall, on behalf of the Trust and the Administrator, make payment of any and all costs and expenses attributable to the offering of Class A Units, Class F Units and Class FU Units. This estimated amount of Offering Costs includes legal, accounting, audit, printing, filing, transfer agent, marketing, wholesaling and other costs and fees associated with the Offering, including the preparation of this Offering Memorandum, plus 5% of the aggregate amount of such expenses and costs, payable to the Administrator. Wholesaling services may be provided to the Trust and the Partnership by IAAM, an affiliate of the Portfolio Manager.

1.2 Use of Proceeds

1.2.1 Use of Proceeds by the Trust

The following table sets out the proposed use of proceeds by the Trust:

Description of intended use of available funds listed in order of priority	Assuming Minimum Offering	Assuming Maximum Offering[(1)]
The Trust will use the proceeds from the issuance of Class A Units, Class F Units and Class FU Units to subscribe for Class A Partnership Units, Class F Partnership Units and Class FU Partnership Units, respectively.	$0	$100,000,000[(2)]

Notes:

(1) The Trust seeks to raise a combined maximum of $100,000,000 under this Offering for the Class A Units, Class F Units and Class FU Units, in one or more closings, although the Administrator, on behalf of the Trust, may, in its sole discretion, determine to raise more than $100,000,000 for such classes of Units.

(2) Pursuant to the Administration Agreement, Offering Costs will be paid by the Partnership. See "*Item 1.2.2 - Use of Proceeds by the Partnership*" below.

1.2.2 Use of Proceeds by the Partnership

The following table sets out the proposed use of proceeds by the Partnership:

Description of intended use of available funds listed in order of priority	Assuming Minimum Offering	Assuming Maximum Offering[(1)]
Payment of Offering Costs	$0	$1,000,000
Investment by the Partnership in accordance with its investment objectives and investment strategies	$0	$99,000,000

Note:

(1) The Trust seeks to raise a combined maximum of $100,000,000 under this Offering for the Class A Units, Class F Units and Class FU Units, in one or more closings, although the Administrator, on behalf of the Trust, may, in its sole discretion, determine to raise more than $100,000,000 for such classes of Units.

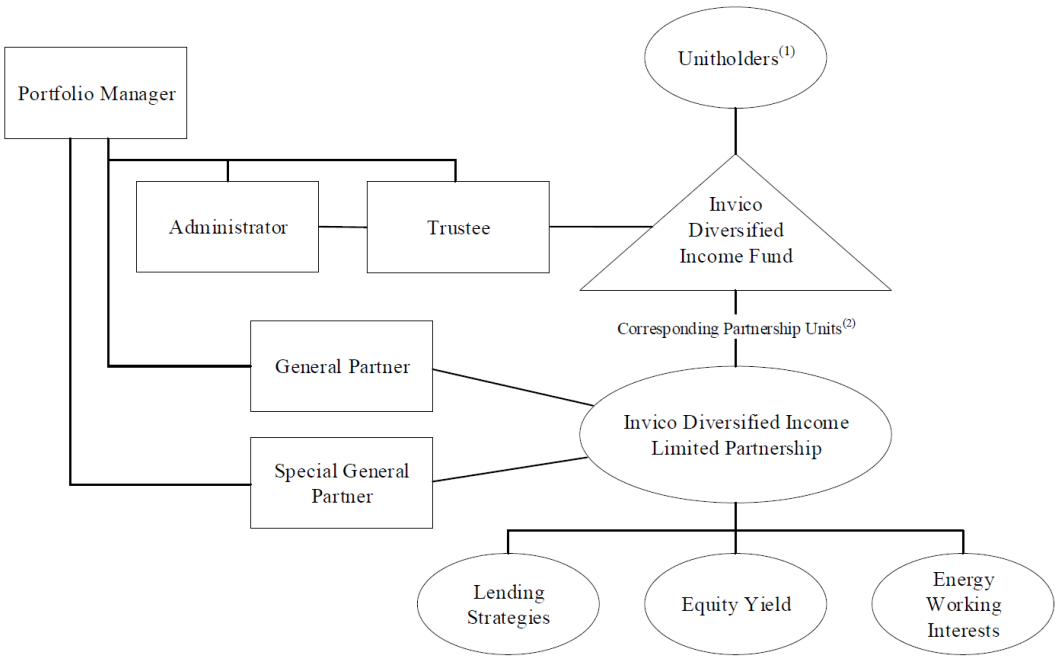
1.3 Proceeds Transferred to Other Issuers

All proceeds from the sale of Class A Units, Class F Units and Class FU Units will be paid to the Partnership, a related party of the Trust, by the purchase of Class A Partnership Units, Class F Partnership Units and Class FU Partnership Units. See "*Item 2.1 - Structure*".

ITEM 2 - BUSINESS OF THE TRUST AND OTHER INFORMATION AND TRANSACTIONS

2.1 Structure

The following diagram outlines the structure of the Trust and its various components.



Notes:

(1) Investors under this Offering will purchase Class A Units, Class F Units and/or Class FU Units. Concurrent with or subsequent to this Offering, the Trust and the Partnership may also offer additional securities, which may not have the same terms as the units of the Trust and the Partnership offered and/or referred to under this Offering Memorandum. See "*Item 9 - Concurrent Offerings*".

(2) The Trust will use the proceeds from the sale of Class A Units, Class F Units and Class FU Units to acquire Class A Partnership Units, Class F Partnership Units and Class FU Partnership Units, respectively. See "*Item 1.2.1 - Use of Proceeds by the Trust*".

2.1.1 The Trust, the Trustee and the Administrator

The Trust is a private, open-ended investment trust formed on September 25, 2013 under the laws of the Province of Alberta. The rights and obligations of the Unitholders and the Trustee are governed by the Trust Indenture and the

laws of the Province of Alberta and Canada applicable thereto. A Subscriber will become a Unitholder of the Trust upon the acceptance by the Administrator of such Subscriber's subscription.

The Trustee was incorporated on September 25, 2013 under the ABCA. The Trustee is responsible for the management and control of the business and affairs of the Trust on a day-to-day basis in accordance with the terms of the Trust Indenture. However, the Trustee, on behalf of the Trust, has retained the Administrator to carry out the duties of the Trustee under the Trust Indenture and has delegated to the Administrator the power and authority to manage and direct the day-to-day business, operations and affairs of the Trust.

The Administrator was incorporated on September 25, 2013 under the ABCA and will manage, along with the Trustee, the affairs of the Trust. The Administrator will provide certain management, administrative and support services to the Trust pursuant to the terms of the Administration Agreement.

The head office of the Trust, the Trustee and the Administrator is located at Suite 600, 209 – 8th Avenue S.W., Calgary Alberta T2P 1B8.

Although it is intended that the Trust qualify as a "mutual fund trust" for purposes of the Tax Act, the Trust will not be a "mutual fund" or "investment fund" under applicable securities laws.

2.1.2 The Partnership, the General Partner and the Special General Partner

The Partnership was formed in the Province of Alberta on September 25, 2013 pursuant to the Partnership Act, by the filing of the certificate of limited partnership in accordance with the Partnership Act. The General Partner was incorporated under the ABCA on April 29, 2021 and is the managing general partner of the Partnership. The Special General Partner was incorporated under the ABCA on September 25, 2013 and is the special general partner of the Partnership and is entitled to distributions and the Special Allocation.

Subject to the delegation of certain powers to the Portfolio Manager, the General Partner will control and have responsibility for the business of the Partnership, to bind the Partnership and to admit Limited Partners and do or cause to be done in a prudent and reasonable manner any and all acts necessary, appropriate or incidental to the business of the Partnership. The General Partner has exclusive authority to manage and control the activities of the Partnership and is liable by law, as a general partner, for the debts of the Partnership. The General Partner is entitled to delegate any of its powers, which it has done pursuant to the Portfolio and Investment Fund Management Agreement.

The head office of the Partnership, the General Partner and the Special General Partner is located at Suite 600, 209 – 8th Avenue S.W., Calgary Alberta T2P 1B8.

2.1.3 The Portfolio Manager

The Portfolio Manager was incorporated on September 22, 2005 under the *Canada Business Corporations Act* and is extra-provincially registered in Alberta, Saskatchewan, British Columbia, Ontario, Newfoundland and Labrador, Nova Scotia and Québec and will manage, along with the Administrator, certain affairs of the Trust. The Portfolio Manager has been managing private equity and alternative investments since its inaugural fund in 2006.

The Trust is not a "mutual fund" or "investment fund" under applicable securities laws. However, the Partnership and the Trust have retained the Portfolio Manager to, among other things, provide general administrative and support services, portfolio management, investment advisory and investment management services, administrative and other services to the Partnership and will also provide the Partnership with office facilities, equipment and staff as required.

The Portfolio Manager will identify, analyze and select investment opportunities, structure and negotiate prospective investments, make investments for the Partnership in securities, monitor the performance of such investments, and determine the timing, terms, and method of disposition of investments. The Portfolio Manager will not be liable in any way for any default, failure or defect in any of the securities comprising the investment portfolio of the Partnership if it has satisfied the duties and the degree of care, diligence, and skill of a reasonably prudent person in comparable circumstances.

The head office of the Portfolio Manager is located at Suite 600, 209-8 Avenue SW, Calgary Alberta, T2P 1B8.

The Portfolio Manager will receive the Portfolio Management Fee pursuant to the provisions of the Partnership Agreement and the Portfolio and Investment Fund Management Agreement. In addition, the Portfolio Manager and/or certain of its affiliates may receive other fees and/or expense reimbursements from the Trust, the Partnership and the Partnership's investee companies. See "*Item 3.2 - Fees and Expenses*".

2.2 Relationship with the Portfolio Manager

The Portfolio Manager is not at arm's length to the Trust, the Trustee, the Administrator, the Partnership or the GPs. Jason Brooks and Allison Taylor indirectly own all of the voting shares of Invico Capital Corporation, which owns all of the shares of the Trustee, the Administrator and the GPs. Jason Brooks is the President of the Trustee, Administrator, the GPs and the Portfolio Manager, and Allison Taylor is the Chief Executive Officer of the Trustee, Administrator, the GPs and the Portfolio Manager.

The Portfolio Manager's services are not exclusive to the Trust. The Portfolio Manager, its affiliates, and their respective directors and officers are each engaged in a wide range of investment and other business activities. There may be occasions when the officers and directors of the Portfolio Manager or its affiliates encounter conflicts of interest in connection with the activities of the Trust and the Partnership, including where the Portfolio Manager or its affiliates, including IAAM, is providing advisory or other services to other entities, have another business relationship with regards to an investee company of the Trust and the Partnership or are engaged in other investment management business activities, including with respect to Invico Energy USA, Invico Energy Canada, Invico Secondaries and the Partnership's investee companies. See "*Item 3 - Compensation and Security Holdings of Certain Parties*". There may be conflicts in allocating investment opportunities among the Trust and other funds managed by the Portfolio Manager. See "*Item 10.2 - Risks Associated with the Trust and the Partnership - Conflicts of Interest*".

In addition, the Trust may retain IAAM, an affiliate of the Portfolio Manager, as a wholesaler in connection with the Offering to provide marketing and sales assistance to Selling Agents. IAAM will be reimbursed by the Partnership for expenses incurred in connection with wholesaling services.

See "*Item 8 - Selling Agents and Compensation Paid to Sellers and Finders*".

2.3 The Business

2.3.1 Investment Objectives and Strategies

The Trust was established for the purposes of investing indirectly, through the Partnership, in securities or other investments. The Partnership intends to focus on investments that provide a high level of current income while offering the potential for moderate capital appreciation by investing primarily in high-yielding investments in a well-diversified manner. Target investments are focused on: (a) Lending Strategies; (b) Energy Working Interests; (c) Equity Yield; and (d) subject to the unanimous approval of the Independent Review Committee, such other investments that meet the Partnership's desire for security and returns.

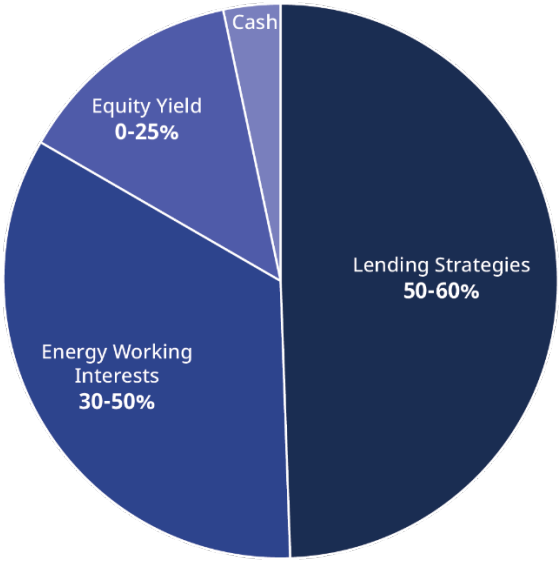
With respect to Lending Strategies, corporate lending, generally, is comprised of short-term loans to assist companies with short-term capital needs. Companies typically seek short-term capital for working capital, acquisition financing, to refinance existing debt, to bridge to a liquidity event, to complete a project or for a growth opportunity. Each corporate loan is secured via company assets and is typically repaid from internal cash flows, traditional bank refinancing, the sale of a company/assets, offerings of securities or the collection of government tax credits. These lending arrangements may be syndicated. The Partnership may also offer mortgages, which are real estate secured loans which may include multi-family residential and commercial properties as well as residential and commercial mortgage-backed securities. The Partnership may utilize receivables factoring, which is a transaction in which a business assigns its accounts receivable (invoices) to the Partnership to finance its short-term working capital needs. This is done so that the business can receive cash quickly, rather than waiting 60 to 120 days for an invoice to be paid. Receivables factoring occurs when the company paying the invoice is financially strong, pays the Partnership directly for the invoice and, where applicable, qualifies for credit insurance to secure the transaction.

Ownership of an energy working interest occurs when the Partnership acquires a percentage of the land mineral rights which provides the Partnership with the right (but not the obligation) to participate in the oil and gas production opportunities on the lands in joint venture partnership with the other working interest owners. A well may have a number of working interest partners, including the "operator" who manages the drilling and ongoing operation and the "non-operator" who has no responsibility to manage the drilling or ongoing operations. All working interest owners must pay their proportionate share of expenses which entitles them to their proportionate share of the production revenue. The Partnership is focused on non-operated working interest opportunities. The Partnership may also own royalty rights which entitle the Partnership to the ownership of a percentage of the gross production revenue from any current or future oil and gas well within the section of land with no responsibility for any operations, drilling or expense.

Equity Yield investments may include: (a) equity securities of debtors to the Partnership (resulting from the Lending Strategies approach) obtained through the exercise of warrants, the exercise of convertible debt and/or other equity consideration in loan agreements; (b) equity investments (acquired as a result of the Lending Strategies approach) that were deemed necessary or desirable to protect or restore interest and principal payments to the Partnership and/or position the debtor for sale; (c) equity investments acquired through an insolvency process; or (d) Secondaries Investments.

The Partnership's current target asset allocation and ranges are as set out in the pie chart below. However, the Partnership may change its targeted asset allocation at any time with the unanimous approval of the Independent Review Committee. The actual composition of the Partnership's composition will vary over time as the Partnership's investments or loans mature and funds are reinvested in accordance with the Partnership's investment strategies.

Target Asset Allocation



The Partnership undertakes an active investment management approach. Active management involves exerting degrees of control over the management of investee companies, to be determined by the General Partner on an investment by investment basis.

With respect to Lending Strategies, the Partnership will seek the ability to restrict certain actions of the management of investee companies pursuant to certain covenants contained in the loan documentation or other definitive agreements with such investee companies. Such restrictions may include approval or veto rights over certain decisions made by the management of investee companies. The Partnership may also, in certain circumstances, have the right to designate one non-voting board observer. Such observer is entitled to attend all board meetings of the investee company, participate in all board deliberations and receive copies of all materials provided to the board. The documentation in respect of each investment is expected to contain financial and non-financial covenants, financial reporting and monitoring requirements. Investee companies are expected to be subject to reporting requirements, which may consist of annual and quarterly financial statements, listings of accounts payable and accounts receivable, compliance certificates and other such information the Partnership may reasonably request. The Partnership's loan documentation as a primary lender places negative covenants upon investee companies such as restrictions on: (a) amalgamations, reorganizations, recapitalizations, consolidations, mergers, transfers or similar events; (b) creating or incurring liens upon or with respect to any of its undertakings, properties, rights or assets; (c) asset sales above a determined value; (d) interest payments to subordinated lenders; (e) payment of dividends or distributions; (f) transactions with affiliates or associates; (g) providing financial assistance; (h) creating, incurring or assuming indebtedness; (i) making of investments; (j) modifying, amending or altering material contracts; (k) changing the nature of its business; and (l) making additions to the board of directors or substitutions of existing directors. Additionally, the Partnership's loan documentation as a primary lender will contain financial covenants specific to the investee companies. Certain loans provide an option to the borrower to request additional funds, subject to certain terms, conditions and restrictions included in the loan documentation.

Energy Working Interests are managed by the Partnership. The Partnership acquires non-operated working interests in the United States through Invico Energy USA and in Canada through Invico Energy Canada, both of which are wholly-owned by the Partnership.

Additionally, the Partnership owns, directly or indirectly, the Wholly-Owned Subsidiaries. The Partnership retains full control of the management of such entities.

The Partnership may enter into hedging transactions to protect against commodity and exchange rate volatility if the General Partner believes it may be advantageous.

See "*Item 2.4 - Assets Held*".

There can be no guarantee that losses will not be realized from investing in Trust Units and there can be no assurance that the Partnership's strategy of investing in a diversified portfolio of high-yielding investments will be successful or that the objective of earning a profit from such Investments will be achieved. There can be no assurance that the Investments which the Partnership provides will earn interest or that the Partnership will make a profit or even recoup all or a portion of its investment. There can be no assurance that there will be sufficient Distributable Proceeds for the Partnership to make any future distributions to the Trust. The success of the Partnership in these objectives will depend to a certain extent on the efforts and abilities of the Portfolio Manager and on a number of other external factors such as, among other things, bank interest rates and the general economic conditions that may prevail from time to time, which factors are beyond the control of the Portfolio Manager. See "*Item 10 - Risk Factors*".

2.3.2 Investment Criteria

The General Partner will actively source potential investments and will, with input and approval from the Portfolio Manager, evaluate and assess prospective investees and determine the proportion of investments by the Partnership. The General Partner, through the Portfolio Manager and advisors, will determine whether prospective investees meet the Partnership's investment criteria and perform the due diligence required to make such determination. The General Partner and its advisors, with the input and approval of the Portfolio Manager, will continually monitor and evaluate the financial performance of such investees and the allocation of the Partnership's assets among such investees, and the portfolio exposure to external factors such as currency, interest rates, and commodity prices, to make ongoing asset allocation and hedging strategy decisions.

Through a diversified asset allocation strategy (based on managing the Partnership's exposure to any one loan in the case of Lending Strategies or any one operator in the case of Energy Working Interests, in an amount not to exceed 20% of the Net Asset Value) of both in-house and third party sourced opportunities, the Partnership intends to have a diversified set of high yield based opportunities across a number of asset classes and industries.

In 2021, the Portfolio Manager became a signatory of the United Nations-supported PRI, a leading proponent of responsible investment. PRI supports thousands of signatories in the asset management business in incorporating ESG considerations into their investment decision-making and investment management practices. Accordingly, the Portfolio Manager uses the responsible investment approach of ESG integration to manage risk holistically by integrating the assessment of ESG factors into its investment decision making-process. This approach involves an assessment and grading of relevant ESG factors and the requirement for a minimum score on each category and minimum average for all categories, thus ensuring that prospective borrowers that demonstrate weak ESG attributes in any category or across all categories will be excluded as investments of the Partnership.

2.3.3 Lending Strategies

With respect to Lending Strategies, the Partnership will consider investments that have an expected total return determined by the General Partner to meet the Partnership's desire for security and returns while maintaining an appropriate level of risk. The Partnership will require timely compliance reporting and financial reporting from investee companies, as well as such other reporting of information that is deemed prudent and necessary to monitor an investee company's performance. In addition to payments of interest income, the Partnership's total return from Lending Strategies may include estimated amounts from commitment fees, account administration or monitoring fees, underwriting or amendment fees, performance or incentive fees, royalties, make-whole payments, interest and default reserves, deferred interest payments (balloon payments), discounts on purchased invoices, secondary or original issue discounts, warrants, options, other equity consideration and any other amounts paid upon repayment.

The Partnership's Lending Strategies will focus on lending to businesses with the following features: acceptable leverage, well-defined capital and working capital expenditure requirements, dependable cash flow, growth prospects, quality management, the ability to obtain acceptable collateral or security, a clearly defined path to repayment. The Partnership will consider a variety of sectors including but not limited to, the financial services industry, the oil and gas industry, the manufacturing industry, the service industry, consumer products, media and entertainment, and the real estate industry.

The Portfolio Manager will target the exposure to any one lending investment to 10% or less of the Net Asset Value of the Partnership at the time of deployment. The current lending portfolio is focused on Western Canada and select regions in the United States. The typical loan size ranges from $5 to $40 million and durations from six months to three years, although actual terms may vary. Loans with durations exceeding three years may be considered in the case of syndicated term debt for which a liquid secondary market exists. The size of the targeted lending opportunities provides a competitive advantage to the Partnership as typically the transaction size is too small for institutional capital markets. Also, the types of loans made by the Partnership have unique attributes or higher perceived risks than traditional capital market players or commercial banking groups are prepared to facilitate. The other competitive advantage of the Partnership is the ability to move quickly to take advantage of opportunities compared to traditional banks.

In determining whether or not the Partnership will lend money to a company, a detailed analysis of the prospective borrower is undertaken which is focused on the five "C's" of credit as follows:

- **Character** – the Portfolio Manager evaluates the qualifications and character of the key management team. This is done through a process of meetings with management, background and reference checks as well as credit checks where applicable.

- **Capacity** – the Portfolio Manager performs a detailed financial review of the company to determine the company's ability to service and repay the loan. The financial review consists of a detailed financial statement review, investment modeling and stress testing of key assumptions.

- **Capital** – the Portfolio Manager reviews the company's equity capital and ability to access additional equity capital in the event of unexpected liquidity requirements or interrupted capacity to service the loan. Guarantees may be requested to address any assessed capital deficiencies.

- **Collateral** – the Portfolio Manager determines the availability of appropriate collateral to provide security for the loan. This may require third party asset valuations as it relates to equipment and/or real estate loans. In the case of receivables factoring facilities, eligible receivables must be aged under 120 days from invoice date.

- **Conditions** – the Portfolio Manager assesses the relevant economic conditions affecting the prospective borrower and determines the appropriate terms and conditions of the loan taking into consideration all of the factors outlined above.

In assessing the prospective borrower's capacity and collateral, it may be considered appropriate to seek security enhancements. For example, the Partnership may request an interest reserve or default reserve to reduce the risk of debt service capacity. In the case of receivables factoring, the Partnership may utilize trade credit insurance to minimize the risk of credit losses.

2.3.4 Energy Working Interests

The Partnership focuses on investment opportunities in Canada and the United States that are expected to satisfy the return objectives set out by the General Partner. The Partnership will focus on Energy Working Interests that involve the acquisition of producing assets, royalty assets and lower risk development drilling that are expected to result in recovery of capital within a short period (i.e. simple payback of approximately three to four years) while still providing the Partnership with a long-term distribution profile with economic lives averaging 20 years or more. Concurrent with new investments and the day-to-day management of existing investments in Energy Working Interests, the Partnership assesses the prevailing commodity price environment and outlook with the view to considering opportune hedging strategies to lock in the expected returns from investments.

2.3.5 Equity Yield

The Partnership's Equity Yield investments may consist of: (a) equity securities of debtors to the Partnership (resulting from the Lending Strategies approach) obtained through the exercise of warrants, the exercise of convertible debt and/or other equity consideration in loan agreements; (b) equity investments acquired (as a result of the Lending Strategies approach) that were deemed necessary or desirable to protect or restore interest and principal payments to the Partnership and/or position the debtor for sale; (c) equity investments acquired through an insolvency process; or (d) Secondaries Investments. For example, Equity Yield may be used to deploy capital to stabilize or expand the business of a Wholly-Owned Subsidiary that was acquired by the Partnership through creditor enforcement processes. In such circumstances, an equity investment will only be made where the underlying business of the debtor has demonstrated an ability to generate sustainable cash flow and where the Partnership determines that efficiencies can

be realized by targeted changes in the debtor, including through improved management, restructuring, or sale of certain assets.

Secondary investments, or "secondaries", generally refer to investments in existing alternative investment funds through the acquisition of an existing interest in such funds by one investor from another in a negotiated transaction. Some investments may require the buyer to take on future funding obligations in exchange for future returns and distributions. A secondary investment will often take place at a discount to an investment fund's net asset value. Given that secondaries are generally made after an investment fund has deployed capital into portfolio companies, these investments are viewed as more mature and may not exhibit the initial decline in net asset value associated with primary investments and may reduce the impact of the J-curve associated with alternative investing. However, the realization of returns is dependent upon the performance of each alternative investment fund. See "*Item 10.3 - Risks Associated with the Business - Secondaries Investments*".

With respect to secondaries investment opportunities, the Partnership intends to focus on later stage funds within three to four years of fund maturity to ensure the liquidation of the underlying investments meet the Partnership's needs for current yield and liquidity. The Portfolio Manager must comply with the fair allocation policy contained in its policies and procedures manual with respect to the allocation of secondaries investment opportunities among the Partnership and other entities managed or controlled by the Portfolio Manager.

2.3.6 Portfolio Review

The Portfolio Manager will regularly review and monitor the performance of the Partnership's Investment portfolio and continually re-evaluate its short and long-term strategy. Each Investment of the Partnership must be approved by the Portfolio Manager. The Partnership relies on the Portfolio Manager's experience to determine the strategy that maximizes the benefits to the Partnership. The overall strategy is subject to change and the variables used to determine the course of action are based upon the market conditions that cannot be controlled by the Portfolio Manager. See "*Item 10 - Risk Factors*".

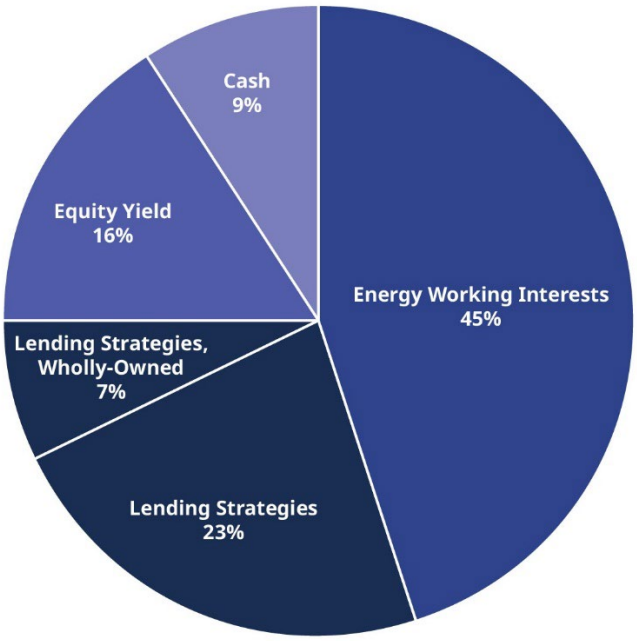
2.3.7 Investment Restrictions

The Partnership has established certain investment restrictions as set forth in the Partnership Agreement. The investment restrictions may be changed only by way of a Special Resolution. The Partnership may, from time to time, in consultation with the Portfolio Manager, establish certain other investment restrictions and policies as available opportunities and market conditions may dictate. See "*Item 2.11.2 - Summary of the Partnership Agreement - Investment Restrictions*".

2.4 Assets Held

The pie chart below shows the composition of the Partnership's asset portfolio as at March 15, 2024. Such composition will change over time as the Partnership's investments or loans mature and funds are reinvested in accordance with the Partnership's investment strategy.

Actual Asset Allocation



As at March 15, 2024, the Partnership held, directly or indirectly, the investments summarized below. For additional information on the individual investments of the Partnership, please refer to the financial statements of the Partnership attached herein.

2.4.1 Lending Strategies

As at March 15, 2024, the Partnership had 18 loan investments in Lending Strategies, representing approximately 30% of the Net Asset Value, with an average loan size of $7.6 million, consisting of 16 first charge security positions and 2 subordinated security positions, with interest rates on direct loans ranging from 10% to 16%, and maturities ranging from zero to 4.2 years. A portion of the Partnership's investment in Lending Strategies, comprised of three loans representing approximately 7% of the Net Asset Value, were outstanding to Wholly-Owned Subsidiaries, and such loans were made on substantially the same terms as loans made to arm's length parties. Certain of the Partnership's loan investments provide an option to the borrower to request additional funds, subject to certain terms and conditions. As at March 15, 2024, the total undrawn but committed amounts related to these loans equals approximately $0 million for loans made in Canadian dollars and approximately US$10 million for loans made in U.S. dollars.

As at March 15, 2024, approximately 0.4% of total investments (0.4% of the Net Asset Value) relates to Lending Strategies investments that are in arrears on scheduled interest payments, approximately 2.4% of total investments (2.2% of the Net Asset Value) relates to Lending Strategies investments that are in default with respect to material terms in the loan agreement, and approximately 2.4% of total investments (2.2% of the Net Asset Value) relates to loans that are impaired.

From January 1, 2022 to March 15, 2024, the Partnership advanced approximately $19.5 million across 2 Lending Strategies investments and received full or partial principal repayments of approximately $52.7 million across 8 Lending Strategies investments (including approximately $0.5 million from the Wholly-Owned Subsidiaries). As a result of the rising interest rate environment beginning in 2022, the Partnership's new loan investments are typically floating rate loans, subject to a minimum interest rate in the event the reference rate decreases.

2.4.2 Energy Working Interests

As at March 15, 2024, the Partnership's investment in Energy Working Interests in the United States and Canada were owned through Invico Energy USA and Invico Energy Canada, which together represented approximately 45% of the Net Asset Value.

Invico Energy USA

The Partnership's Investments in Energy Working Interests in the United States are owned through Invico Energy USA, in both equity and loan instruments. Invico Energy USA is a Delaware corporation that owns certain non-operated working interests and royalties in the DJ Basin in Colorado and Wyoming, the Williston Basin in North Dakota and Montana, the Powder River Basin in Wyoming and the Eagle Ford Basin in Texas.

Invico Energy USA provides the Partnership with an opportunity to participate in diversified production and development across top-rated oil and gas basins. IAAM's internal engineers recommend investments based on factors including, but not limited to, the following: (a) estimating the economics available to Invico Energy USA using New York Mercantile Exchange ("**NYMEX**") strip pricing *less* historical differentials, for the oil and gas production expected to be achieved; (b) incorporating the operating partner's estimate of costs; and (c) incorporating any royalties and taxes based on jurisdiction.

Invico Energy USA's interests are highly diversified. As at March 15, 2024, Invico Energy USA had interests in approximately 1640 gross producing wells across the DJ, Williston, Powder River and Eagle Ford Basins which were comprised of working interests in approximately 1090 gross producing wells (average 2.23% net revenue interest) and royalty interests in approximately 550 gross producing wells (average 0.5% net revenue interest). Invico Energy USA has partnered with established operators such as Civitas Resources, Chevron Corporation, Occidental Petroleum Corporation, EOG Resources, Chord Energy, Peak Powder River Resources LLC, ConocoPhillips Company, Marathon Oil Corporation, among others, with respect to its interests.

Working Interests

The majority of non-operated working interests held by Invico Energy USA are low-risk and low-decline producing assets. These assets allow Invico Energy USA to participate in drilling of wells on the joint-interest lands. Invico Energy USA has participated in the majority of all drilling notices since 2014 as it was accretive to the Partnership to elect to participate based on the commodity pricing at the time of each investment decision. The decision to participate in an operation is evaluated on a well-by-well basis. In 2023, Invico Energy USA funded approximately US$10 million of drilling activities, excluding acquisitions, across its holdings.

Eight wells Invico Energy USA funded in 2022 came online in the first quarter of 2023. The results exceeded expectations and continue to produce at strong rates into 2024. The remainder of the 2023 drilling spend was on three wells in the Powder River basin and three wells in the DJ basin, all of which came online at the end of 2023, meeting expectations.

In 2024, Invico Energy USA anticipates a capital development budget of approximately US$2.6 million allocated to a further 21 wells in the DJ basin at various working interests.

Invico Energy USA continues to benefit from its US$32 million non-operated working interest acquisition in 2022, acquiring interests in approximately 960 wells in the Williston basin which increased production by ~740 boe/d and represented a doubling of production at the time in the United States and a diversification of the asset base.

In 2023, Invico Energy USA closed a US$9.4 million non-operated working interest acquisition in the Powder River Basin which increased production by ~370 boe/d. This transaction allowed the Partnership a foothold in a new basin providing access to future partnerships and opportunities.

Royalty Interests

As a royalty interest owner, Invico Energy USA is not responsible for costs related to operations, abandonment, or any capital expenditures related to new drilling. A royalty interest entitles Invico Energy USA to a share of the production revenue for all current and future producing wells on the asset base.

In 2021, Invico Energy USA closed a US$19 million royalty interest acquisition in the Colorado DJ Basin. At the time of acquisition, the net production of this asset was approximately 200 boe/d. As at March 15, 2024, production had grown to approximately 300 boe/d due to an additional 15 wells which came on production. There are approximately 50 remaining locations to drill on the lands acquired in this transaction.

At the end of 2023, Invico Energy USA closed a US$19 million royalty interest acquisition in the Eagle Ford Basin in Texas, increasing Invico Energy USA's exposure to royalty production by ~320 boe/d effective November 2023, with an additional ~210 boe/d expected in 2024. The acquisition includes 90 possible future drilling locations which are expected to add production and cashflow in the future.

A summary of the reserves and associated future net revenue attributable to Invico Energy USA's assets is provided below.

SUMMARY OF OIL AND GAS RESERVES
BASED ON FORECAST PRICES AND COSTS

AS AT DECEMBER 31, 2023

	Light and Medium Oil		Heavy Oil		Conventional Natural Gas		Natural Gas Liquids		Total Oil Equivalent	
Reserves Category	Gross MBBL	NET MBBL	Gross MBBL	NET MBBL	Gross MMscf	NET MMscf	Gross MBBL	NET MBBL	Gross Mboe	NET Mboe
PROVED										
Developed Producing	2,219	2,061	-	-	8,420	8,672	976	1,084	4,600	4,590
Developed Non-Producing	-1	-1	-	-	2	5	1	1	-	1
Undeveloped	220	356	-	-	394	1,409	61	144	346	735
TOTAL PROVED	**2,438**	**2,416**	**-**	**-**	**8,816**	**10,086**	**1,038**	**1,229**	**4,946**	**5,326**
TOTAL PROBABLE	**1,160**	**1,422**	**-**	**-**	**5,175**	**7,169**	**549**	**807**	**2,572**	**3,423**
TOTAL PROVED + PROBABLE	**3,598**	**3,838**	**-**	**-**	**13,991**	**17,255**	**1,587**	**2,036**	**7,518**	**8,749**

SUMMARY OF NET PRESENT VALUES
BASED ON FORECAST PRICES AND COSTS

AS AT DECEMBER 31, 2023

	Net Present Values of Future Net Revenue Before Income Tax Discounted at						Unit Value Before Income Tax Discounted at 10%/year
	0%/yr.	5%/yr.	10%/yr.	15%/yr.	20%/yr.	25%/yr.	10%/yr.
Reserves Category	$M	$M	$M	$M	$M	$M	$/boe
PROVED							
Developed Producing	154,671	111,545	88,778	74,888	65,495	58,682	19.34
Developed Non-Producing	-96	-101	-101	-100	-98	-97	-77.57
Undeveloped	36,571	27,593	22,928	19,929	17,771	16,111	31.21
TOTAL PROVED	**191,146**	**139,037**	**111,605**	**94,717**	**83,168**	**74,696**	**20.96**
TOTAL PROBABLE	**158,811**	**93,978**	**67,363**	**53,022**	**43,974**	**37,696**	**19.68**
TOTAL PROVED + PROBABLE	**349,957**	**233,015**	**178,968**	**147,739**	**127,142**	**112,392**	**20.46**

The Total Proved and Proved + Probable reserve value of Invico Energy USA assumes the continued participation in future drilling on the lands held by the Partnership.

TOTAL FUTURE NET REVENUE (UNDISCOUNTED) BASED ON FORECAST PRICES AND COSTS AS AT DECEMBER 31, 2023							
Reserves Category	Revenue (net of Royalties)[1]	Ad Valorem and Severance Taxes	Operating Costs	Development Costs	Abandonment and Reclamation Costs	Other Revenue	Future Net Revenue Before Income Taxes
	$M	$M	$M	$M	$M	$M	$M
PROVED							
Developed Producing	322,414	31,383	125,776	4,114	6,470	-	154,671
Developed Non-Producing	-28	-5	4	-	69	-	-96
Undeveloped	50,050	4,854	5,549	2,872	204	-	36,571
TOTAL PROVED	**372,436**	**36,232**	**131,329**	**6,986**	**6,743**	**-**	**191,146**
TOTAL PROBABLE	**249,109**	**22,832**	**63,456**	**2,831**	**1,179**	**-**	**158,811**
TOTAL PROVED + PROBABLE	**621,545**	**59,064**	**194,785**	**9,817**	**7,922**	**-**	**349,957**

Note:

(1) As Invico Energy USA assets are non-operated, revenues are reported after royalties and burdens have been deducted.

The following tables are derived from the forecast prices of the three largest independent reserve evaluation firms in Canada, being GLJ Ltd., Sproule Holdings Ltd., and McDaniel & Associates Consultants Ltd. (the "**3 Consultant Average**") as at January 1, 2024. The 3 Consultant Average is a forecast of the average prices, inflation and exchange rates and details the benchmark reference prices for the regions in which the Partnership operated, as at December 31, 2023. The 3 Consultant Average for the relevant region is reflected in the reserves data disclosed above. The forecast price assumptions assume the continuance of current laws and regulations and take into account inflation with respect to future operating and capital costs. There will be adjustments to field prices from the benchmarks below.

CRUDE OIL FUTURE PRICES From the 3 Consultant Average Price Forecast as at January 1, 2024		
	WTI[1] $US/STB	Exchange Rate $CDN/$US
Year	**FORECAST PRICES[2]**	
2024	73.67	1.330
2025	74.98	1.330
2026	76.14	1.325
2027	77.66	1.325
2028	79.22	1.325

CRUDE OIL FUTURE PRICES From the 3 Consultant Average Price Forecast as at January 1, 2024		
2029	80.80	1.325
2030	82.42	1.325
2031	84.06	1.325
2032	85.75	1.325
2033	87.46	1.325
2034	89.21	1.325
2035	90.99	1.325
2036	92.82	1.325
2037	94.67	1.325
2038	96.56	1.325
Escalate oil and gas prices at 2% per year thereafter.		

Notes:

(1) West Texas Intermediate 40 degrees API, 0.5% sulphur landed in Cushing, Oklahoma.

(2) The Partnership, directly or indirectly, participates in commodity hedging transactions. See "*Item 2.4.5 - Hedging Transactions*".

NATURAL GAS & BY-PRODUCTS[1] From the 3 Consultant Average Price Forecast as at January 1, 2024	
	Henry Hub Gas[2] $US/MMBTU
Date	**FORECAST PRICES[3]**
2024	2.75
2025	3.64
2026	4.02
2027	4.10
2028	4.18
2029	4.27
2030	4.35
2031	4.44
2032	4.53
2033	4.62
2034	4.71
2035	4.80
2036	4.90
2037	5.00
2038	5.10
Escalate oil and gas prices at 2% per year thereafter.	

Notes:

(1) Natural gas liquids prices received by Invico Energy USA historically priced at 29% of WTI for December 31, 2023 reserves report.

(2) Henry Hub Spot is natural gas traded on the NYMEX.

(3) The Partnership, directly or indirectly, participates in commodity hedging transactions. See "*Item 2.4.5 - Hedging Transactions*".

Invico Energy Canada

The Partnership's Investments in Energy Working Interests in Canada are owned through Invico Energy Canada, in both equity and loan instruments. Invico Energy Canada is an Alberta corporation that owns certain working interests in Alberta and Southwestern Saskatchewan.

Invico Energy Canada's working interests are diversified across the Deep Basin and Pembina areas of Alberta. It also holds ownership interests in several Alberta units, including Dunvegan Gas Unit No. 1 and Edson Gas Unit No. 1. Invico Energy Canada operates an asset in the Viking light oil fairway near Kindersley, Saskatchewan. As at March 15, 2024, Invico Energy Canada had investments in approximately 600 gross producing wells, comprised of small percentage positions (average 15% working interest). The working interests allow Invico Energy Canada to participate in additional drilling of oil and gas wells.

Since 2021, Invico Energy Canada has participated in 7 gross wells and has funded approximately C$6.2 million of drilling activities, excluding acquisitions, as of March 15, 2024.

On February 1, 2022, Invico Energy Canada acquired a 28% average working interest in 42 non-operated oil and gas wells in the Pembina area of Alberta for a purchase price of C$6.5 million. The acquired assets are low-cost, low-decline and are operated by Whitecap Resources Inc. and Vermilion Energy Inc.

In 2024, the Partnership anticipates a capital development budget with respect to Invico Energy Canada's holdings of approximately C$0.8 million to drill 3 gross wells with an estimated average 3.8% working interest.

A summary of the reserves and associated future net revenue attributable to Invico Energy Canada's assets is provided below.

SUMMARY OF OIL AND GAS RESERVES
BASED ON FORECAST PRICES AND COSTS

AS AT DECEMBER 31, 2023

	Light and Medium Oil		Heavy Oil		Conventional Natural Gas		Condensate		Natural Gas Liquids		Total Oil Equivalent	
Reserves Category	Gross MBBL	NET MBBL	Gross MBBL	NET MBBL	Gross MMscf	NET MMscf	Gross MBBL	NET MBBL	Gross MBBL	NET MBBL	Gross Mboe	NET Mboe
PROVED												
Developed Producing	404	363	-	-	12,747	11,863	3	2	304	241	2,835	2,584
Developed Non-Producing	-	-	-	-	2,747	2,329	-	-	32	25	490	413
Undeveloped	-	-	-	-	2,251	2,073	7	7	52	42	435	394
TOTAL PROVED	**404**	**363**	**-**	**-**	**17,745**	**16,265**	**10**	**9**	**388**	**308**	**3,760**	**3,391**
TOTAL PROBABLE	**306**	**277**	**-**	**-**	**6,504**	**5,778**	**10**	**7**	**138**	**106**	**1,538**	**1,353**
TOTAL PROVED + PROBABLE	**710**	**640**	**-**	**-**	**24,249**	**22,043**	**20**	**16**	**526**	**414**	**5,298**	**4,744**

SUMMARY OF NET PRESENT VALUES BASED ON FORECAST PRICES AND COSTS AS AT DECEMBER 31, 2023							
	Net Present Values of Future Net Revenue Before Income Tax Discounted at						Unit Value Before Income Tax Discounted at 10%/year
	0%/yr.	5%/yr.	10%/yr.	15%/yr.	20%/yr.	25%/yr.	10%/yr.
Reserves Category	$M	$M	$M	$M	$M	$M	$/boe
PROVED							
Developed Producing	29,597	27,430	23,212	19,800	17,218	15,240	8.98
Developed Non-Producing	6,357	4,816	3,935	3,372	2,978	2,685	9.53
Undeveloped	3,213	2,345	1,659	1,181	831	561	4.21
TOTAL PROVED	**39,167**	**34,591**	**28,806**	**24,353**	**21,027**	**18,486**	**8.50**
TOTAL PROBABLE	**30,633**	**17,773**	**11,679**	**8,223**	**6,027**	**4,525**	**8.63**
TOTAL PROVED + PROBABLE	**69,800**	**52,364**	**40,485**	**32,576**	**27,054**	**23,011**	**8.53**

The Total Proved and Proved + Probable reserve value of Invico Energy Canada assumes the continued participation in future drilling on the lands held by the Partnership.

TOTAL FUTURE NET REVENUE (UNDISCOUNTED) BASED ON FORECAST PRICES AND COSTS AS AT DECEMBER 31, 2023								
Reserves Category	Revenue (net of Royalties)[(1)]	Ad Valorem and Severance Taxes	Operating Costs	Development Costs	Abandonment and Reclamation Costs	Other Revenue	Credit Surcharge Costs	Future Net Revenue Before Income Taxes
	$M	$M	$M	$M	$M	$M	$M	$M
PROVED								
Developed Producing	120,423	11,020	68,774	104	17,271	6,485	142	29,597
Developed Non-Producing	14,573	2,456	5,616	-	144	-	-	6,357
Undeveloped	16,183	1,551	8,623	2,784	12	-	-	3,213
TOTAL PROVED	**151,179**	**15,027**	**83,013**	**2,888**	**17,427**	**6,485**	**142**	**39,167**
TOTAL PROBABLE	**81,563**	**9,432**	**33,064**	**7,273**	**821**	**-**	**340**	**30,633**
TOTAL PROVED + PROBABLE	**232,742**	**24,459**	**116,077**	**10,161**	**18,248**	**6,485**	**482**	**69,800**

Note:

(1) Revenues for Invico Energy Canada are reported prior to royalty and burden deductions.

The following tables are derived from the 3 Consultant Average forecast prices as at January 1, 2024. The 3 Consultant Average is a forecast of the average prices, inflation and exchange rates and details the benchmark reference prices for the regions in which the Partnership operated, as at December 31, 2023. The 3 Consultant Average for the relevant region is reflected in the reserves data disclosed above. The forecast price assumptions assume the continuance of current laws and regulations and take into account inflation with respect to future operating and capital costs. There will be adjustments to field prices from the benchmarks below.

CRUDE OIL FUTURE PRICES From the 3 Consultant Average Price Forecast as at January 1, 2024		
	Canadian Sweet Light[1] $CDN/STB	Exchange Rate $US/$CDN
Year	**FORECAST PRICES[2]**	
2024	92.91	0.752
2025	95.04	0.752
2026	96.07	0.755
2027	97.99	0.755
2028	99.95	0.755
2029	101.95	0.755
2030	103.98	0.755
2031	106.07	0.755
2032	108.18	0.755
2033	110.35	0.755
2034	112.56	0.755
2035	114.81	0.755
2036	117.10	0.755
2037	119.44	0.755
2038	121.83	0.755
Escalate oil and gas prices at 2% per year thereafter.		

Notes:

(1) Canadian Light Sweet (CLS) priced out of Edmonton, Alberta as the Mixed Sweet Blend of crude oil similar in quality to the WTI specifications (40 degrees API, 0.5% sulphur).

(2) The Partnership, directly or indirectly, participates in commodity hedging transactions. See "*Item 2.4.5 - Hedging Transactions*".

NATURAL GAS & BY-PRODUCTS[1] From the 3 Consultant Average Price Forecast as at January 1, 2024				
	AECO Gas[2] ($CDN/GJ)	Propane (C3) ($CDN/STB)	Butane (C4) ($CDN/STB)	Pentane+ (C5+) ($CDN/STB)
Date	**FORECAST PRICES[3]**			
2024	2.09	29.65	47.69	96.79
2025	3.19	35.13	48.83	98.75
2026	3.84	35.43	49.36	100.71
2027	3.91	36.14	50.35	102.72
2028	3.99	36.87	51.35	104.78

NATURAL GAS & BY-PRODUCTS[(1)] From the 3 Consultant Average Price Forecast as at January 1, 2024				
2029	4.08	37.60	52.38	106.87
2030	4.15	38.35	53.43	109.01
2031	4.24	39.12	54.50	111.19
2032	4.32	39.90	55.58	113.41
2033	4.41	40.70	56.70	115.67
2034	4.49	41.52	57.83	117.98
2035	4.59	42.35	58.99	120.34
2036	4.68	43.20	60.17	122.75
2037	4.77	44.06	61.37	125.20
2038	4.86	44.94	62.60	127.71
Escalate oil and gas prices at 2% per year thereafter.				

Notes:

(1) Includes natural gas liquids (propane, butane, pentane+) priced out of Edmonton, Alberta.

(2) AECO pricing is based off of the NYMEX pricing, adjusted to reflect the supply and demand dynamics of the local Alberta market.

(3) The Partnership, directly or indirectly, participates in commodity hedging transactions. See "*Item 2.4.5 - Hedging Transactions*".

Significant Factors or Uncertainties

The process of estimating reserves is complex. It requires significant judgments and decisions based on available geological, geophysical, engineering, and economic data. These estimates may change substantially as additional data from ongoing development activities and production performance becomes available and as economic conditions impacting oil and gas prices and costs change. The reserve estimates contained herein are based on current production forecasts, prices and economic conditions.

As circumstances change and additional data become available, reserve estimates also change. Estimates made are reviewed and revised, either upward or downward, as warranted by the new information. Revisions are often required due to changes in well performance, commodity prices, economic conditions and governmental restrictions.

Although every reasonable effort is made to ensure that reserve estimates are accurate, reserve estimation is an inferential science. As a result, subjective decisions, new geological or production information and a changing environment may impact these estimates. Revisions to reserve estimates can arise from changes in year-end oil and gas prices and reservoir performance. Such revisions can be either positive or negative.

In addition, higher than estimated operating costs would substantially reduce Invico Energy Canada's or Invico Energy USA's field netback, which in turn would reduce the amount of cash available for reinvestment in drilling opportunities. This becomes most relevant during periods of low commodity prices when profits are more significantly impacted by high costs and activity levels are reduced. Invico Energy Canada's and Invico Energy USA's working interests are predominantly non-operated and so the timing of drilling activity is determined by the operators.

2.4.3 Equity Yield

As of March 15, 2024, the Partnership's investments in Equity Yield represented approximately 16% of the Net Asset Value, which is comprised of the investments described below.

All of the Wholly-Owned Subsidiaries of the Partnership were acquired through enforcement of a nonperforming loan investment or an insolvency process. The Wholly-Owned Subsidiaries currently consist of the following companies:

- Gator, an oilfield equipment rental company;
- Sockeye, a modular installations company; and

- Redrock and Redrock USA, both remote accommodations services companies.

Gator was formed by the Partnership for the purposes of acquiring assets called as collateral under a loan previously made to an energy services company. Sockeye and Redrock were formed by the Partnership for the purposes of the Partnership's acquisition via a CCAA process of certain assets of Sockeye Oldco, a subsidiary of Redrock Oldco, and Redrock Oldco, which was a borrower of the Partnership. Redrock USA was formed by the Partnership to extend and operate Redrock's remote accommodations services business in the United States.

The Partnership holds warrants to purchase securities in affiliates of one private company and one public company, which were acquired in connection with loan investments made in these companies, and entitle the Partnership to purchase the shares of the underlying companies at specified prices within specified time periods. In June of 2022, the Partnership exercised 24% of its common share purchase warrants of Southern Energy Corp., the parent company of a borrower, and as a result, holds 1,250,000 commons shares of Southern Energy Corp. as of March 15, 2024. The Partnership also holds 95,238.095 units of a private real estate investment fund, which were issued to the Partnership in connection with the receipt of a performance fee payable under a loan agreement with a related entity of such private real estate investment fund.

In December of 2020, the Partnership, through a subsidiary entity, advanced US$2.4 million to a U.S. based pharmaceutical manufacturing company by subscribing to a debenture offering alongside other investors, with a US$0.5 million follow on advance made in October of 2022. In February of 2023, following a default by the borrower, the Partnership enforced on the security on behalf of all the debentureholders and took possession of the shares of the borrower's operating company, Prosolus Inc., and subsequently re-issued the shares in favour of the debentureholders. As a result, the Partnership, through a subsidiary entity, owns 52.92% of the shares of Prosolus Inc. As of March 15, 2024, no impairment on the investment has been recorded based on the General Partner's assessment of the fair value of the company.

On October 6, 2022, the Partnership made a US$16.1 million capital commitment to Invico Secondaries and, as of March 15, 2024 the Partnership has contributed US$8.05 million. As at March 15, 2024, Invico Secondaries has invested in a fund managed by a third-party manager, which focuses on hedge fund secondaries investments and co-investments with hedge fund managers and other opportunistic investments. Invico Secondaries is responsible for paying its pro rata share of fees owed to such manager in connection with the investment made by Invico Secondaries.

Gator

Gator supplies oilfield rental tools to drilling contractors operating in the Permian, Eagle Ford and Haynesville basins in Texas and New Mexico. Gator is headquartered in Houston, Texas, and has a second location in Midland, Texas.

The investment position originated as a $3 million term loan facility from the Partnership to Gator's predecessor company in November 2013. After a number of amendments and further advances of approximately $2 million, this predecessor company defaulted on its loan in February 2015 due to a severe energy industry downturn in 2014 and 2015. The Partnership demanded payment of $5.2 million owing under the loan facility in March 2016. In April 2016, the Partnership created a new subsidiary, Gator, to take possession of all assets based in Alberta, Canada and Houston, Texas pursuant to a Notification to Accept Collateral in Full Strict Foreclosure. Gator retained the predecessor's key employees in Houston and commenced operations as an oilfield equipment rental company, focused on measurement-while-drilling tools used for horizontal drilling.

Following this investment restructuring, energy industry activity improved significantly between 2016 and 2019 and the Partnership made investment decisions to provide additional capital of approximately US$16.3 million under several loan facilities to expand Gator's rental equipment base and acquire a Midland, Texas-based tool rental business in early 2019. Gator's performance continues to improve as elevated oil and gas commodity prices since 2021 have led to an increase in drilling activities, which in turn has driven demand for Gator's downhole tools. Gator's revenues increased by 34% in 2023 compared to 2022, and Gator's EBITDA (excluding loss on sale of redundant equipment) increased by 14% in 2023 compared to 2022.

The primary path to repayment is through an opportunistic divestiture to a strategic acquirer. The secondary path to repayment is through repayment of principal from the net operating cash flows of the business. As at March 15, 2024, the fair value of the Partnership's investment in Gator, including both Equity Yield and Lending Strategies components, represented approximately 13% of the Net Asset Value.

Sockeye and Redrock

Sockeye is modular accommodation installation company, focused on refurbishing and installing modular accommodations, offices, and support equipment, and is headquartered in Alberta, Canada. Redrock and Redrock USA, headquartered in Alberta, Canada, are both remote accommodations services companies, providing food and shelter solutions in remote locations in the form of temporary to permanent workforce-centric hospitality and accommodations.

The investment position originated as an $8.5 million term facility from the Partnership to Redrock Oldco in October 2016, which was followed by a factoring facility in September 2019 and a $4.0 million operating loan in October 2019. In 2020, following breaches of the loan provisions by Redrock Oldco, the Partnership initiated a creditor-led CCAA action with the view to maximize recovery of underlying security on the outstanding loan facilities amounting to approximately $19 million at the time of filing in May 2020. In July 2020, the court pronounced an order approving a sale, recapitalization and investment solicitation process ("**SISP**") for Redrock Oldco and its subsidiaries, including Sockeye Oldco. The Partnership identified potential business development opportunities for Redrock Oldco and Sockeye Oldco and placed a credit bid for certain assets of the companies with the view to stabilize operations and protect and restore principal and interest payments to the Partnership. In August 2020, the Partnership was designated the successful bidder from the SISP process and the Partnership later formed Sockeye and Redrock to acquire the assets of Sockeye Oldco and Redrock Oldco.

Since its acquisition in December 2020, Sockeye, with the support of the Partnership, has hired a new president with considerable experience in the industry, who has built up a strong operational team that has expanded its operations and customer base. During 2022, Sockeye grew its revenue by 133% and its EBITDA by 257% as compared to 2021. However, Sockeye experienced a downturn in 2023, with revenue and EBITDA down by 92% and 213%, respectively, from 2022. This decline was primarily due to delays in a key project which was a major source of revenue. The recent acquisition of a mechanical division and diversification of revenue streams are expected to enhance Sockeye's long-term financial performance.

Since the acquisition of Redrock in May 2021, with the support of the Partnership and new management, Redrock successfully expanded its Canadian customer base. Compared to 2021, Redrock's revenue grew by 45% in 2022. However, the increase in inflation had a significant effect on Redrock's costs, particularly labour and food costs. This caused EBITDA to experience a 190% decline in 2022. In 2023 Redrock took significant steps to push through pricing increases with customers to offset the inflation pressures and entered into new purchasing contracts to reduce food expenses. The result of these efforts in 2023 was a 9% decline in revenue, but an 83% improvement in EBITDA, when compared to 2022. Redrock has secured high margin contracts beginning in early 2024 and expects stabilized operating margins and improved future performance.

The primary path to repayment is through an opportunistic divestiture to a strategic acquirer. The secondary path to repayment is through repayment of principal from net operating cash flows of the business. As at March 15, 2024, the fair value of the Partnership's investment in Sockeye, including both Equity Yield and Lending Strategies components, represented approximately 2% of the Net Asset Value. As at March 15, 2024, the fair value of the Partnership's combined investment in Redrock and Redrock USA, including both Equity Yield and Lending Strategies components, represented approximately 1% of the Net Asset Value.

Sale of Aspen

Aspen is an industrial gas producer located in Billings, Montana. It operates two plants, commissioned in 2007 and 2014, with a capacity of approximately 170 tons per day of liquid nitrogen, oxygen and argon for distribution to its customers in the medical, welding, oil and gas, refining, food and chemical industries.

Aspen Oldco was a Canadian based operator of a number of businesses that underwent a bankruptcy proceeding in early 2018. The Partnership identified an investment opportunity in one of Aspen Oldco's businesses: an industrial gas producer, strategically located in Billings, Montana, that generated stable earnings. During 2018 the Partnership acquired a number of the debt facilities of Aspen Oldco from third party creditors. Later that same year, the Partnership formed a new subsidiary, Aspen, to acquire the industrial gas producer's operating assets using these debt facilities as consideration.

Following the acquisition, the Partnership advanced approximately US$3.6 million to fund financial and operational optimization of the business, including acquiring leased trailers and tractors with high implicit lease rates, strategic capital expenditures to increase plant capacity and to add the ability to produce argon, including numerous other facility improvements. Aspen's operational performance has benefitted from continued demand for medical grade liquid oxygen and the stabilization of argon gas production since its first argon sales in December 2020. The

performance of Aspen continued to improve through 2022 with revenues growing by 43% in 2022 compared to 2021, and normalized EBITDA growing by 81% in 2022 compared to 2021. These improvements were due to increased sales volume, increased product pricing, and improved margins.

On December 23, 2022, the Partnership entered into an agreement for the sale of Aspen for a purchase price of US$39 million. The sale proceeds have enabled the Partnership to repay all intercompany debt held on the asset and capture the appreciated equity value. From December 2018 to December 23, 2022, the Partnership earned a multiple of total value paid in (TVPI) of 3.2x.

Invico Secondaries

Invico Secondaries is a fund formed with the primary purpose of providing Canadian investors with the opportunity to invest in a fund managed by a third-party manager, which focuses on hedge fund secondaries investments and co-investments with hedge fund managers and other opportunistic investments. Management fees and other costs incurred by such fund in the normal course of the fund's operations are borne by investors, and Invico Secondaries is responsible for its pro rata share of any such fees and costs.

As of March 15, 2024, the Partnership has contributed US$8.05 million to Invico Secondaries, and the investment value in Invico Secondaries represents 3% of the Net Asset Value of the Partnership.

2.4.4 Cash

As of March 15, 2024, the Partnership's cash position included the following:

- $22.7 million in Canadian dollar denominated cash deposits held directly by the Partnership;
- US$9.2 million in U.S. dollar denominated cash deposits held directly by the Partnership; and
- US$3.6 million in U.S. dollar denominated cash deposits and an escrow receivable held by Invico Energy Holdings USA (Colorado) Inc., a corporation indirectly wholly-owned by the Partnership. Cash held by Invico Energy Holdings USA (Colorado) Inc. is the result of the disposition of Aspen.

The Partnership regularly monitors cash balances, inflows and outflows to maintain liquidity at appropriate levels. On January 24, 2024, the Partnership collected C$40.0 million from the repayment of a debt investment. During the period of January 1, 2024 to March 15, 2024, the Partnership provided funds of US$3.4 million to Invico Energy USA. On February 16, 2024, the Partnership provided funds of US$7.1 million as part of a global syndicated credit facility to a borrower operating in the agricultural industry. On February 27, 2024, the Partnership was repaid US$7.5 million from another global syndicated credit facility agreement for which the borrower operates in the accommodation industry. This facility was renewed, and the Partnership funded US$7.4 million on March 6, 2024. On March 1, 2024, the Partnership committed to funding an estimated US$8.5 million to a borrower in the apparel manufacturing industry as part of a global syndicated credit facility. The funding settlement is expected to occur on April 3, 2024. The Partnership actively seeks investment opportunities to deploy excess cash in accordance with its investment objectives and strategies.

2.4.5 Hedging Transactions

Commodity Hedges

The Partnership, directly or indirectly, entered into the following commodity hedging transactions to protect net asset value and cash flow from market volatility and possible commodity price decline. Costless collar options are generally selected to eliminate costly premiums, set floors that align with current valuation price decks and futures contracts, and provide room to realize pricing upside.

Invico Energy USA has purchased costless collar options for both oil and natural gas for 2024. The WTI oil costless collar option for 200 bbls/d has a term of January 1, 2024 to December 31, 2024 and has a floor of US$68.00/bbl and a ceiling of US$77.55. The Nymex Henry Hub natural gas costless collar option has a term of February 1, 2024 to December 31, 2024 and has a floor of US$2.60/mmbtu and a ceiling of US$3.30/mmbtu. These hedges represent 12% of the total Invico Energy USA's anticipated 2024 production.

Currency Hedges

The Portfolio Manager continuously monitors the outlook for foreign currency exchange rates and, in addition to timely foreign currency transactions, considers hedging strategies that protect the Partnership's Net Asset Value and expected U.S. dollar-denominated inflows from adverse foreign currency exchange movements.

In February 2024, the Partnership entered into costless collar options expiring March 28, 2024. These options protect $20,000,000 U.S. dollars from Canadian to U.S. dollar exchange rates below 1.3226, while participating in favourable Canadian to U.S. dollar exchange rates up to 1.3800. This hedge represents approximately 8% of the Partnership's U.S. dollar-denominated investments exposed to the Canadian to U.S. dollar closing exchange rate of 1.3226 as of December 31, 2023.

2.5 Development of the Trust and the Partnership

The Portfolio Manager created the Trust and the Partnership as an investment vehicle to focus on providing investors with a preferred target return in the form of a monthly income payment. In creating the Trust and the Partnership, the Portfolio Manager focused on diversification as a key underlying theme in order to diversify both the income stream as well as the underlying asset security.

For a summary of the assets held by the Partnership, see "*Item 2.4 - Assets Held*".

2.6 Distribution Policy

The ability of the Trust to make cash distributions on the Trust Units is principally dependent upon the Trust receiving payment of distributions from the Partnership. It is in the Portfolio Manager's sole discretion to determine the utilization of available cash assets or property of the Partnership, including the making of distributions. The declaration of a distribution (if any) and the amount of such distribution will be at the sole discretion of the Portfolio Manager and will also take into consideration the Partnership's results of operations, financial condition, cash requirements, applicable law and other factors that the Portfolio Manager may consider relevant. The Portfolio Manager may fund distributions from cash flow from the business and operations of the Partnership, debt or Capital Contributions.

It is the Portfolio Manager's intention that distributions be primarily paid from cash flow from the business and operations of the Partnership. However, the investments in which the Partnership invests are subject to volatility in underlying cash flows. Therefore, the Portfolio Manager may at certain times elect to maintain distributions in amounts greater than the cash flow available from the business and operations of the Partnership.

The return on an investment in the Class A Units, Class F Units and/or Class FU Units is not comparable to the return on an investment in fixed-income securities. Cash distributions to Unitholders are not guaranteed and are not fixed obligations of the Trust. Any receipt of cash distributions by a Unitholder is at any time subject to the terms of the Trust Indenture. Any anticipated return on investment is based upon many performance assumptions. Although the Trust intends to distribute its available cash to Unitholders, cash distributions may be reduced or suspended at any time and from time to time. For example, a reduction to the Partnership's distributions may be required if the Portfolio Manager determines that any reduction in cash flow from the business and operations of the Partnership is permanent and is not expected to recover over the foreseeable future or should commodity prices remain depressed for an extended period of time. The ability of the Trust to make cash distributions and the actual amount distributed depends on the receipt of distributions from the Partnership and the performance of the business and operations of the Partnership, and will be subject to various factors including those referenced in "*Item 10 - Risk Factors*". The value of the Class A Units, Class F Units and Class FU Units may decline if the Trust is unable to meet its cash distribution targets in the future and that decline may be significant.

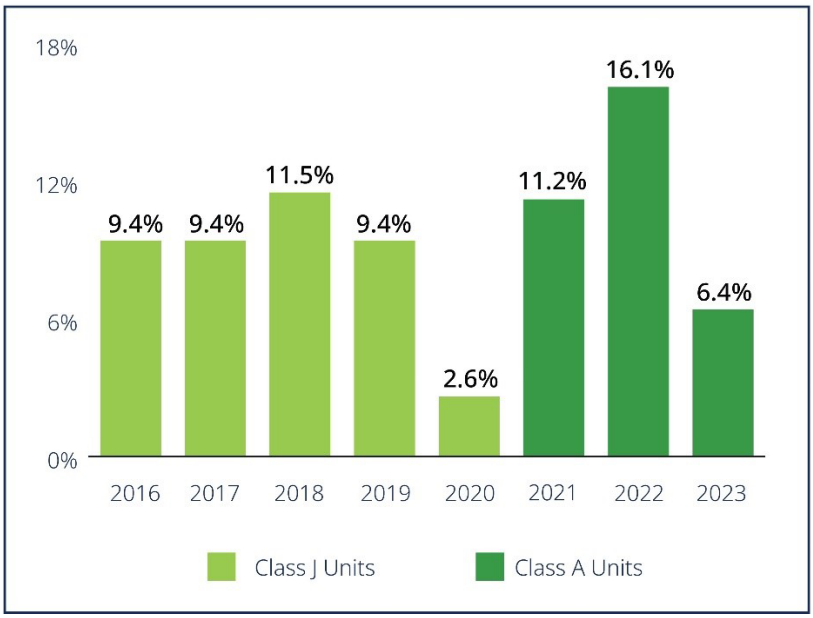
It is important for investors in the Class A Units, Class F Units and/or Class FU Units to consider the particular risk factors that may affect the sectors in which they are investing, and therefore the stability of the distributions that Unitholders receive. See, for example, "*Item 10.3 - Risks Associated with the Business*", which sections also describe the Trust's assessment of those risk factors, as well as the potential consequences to a Unitholder if the events contemplated by a particular risk factor should occur.

2.7 Portfolio Performance

2.7.1 Historical Returns

The following charts display the performance of certain Trust Units since the creation of the applicable predecessor units, as described in the notes thereto. The charts show the percentage increase or decrease of an investment in Trust Units from January 1 to December 31 of the same year (unless otherwise described in the notes).

Figure 1: Class A Units Combined Year-by-Year Returns[(1)(2)(3)(4)]



Notes:

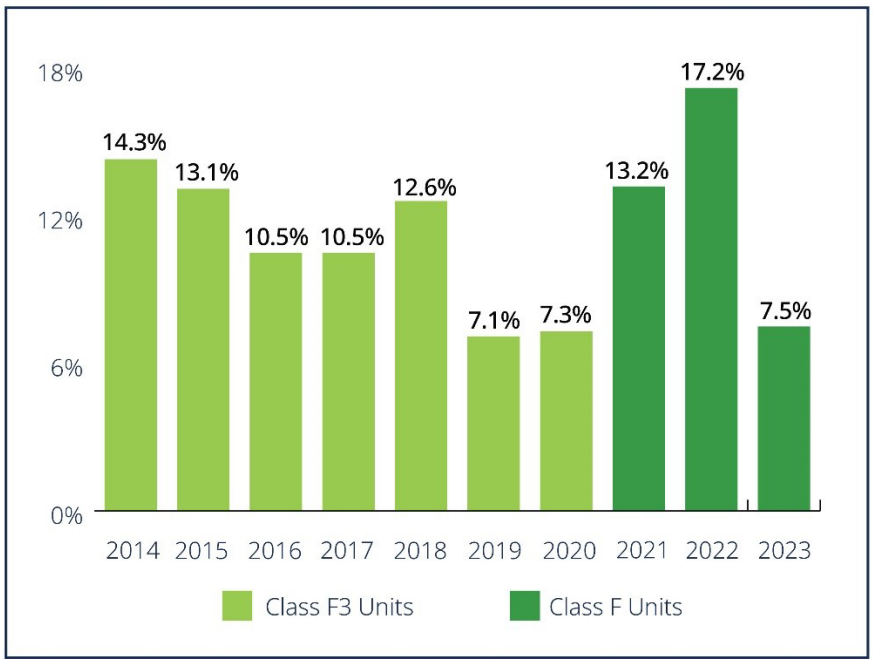
(1) The Unitholders of certain former classes of Trust Units (including holders of former class J units of the Trust) voted in favour of a redesignation of class J units of the Trust into Class A Units at a meeting of Unitholders of the applicable former classes of Trust Units held on November 19, 2021. Such redesignation became effective on December 1, 2021.

(2) Combined returns include: (a) predecessor class J units of the Trust from January 1, 2016 to May 25, 2021; and (b) Class A Units from May 26, 2021 to December 31, 2023. Combined returns assume class J units of the Trust were redesignated into Class A Units at Net Asset Value per Unit of the underlying unit of the Partnership at the date of creation of the Class A Units on May 26, 2021. All outstanding class J units of the Trust were officially redesignated into Class A Units effective December 1, 2021.

(3) Returns on Class A Units are based on the following assumptions: (a) all distributions were reinvested based on an issue price equal to the then Net Asset Value per Unit; and (b) all returns are net of fees (without applicable rebates that may be available).

(4) Returns on class J units of the Trust are net of fees and are based on the following assumptions: (a) all distributions were reinvested based on an issue price equal to: (i) $10 per class J unit until April 1, 2020; and (ii) Net Asset Value per Unit from April 1, 2020 to May 25, 2021; (b) all distributions are in respect of an aggregate investment of a subscriber holding Trust Units with an aggregate value of less than $500,000; and (c) special distributions are attributed to the year of declaration of such special distribution. The class J units of the Trust had different terms compared to the Class A Units, including with respect to distributions, redemptions, etc. If the class J units of the Trust had the same terms as the Class A Units during the periods set out in the foregoing notes, the returns would have been different.

Figure 2: Class F Units Combined Year-by-Year Returns[1][2][3][4]



Notes:

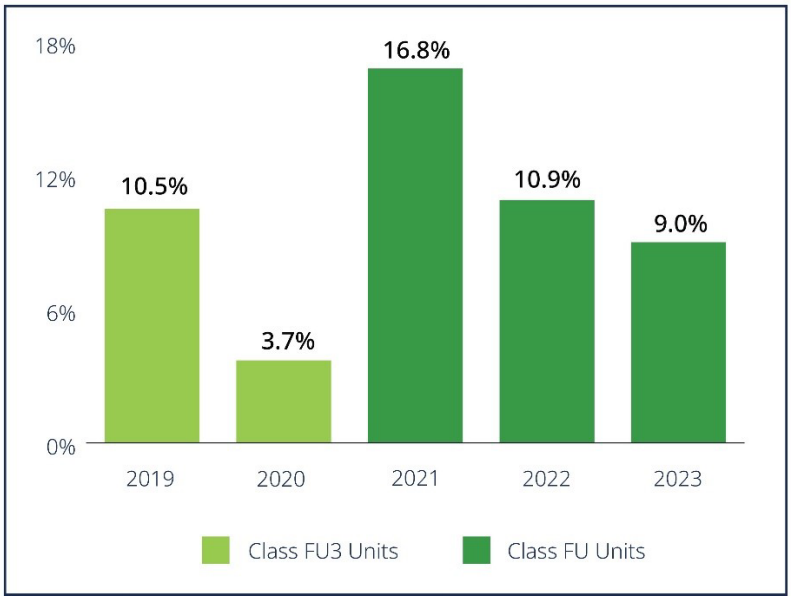
(1) The Unitholders of certain former classes of Trust Units (including holders of former class F3 units of the Trust) voted in favour of a redesignation of class F3 units of the Trust into Class F Units at a meeting of Unitholders of the applicable former classes of Trust Units held on November 19, 2021. Such redesignation became effective on December 1, 2021.

(2) Combined returns include: (a) predecessor class F3 units of the Trust from January 1, 2014 to May 25, 2021; and (b) Class F Units from May 26, 2021 to December 31, 2023. Combined returns assume class F3 units of the Trust were redesignated into Class F Units at Net Asset Value per Unit of the underlying unit of the Partnership at the date of creation of the Class F Units on May 26, 2021. All outstanding class F3 units of the Trust were officially redesignated into Class F Units effective December 1, 2021.

(3) Returns on Class F Units are based on the following assumptions: (a) all distributions were reinvested based on an issue price equal to the then Net Asset Value per Unit; and (b) all returns are net of fees (without applicable rebates that may be available).

(4) Returns on class F3 units of the Trust are net of fees and are based on the following assumptions: (a) all distributions were reinvested based on an issue price equal to: (i) $10 per class F3 unit until December 31, 2019; and (ii) Net Asset Value per Unit from December 31, 2019 to May 25, 2021; (b) all distributions are in respect of an aggregate investment of a subscriber holding Trust Units with an aggregate value of less than $500,000; and (c) special distributions are attributed to the year of declaration of such special distribution. The class F3 units of the Trust had different terms compared to the Class F Units, including with respect to distributions, redemptions, etc. If the class F3 units of the Trust had the same terms as the Class F Units during the periods set out in the foregoing notes, the returns would have been different.

Figure 3: Class FU Units Combined Year-by-Year Returns[(1)(2)(3)(4)]



Notes:

(1) The Unitholders of certain former classes of Trust Units (including holders of former class FU3 units of the Trust) voted in favour of a redesignation of class FU3 units of the Trust into Class FU Units at a meeting of Unitholders of the applicable former classes of Trust Units held on November 19, 2021. Such redesignation became effective on December 1, 2021.

(2) Combined returns include: (a) predecessor class FU3 units of the Trust from January 1, 2019 to June 29, 2021; and (b) Class FU Units from June 30, 2021 to December 31, 2023. Combined returns assume class FU3 units of the Trust were redesignated into Class FU Units at Net Asset Value per Unit of the underlying unit of the Partnership at the date of creation of the Class FU Units on June 30, 2021. All outstanding class FU3 units of the Trust were officially redesignated into Class FU Units effective December 1, 2021.

(3) Returns on Class FU Units are based on the following assumptions: (a) all distributions were reinvested based on an issue price equal to the then Net Asset Value per Unit in U.S. Dollars; and (b) all returns are net of fees (without applicable rebates that may be available).

(4) Returns on class FU3 units of the Trust are net of fees and are based on the following assumptions: (a) all distributions were reinvested based on an issue price equal to: (i) US$10 per class FU3 unit until April 1, 2022; and (ii) Net Asset Value per Unit from April 1, 2022 to June 29, 2021; (b) all distributions are in respect of an aggregate investment of a subscriber holding Trust Units with an aggregate value of less than US$500,000; and (c) special distributions are attributed to the year of declaration of such special distribution. The class FU3 units of the Trust had different terms compared to the Class FU Units, including with respect to distributions, redemptions, etc. If the class FU3 units of the Trust had the same terms as the Class FU Units during the periods set out in the foregoing notes, the returns would have been different.

Past performance is not indicative of future results. See "*Item 10 - Risk Factors*". For more information, see the financial statements of the Trust and the Partnership attached to this Offering Memorandum.

2.7.2 Historical Distributions

	2014	2015	2016	2017	2018	2019	2020	2021[(1)(2)]	2022	2023
Class J Units[(3)(4)]	N/A	N/A	9.0%	9.0%	10.9%	9.0%	9.0%	9.0%	N/A	N/A
Class A Units[(3)(4)]	N/A	N/A	N/A	N/A	N/A	N/A	N/A	7.3%	10.3%	9.5%
Class F3 Units[(3)(4)]	13.5%	12.4%	10.0%	10.0%	12.0%	10.0%	10.0%	10.0%	N/A	N/A
Class F Units[(3)(4)]	N/A	N/A	N/A	N/A	N/A	N/A	N/A	8.3%	11.4%	10.7%
Class FU3 Units[(3)(4)]	13.5%	12.4%	10.0%	10.0%	12.0%	10.0%	10.0%	10.0%	N/A	N/A
Class FU Units[(3)(4)]	N/A	N/A	N/A	N/A	N/A	N/A	N/A	8.6%	10.7%	10.2%

Notes:

(1) Distributions for 2021 have been annualized to allow for comparison to other years.

(2) All outstanding class J units, class F3 units and class FU3 units of the Trust were redesignated into Class A Units, Class F Units and Class FU Units, respectively, effective December 1, 2021.

(3) N/A means that no such units were outstanding during the relevant period.

(4) Distribution percentages shown for a class are calculated based on the total distributions to the Unitholders of such class for the period divided by the historical time weighted net asset value of such class for the same period.

Past distributions are not indicative of future distributions. Distributions are not guaranteed. See "*Item 2.6 - Distribution Policy*" and "*Item 10 - Risk Factors*". For more information, see the financial statements of the Trust and the Partnership attached to this Offering Memorandum.

2.7.3 Ongoing Disclosure

Unitholders will receive regular reporting from the Partnership as per the schedule below:

- on a monthly basis, Unitholders will receive distribution payment notices confirming the respective monthly distribution that has been paid;
- on a quarterly basis, Unitholders will receive a Performance Report which will provide updates regarding: the portfolio's asset allocation, assets under management of the Partnership, price of the Trust Units, and any changes made to the portfolio in the previous quarter, including investment highlights;
- on an annual basis, Unitholders will receive audited financial statements of the Trust and the Partnership; and
- on an annual basis, the Independent Review Committee makes an annual report reasonably available to the Unitholders and Partnership unitholders.

The Portfolio Manager may also disseminate a monthly newsletter to advisors that have clients that have investments in the Trust.

2.8 Long Term Objectives

The Trust's and the Partnership's objectives are to profit from the revenues derived from the interest, fees and other income from the Partnership's Investments and make distributions to Unitholders. The Portfolio Manager shall manage the investment strategy of the Partnership and, together with the General Partner, will manage the day-to-day affairs of the Partnership.

2.9 Short Term Objectives

2.9.1 Short Term Objectives of the Trust

The Trust's objectives for the 12 months after the date of this Offering Memorandum are as follows:

Actions to be Taken	Target completion date or, if not known, number of months to complete	Cost to complete
Complete the Offering and use the proceeds from the issuance of Class A Units, Class F Units and Class FU Units to subscribe for Class A Partnership Units, Class F Partnership Units and Class FU Partnership Units, respectively.	Ongoing throughout the next 12 months	See "*Item 1.2.1 - Use of Proceeds by the Trust*".

2.9.2 Short Term Objectives of the Partnership

The Partnership's objectives for the 12 months after the date of this Offering Memorandum are as follows:

Actions to be Taken	Target completion date or, if not known, number of months to complete	Cost to complete
Payment of Offering Costs	Ongoing throughout the next 12 months	See "*Item 1.2.2 - Use of Proceeds by the Partnership*".
Investment by the Partnership in accordance with its investment objectives and investment strategies	Ongoing throughout the next 12 months	See "*Item 1.2.2 - Use of Proceeds by the Partnership*".

2.10 Insufficient Proceeds

The proceeds of this Offering may not be sufficient to accomplish all of the Trust's proposed objectives and there is no assurance that alternative financing will be available or, if available, may be obtained by the Trust on reasonable terms.

2.11 Material Contracts

The following are the material contracts to which the Trust or the Partnership is currently a party or which have been entered into with a related party:

(a) Trust Indenture;

(b) Partnership Agreement;

(c) Administration Agreement;

(d) Portfolio and Investment Fund Management Agreement; and

(e) DRIP.

A summary of the terms of each material contract is set out below. Prospective investors may obtain a copy of each of the material contract listed above by requesting the same from the Portfolio Manager at chayes@invicocapital.com, or in person during normal business hours at the offices of the Trust, located at Suite 600, 209 – 8th Avenue S.W., Calgary Alberta T2P 1B8.

2.11.1 Summary of the Trust Indenture

The rights and obligations of Unitholders are governed by the Trust Indenture.

The following is a summary only of certain terms in the Trust Indenture which, together with other summaries of additional terms of the Trust Indenture appearing elsewhere in this Offering Memorandum, are qualified in their entirety by reference to the actual text of the Trust Indenture, a review of which is recommended to investors.

Undertaking of the Trust

The Trust Indenture provides that the activities and undertaking of the Trust are restricted to:

(a) investing in, and the holding of Partnership Units;

(b) temporarily holding cash and other investments in connection with and for the purposes of the Trust's activities, including paying liabilities of the Trust (including administration and trust expenses), paying any amounts required in connection with the redemption of Trust Units, and making distributions to Unitholders;

(c) borrowing money and issuing debt securities, at any time and from time to time, for any of the purposes set forth in this section;

(d) disposing of any part of the Trust Property or mortgaging, pledging, charging, granting a security interest in or otherwise encumbering all or any part of the Trust Property;

(e) issuing Trust Units, instalment receipts, and Other Trust Securities (including securities convertible into or exchangeable for Trust Units or other securities of the Trust, or warrants, options or other rights to acquire Trust Units or other securities of the Trust), for the purposes of: (a) conducting, or facilitating the conduct of, the activities and undertaking of the Trust (including for the purpose of raising funds for further acquisitions); (b) repayment of any indebtedness or borrowings of the Trust or any affiliate thereof; (c) satisfying obligations to deliver securities of the Trust, including Trust Units, pursuant to the terms of securities convertible into or exchangeable for such securities of the Trust, whether or not such convertible or exchangeable securities have been issued by the Trust; and (d) carrying out any of the transactions contemplated by any offering documents and satisfying all obligations in connection with such transactions;

(f) repurchasing or redeeming Trust Units or Other Trust Securities, subject to the provisions of the Trust Indenture and applicable law;

(g) carrying out any of the transactions, and entering into and exercising and performing any of the rights and obligations of the Trust under any agreements, entered into in connection with pursuing the purposes of the Trust; and

(h) engaging in all activities ancillary or incidental to any of those activities set forth in (a) through (g) above.

Use of Funds

Money or other property received by the Trust or the Trustee on behalf of the Trust, including the net proceeds of any issuance, offering or sale of Trust Units or Other Trust Securities, may be used at any time and from time to time for any purpose not inconsistent with the Trust Indenture and the undertaking of the Trust set out in "*Undertaking of the Trust*" above (including making distributions and redemptions pursuant to the Trust Indenture).

Powers and Duties of Trustee and Administrator

The Trustee was appointed as the initial Trustee of the Trust pursuant to the Trust Indenture. The Trustee, subject only to the specific limitations and grant of powers to the Trustee contained in the Trust Indenture, shall have, without further or other action or consent, and free from any power of control on the part of the Unitholders, full, absolute and exclusive power, control and authority over the Trust Property and over the affairs of the Trust to the same extent as if the Trustee were the sole and absolute beneficial owner of the Trust Property in its own right, to do all such acts and things as in its sole judgement and discretion are necessary or incidental to, or desirable for, carrying out the trust created hereunder.

The Trustee may grant or delegate to any person (including the Administrator) such authority and such powers of the Trustee as the Trustee may in its sole discretion deem appropriate, necessary or desirable to carry out and effect the actual management and administration of the duties of the Trustee under the Trust Indenture. The Trustee has delegated certain powers to the Administrator such as the power and authority to supervise the activities and manage the investments and affairs of the Trust, determine the allocations of Trust Property, Net Income and Net Losses of the Trust, effect distributions and make determinations as to the amounts and character of such distributions and all other powers and responsibilities to manage the affairs of the Trust pursuant to the Trust Indenture.

See "*Item 2.11.3 - Summary of the Administration Agreement*" below.

Units

All of the beneficial interests in the Trust shall be divided into interests of multiple classes of Trust Units, which on the date hereof, is comprised of the "Class A Units", "Class B Units", "Class BU Units", "Class F Units", "Class FU Units" and "Class I Units", respectively, with their respective attributes set forth in the Trust Indenture. There shall be no limit on the number of classes or, except as designated in the rights, restrictions and conditions of that class, on the number of any Trust Units in any class. All Trust Units of a class outstanding from time to time shall be entitled to equal shares in any such class distribution by the Trust and, in the event of termination or winding-up of the Trust, in the net assets of the Trust relating to that class of Trust Units. Other than as set forth in the Trust Indenture, all Trust Units of a class shall rank among themselves equally and rateably without discrimination, preference or priority.

Trust Units may be issued at the times, to the Unitholders, for the consideration and on the terms and conditions that the Administrator, on behalf of the Trustee, determines in its absolute discretion. The Administrator may provide for the payment by the Trust of commissions or may allow discounts to Unitholders in consideration of their subscribing or agreeing to subscribe, whether absolutely or conditionally, for Trust Units or of their agreeing to produce subscriptions therefor, whether absolute or conditional. Trust Units shall be issued only as fully paid and once issued, shall be non-assessable. There shall be no limit to the number of Trust Units that may be issued, subject to any determination to the contrary made by the Trustee, or the Administrator acting on behalf of the Trustee, in its sole discretion.

The Administrator may, by providing written notice to the Trustee, add additional classes of Trust Units at any time, without the prior approval of Unitholders. The Administrator, on behalf of the Trustee, may, in its discretion, determine the designation and attributes of a class, which may include: the issue price and issue date of Trust Units, any minimum investment thresholds, minimum aggregate net asset value balances to be maintained by Unitholders, and procedures in connection therewith (including a requirement to redeem Trust Units), the fees payable to the Administrator, if any, as management, performance, or other fees, the organization, sales and redemption fees to be paid upon the acquisition, over time or on redemption of Trust Units, the frequency of subscriptions or redemptions, the period of time Trust Units must be held before they may be redeemed, the period of notice required for redemption of Trust Units, minimum redemption amounts and any other limits on redemption, convertibility among classes and such additional class specific attributes as the Trustee or Administrator may in their discretion specify. The Administrator, on behalf of the Trustee, may prescribe in its discretion the maximum number of Trust Units or maximum dollar amount of Trust Units that may be sold in the Trust. Class attributes of Trust Units may be amended from time to time in accordance with the Trust Indenture.

No class of Trust Units shall be created or issued if after such creation or issuance there exists more than one class of Trust Units and it can reasonably be considered that one of the reasons for the existence of different classes of Trust Units (or any conditions, rights or attributes in respect thereof) is to give Unitholders of any class of Trust Units a percentage interest in the income of the Trust that is greater than their percentage interest in the property of the Trust. The Trust Units shall not be listed or traded on a stock exchange or a public market.

Distributions

The distribution entitlements of the Class A Units, Class F Units and Class FU Units are set out in "*Item 5.1.1 - Distributions*".

Redemptions

The redemption rights of the Class A Units, Class F Units and Class FU Units are set out in "*Item 5.1.2 - Redemption and Retraction*".

Transfer of Trust Units

No Unitholder shall sell, transfer, assign or otherwise dispose of its Trust Units, in whole or in part, to any other person except in compliance with the Trust Indenture. The Trust Indenture provides that no transfer of Trust Units shall be effective as against the Trustee or shall be in any way binding upon the Trustee, until the following has occurred: (a) the details concerning the transfer, including name, address and country of residence of the transferee, as well as the price per Trust Unit at which the sale and transfer has occurred, have been reported to the Trust, unless the Trustee determines in its sole discretion that such information need not be provided; (b) the Trustee has received a form of transfer acceptable to the Trustee which shall include such representations and/or opinions or other assurance regarding compliance with applicable law; and (c) the transfer has been recorded on the applicable register.

No transfer of a Trust Unit shall be recognized unless such transfer is of a whole Trust Unit.

Fees and Expenses

The Trustee and the Administrator shall be entitled to receive for their services as trustee and administrator, as applicable, reasonable compensation and fair and reasonable remuneration for services rendered in any other capacity including, without limitation, services as transfer agent. The Trustee and Administrator are also entitled to reimbursement of out-of-pocket expenses incurred in acting as the Trustee and Administrator, respectively. See "*Item 3.2.2 - Other Fees and Expenses*".

As part of the expenses of the Trust, the Trustee may pay or cause to be paid reasonable fees, costs and expenses incurred in connection with the issuance of Trust Units, the administration and management of the Trust and in

connection with the discharge of any of the Trustee's and Administrator's duties under the Trust Indenture, including, without limitation, fees, costs and expenses of auditors, accountants, lawyers, appraisers and other professional advisors employed by or on behalf of the Trust, the cost incurred in connection with any Offering, and the cost of reporting to and giving notices to Unitholders. All costs, charges and expenses properly incurred by the Trustee or the Administrator on behalf of the Trust shall be payable out of the Trust Property. The Trustee and the Administrator shall have priority over distributions to holders of Trust Units in respect of amounts payable or reimbursable to the Trustee and the Administrator. Further, in the event the Trustee's or the Administrator's fees and expenses are not paid within the time set out in the invoice, the Trustee or the Administrator, as applicable, shall be entitled to pay such amounts out of the Trust Property (or direct the Administrator to pay such amounts out of the Trust Property).

Conflict of Interest

Subject to applicable law, and without affecting or limiting the duties and responsibilities or the limitations and indemnities provided in the Trust Indenture, the Trustee and the Administrator are expressly permitted to: (a) be an associate or an affiliate of a person from or to whom assets of the Trust have been or are to be purchased or sold; (b) be, or be an associate or an affiliate of, a person with whom the Trust contracts or deals or which supplies services to the Trust; (c) acquire, hold and dispose of, either for its own account or the accounts of its customers, any assets not constituting part of the Trust Property, even if such assets are of a character which could be held by the Trust, and exercise all rights of an owner of such assets as if it were not a trustee or the Administrator; (d) in the case of the Trustee, carry on its business as a trust company in the usual course while it is the Trustee, including the rendering of trustee or other services to the Trust or to other trusts and other persons for gain; and (e) derive direct or indirect benefit, profit or advantage from time to time as a result of dealing with the Trust or the relationships, matters, contracts, transactions, affiliations or other interests stated above without being liable to the Trust or any Unitholder for any such direct or indirect benefit, profit or advantage.

The Unitholders acknowledge that subject to the Trustee's and the Administrator's general obligations under the Trust Indenture: (a) the Trustee, the Administrator and their respective affiliates may act as the investment adviser or in a similar capacity for other entities with responsibility for the management of the assets of those other entities at the same time as it is managing the Trust Property and may use the same or different information and trading strategies obtained, produced or utilized in managing the Trust Property and affiliates of the Trustee or Administrator and their respective officers, directors and employees may, at any time, engage in the promotion, management or investment management of any other fund or partnership; (b) the Trustee, the Administrator and their respective affiliates and their respective directors, officers and shareholders, if applicable, may be and are permitted to be engaged in and continue in the private investment business and other businesses in which the Trust may or may not have an interest and which may be competitive with the activities of the Trust and, without limitation, the Trustee, and any director, officer or shareholder of the Trustee or Administrator and their respective associates and affiliates may be and are permitted to act as a partner, shareholder, officer, director, joint venturer, advisor or in any other capacity or role whatsoever of, with or to, other entities, including limited partnerships, which may be engaged in all or some of the aspects of the business of the Trust and may be in competition with the Trust; and (c) Trust activities may lead to the incidental result of providing additional information with respect to, or augmenting the value of, assets or properties in which the Trustee or other parties not at arm's length with the Trustee or the Administrator have acquired or subsequently acquire either a direct or indirect interest.

The Unitholders agree that the activities and facts as set forth above shall not constitute a conflict of interest or breach of fiduciary duty to the Trust or the Unitholders. The Unitholders consent to such activities and the Unitholders waive, relinquish and renounce any right to participate in, and any other claim whatsoever with respect to, any such activities. The Unitholders further agree that neither the Trustee, the Administrator nor any other party referred to above will be required to account to the Trust or any Unitholder for any benefit or profit derived from any such activities or from such similar or competing activity or any transactions relating thereto by reason of any conflict of interest or the fiduciary relationship created by virtue of the position of the Trustee or Administrator under the Trust Indenture unless such activity is contrary to the express terms of the Trust Indenture.

See "*Item 10.2 - Risks Associated with the Trust and the Partnership - Conflicts of Interest*".

Notwithstanding the foregoing, unanimous approval of the Independent Review Committee shall be required to consent to or approve "conflict of interest matters". See "*Item 3.7 - Independent Review Committee*".

Meetings of Unitholders

At the discretion of the Trustee or the Administrator, there shall be a meeting of Unitholders for the purpose of transacting such other business as the Trustee may determine or as may properly be brought before the meeting.

Meetings of the Unitholders may be called at any time by the Trustee or by the Administrator. There shall be no requirement to hold an annual meeting of Unitholders.

Unitholders or Unitholders of a class or classes holding in the aggregate not less than 33⅓% of all votes entitled to be voted at a meeting of Unitholders may requisition the Trustee to call a meeting of Unitholders or of the Unitholders of that class or classes, as the case may be, for the purposes stated in the requisition. The requisition shall: (a) be in writing; (b) set forth the name and address of, and number of Trust Units (which must not be less than 33⅓% of all votes entitled to be voted at a meeting of such Unitholders) held by, each person who is supporting the requisition; and (c) shall state in reasonable detail the business to be transacted at the meeting and shall be sent to the Trustee at the Trustee's principal place of business in Alberta.

If the Trustee or the Administrator does not, within 10 days after receiving the requisition, call a meeting (except where the grounds for not calling the meeting are permitted pursuant to the Trust Indenture), any Unitholder who signed the requisition may call the meeting in accordance with the provisions of the Trust Indenture.

A quorum for any meeting of Unitholders shall be two or more persons present in person and being Unitholders or representing, by proxy, Unitholders, and who hold in the aggregate not less than 10% of all votes entitled to be voted at the meeting except for purposes of: (a) passing a Special Resolution in which case such persons must hold at least 20% of the Trust Units outstanding and entitled to vote thereon; and (b) passing a Special Resolution to remove or replace the general partners of the Partnership, in which case such persons must hold at least 50% of the Trust Units outstanding and entitled to vote thereon. In the event of such quorum not being present at the appointed place on the date for which the meeting is called within 30 minutes after the time fixed for the holding of such meeting, the meeting, if convened on requisition of Unitholders, shall be terminated and, if otherwise called, shall stand adjourned to a day not less than 14 days later and to such place and time as may be determined by the chairman of the meeting. If at such adjourned meeting a quorum as above defined is not present, the Unitholders entitled to vote at such meeting and present either personally or by proxy shall form a quorum, and any business may be brought before or dealt with at such an adjourned meeting which might have been brought before or dealt with at the original meeting in accordance with the notice calling the same. Such individual as may be appointed by the Administrator shall be the chairman of any meeting of Unitholders.

Non-Resident Ownership Constraints

It is in the best interest of the Unitholders that the Trust always qualify as a "mutual fund trust" under the Tax Act and this requires, among other things, that the Trust shall not be established or maintained primarily for the benefit of Non-residents. In addition, it is in the best interest of the Unitholders that the Trust not be considered an "investment company", if possible, required to register as an "investment company" or controlled by an "investment company" for the purposes of the United States Investment Company Act of 1940, as amended. Accordingly, for so long as it is required by the Tax Act for the Trust to maintain its status as a "mutual fund trust", at no time may Non-residents be the beneficial owners of more than 49% of the outstanding Trust Units, on both a non-diluted and fully-diluted basis, and, if necessary, at no time may more than 100 persons resident in the United States (as determined by the Administrator) be the beneficial owners of Trust Units. It shall be the responsibility of the Administrator to monitor compliance by the Trust with these Non-resident restrictions (collectively, the "**Non-resident Restriction**") in accordance with the published policies of the relevant taxation authority and otherwise in relation to the United States Investment Company Act of 1940, as amended.

If at any time the Administrator, in its sole discretion, determines that it is in the best interest of the Trust, the Administrator, may, among other things, send a notice to registered holders of securities of the Trust which are beneficially owned by Non-residents, chosen in inverse order to the order of acquisition or registration of such securities beneficially owned by Non-residents, or chosen in such other manner as the Administrator may consider equitable and practicable, requiring such Non-resident holders to sell their securities of the Trust, or a specified portion thereof, within a specified period of not less than 60 days or such shorter period as may be required to preserve the status of the Trust as a "mutual fund trust" under the Tax Act or ensure the Trust is not an "investment company" required to be registered under United States Investment Company Act of 1940, as amended. If the holders of securities of the Trust receiving such notice have not, within such period, sold the specified number of such securities or provided the Administrator with evidence satisfactory to the Administrator that such securities are not beneficially owned by Non-residents, the Administrator may, on behalf of such registered Unitholder, sell such securities to a third party that is not a Non-resident or redeem such securities in accordance with the Trust Indenture, and, in the interim and to the extent applicable, suspend the voting and distribution rights attached to such securities of the Trust. Any such sale shall be made in such manner in which the Administrator shall determine, and upon such sale, the affected securityholders shall cease to be holders of such securities so disposed of and their rights shall be limited to receiving the net proceeds of sale (net of applicable taxes and costs of sale) upon surrender of the certificates representing such securities. The Administrator and the Trustee shall not have any liability in connection with such sales of securities of

the Trust, including in respect of the amounts received upon such sales and the costs incurred in connection with such sales.

Resignation or Removal of the Trustee and Appointment/Election of Trustee

The Trustee shall continue to be the Trustee for the term of the Trust unless the Trustee resigns or is removed by the Unitholders or the Administrator in accordance with the terms of the Trust Indenture. At all times, the Trustee must be a body corporate incorporated under the laws of Canada or a province of Canada and resident in Canada for purposes of the Tax Act.

The Trustee may resign as Trustee by giving 90 days' prior written notice of such resignation to the Administrator. The Trustee may also be removed: (a) at any time with or without cause by way of an Ordinary Resolution passed by the Unitholders; or (b) by the Administrator by notice in writing to the Trustee, if at any time: (i) the Trustee shall no longer satisfy all the requirements set forth in the Trust Indenture; (ii) the Trustee shall be declared bankrupt or insolvent or shall enter into liquidation, whether compulsory or voluntary, to wind up its affairs; (iii) all of the assets of the Trustee, or a substantial part thereof, shall become subject to seizure or confiscation; or (iv) the Trustee shall otherwise become incapable of performing its responsibilities under the Trust Indenture.

The removal or resignation of the Trustee shall take effect upon the earliest of: (a) 90 days after the date of notice of such resignation is given, such Ordinary Resolution is approved, or such notice of the Administrator is given, as applicable; or (b) until a successor trustee has been elected or appointed pursuant to the terms of the Trust Indenture.

Upon the resignation or removal of the Trustee, the Trustee shall: (a) cease to have rights, privileges, powers and authorities of a Trustee under the Trust Indenture, except for its rights to be compensated therein and its rights to be indemnified which shall continue notwithstanding the resignation or removal of the Trustee; (b) execute and deliver such documents as the Administrator shall reasonably require for the conveyance, to a successor Trustee, of any Trust Property held in the Trustee's name, and provide for or facilitate the transition of the Trust's activities and affairs to such successor Trustee; and (c) account for all property, including the Trust Property, which the Trustee held or then holds as Trustee.

The resignation or removal of the Trustee, or the Trustee otherwise ceasing to be the Trustee, shall not affect any liabilities of the Trustee in respect of or in any way arising under or out of the Trust Indenture which have accrued prior to such resignation, removal or termination.

No vacancy of the office of the Trustee shall operate to annul the Trust Indenture or affect the continuity of the Trust. A successor trustee to a Trustee which has been removed by an Ordinary Resolution of Unitholders pursuant to the Trust Indenture, shall be appointed by an Ordinary Resolution at a meeting of Unitholders duly called for that purpose, provided the successor meets the requirements set forth in the Trust Indenture. If no successor Trustee has been appointed or elected within 60 days of: (a) the Trustee's notice of resignation (whether deemed notice or otherwise); or (b) the approval of the Ordinary Resolution removing the Trustee, as the case may be, any Unitholder, the Trustee or any other interested person may apply to a court of competent jurisdiction for the appointment of a successor Trustee.

Standard of Care and Duties

In exercising their respective powers and discharging their respective duties under the Trust Indenture, the Trustee and the Administrator shall exercise the powers and discharge the duties conferred thereunder honestly, in good faith and in the best interests of the Trust and in connection therewith shall exercise that degree of care, diligence and skill that a reasonably prudent trustee/administrator having responsibilities of a similar nature would exercise in comparable circumstances. Unless otherwise required by law, the Trustee shall not be required to give bond, surety or security in any jurisdiction for the performance of any duties or obligations thereunder. The Trustee shall not be required to devote its entire time to the affairs of the Trust.

Liability of Trustee

Subject to the standard of care described above:

(a) none of the Trustee nor any director, officer, employee or agent thereof shall be liable to the Trust or any Unitholder for any action taken in good faith in reliance on any documents that are, *prima facie*, properly executed; for any depreciation of, or loss to, the Trust incurred by reason of the sale of any security; for the loss or disposition of monies or securities; or for any other action or failure to act, except for a breach of the standard of care, diligence and skill as set out above. If the Trustee

has retained an appropriate expert or advisor with respect to any matter connected with its duties under the Trust Indenture, the Trustee may act or refuse to act based on the advice of such expert or advisor and, notwithstanding any provision of the Trust Indenture, including, without limitation, the standard of care, diligence and skill set out above, the Trustee shall not be liable for any action or refusal to act based on the advice of any such expert or advisor which it is reasonable to conclude is within the expertise of such expert or advisor to give; and

(b) none of the Trustee nor any officer, director, employee or agent thereof shall be subject to any liability whatsoever in tort, contract or otherwise, in connection with Trust Property or the affairs of the Trust, including, without limitation, in respect of any loss or diminution in value of any Trust Property, to the Trust or to the Unitholders or to any other person for anything done or permitted to be done by the Trustee. The Trustee shall not be subject to any personal liability for any debts, liabilities, obligations, claims, demands, judgments, costs, charges or expenses against or with respect to the Trust arising out of anything done or permitted or omitted to be done in respect of the execution of the duties of the office of Trustee for or in respect to the affairs of the Trust. No property or assets of the Trustee, owned in its personal capacity or otherwise, will be subject to any levy, execution or other enforcement procedure with regard to any obligations under the Trust Indenture or under any other related agreements. No recourse may be had or taken, directly or indirectly, against the Trustee in its personal capacity. The Trust shall be solely liable therefor and resort shall be had solely to the Trust Property for payment or performance thereof.

The Trustee shall not have any liability or responsibility in respect of prospectuses, offering memoranda, rights offering circulars, financial statements, management's discussion and analysis, annual information forms, proxy or information circulars, takeover bid or issuer bid circulars, material change reports, press releases or other public disclosures or non-public disclosures to Unitholders or potential purchasers of Trust Units, or filings required by law or the rules or policies of securities regulatory authorities, or any agreements related thereto, including pursuant to this Offering.

Additionally, the Trustee shall have no liability or responsibility for any matters delegated to the Administrator or under the Administration Agreement, and the Trustee, in relying upon the Administrator and in entering into the Administration Agreement, shall be deemed to have complied with its obligations under the Trust Indenture and shall be entitled to the benefit of the indemnities, limitations of liability and other protection provisions provided for therein.

Any liability of the Trustee for, or in respect of, or that arise out of, or result from the Trustee's breach of the Indenture shall be limited, in the aggregate, to the amount of remuneration paid by the Trust to the Trustee under the Trust Indenture in the twelve months immediately prior to the Trustee first receiving written notice of such liability; provided that the foregoing limitation shall not apply to any liability of the Trustee that arise out of the Trustee's gross negligence, wilful misconduct or fraud.

Liability of Administrator

Except for any obligation or claim arising out of its own wilful misconduct, bad faith or gross negligence in respect of its performance of its duties under the Trust Indenture, the Administrator shall, in addition to other limits on its liability as set forth in the Trust Indenture, have no liability whatsoever (whether direct or indirect, absolute or contingent) in tort, contract or otherwise to any person (including the Trust, the Trustee or any Unitholder), nor shall resort be had to the property or assets of the Administrator for satisfaction of any obligation or claim arising out of or in connection with, directly or indirectly, with its duties under the Trust Indenture, the Trust Property and the conduct and undertaking of the activities and affairs of the Trust, and the Trust only shall be liable, and the Trust Property only subject to levy or execution, in respect thereof.

If, in circumstances where there is to be no liability on the Administrator pursuant to the Trust Indenture, the Administrator is held liable to any person, or its property or assets are subject to levy, execution or other enforcement resulting in loss to the Administrator, then the Administrator shall be entitled to indemnity and reimbursement out of the Trust Property, in accordance with the "*Indemnification*" section below, to the full extent of such liability and the costs of any action, suit or proceeding or threatened action, suit or proceeding, including without limitation, the reasonable legal fees and disbursements of its legal counsel.

The Administrator is also entitled to limitations of liability and indemnities set out in the Administration Agreement. See "*Item 2.11.3 - Summary of the Administration Agreement*".

Indemnification

Each Trustee, the Administrator, each officer of the Trust, each director, officer, employee or agent of the Administrator, each director, officer, employee and agent of the Trustee and each person who formerly held any of such positions (collectively, "**Indemnified Persons**"), shall be entitled to be and shall be indemnified and reimbursed out of the Trust Property in respect of any and all taxes, penalties or interest in respect of unpaid taxes or other governmental charges imposed upon the Indemnified Person in consequence of his or her performance of his or her duties and in respect of any and all costs, charges and expenses, including amounts paid to settle an action or satisfy a judgment, reasonably incurred in respect of any civil, criminal or administrative action or proceeding to which the Indemnified Person is made a party by reason of being or having held such position or been, at the request of the Trust, a trustee; provided that an Indemnified Person shall not be indemnified out of the Trust Property in respect of any such amounts that arise directly out of or as a result of such Indemnified Person's gross negligence, wilful misconduct or fraud.

No Person shall be entitled to satisfy any right of indemnity or reimbursement granted herein, or otherwise existing under law, except out of the Trust Property, and no Unitholder or Trustee or Indemnified Person shall be personally liable to any person with respect to any claim for such indemnity or reimbursement as aforesaid. Notwithstanding any other provisions of the Trust Indenture, the Trust shall have no liability to reimburse any person for transfer or other taxes or fees payable on the transfer of Trust Units or any income or other taxes assessed against any person by reason of ownership or disposition of Trust Units.

Liability of Unitholders

The Trust Indenture provides that no Unitholder shall be liable in connection with the ownership or use of the Trust Property, the obligations or activities of the Trust, any acts or omissions of the Trustee, the Administrator or any other person in respect of the activities or affairs of the Trust, any transaction entered into by the Trustee, the Administrator or any other person in respect of the activities or affairs of the Trust or any taxes or fines payable by the Trust or the Trustee or Administrator, provided that each Unitholder remain responsible for taxes assessed against them by reason of or arising out of their ownership of Trust Units. To the extent that any Unitholder, in its capacity as such, may be determined by a judgment of a court of competent jurisdiction to be subject to or liable in respect of any liabilities of the Trust, such judgment and any writ of execution or similar process in respect thereof, shall be enforceable only against, and shall be satisfied only out of, the Unitholder's share of the Trust Property represented by its Trust Units or any Other Trust Securities held by it.

Compulsory Acquisition of Units on a Take-Over Bid

The Trust Indenture contains provisions to the effect that if a take-over bid is made for Trust Units and, within 120 days after the date of such take-over bid, the bid is accepted by holders holding Trust Units representing 90% or more of the market value of the Trust Property (other than Trust Units held at the date of the take-over bid by or on behalf of, or issuable to, the offeror or associates or affiliates of the offeror), the offeror shall be entitled to acquire the Trust Units held by Unitholders who did not accept the offer on the terms offered by the offeror, subject to compliance with the relevant provisions of the Trust Indenture.

Fiscal Year

The fiscal year of the Trust shall end on December 31 of each year.

Records and Reporting

The Administrator shall prepare and maintain or cause to be prepared and maintained records containing: (a) the Trust Indenture; (b) minutes of meetings and resolutions of Unitholders; (c) minutes of meetings and resolutions of the Administrator and the Trustee; and (d) the registers of the Trust. The Trust shall also prepare and maintain adequate accounting records.

The Trust will send to Unitholders within 120 days after the end of each fiscal year (or within such shorter time as may be required by applicable securities law), the audited statements of the Trust for that fiscal year, together with comparative audited financial statements for the preceding fiscal year, if any, and the report of the auditor thereon. Such financial statements shall be prepared in accordance with generally accepted accounting principles or IFRS.

On or before the date which is 90 days following the end of each fiscal year for the Trust, or such other date as may be required under applicable law, the Trust shall provide to Unitholders who received distributions from the Trust in

the prior calendar year, such information regarding the Trust required by Canadian law to be submitted to Unitholders for income tax purposes to enable Unitholders to complete their tax returns in respect of the prior calendar year.

The Trustee shall satisfy, perform and discharge all obligations and responsibilities of the Trustee under the Tax Act and neither the Trust nor the Trustee shall be accountable or liable to any Unitholder by reason of any act or acts of the Trustee consistent, or carried out in intended compliance, with any such obligations or responsibilities.

Power of Attorney

Each Unitholder grants to each of the Trustee and the Administrator, and each of its successors and assigns, a power of attorney constituting the Trustee and the Administrator, with full power of substitution, as its true and lawful attorney to act on its behalf, with full power and authority in its name, place and stead, to execute, under seal or otherwise, swear to, acknowledge, deliver, make, file or record (and to take all requisite actions in connection with such matters), when, as and where required:

(a) the Trust Indenture and any other instrument required or desirable to qualify, continue and keep in good standing the Trust as a mutual fund trust in all jurisdictions that the Trustee or the Administrator deems appropriate;

(b) any instrument, deed, agreement or document in connection with carrying on the affairs of the Trust as authorized in the Trust Indenture, including all conveyances, transfers and other documents required to facilitate any sale of Trust Units or in connection with any disposition of Trust Units required under the Trust Indenture;

(c) all conveyances, transfers and other documents required in connection with the dissolution, liquidation or termination of the Trust in accordance with the terms of the Trust Indenture;

(d) any and all elections, determinations or designations whether jointly with third parties or otherwise, under the Tax Act or any other taxation or other legislation or similar laws of Canada or of any other jurisdiction in respect of the affairs of the Trust or of a Unitholder's interest in the Trust;

(e) any instrument, certificate and other documents necessary or appropriate to reflect and give effect to any amendment to the Trust Indenture which is authorized from time to time; and

(f) all transfers, conveyances and other documents required to facilitate the acquisition of Trust Units of certain non-tendering offerees under take-over bid.

The power of attorney is, to the extent permitted by applicable law, irrevocable, is a power coupled with an interest, and shall survive the insolvency, death, mental incompetence, disability and any subsequent legal incapacity of the Unitholder and shall survive the assignment by the Unitholder of all or part of the Unitholder's interest in the Trust and will extend to and bind the heirs, executors, administrators and other legal representatives and successors and assigns of the Unitholder. Without limiting any other manner in which the power of attorney may be exercised by the Trustee or the Administrator on behalf of one or more Unitholders, the Trustee or the Administrator, as the case may be, may, in executing any instrument on behalf of all Unitholders collectively, execute such instrument with a single signature and indicating such execution is as attorney and agent for all of such Unitholders. Each Unitholder agrees to be bound by any representations or actions made or taken by the Trustee or the Administrator pursuant to the power of attorney and hereby waives any and all defences which may be available to contest, negate or disaffirm any actions taken by the Trustee or the Administrator in good faith under the power of attorney.

Auditor

The Trustee has appointed PricewaterhouseCoopers LLP as auditor of the Trust. The auditor will be appointed and may be replaced from time to time by the Trustee. The auditor so appointed will continue in office until it has resigned or has been replaced in accordance with the Trust Indenture. The auditor shall audit the accounts of the Trust at least once in each year and a report of the auditor with respect to annual financial statements of the Trust shall be provided to each Unitholder.

Amendments

The provisions of the Trust Indenture may only be amended by Special Resolution, provided that the provisions of the Trust Indenture may be amended by the Trustee with the approval of the Administrator at any time and from time to time, without the consent, approval or ratification of the Unitholders or any other person at any time for the purpose of:

(a) ensuring continuing compliance, by the Trust, with applicable law, regulations, requirements or policies of any governing authority having jurisdiction over the Trustee or the Trust;

(b) providing, in the opinion of the Administrator, additional protection for the Unitholders or to obtain, preserve or clarify the provision of desirable tax treatment to Unitholders;

(c) making amendments hereto which, in the opinion of the Administrator, are necessary or desirable in the interests of the Unitholders as a result of changes in taxation laws or in their interpretation or administration;

(d) making corrections, or removing or curing any conflicts or inconsistencies between the provisions of the Trust Indenture or any supplemental indenture and any other agreement of the Trust or any offering document with respect to the Trust, or any Applicable law or regulation of any jurisdiction, provided that in the opinion of the Administrator the rights of the Unitholders are not materially prejudiced thereby;

(e) providing for the electronic delivery by the Trust to Unitholders of documents relating to the Trust (including annual reports, financial statements, notices of Unitholder meetings and information circulars and proxy related materials) at such time as applicable securities laws have been amended to permit such electronic delivery in place of normal delivery procedures, provided that such amendments to the Indenture, based on the advice of counsel, are not contrary to or do not conflict with such laws;

(f) curing, correcting or rectifying any ambiguities, defective or inconsistent provisions, errors, mistakes or omissions, provided that, in the opinion of the Administrator, the rights of the Unitholders are not materially prejudiced thereby; and

(g) making amendments hereto for any purpose (except one in respect of which a vote by Unitholders is expressly otherwise required), provided that, in the opinion of the Administrator, the rights of the Unitholders are not materially prejudiced thereby.

Following the making of any amendment pursuant to the above, the Trustees shall provide written notification of the substance of such amendment to each Unitholder and such notification shall be delivered concurrent with the next succeeding mailing of annual financial statements of the Trust.

Termination of Trust

Subject to the other provisions of the Trust Indenture, the Trust shall continue for a term ending 21 years after the date of death of the last surviving issue of Her Majesty, Queen Elizabeth II, alive on September 25, 2013. For the purpose of terminating the Trust by such date, the Trustee shall commence to wind-up the affairs of the Trust on such date as may be determined by the Trustee, being not more than 2 years prior to the end of the term of the Trust.

The Trust shall be wound up or terminated if authorized by a Special Resolution of the Unitholders. Upon being required to wind-up or terminate the affairs of the Trust, the Trustee shall give notice of such wind-up or termination to the Unitholders and the Unitholders shall surrender their Trust Units for cancellation. The Trustee shall sell and convert the Trust Property into money and do all other acts to liquidate the Trust and shall distribute the remaining proceeds of sale (or the undivided interests in the remaining Trust Property if the Trustee is unable to sell all or any of the Trust Property) directly to the Unitholders in accordance with their entitlements.

2.11.2 Summary of the Partnership Agreement

The rights and obligations of Limited Partners (including the Trust) are governed by the Partnership Agreement.

The following is a summary only of certain terms in the Partnership Agreement which, together with other summaries of additional terms of the Partnership Agreement appearing elsewhere in this Offering Memorandum, are qualified in their entirety by reference to the actual text of the Partnership Agreement, a review of which is recommended to investors.

Investment Activities of the Partnership and Power of the General Partner

The Partnership intends to focus on investments that provide a high level of current income while offering the potential for moderate capital appreciation by investing primarily in high-yielding investments in a well-diversified manner.

Subject to any delegation of its powers properly authorized under the Partnership Agreement, the General Partner will control and have responsibility for the business of the Partnership, to bind the Partnership and to admit Limited Partners and do or cause to be done in a prudent and reasonable manner any and all acts necessary, appropriate or incidental to the business of the Partnership.

The General Partner has exclusive authority to manage and control the activities of the Partnership and is liable by law, as a general partner, for the debts of the Partnership. No person dealing with the Partnership is required to inquire into the authority of the General Partner to take any action or make any on behalf of and in the name of the, Partnership and the Partnership will be bound by all agreements made by the General Partner on its behalf.

For greater certainty, the Special General Partner shall not participate in the management and control of the Partnership and shall provide no administrative, management or other services to the Partnership.

The Portfolio Manager has been engaged by the General Partner, pursuant to the Portfolio and Investment Fund Management Agreement, to undertake any matters required by the terms of the Partnership Agreement to be performed by the General Partner, including calculating the Net Asset Value of the Partnership in accordance with the Partnership Agreement. See "*Item 2.11.4 - Summary of the Portfolio and Investment Fund Management Agreement*".

The General Partner shall exercise the powers and discharge the duties of its office under the Partnership Agreement honestly, in good faith and in the best interests of the Limited Partners, and shall exercise the degree of care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances. The General Partner shall be entitled to retain advisors, experts or consultants to assist it in the exercise of its powers and the performance of its duties hereunder. Certain restrictions are imposed on the General Partner and certain acts may not be taken by it without the approval of the Limited Partner by way of an Ordinary Resolution or Special Resolution.

Under the terms of the Partnership Agreement, the General Partner agrees, among other things, that the funds and assets of the Partnership will not be commingled with any other funds or assets of the GPs or any other person.

Capital of the Partnership and Nature of Partnership Units

The Partnership is authorized to issue an unlimited number of Partnership Units, each having the rights, privileges, restrictions and conditions referred to in the Partnership Agreement. The Partnership Units may be issued in multiple classes, and upon creation and/or issuance of each class of Partnership Units, the General Partner shall determine the Commissions, voting rights, entitlement to distributions, and other attributes of such class of Partnership Units, provided that: (a) the General Partner shall, at all times be required to keep track of, and account for the different Capital Accounts and amounts of Class NAV and corresponding entitlement to distributions of each class of Partnership Units; and (b) no class of Partnership Units shall be entitled to any distributions or other payments in respect of Distributable Proceeds not attributable to such class of Partnership Units.

Except as otherwise expressly provided in the Partnership Agreement, each outstanding Partnership Unit of a particular class shall be equal to each other outstanding Partnership Unit of such class with respect to all matters including the right to receive distributions from the Partnership, and no Partnership Unit of a particular class shall have any preference or right in any circumstances over any other Partnership Unit of such class. Subject to certain restrictions noted in the Partnership Agreement, each Limited Partner shall be entitled to one (1) vote for each whole Partnership Unit held by it in respect of all matters to be decided by holders of the Partnership Units of the particular class. Except as otherwise expressly provided, each Partnership Unit represents the right to receive a *pro rata* share of allocations and distributions from the Partnership allocated to such class of Partnership Units as provided for in the Partnership Agreement.

Capital Accounts

A Capital Account shall be established for each Partner, with respect to each class of Partnership Units, on the books of the Partnership and such account shall be adjusted in accordance with the terms of the Partnership Agreement. A Partner's Capital Account shall be credited with such Partner's Capital Contributions and any of the Partnership's net profits allocated to such Partner and shall be debited with any of the Partnership's net losses allocated to such Partner, the amount of any capital withdrawals pursuant to the redemption of Partnership Units and the amount of any distributions made to the Limited Partners.

Distributions

The distribution entitlements of the General Partner and the Class A Partnership Units, Class F Partnership Units and Class FU Partnership Units are set out in "*Item 5.1.1 - Distributions*" and the distribution entitlements of the Special General Partner are set out in "*Item 5.1.1 - Distributions - Special Allocation*".

Redemptions

The redemption/retraction rights of the Class A Partnership Units, Class F Partnership Units and Class FU Partnership Units are as set out below:

(a) *Redemption by the Limited Partner.* There is no general right of redemption by a Limited Partner and all redemptions are subject to the approval of the General Partner, in its sole discretion. Upon approval by the General Partner, a Limited Partner may surrender Partnership Units for redemption on the Redemption Date, for the redemption price per Partnership Unit (see "*Redemption Price*" in the glossary for the redemption price of Class A Partnership Units, Class F Partnership Units and Class FU Partnership Units) as calculated as at the applicable Redemption Date. The General Partner, in its sole discretion, may consent to redemptions as of other dates.

(b) *Redemption Notice.* Any Limited Partner seeking a redemption must give written notice to the General Partner stating its intention to redeem and the number of Partnership Units to be redeemed (the "**Notice**"). The Notice must be given at least 45 days in advance of the end of the Redemption Date, and if 45 days' notice is not given, such Notice shall be effective on the next following Redemption Date (the "**Effective Date**"). Any such Notice may be waived by the General Partner in its sole discretion.

(c) *No Redemption.* No redemption shall be made unless approved by the General Partner and unless all liabilities of the Partnership have been paid or unless the Partnership has sufficient assets to pay such liabilities (including contingent or unliquidated liabilities); provided, however, that, to the extent that such happens after receipt by the General Partner of a Notice, the General Partner may, in its sole discretion, limit such redemption or permit a redemption after deducting from the amount to be redeemed any reserve or reserves which, in its sole discretion, would represent such redeeming Limited Partner's share of such contingent or unliquidated liabilities and provided, further, that upon the definitive resolution of any such contingent or unliquidated liability so reserved against, the General Partner shall have the right, in its discretion, to distribute to the redeemed Limited Partner any excess of such reserve over such ultimate liability or, if such reserve is less than such ultimate liability, to require such Limited Partner to return to the Partnership that portion of the redeemed amount equal to the excess of such Partner's share of such liability over the amount of such reserve. Any Limited Partner electing a complete redemption shall cease to be a Partner as of the Effective Date of the redemption. The redemption provisions of the Partnership Agreement shall not affect the rights and limitations in connection with: (i) an assignment or transfer by a Limited Partner of its interest pursuant to the terms of the Partnership Agreement; or (ii) the termination or dissolution of the Partnership pursuant to the Partnership Agreement.

(d) *Payment to Redeeming Partner.* Subject to subparagraph (c) above and (e) below, payment shall be made to a Partner not later than the 45th day following the Effective Date of the redemption. The General Partner shall have the right to holdback up to 20% of the amount of the payment to be made to the Partner to provide for an orderly disposition of assets. The terms of such holdback shall not exceed a reasonable time period, having regard to the applicable circumstances.

(e) *Redemption Notes.* If on any Effective Date, the aggregate amounts payable on the redemption of a class of Partnership Units exceed the redemption limit of such class, if any, or if the General Partner has determined in its sole discretion that the Partnership does not have sufficient cash reserves to pay the redemption price, the General Partner shall advise the applicable Limited Partners in writing that all or a portion of the redemption price payable in respect of the Partnership Units tendered for redemption on the applicable Redemption Date shall be paid within 45 days of the Redemption Date by the Partnership issuing Redemption Notes to the Limited Partners who exercise the right of redemption, such Redemption Notes having an aggregate principal amount equal to the applicable portion of the redemption price per unit multiplied by the number of Partnership Units to be redeemed. At any time in the 7 days following the date of the General Partner's notice set out herein, the Limited Partners may rescind their applicable Notice in respect of all or a portion of the Partnership Units tendered for redemption. If a Limited Partner fails to rescind the Notice in writing,

the General Partner shall issue Redemption Notes to the Limited Partners who exercised the right of redemption having an aggregate principal amount equal to the redemption price per unit multiplied by the number of Partnership Units to be redeemed. The General Partner may, in its sole discretion, waive the redemption limit in respect of a class of Partnership Units tendered for redemption on any Redemption Date.

(f) *Mandatory Redemption of Partners.* The General Partner shall, in its sole discretion, have the right to require the redemption of all or a portion of the Partnership Units held by a Limited Partner at any time by written notice to such Limited Partner. The Effective Date of such redemption shall be determined by the General Partner in its sole discretion. In the event of such redemption, payment shall be made to such Limited Partner as though the redemption was initiated by the Limited Partner in accordance with the terms set forth above.

(g) *Redemptions of Partnership Units held by a Mutual Fund Trust.* Notwithstanding the other provisions set forth above, in the event that a Limited Partner that is a mutual fund trust for the purposes of Tax Act makes a demand for redemption of any Partnership Units held by it, then the General Partner shall approve such redemption of Partnership Units, and shall redeem such Partnership Units in accordance with the Partnership Agreement. For greater certainty, the notice period set out in subparagraph (a) above is waived.

Transfer of Partnership Units

Partnership Units may be transferred, subject to compliance with the provisions of the Partnership Agreement and all applicable securities legislation. No transfer shall be effective unless, among other things, the General Partner has given its written consent approving the transfer and the Limited Partner or its agent duly authorized in writing has delivered to the General Partner a duly executed instrument of transfer in approved form together with such evidence of the genuineness of each such endorsement, execution and authorization and other matters as may reasonably be required by the General Partner. The transferee must execute a counterpart to the Partnership Agreement or otherwise agree to be bound by its terms, including the representations, warranties and covenants in the Partnership Agreement, and must become responsible for all obligations of the transferor to the Partnership. See "*Representations of Limited Partners under the Partnership Agreement*" below.

Fees and Expenses

The Portfolio Manager is entitled the Portfolio Management Fee as set out in "*Item 3.2.1 - Portfolio Management Fee*".

The General Partner shall be reimbursed by the Partnership for all costs and expenses incurred by the General Partner in the performance of its duties as general partner of the Partnership, including all direct general and administrative expenses that may be incurred by the General Partner and the Partnership. See "*Item 3.2.2 - Other Fees and Expenses*".

Valuations

For purposes of determining Net Asset Value and for all other purposes under the Partnership Agreement, the assets of the Partnership shall, on a class by class basis, be determined in accordance with generally accepted accounting principles or international financial reporting standards (except that the General Partner may make reasonable adjustments and deviations (such as the amortization of costs) in order to reflect any matters that the General Partner, in its discretion, considers equitable) and shall be valued as follows:

(a) the value of any cash on hand or on deposit, bills and demand notes and accounts receivable, prepaid expenses, cash received (or declared to holders of record on or before the date of valuation and to be received) and interest accrued and not yet received, shall be deemed to be the full amount thereof, provided that: (i) the value of any security which is a debt obligation which, at the time of acquisition, had a remaining term to maturity of 1 year or less shall be the amount paid to acquire the obligation plus the amount of any interest accrued on such obligation since the time of acquisition (for this purpose, interest accrued will include amortization over the remaining term to maturity of any discount or premium from the face value of an obligation at the time of its acquisition); (ii) any interest or other amount due in respect of an obligation in respect of which the issuer has ceased paying interest or has otherwise defaulted shall be excluded from such calculation; and (iii) if the General Partner has determined that any such deposit, bill, demand note or accounts receivable is not otherwise worth the full amount thereof, the value thereof shall be deemed to be such value as the General Partner determines to be the fair value thereof;

(b) any market price reported in currency other than Canadian dollars shall be translated into Canadian currency at the prevailing rate of exchange, as determined by the General Partner, on the date of valuation;

(c) the value of any security or property to which, in the opinion of the General Partner, the above principles cannot be applied (whether because no price or yield equivalent quotations are available as above provided, or for any other reason) shall be the fair value thereof determined in good faith in such manner as the General Partner from time to time adopts; and

(d) all liabilities of the Partnership, including appropriate accruals for the performance fees, Special Allocations, Portfolio Management Fee and other expenses, shall be subtracted from total assets to determine net assets.

All matters concerning Net Asset Value, the valuation of Investments, the determination of assets and liabilities, the allocation of net profits and net losses among the Partners, the allocation of related Partnership tax items among the Partners and all accounting procedures not specifically and expressly provided for by the terms of the Partnership Agreement, shall be determined by the General Partner, whose determination, so long as made in good faith, shall be final and conclusive as to all of the Partners. For greater certainty, the General Partner may, in its discretion, make reasonable adjustments to Net Asset Value and other items set forth above in order to reflect any other matters that the General Partner, in its discretion, considers equitable.

Among other adjustments that may be made by the General Partner, the General Partner expects to amortize over time the initial expenses associated with the creation and offering of each class of Partnership Units including, without limitation, fees and expenses of legal counsel and other service providers. IFRS does not permit the amortization of such expenses and, as such, such amortization, along with other adjustments that may be made by the General Partner may, from time to time, cause a difference between Class NAV and the net asset value of a class for financial statement reporting purposes.

Investment Restrictions

The activities of the Partnership will be subject to certain investment restrictions, which may be changed if changes are required to comply with law (in which case the General Partner shall promptly notify the Limited Partners of such amendment if it is material) or by Special Resolution of the Limited Partners.

If the Net Asset Value of the Partnership at the date of an investment is greater than or equal to $20,000,000, the Partnership may not invest in any security or group of related securities that would result in the Partnership investing an amount that is more than 33% of the Net Asset Value of the Partnership in securities issued by, or linked to the performance of, a single entity, provided that, for greater certainty, a fluctuation in the Net Asset Value of the Partnership: (a) shall not, in itself result in a violation of the investment restrictions; (b) shall not require the General Partner to prematurely liquidate or sell any Investments for the purpose only of complying with the foregoing; and (c) the General Partner shall be restricted from increasing the concentration in any given Investment that would increase the degree to which any of the foregoing restrictions have been exceeded, but shall for greater certainty, be permitted to continue to invest any newly available proceeds raised by the Partnership from the issuance of Partnership Units or other funds into any single Investment in an amount up to the maximum concentration level of such Investment.

Competing Interests

Each Partner is entitled, without the consent of the other Partners, to carry on any business of the same nature as, or competing with those activities of, the Partnership, and is not liable to account to the other Partners or the Partnership. See "*Item 10.2 - Risks Associated with the Trust and the Partnership - Conflicts of Interest*".

Notwithstanding the foregoing, unanimous approval of the Independent Review Committee shall be required to consent to or approve "conflict of interest matters". See "*Item 3.7 - Independent Review Committee*".

Independent Review Committee

The Portfolio Manager will appoint the Independent Review Committee. Unanimous approval of the Independent Review Committee shall be required to consent to or approve "conflict of interest matters". See "*Item 3.7 - Independent Review Committee*".

Transfer of Interest of GPs and Resignation or Removal of the GPs

The GPs shall not sell, assign or otherwise dispose of their interests as the general partners of the Partnership.

The GPs will continue as general partners of the Partnership until termination of the Partnership unless the GPs are removed or have resigned in accordance with the Partnership Agreement.

Except as described below, the GPs may not be removed as general partners of the Partnership. Upon: (a) the passing of any resolution of the directors or shareholders of a GP requiring or relating to the bankruptcy, dissolution, liquidation or winding-up of such GP; (b) the making of any assignment by a GP for the benefit of creditors of such GP; (c) the appointment of a receiver of the assets and undertaking of a GP; or (d) a GP failing to maintain its required status under the Partnership Agreement, the GPs shall cease to be qualified to act as general partners and shall be deemed to have been removed thereupon as the general partners of the Partnership effective upon the appointment of a new general partners. For greater certainty, if a GP ceases to be qualified to act as a general partner, both of the GPs shall be deemed to have been removed as the general partners of the Partnership. New general partners shall, in such instances, be appointed by the Limited Partners voting as a single class by an Ordinary Resolution after receipt of written notice of such event (which written notice shall be provided by the General Partner forthwith upon the occurrence of such event).

The GPs may also be removed if a GP has committed a material breach of the Partnership Agreement, which subsists for a period of 90 days after notice, and such removal is approved by Special Resolution of the Limited Partners voting as a single class. For greater certainty, such Special Resolution must remove both of the GPs in order to be effective. Any such action by the Limited Partners for removal of the GPs must also provide for the election and succession of a new general partner. Such removal shall be effective immediately following the admission of the successor general partners to the Partnership.

The GPs may voluntarily withdraw as general partners of the Partnership by giving 120 days' notice. Such withdrawals shall be effective immediately following the admission of the successor general partners to the Partnership. For greater certainty, both of the GPs must withdraw in order to be effective.

Upon the removal of the GPs, the Partnership and the Limited Partners shall release and hold harmless the GPs from all actions, claims costs, demands, losses, damages and expenses with respect to events which occur in relation to the Partnership after the effective time of such removal.

Liability of the General Partner

The GPs have unlimited liability for the debt, liabilities and obligations of the Partnership. The GPs are not liable for the return of any Capital Contribution made by the Limited Partners.

The GPs assume no responsibility to the Partnership and shall bear no liability to the Partnership or any Limited Partner for any loss suffered by the Partnership which arises out of any action or inaction of the a GP if such course of conduct did not constitute gross negligence or willful misconduct of such GP and if such GP, in good faith, determined that such course of conduct was in the best interests of the Partnership. The GPs shall be entitled to indemnification out of the assets of the Partnership against expenses, including legal fees, judgments and amounts paid in settlement, actually and reasonably incurred by the GPs in connection with the Partnership provided that the matters causing such expenses were not the result of gross negligence or willful misconduct on the part of the GPs.

The General Partner agrees to indemnify and hold harmless each of the Limited Partners (including former Limited Partners) from and against all costs, damages, liabilities or losses incurred resulting from not having limited liability, other than the loss of limited liability caused by any act or omission of the Limited Partner. The General Partner further agrees to indemnify the Partnership for any costs, damages, liabilities or losses incurred by the Partnership as a result of an act of gross negligence or misconduct by the General Partner pursuant to the Partnership Agreement. The foregoing indemnity will not extend to liabilities arising from any Limited Partner being called upon to return any distributions paid to it (with interest), whether properly paid or paid in error.

Representations of Limited Partners under the Partnership Agreement

Under the terms of the Partnership Agreement, each Limited Partner represents and warrants to and covenants with each other Partner that it: (a) is not a "non-resident" of Canada within the meaning of the Tax Act; (b) is not a "non-Canadian" within the meaning of the Investment Canada Act; (c) if an individual, has the capacity and competence to enter into and be bound by the Partnership Agreement and all other agreements contemplated hereby; (d) if a corporation, partnership, unincorporated association or other entity, has full power and authority to execute the

Partnership Agreement and all other agreements contemplated hereby required to be signed by it and to take all actions required pursuant hereto, and has obtained all necessary approvals of directors, shareholders, partners, members or others; (e) has duly authorized, executed and delivered the Partnership Agreement and that the Partnership Agreement constitutes a legal, valid and binding obligation of it enforceable against it in accordance with its terms, subject to applicable bankruptcy, insolvency and other laws affecting the enforcement of creditor's rights generally and general principles of equity; (f) shall act with the utmost fairness and good faith towards the other Partners in the business and affairs of the Partnership; and (g) shall from time to time promptly provide to the General Partner such evidence of its status as the General Partner may reasonably request.

Each Limited Partner covenants and agrees that it will not transfer or purport to transfer its Partnership Units to any person who is or would be unable to make the representations and warranties as stated above.

If at any time a Limited Partner is a "non-resident" of Canada within the meaning of the Tax Act, the General Partner may require that Limited Partner to transfer its Partnership Units to a resident or residents of Canada. If a non-resident Limited Partner fails to transfer its Partnership Units to a resident of Canada who qualifies to hold Partnership Units under the terms of the Partnership Agreement within 30 days of the giving of a notice to such non-resident Limited Partner to so transfer its Partnership Units, the General Partner shall be entitled to sell such Partnership Units on behalf of such non-resident Limited Partner on such terms and conditions as the General Partner considers reasonable and may itself become the purchaser of such Partnership Units. On any purchase of such Partnership Units by the General Partner, the price shall be the redemption price of such Partnership Units determined as of the business day immediately preceding the date of sale and any such sale, to the General Partner or otherwise shall be subject to a transfer fee in the aggregate amount of the lesser of: (a) 2% of the sale price of the Partnership Units sold; and (ii) $500. In addition, the selling Limited Partner shall pay any legal fees incurred by the General Partner in facilitating the sale.

Limitations on Authority of the Limited Partners

While Limited Partners have voting rights with respect to certain matters, including the termination of the Partnership, no Limited Partner, in its capacity as such, may take part in the operation or management of the activities of the Partnership nor may any Limited Partner, in its capacity as such, have the power to sign for or to bind the Partnership. No Limited Partner shall be entitled to bring any action for partition or sale or otherwise in connection with any interest in any property of the Partnership, whether real or personal, or register, or permit to be filed or registered or remain undischarged, against any property of the Partnership any lien or charge in respect of the interest of such Limited Partner in the Partnership or to compel a partition, judicial or otherwise, of any of the property of the Partnership distributed to the Limited Partners in kind. Limited Partners shall comply with the provisions of the Partnership Act in force or in effect from time to time and shall not take any action which will jeopardize or eliminate the status of the Partnership as a limited partnership.

Limited Liability of Limited Partners

Subject to the Partnership Act, and any specific assumption of liability, the liability of each Limited Partner for the debts of the Partnership is limited to the amount of its Capital Contribution made or agreed to be made to the Partnership plus its share of the undistributed income of the Partnership as determined pursuant to the Partnership Agreement, and a Limited Partner shall have no further personal liability for such debts and, after making the full amount of its Capital Contribution to the Partnership, a Limited Partner shall not be subject to, nor be liable for, any further calls or assessments or further contributions to the Partnership.

Meetings of Limited Partners

Meetings of the Limited Partners may be called at any time by the General Partner and shall: (a) in respect of matters affecting a specific class or specific classes of Partnership Units, be called upon written request of Limited Partners holding in the aggregate not less than 33⅓% of the outstanding Partnership Units of such class or classes, as applicable; or (b) in respect of matters affecting holders of all classes of Partnership Units, be called upon written request of Limited Partners holding in the aggregate not less than 33⅓% of the outstanding Partnership Units.

The presence in person or by proxy and entitled to vote of one (1) or more Limited Partners holding at least 10% of the Partnership Units or the Partnership Units of the affected class outstanding, as applicable, except for purposes of: (a) passing a Special Resolution in which case such persons must hold at least 20% of the Partnership Units outstanding and entitled to vote thereon; and (b) passing a Special Resolution to remove the GPs, in which case such persons must hold at least 50% of the Partnership Units or the Partnership Units of the affected class outstanding and entitled to vote thereon, shall be necessary to constitute a quorum for the transaction of business at any meetings of Limited Partners.

Fiscal Year

The fiscal year-end of the Partnership shall be the 31st day of December in each year or such other date as the General Partner shall determine.

Accounting and Reporting

The annual financial statements of the Partnership shall be audited by an auditor who shall be selected by the General Partner. A copy of such annual audited financial statements of the Partnership and necessary tax information to the Limited Partners within 120 days and 90 days respectively of the end of each fiscal year. The General Partner shall file, on behalf of itself and the Limited Partners, annual Partnership information returns and any other information returns required to be filed under the Tax Act and any other applicable tax legislation in respect of the Partnership.

The General Partner will keep or cause to be kept on behalf of the Partnership books and records reflecting the assets, liabilities, income and expenditures of the Partnership and a register listing all Limited Partners and the Partnership Units held by them.

Power of Attorney

Each Limited Partner irrevocably nominates, constitutes and appoints the General Partner, with full power of substitution, as its true and lawful attorney and agent, with full power and authority in the Limited Partner's name, place and stead to execute, under seal or otherwise, swear to, acknowledge, deliver, make, record and file when, as and where required or appropriate, certain agreements, instruments, certificates and documents, etc., as set out in the Partnership Agreement. Each Limited Partner expressly acknowledges and agrees that it has given such power of attorney by virtue of purchasing Partnership Units and will ratify any and all actions taken by the General Partner pursuant to the power of attorney granted under the Partnership Agreement.

Amendments

Unless otherwise provided for in the Partnership Agreement, the Partnership Agreement may only be amended on the initiative of the General Partner with the consent of the Limited Partners given by Special Resolution. However: (a) no amendment can be made which would have the effect of changing the liability of any Limited Partner, allowing any Limited Partner to participate in the control of the business of the Partnership, changing the ability of the Limited Partners as a group to vote at any meeting, or changing the Partnership from a limited partnership to a general partnership; and (b) no amendment can be made which would have the effect of reducing the interest in the Partnership of holders of any particular class of Partnership Units, or changing the rights of holders of any particular class of Partnership Units in a manner confined to such class of Partnership Units, without the holders of the applicable class of Partnership Units approving such amendment by voting as a single class.

No amendment which would adversely affect the interests of the GPs may be made without the General Partner's consent.

The General Partner may, without prior notice to or consent from any Limited Partner, amend any provision of the Partnership Agreement from time to time: (a) for the purpose of adding to the Partnership Agreement any further covenants, restrictions, deletions or provisions which, in the opinion of the General Partner, acting reasonably in consultation with its financial and legal advisors, are necessary for the protection of the Limited Partners; (b) to cure any ambiguity or to correct or supplement any provisions contained herein which in the opinion of the General Partner, acting reasonably in consultation with its financial and legal advisors, may be defective or inconsistent with any other provisions contained in the Partnership Agreement provided that such cure, correction or supplemental provision does not and will not, in the opinion of the General Partner, adversely affect the interests of the Limited Partners or of the holder of any particular class of Partnership Units; (c) to make such other provisions in this regard to matters or questions arising under the Partnership Agreement which, in the opinion of the General Partner, acting reasonably in consultation with its financial and legal advisors, do not and will not adversely affect the interests of holders of any particular class of Partnership Units, or of the Limited Partners; or (d) to create one or more new classes of Partnership Units, provided that the creation of such new class of Partnership Units does not adversely affect holders of any other class of Partnership Units, in terms of the calculation of the proportion of Class NAV of each such class relative to the Net Asset Value of the Partnership and voting rights.

Term and Termination of the Partnership

The Partnership shall be dissolved upon the earlier of: (a) 60 days following delivery by the General Partner to all Limited Partners of a notice of termination and the authorization of such termination by Special Resolution of the

Limited Partners voting as a single class; (b) 180 days after the bankruptcy, insolvency or dissolution of a GP, unless within such 180-day period substitute general partners are appointed; or (c) December 31, 2038 unless extended by Special Resolution of the Limited Partners voting as a single class.

On dissolution of the Partnership, the receiver appointed pursuant to the Partnership Agreement shall distribute the net proceeds from liquidation of the Partnership or the assets of the Partnership as follows:

(a) firstly, to pay the expenses of liquidation and the debts and liabilities of the Partnership to its creditors or to make due provision for payment thereof;

(b) secondly, to provide reserves which the receiver considers reasonable and necessary for any contingent or unforeseen liability or obligation of the Partnership which shall be paid to an escrow agent to be held for payment of liabilities or obligations of the Partnership;

(c) thirdly, to the Special Limited Partner, any Special Allocation, including in respect of the final Special Allocation Period; and

(d) fourthly, to the Limited Partners on the date of dissolution, allocated among the different classes of Partnership Units in portion to the Class NAV of each class relative to the Net Asset Value of the Partnership, and then among the holders of each class of Partnership Units *pro rata* in accordance with the proportion that the number of the applicable class of Partnership Units held by such Limited Partner is of the aggregate number of Partnership Units of such class held by all Limited Partners.

The Partnership shall terminate when all of its assets have been sold and the net proceeds therefrom, after payment of or due provision for the payment of all debts, liabilities and obligations of the Partnership to creditors, have been distributed and upon the completion of all other matters as provided in the Partnership Agreement.

2.11.3 Summary of the Administration Agreement

The Trust, the Administrator and the Partnership have entered into an Administration Agreement, under which the Administrator has agreed to provide certain management, administrative and support services to the Trust.

The following is a summary only of certain terms in the Administration Agreement which, together with other summaries of additional terms of the Administration Agreement appearing elsewhere in this Offering Memorandum, are qualified in their entirety by reference to the actual text of the Administration Agreement, a review of which is recommended to investors.

Administrative and Support Services for the Trust

Subject to and in accordance with the terms, conditions and limitations of the Trust Indenture, the Trust delegates to the Administrator, and the Administrator agrees to be responsible for, the management and general administration of the affairs of the Trust.

Flow of Funds and Payment of Trust Expenses

Pursuant to the Administration Agreement, the Administrator shall collect all proceeds from Trust Units subscribed for by purchasers of Trust Units and shall, on behalf of the Trust, purchase the corresponding class of the Partnership Units without deducting therefrom any costs, expenses or Commissions. The Partnership shall, on behalf of the Trust and the Administrator, pay any costs, expenses or Commissions attributable to the applicable class of Trust Units and class of Partnership Units directly to the third parties to whom they are due, and shall account for any such payments in the Partnership's calculation of Class NAV for the applicable class of Partnership Units.

Standard of Care and Delegation

In carrying out its functions under the Administration Agreement and under the Trust Indenture, the Administrator shall act honestly and in good faith with a view to the best interest of the Trust and the Unitholders, exercise the degree of care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances, and act in good faith in accordance with the intent of the provisions of the Trust Indenture respecting the relative rights of the Unitholders of various classes.

The Administrator may delegate specific aspects of its obligations under the Administration Agreement to any other person, provided that such delegation shall not relieve the Administrator of any of its obligations under the Administration Agreement.

No Liability for Advice

The Administrator shall not be liable, answerable or accountable to the Trust, the Trustee or any holder of Trust Units for any loss or damage resulting from, incidental to or relating to the provision of services under the Administration Agreement by the Administrator, including any exercise or refusal to exercise a discretion or its refusal to exercise a discretion, any mistake or error of judgement or any act or omission believed by the Administrator to be within the scope of authority conferred on it by the Administration Agreement, unless such loss or damage resulted from the fraud, wilful misconduct or gross negligence of the Administrator in performing its obligations thereunder or from the failure of the Administrator to satisfy the standard of care set forth above.

Indemnification of the Administrator

The Administrator and any of its current and former directors, officers or employees shall be indemnified and saved harmless by the Trust, from and against all losses, claims, damages, liabilities, obligations, costs and expenses (including judgements, fines, penalties, amounts paid in settlement and counsel and accountants' fees) of whatsoever kind or nature incurred by, borne by or asserted against any of such indemnified parties in any way arising from or related in any manner to the Administration Agreement or the provision of services thereunder, or under the Trust Indenture unless such indemnified party is found liable for or guilty of fraud, wilful misconduct or gross negligence. The foregoing right of indemnification shall not be exclusive of any other rights to which the Administrator or any other person referred to herein may be entitled as a matter of law or equity or which maybe lawfully granted to such person.

In the event a claim or claims are made against the Trustee and the Administrator for which the Trust would be liable to indemnify both the Trustee and the Administrator, no payment shall be made to indemnify the Trustee unless payment sufficient to indemnify the Administrator has been made or provided for.

Compensation and Other Remuneration

The Administrator is entitled to receive certain compensation for its services as Administrator provided under the Administration Agreement. In addition to recovery of all direct and indirect expenses, including any third-party costs, the Administrator is entitled to 5% of the aggregate amount of such expenses and costs reimbursed by the Trust or the Partnership pursuant to the Administration Agreement. See "*Item 2.11.1 - Summary of the Trust Indenture - Fees and Expenses*".

Conflicts of Interest

The Administration Agreement contains certain provisions relating to conflicts of interest, which are substantively similar as those contained in the Trust Indenture. See "*Item 2.11.1 - Summary of the Trust Indenture - Conflict of Interest*".

Term

Unless the Administrator resigns or is removed pursuant to the terms of the Trust Indenture, the Administration Agreement shall continue in full force and effect until the termination of the Trust.

2.11.4 Summary of the Portfolio and Investment Fund Management Agreement

The Portfolio Manager, the Partnership and the Trust entered into the Portfolio and Investment Fund Management Agreement, whereby the Portfolio Manager provides general administrative and support services, portfolio management, investment advisory and investment management services, administrative and other services to the Partnership and will also provide the Partnership with office facilities, equipment and staff as required.

The following is a summary only of certain terms in the Portfolio and Investment Fund Management Agreement which, together with other summaries of additional terms of the Portfolio and Investment Fund Management Agreement appearing elsewhere in this Offering Memorandum, are qualified in their entirety by reference to the actual text of the Portfolio and Investment Fund Management Agreement, a review of which is recommended to investors.

Duties of the Portfolio Manager

The Portfolio Manager shall manage the Investments and day-to-day operations and affairs of the Partnership in accordance with the terms and conditions of the Portfolio and Investment Fund Management Agreement and on a

basis that is consistent in all respects with the provisions of the Partnership Agreement. Without limiting the generality of the foregoing, the Portfolio Manager shall:

(a) undertake any matters required by the terms of the Partnership Agreement to be performed by the General Partner, and generally provide all other services as may be necessary or as requested by the General Partner for the administration of the Partnership;

(b) administer the day-to-day operations of the Partnership, including the maintenance of proper and complete books and records in connection with the management and administration of the affairs of the Partnership;

(c) prepare all returns, filings and documents and make all determinations necessary for the discharge of the General Partner's obligations under the Partnership Agreement;

(d) if required, retain and monitor the transfer agent and other organizations serving the Partnership;

(e) if required, authorize and pay, on behalf of the Partnership, operational expenses incurred on behalf of the Partnership and negotiate contracts with third party providers of services (including, but not limited to, transfer agents, legal counsel, auditors and printers);

(f) provide office space, telephone, office equipment, facilities, supplies and executive, secretarial and clerical services;

(g) deal with banks and other institutional lenders, including in respect of the maintenance of bank records and negotiate and secure financing or refinancing of one or more amounts, credit or debt facilities or other ancillary facilities in respect of the Partnership or any entity in which the Partnership holds any direct or indirect interest;

(h) prepare, approve and provide to the Limited Partners annual audited financial statements of the Partnership, as well as relevant tax information and prepare a quarterly written commentary outlining the highlights of the Partnership's activities and furnish same to the General Partner;

(i) prepare and submit all income tax returns and filings within the time required by applicable tax law;

(j) call and hold any special meetings of Limited Partners pursuant to the Partnership Agreement and prepare, approve and arrange for the distribution of all materials (including notices of meetings and information circulars) in respect thereof;

(k) prepare, approve and provide or cause to be provided to Limited Partners on a timely basis all other information to which Limited Partners are entitled under the Partnership Agreement;

(l) attend to all administrative and other matters arising in connection with any redemptions of Partnership Units;

(m) obtain and maintain appropriate insurance;

(n) arrange for distributions to Limited Partners pursuant to the Partnership Agreement;

(o) determine the timing and terms of future offerings of Partnership Units, if any;

(p) prepare and approve any offering memorandum or comparable documents of the Partnership to qualify the sale of securities from time to time;

(q) promptly notify the Partnership of any event that might reasonably be expected to have a material adverse effect on the affairs of the Partnership;

(r) invest the capital of the Partnership in accordance with the investment objectives determined in accordance with the Partnership Agreement;

(s) sell by private contract or at public auction and exchange, convey, transfer, or otherwise dispose of any Investments and other property held by the Partnership in accordance with the investment guidelines set out in or otherwise determined from time to time in accordance with the Partnership Agreement;

(t) formulate a recommendation to the General Partner whether and in what manner to vote, and execute or cause to be executed proxies respecting the voting of, securities held by the Partnership at all meetings of holders of such securities;

(u) consider, for the benefit of the Partnership, all potential Investments that come to the attention of the Portfolio Manager that meet the investment guidelines set out in the Partnership Agreement;

(v) conduct due diligence and financial analysis in relation to the investee companies or Investments or other proposed Investments of the Partnership;

(w) conduct and coordinate relations on behalf of the Partnership with other persons as required in order to perform its duties under the Portfolio and Investment Fund Management Agreement, including lawyers, auditors, technical consultants and other experts, and select the markets, dealers or brokers and negotiate, where applicable, commissions or service charges in connection with portfolio transactions on behalf of the Partnership;

(x) instruct and liaise with the brokers, dealers and banks selected by the General Partner to establish and manage the accounts set up for the Partnership in connection with all matters and transactions contemplated by the Portfolio and Investment Fund Management Agreement;

(y) calculate the Net Asset Value of the Partnership (including on a per unit basis for each class of Partnership Units) in accordance with the Partnership Agreement and furnish each such calculation to the General Partner;

(z) subject to other provisions of the Portfolio and Investment Fund Management Agreement, make or incur and pay expenses on behalf of the Partnership as it reasonably considers necessary in the discharge of its responsibilities under the Portfolio and Investment Fund Management Agreement;

(aa) act as agent of the Partnership in obtaining for the Partnership such services as may be required in connection with the identification, acquisition and disposition of Investments, paying the debts and fulfilling the obligations of the Partnership and, in conjunction with the General Partner, assist in handling, prosecuting and settling any claims of the Partnership;

(bb) manage and employ the capital of the Partnership in the exercise of the duties of the Portfolio Manager set out herein, including the payment of operating expenses and the investment of capital on the instructions of the General Partner, in accordance with the Portfolio and Investment Fund Management Agreement and the Partnership Agreement;

(cc) manage, conduct and coordinate compliance obligations on behalf of the Partnership with the Alberta Securities Commission or other applicable authorities;

(dd) fulfill the Partnership's obligations under the Administration Agreement;

(ee) manage, administer, and hold for safekeeping the assets of the Partnership in conjunction with the General Partner in accordance with the Portfolio and Investment Fund Management Agreement and the Partnership Agreement; and

(ff) in conjunction with the General Partner, execute any and all other deeds, documents and instruments and do all acts as may be necessary or desirable to carry out the intent and purpose of the Portfolio and Investment Fund Management Agreement upon the reasonable request of the General Partner.

Exercise of Power

The Portfolio Manager shall, in carrying out its duties and exercising its powers and authority under the Portfolio and Investment Fund Management Agreement: (a) act honestly and in good faith with a view to the best interests of the Partnership and in accordance with the terms and conditions of the Partnership Agreement; (b) exercise the care, diligence and skill that a diligent Portfolio Manager would exercise in similar circumstances; and (c) manage the Partnership with a view to ensuring that any activities of the Partnership conform with the requirements of the Portfolio and Investment Fund Management Agreement, the Partnership Agreement and all applicable law in all material respects.

The Portfolio Manager may delegate specific aspects of its obligations hereunder to any other person, provided that such delegation shall not relieve the Portfolio Manager of any of its obligations under the Portfolio and Investment Fund Management Agreement.

Limitation of Liability

The Partnership agrees that the aggregate of all liability on the part of Portfolio Manager for a breach of any warranty, representation, condition (including a breach of a fundamental term or condition) or other provision contained in the Portfolio and Investment Fund Management Agreement, or implied on any basis, or any other breach giving rise to liability or in any other way arising out of or related to the Portfolio and Investment Fund Management Agreement, for any and all causes of action whatsoever and, regardless of the form of action (including breach of contract, strict liability or tort, including negligence, breach of any duty, or any other legal or equitable theory), shall be limited to the Partnership's actual direct provable damages in an amount not to exceed the aggregate of the Portfolio Management Fee paid to the Portfolio Manager pursuant to the Portfolio and Investment Fund Management Agreement.

Indemnification

The Partnership shall indemnify and hold harmless the Portfolio Manager and its directors, officers, employees, agents, affiliates and associates against any and all actions, causes of action, losses, claims and expenses and the like related to the activities of the Portfolio Manager in relation to the Partnership, except in cases where such activity is a material breach of the Portfolio and Investment Fund Management Agreement or in cases of gross negligence or wilful misconduct by the Portfolio Manager.

Portfolio Management Fee and Expenses

The Portfolio Manager is entitled the Portfolio Management Fee as set out in "*Item 3.2.1 - Portfolio Management Fee*".

During the term of the Portfolio and Investment Fund Management Agreement, the Portfolio Manager shall pay and be responsible for all of its day-to-day operating and administrative expenses, including expenses incurred for rent, furnishings, utilities, supplies, general marketing of the Portfolio Manager and other similar overhead expenses and compensation of its employees.

The Partnership shall be responsible and shall reimburse the Portfolio Manager for the costs and expenses of the Portfolio Manager directly related to the operation of the Partnership to the extent that the Partnership is responsible for such costs and expenses as set forth in the Partnership Agreement and to the extent not reimbursed to the Portfolio Manager by an investee company of the Partnership. See "*Item 3.2.2 - Other Fees and Expenses*".

Other Interests

Without affecting or limiting the duties and responsibilities or the limitations and indemnities provided in the Portfolio and Investment Fund Management Agreement or in the Partnership Agreement, the General Partner and the Portfolio Manager are hereby expressly permitted to: (a) be, or be an associate or an affiliate of, a person from or to whom assets of the Partnership have been or are to be purchased or sold; (b) be, or be an associate or an affiliate of, a person with whom the Partnership or the Portfolio Manager contracts or deals or which supplies services or extends credit to the Partnership or the Portfolio Manager or to which the Partnership extends credit; (c) acquire, hold and dispose of, either for its own account or the accounts of its customers, any assets not constituting part of the Partnership assets, even if such assets are of a character which could be held by the Partnership, and exercise all rights of an owner of such assets as if it were not the Portfolio Manager; and (d) derive direct or indirect benefit, profit or advantage from time to time as a result of dealing with the Partnership or the relationships, matters, contracts, transactions, affiliations or other interests stated above without being liable to the Partnership or any Limited Partner for any such direct or indirect benefit, profit or advantage.

Subject to applicable law, none of the relationships, matters, contracts, transactions, affiliations or other interests permitted above shall be, or shall be deemed to be or to create, a material conflict of interest with the Portfolio Manager's or the General Partner's duties under the Portfolio and Investment Fund Management Agreement.

See "*Item 10.2 - Risks Associated with the Trust and the Partnership - Conflicts of Interest*".

Termination

The Portfolio and Investment Fund Management Agreement, unless terminated as described below, will continue until the termination of the Partnership in accordance with the terms of the Partnership Agreement.

The General Partner may terminate the Portfolio and Investment Fund Management Agreement at any time and change the Portfolio Manager in accordance with the Portfolio and Investment Fund Management Agreement upon the occurrence and during the continuation of any of the following events: (a) a material breach by the Portfolio Manager of its duties and responsibilities under the Portfolio and Investment Fund Management Agreement, which breach is not cured within 60 days of the receipt from the General Partner of written notice of such breach by the Portfolio Manager; (b) the removal of the General Partner as general partner of the Partnership pursuant to the terms of the Partnership Agreement; (c) the commission by the Portfolio Manager of any act constituting fraud, wilful misconduct, negligence or a wilful and material violation of applicable law; (d) the dissolution, liquidation, bankruptcy, insolvency or winding-up of the Portfolio Manager; or (e) the suspension or adverse modification of the Portfolio Manager's registration as an advisor in the category of Portfolio Manager with the Alberta Securities Commission in the Province of Alberta, in a manner unsatisfactory to the General Partner (acting reasonably), or the revocation or termination of one or both of such registrations, which suspension, adverse modification or revocation or termination is not remedied to the satisfaction of the General Partner (acting reasonably) within 90 days of the occurrence of such suspension, adverse modification or revocation or termination, provided the Portfolio Manager has used commercially reasonable efforts to attempt to remedy such suspension, adverse modification, revocation or termination within 10 days of receipt of notice and continues to use commercially reasonable efforts until cured.

The Portfolio Manager may terminate the Portfolio and Investment Fund Management Agreement at any time upon the occurrence and during the continuation of any of the following events: (a) the commission by the General Partner of any act constituting fraud, wilful misconduct, negligence or a wilful and material violation of applicable law; (b) upon a material breach by the Partnership or the General Partner of either of their duties and responsibilities under the Portfolio and Investment Fund Management Agreement, which breach is not cured within 60 days of the receipt from the Portfolio Manager of written notice of such breach by the Partnership or the General Partner, as applicable; or (c) the dissolution, liquidation, bankruptcy, insolvency or winding-up of the General Partner or the dissolution, winding-up or termination of the Partnership.

2.11.5 Summary of the DRIP

The following is a summary only of certain terms in the DRIP which, together with other summaries of additional terms of the DRIP appearing elsewhere in this Offering Memorandum, are qualified in their entirety by reference to the actual text of the DRIP, a review of which is recommended to investors.

The Trust has adopted the DRIP which provides eligible holders of Trust Units (in this section, a "**Participant**") with the opportunity to reinvest their cash distributions in additional Trust Units of the same class at a purchase price to be determined by the Administrator, on behalf of the Trust, from time to time based on the then issue price of the corresponding class of Partnership Units.

All Unitholders resident in Canada are eligible to participate in the DRIP. The Administrator reserves the right to limit the amount of new equity available under the DRIP on any particular Distribution Payment Date. In such event, participation will be prorated and the distributions payable on that date (or any portion thereof) that cannot be reinvested under the DRIP will be paid to Participants in the ordinary course.

Accordingly, participation may be prorated in certain circumstances. In the event of proration, or if for any other reason all or a portion of the distributions cannot be reinvested under the DRIP, Participants will receive their regular cash distributions.

Purchases under the DRIP will be made by the Trust, on behalf of Participants. On each Distribution Payment Date, the Trust will apply the amount of all distributions payable in respect of the Participants' Trust Units to the purchase of additional Trust Units directly from the Trust. The new Trust Units purchased will be issued to the Participants.

No commissions, service charges or brokerage fees will be payable in connection with the purchase of Trust Units under the DRIP. Beneficial owners who wish to participate in DRIP through a broker, investment dealer, financial institution or other nominee who holds their Trust Units should consult that nominee to confirm what fees, if any, the nominee may charge to enroll in the DRIP on their behalf or whether the nominee's policies might result in any costs otherwise becoming payable by beneficial owners.

A Participant that has enrolled in the DRIP will remain enrolled in and will automatically continue to participate in the DRIP until such time as the DRIP is terminated by the Trust or until the Participant's enrolment is terminated by the Participant or by the Trust. A Participant may voluntarily terminate its enrolment in the DRIP upon seven business days' notice by delivering to the Trust written notice of termination, signed by the Participant. In addition, participation in the DRIP will be terminated automatically following receipt by the Trustees of written notice of an individual Participant's death.

An account will be maintained by the Administrator, on behalf of the Trust, for each Participant with respect to purchases of Trust Units made under the DRIP for the Participant's account. Within 60 calendar days following the end of each calendar quarter, the Trust will mail an unaudited quarterly report to each Participant. These reports are a Participant's continuing record of purchases of Trust Units made for its account under the DRIP and should be retained for tax purposes. Participation in the DRIP does not relieve Unitholders of any liability for any income or other taxes that may be payable on or in respect of the distributions that are reinvested for their account under the DRIP.

The Administrator, on behalf of the Trust, reserves the right to direct that the DRIP be amended, suspended, terminated or replaced at any time, but any such action will not have any retroactive effect that is prejudicial to Participants.

ITEM 3 - COMPENSATION AND SECURITY HOLDINGS OF CERTAIN PARTIES

3.1 Compensation and Securities Held

The following table sets out information about each director and officer of the Trustee, the Administrator, the GPs and the Portfolio Manager:

Full Legal Name and Place of Residence	Positions Held and the Date of Obtaining that Position	Compensation Paid by the Issuer or Related Party in the Most Recently Completed Financial Year and Expected to be Paid in the Current Financial Year	Number, Type and Percentage of Trust Units Held After Completion of Minimum Offering	Number, Type and Percentage of Trust Units Held After Completion of Maximum Offering
Jason Walter Brooks Calgary, Alberta	President and director of the Trustee, the Administrator, the GPs and the Portfolio Manager since 2005	See Note 1 and Note 2	40,392.04 Class FU Units (8.31%) 181,169.50 Class I Units (5.88%)	40,392.04 Class FU Units (7.19%) 181,169.50 Class I Units (5.88%)
Allison Mari Taylor Calgary, Alberta	Chief Executive Officer and director of the Trustee, the Administrator, the GPs and the Portfolio Manager since 2005	See Note 1 and Note 2	21,901.04 Class FU Units (4.51%) 204,219.91 Class I Units (6.63%)	21,901.04 Class FU Units (3.90%) 204,219.91 Class I Units (6.63%)
Chris Wutzke Calgary, Alberta	Chief Investment Officer of the Portfolio Manager since 2021	See Note 1	29,958.16 Class I Units (0.97%)	29,958.16 Class I Units (0.97%)

Notes:

(1) Jason Brooks, Allison Taylor and Chris Wutzke are not compensated directly for the services provided by them to the Trust or Trustee or the Administrator. Jason Brooks, Allison Taylor and Chris Wutzke are compensated by the Portfolio Manager or an affiliate of the Portfolio Manager.

(2) The Administrator, the Trustee and the GPs are owned by the Portfolio Manager. All of the voting shares of the Portfolio Manager are owned, indirectly, by Jason Brooks and Allison Taylor. The Portfolio Manager and/or its affiliates are entitled to the Special Allocation, the Portfolio Management Fee and the other fees and expense reimbursements set forth below under the heading "*Item 3.2 - Fees and Expenses*".

The following table sets out information about each person that has beneficial ownership of, or direct or indirect control over, or a combination of beneficial ownership and direct or indirect control over, 10% or more of any class of voting securities of the Trust (each a "**Third-Party Investor**"):

Full Legal Name and Place of Residence	Positions Held and the Date of Obtaining that Position	Compensation Paid by the Issuer or Related Party in the Most Recently Completed Financial Year and Expected to be Paid in the Current Financial Year	Number, Type and Percentage of Trust Units Held After Completion of Minimum Offering	Number, Type and Percentage of Trust Units Held After Completion of Maximum Offering[(1)]
Papke Properties Ltd. Canada	Third-Party Investor since 2022	nil	58,184.65 Class BU Units (38.98%)	58,184.65 Class BU Units (38.98%)
Richard and Marilyn Magnussen Canada	Third-Party Investor since 2019	nil	54,773.71 Class FU Units (11.27%)	54,773.71 Class FU Units (9.75%)
Access Private Income Fund Canada	Third-Party Investor since 2020	nil	54,681.33 Class FU Units (11.25%)	54,681.33 Class FU Units (9.74%)
Stream-Flo Resources Ltd. Canada	Third-Party Investor since 2022	nil	308,959.84 Class I Units (10.03%)	308,959.84 Class I Units (10.03%)
Verda McNeill Canada	Third-Party Investor since 2022	nil	308,959.84 Class I Units (10.03%)	308,959.84 Class I Units (10.03%)

Note:

(1) As the Third-Party Investors are not controlled by nor related to the Administrator, the Trustee, the GPs, the Portfolio Manager or the directors or officers thereof, the number, type and percentage of Trust Units held after completion of the maximum offering cannot be anticipated and therefore remains the same as the current holdings of the Third-Party Investors.

3.2 Fees and Expenses

3.2.1 Portfolio Management Fee

The Partnership will pay the Portfolio Manager the Portfolio Management Fee equal to a monthly fee equal to one twelfth (1/12) of 1.75% of the Class NAV of the applicable class of Partnership Units, calculated and payable, in advance, at the beginning of each month based on the Class NAV of the applicable class of Partnership Units on the last date of the preceding month. Any Portfolio Management Fee attributable to any period of less than one full month (whether as to the Partnership generally or to any Limited Partner) shall be pro-rated appropriately and be payable on the first day of such period. At the sole discretion of the Portfolio Manager, payment of the Portfolio Management Fee or any accrual thereof, in whole or in part, may be waived, including with respect to particular Partnership Units.

The Portfolio Manager may, at its sole discretion, reimburse a portion of the Portfolio Management Fee to Limited Partners where individual Selling Agents meet certain sales thresholds.

3.2.2 Other Fees and Expenses

The Trust, the Partnership and the Wholly-Owned Subsidiaries will pay for all ongoing expenses associated with the operation of the Trust, the Partnership and the Wholly-Owned Subsidiaries, including all general and administrative expenses, marketing and operating expenses, insurance costs, staffing costs, expenses related to the acquisition and disposition of assets, legal, banking, audit and accounting fees, investor reporting costs, and costs incurred in connection with any governmental or regulatory filing requirements. Such required services may be performed by the Portfolio Manager and/or its affiliates for which they receive fees and/or reimbursement of expenses. All such fees and/or reimbursement of expenses must be unanimously approved by the Independent Review Committee. All such services are reimbursed on a cost recovery basis other than as follows:

- Up to March 31, 2023, IAAM charged a monthly management fee equal to US$2.65 per produced boe with a minimum monthly amount of US$100,000, charged on a combined basis to Invico Energy Canada and Invico Energy USA. From April 1, 2023 to March 31, 2024, IAAM charged a monthly management fee equal to US$2.50 per produced boe with a minimum monthly amount of US$150,000, charged on a combined basis to Invico Energy Canada and Invico Energy USA. Beginning April 1, 2024, IAAM increased the minimum monthly amount to US$165,000, but the fee per produced boe remained unchanged at US$2.50. This fee change was implemented due to continued growth across the energy portfolio driven by new drilling on working interest and royalty lands and additional acquisitions, in particular by Invico Energy USA, of non-operating working interests in North Dakota in 2022 which created further economies of scale for IAAM. These amounts cover general and administrative costs related to managing Invico Energy USA and Invico Energy Canada, including geology, engineering and land administration costs. The amount of the management fee was set by IAAM based on the general and administrative costs incurred by entities similar to Invico Energy USA and Invico Energy Canada and unanimously approved by the Independent Review Committee. IAAM will continue to monitor and review these monthly fees in the context of the general and administrative costs incurred by Invico Energy USA and Invico Energy Canada and may adjust such fee with the unanimous approval of the Independent Review Committee. The fee for 2023 amounted to a total of approximately US$2,829,212 for Invico Energy USA and Invico Energy Canada.

- In addition to recovery of all direct and indirect expenses, including any third-party costs, the Administrator is entitled to 5% of the aggregate amount of such expenses and costs reimbursed by the Trust or the Partnership pursuant to the Administration Agreement.

- The Partnership holds an investment in a U.S. mortgage portfolio, Fort Greene Fund. Invico Capital Advisory Services Inc., an affiliate of the Portfolio Manager, officially took over the fund management duties of this investment effective July 10, 2015 and has since been acting in such a capacity. Invico Capital Advisory Services Inc. is entitled to remuneration for these services in an amount equivalent to an annual management fee of 2% of the principal invested in such fund as defined in the fund documents. However, Invico Capital Advisory Services Inc. waived this fee effective January 1, 2023 and consequently did not charge or receive such fee in 2023. Invico Capital Advisory Services Inc. has also waived this fee effective January 1, 2024. The Portfolio Manager is working to achieve liquidity for the shareholders of Fort Greene Fund, including the Partnership.

In addition, the General Partner is entitled to participate in the distributions of the Partnership and the Special General Partner is entitled to the Special Allocation. See "*Item 5.1.1 - Distributions*" and "*Item 5.1.1 - Distributions - Special Allocation*".

3.3 Relationships with Investee Companies

Invico Capital Corporation and its affiliates may, from time to time, enter into business relationships with or provide additional services to investee companies of the Partnership. Such relationships or provision of services (including remuneration) will be unanimously approved by the Independent Review Committee. Invico Capital Corporation currently has the following relationships with investee companies of the Partnership:

- Pursuant to an investment fund management agreement, the Portfolio Manager acts as "fund manager" of a private real estate fund based in Calgary, Alberta. Additional services are provided to the fund by IAAM, an affiliate of the Portfolio Manager. From time to time, fees are paid by the fund to the Portfolio Manager and/or IAAM. As at March 15, 2024, the Partnership holds an investment in 95,238.095 units of the aforementioned private real estate fund, which were issued to the Partnership in connection with a loan agreement with an affiliate of such private real estate fund. The loan agreement has since been terminated and all amounts owing to the Partnership were repaid in full.

- The Manager is also the manager of Invico Secondaries. The Manager charges a management fee and the special limited partner of Invico Secondaries, an affiliate of the Manager, is entitled to carried interest. The Manager and the special limited partner grant the Partnership a rebate of such management fee and carried interest, respectively, in respect of the Partnership's investment in Invico Secondaries. Invico Secondaries is responsible for paying its *pro rata* share of fees owed to third party managers in connection with any investments made by Invico Secondaries. See "*Item 2.4.3 - Equity Yield - Invico Secondaries*".

3.4 Management Experience

The names, municipalities of residence, offices held, and principal occupations of the directors and executive officers of the Trustee, the Administrator, the GPs and the Portfolio Manager are as follows:

Full Legal Name	Principal Occupation and Description of Experience Associated with the Occupation
Jason Walter Brooks Calgary, Alberta	Jason Brooks is the President, Founder and Portfolio Manager for Invico Capital Corporation (2005 - current). Jason is a Portfolio Manager to Invico Diversified Income Fund, established in 2013. Currently, Invico Capital Corporation manages approximately $2.95 billion in assets focused on private equity alternative asset investments and privately negotiated debt. Invico Capital Corporation is currently the Investment Fund Manager to Invico Diversified Income Fund, Avenue Living Real Estate Core Trust, Avenue Living Agricultural Land Trust, Avenue Living Mini Mall Storage Properties Trust, and Tract Farmland Partners LP. Jason is responsible for the assessment of investment opportunities on behalf of certain funds managed by Invico Capital Corporation and approves the commitment of certain investment funds. Jason is also a past member of the Board of Directors of Central European Petroleum Ltd. and a past member of the Alberta Board of Directors for the Alternative Investment Management Association. Previously having served as Vice President with Ernst & Young Corporate Finance Inc. (2000-2005), Jason brings over 25 years of experience focused on private financings and lending to numerous sectors including oil and gas, power and utilities, and real estate both in Canada and internationally. In addition, he has advised on private and public merger and acquisition, divestiture, and financing transactions exceeding $3 billion. Jason is a registered Portfolio Manager with the Alberta, Ontario, British Columbia, and Saskatchewan Securities Commissions, holds the Chartered Financial Analyst designation and is a graduate of the Haskayne School of Business with a Bachelor of Commerce (Beta Gamma Sigma). In 2022, Jason received the University of Calgary Haskayne School of Business' most prestigious alum award, the Management Alumni Excellence Award, alongside co-founder Allison Taylor.
Allison Mari Taylor Calgary, Alberta	Allison Taylor is the Chief Executive Officer and Portfolio Manager to Invico Capital Corporation. Allison is a Portfolio Manager to Invico Diversified Income Fund established in 2013. Currently, Invico Capital Corporation manages approximately $2.95 billion in assets focused on private equity alternative asset investments and privately negotiated debt. Invico Capital Corporation is currently the Investment Fund Manager to Invico Diversified Income Fund, Avenue Living Real Estate Core Trust, Avenue Living Agricultural Land Trust, Avenue Living Mini Mall Storage Properties Trust, and Tract Farmland Partners LP. Allison is responsible for the assessment of investment opportunities on behalf of certain managed funds by Invico Capital Corporation and approves the commitment of certain investment funds. Allison has extensive experience in investment fund management, fund accounting, financial advisory services, and mergers and acquisitions across various industries. Allison is registered with the Alberta, Ontario, British Columbia, and Saskatchewan Securities Commissions as a Portfolio Manager. Allison is a graduate of the Haskayne School of Business with a MBA in Finance and a graduate of the University of Western Ontario with an Honours Bachelor of Science in Actuarial Science and Statistics. In 2023, Allison was named CEO of the Year by Wealth Professional Canada. She was also recognized by the Women's Executive Network ("WXN") as one of Canada's Most Powerful Women: Top 100, the second such accolade after also being named to the WXN Top 100 in 2021. In 2022, Allison received the University of Calgary Haskayne School of Business' most prestigious alum award, the Management Alumni Excellence Award, alongside co-founder Jason Brooks. And in 2019, she was the proud recipient of the Female Executive of the Year award at the Wealth Professional Women in Wealth Management Awards. Allison was appointed to the Investment Committee of the University of Calgary Board of Governors in October 2019 and was also a member of the Alberta Securities Commission's Exempt Market Dealer Advisory Committee from March of 2021 to August 2023. Allison was a member of the

Full Legal Name	Principal Occupation and Description of Experience Associated with the Occupation
	Board of Directors of the YWCA of Calgary from 2008 to 2011 and the Board of Directors of the Private Capital Markets Association from 2016 to 2019.
Chris Wutzke Calgary, Alberta	Chris Wutzke is the Chief Investment Officer and Portfolio Manager for Invico Capital Corporation. Chris joined the Firm in 2019 as Vice President, Investments, and was promoted to his current role during 2021. He has over thirty years of senior leadership experience, with 20 of those being in investment management and corporate financial services. As Chief Investment Officer, Chris oversees the investment management team in originating, underwriting, and monitoring bridge loan and factoring facilities and investment portfolio management. Before joining Invico, Chris led or contributed to over $400 million in financing and mergers and acquisitions (M&A) transactions in various senior executive and capital advisory positions, including serving as the Vice President of Finance at Brymore Energy Inc., Vice President and Director at Deloitte & Touche Corporate Finance Canada Inc., Vice President of Corporate Development and Chief Financial Officer at Aetas Health Care Inc., and Investment Director at Avrio Capital. He most recently worked as Managing Director of Parametric Finance Inc., which he founded to develop corporate finance automation software for online platforms. He graduated from the University of Calgary with a Bachelor of Commerce and holds the following designations: Chartered Professional Accountant, Chartered Accountant, and Chartered Financial Analyst.

3.5 Penalties, Sanctions, Bankruptcy, Insolvency and Criminal or Quasi-Criminal Matters

During the 10 years preceding the date hereof, with respect to any director, executive officer or control person of the Trust, the Trustee, the Administrator, the Partnership, the GPs or the Portfolio Manager or any other issuer with which any director, executive officer or control person of the Trust, the Trustee, the Administrator, the Partnership, the GPs or the Portfolio Manager was a director, executive officer or control person, there has been: (a) no penalty or other sanction imposed by a court relating to a contravention of securities legislation; (b) no penalty or other sanction imposed by a regulatory body relating to a contravention of securities legislation; and (c) no order restricting trading in securities, not including an order that was in effect for less than 30 days; (d) no declaration of bankruptcy; (e) no voluntary assignment in bankruptcy; (f) no proposal under bankruptcy or insolvency legislation; and (g) no proceeding, arrangement or compromise with creditors or appointment of a receiver, receiver manager or trustee to holder assets.

With respect to any director, executive officer or control person of the Trust, the Trustee, the Administrator, the Partnership, the GPs or the Portfolio Manager or any other issuer with which any director, executive officer or control person of the Trust, the Trustee, the Administrator, the Partnership, the GPs or the Portfolio Manager was a director, executive officer or control person, none have ever pled guilty to or been found guilty of: (a) summary conviction of indictable offence under the *Criminal Code* (Canada); (b) a quasi-criminal offence in any jurisdiction of Canada or a foreign jurisdiction; (c) a misdemeanour or felony under the criminal legislation of the United States of America, or any state or territory of the United States of America; or (d) an offence under the criminal legislation of any other foreign jurisdictions.

3.6 Conflicts of Interest

The actions of certain directors, officers, employees and agents of the Trustee, the Portfolio Manager, the Administrator and the GPs may, from time to time, be in conflict with the activities of the Trust and the Partnership. Such conflicts are expressly permitted by the terms of the Trust Indenture and the Partnership Agreement. See "*Item 2.11.1 - Summary of the Trust Indenture - Conflict of Interest*", "*Item 2.11.2 - Summary of the Partnership Agreement - Competing Interests*" and "*Item 10.2 - Risks Associated with the Trust and the Partnership - Conflicts of Interest*".

3.7 Independent Review Committee

The Portfolio Manager shall maintain an independent review committee comprised of not less than two individuals that are "independent" as such term is defined in NI 81-107. For clarity, NI 81-107 does not apply to the Trust and the Partnership but is being used solely as a reference for "independence".

The unanimous approval of the Independent Review Committee shall be required to consent to or approve the following matters:

(a) to approve any "conflict of interest matter" (as defined below) regarding the business of the Trust, the Partnership or the Portfolio Manager, including, but not limited to, the approval of any new or

changes to expenses, fees or other costs and any related-party transactions or contracts involving the Trust, the Partnership or the Portfolio Manager or related-party transactions or contracts involving their directors, officers, shareholders or affiliates; and

(b) to approve the reallocation of the use of proceeds from the Offering for any purpose that is materially different than the articulated use of proceeds set out in this Offering Memorandum.

A "conflict of interest matter" means a situation where a reasonable person would consider the person or entity in question, or an entity related to such person or entity, to have an interest which may conflict with their ability act in good faith and in the best interests of the Trust and the Partnership.

The Independent Review Committee is also required to make an annual report reasonably available to the Unitholders and Partnership unitholders. See "*Item 11 - Reporting Obligations*". Every member of an Independent Review Committee, in exercising his or her powers and discharging his or her duties related to the Trust and the Partnership, and, for greater certainty, not to any other person, as a member of the Independent Review Committee must: (a) act honestly and in good faith, with a view to the best interests of the Trust and the Partnership; and (b) exercise the degree of care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances. Every member of an Independent Review Committee must comply with applicable law and any written charter of the Independent Review Committee.

A member of the Independent Review Committee does not breach his or her standard of care, if the member exercised the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances, including reliance in good faith on: (a) a report or certification represented as full and true to the Independent Review Committee by the Partnership, the Trust, the Administrator, the Portfolio Manager or their related entities; or (b) a report of a person whose profession lends credibility to a statement made by the person.

3.8 Independent Review Committee Members

The current members of the Independent Review Committee are:

Name	Background and Relevant Experience
Dave Guebert	Mr. Guebert is an experienced financial professional and business manager with over 40 years of experience in finance and accounting, 30 of which were served as chief financial officer of public and private companies in the resource, finance and technology sectors. He most recently served as the chief financial officer of Mind Medicine (MindMed) Inc., a neuro pharmaceutical entity. He serves as a member of the boards of directors and chairman of the audit committee of Legend Power Systems Inc., a technology company which has developed proprietary power savings systems; Quisitive Technology Corp., a Microsoft platform consulting company and of Discover Wellness Solutions Inc., a licensed cannabis producer and processor. During his career, he has been employed in management and financial capacities in merchant energy, investment and technology industries. In addition to these roles, Mr. Guebert spent two and a half years serving as controller for the XV Olympic Winter Games. Mr. Guebert serves on the board of Hockey Calgary. He has also served as a board member for the Calgary Olympic Development Association (Winsport), where he was also finance, budget and audit chair, and is currently on the investment trustee and audit committees. Mr. Guebert also volunteered for twelve years as a member of the audit and finance committee of the Calgary Stampede. Mr. Guebert holds a Bachelor of Commerce degree from the University of Saskatchewan along with both CPA-CA (Alberta) and CPA (Pennsylvania) designations. He also holds the ICD.D designation recognizing his corporate director experience.
Sabrina Liak	Ms. Liak has over twenty years of experience in the financial services industry including 14 years working in New York at Goldman Sachs. Ms. Liak returned to Canada in 2015 and she is currently co-founder and president at KITS Eyecare Ltd., a company focused on providing quality contact lenses and eye glasses online. She is currently on the board of Mount Logan Capital and CEP Ltd. and on the investment committee of the Vancouver Foundation. Previously, Ms. Liak was a managing director and portfolio manager at Goldman Sachs in New York where she managed a private equity portfolio of growth companies for Goldman Sachs Investment Partners, an investment fund. Ms. Liak has served on the board of directors of several companies, including Petroedge Energy, an exploration company, Lightfoot Capital, a Master Limited Partnership, and FloDesign Wind, a renewable energy company. She also served on

Name	Background and Relevant Experience
	Goldman Sachs' firm-wide physical commodity review committee and Goldman Sachs investment partners' private investment committee. Ms. Liak earned an Honors Business Administration degree from the Richard Ivey School of Business at the University of Western Ontario and she is a Chartered Financial Analyst charter holder.

ITEM 4 - CAPITAL STRUCTURE

4.1 Unit Capital

4.1.1 Unit Capital of the Trust

The following table sets out the capitalization of the Trust as at March 31, 2024:

Description of Security[(1)]	Number Authorized to be Issued	Number Outstanding as at March 31, 2024	Price per Security	Number Outstanding Assuming Minimum Offering	Number Outstanding Assuming Maximum Offering[(2)]
Class A Units	Unlimited	3,572,545.00	See Note 3	3,572,545.00	4,794,540.93[(4)(5)]
Class B Units	Unlimited	13,813,402.98	See Note 6	13,813,402.98	13,813,402.98
Class BU Units	Unlimited	149,282.02	See Note 6	149,282.02	149,282.02
Class F Units	Unlimited	25,237,949.61	See Note 3	25,237,949.61	34,008,110.90[(4)(7)]
Class FU Units	Unlimited	485,865.59	See Note 3	485,865.59	561,508.56[(4)(8)]
Class I Units	Unlimited	3,080,057.06	See Note 6	3,080,057.06	3,080,057.06

Notes:

(1) Other classes of Trust Units invest in Partnership Units other than Class A Partnership Units, Class F Partnership Units and Class FU Partnership Units. Such Trust Units and Partnership Units have different rights and obligations from Class A Units, Class F Units, Class FU Units, Class A Partnership Units, Class F Partnership Units and Class FU Partnership Units, including with respect to distributions and commissions payable. The material terms of the Class A Units, Class F Units and Class FU Units are set forth in "*Item 5.1 - Terms of Securities*" and "*Item 2.6 - Distribution Policy*".

(2) The Trust is concurrently offering class B units, class BU units and class I units of the Trust. The numbers in this column do not take into account the issuance of class B units, class BU units and class I units of the Trust that may occur under such separate offerings. See "*Item 9 - Concurrent Offerings*".

(3) The price per Class A Unit, Class F Unit and Class FU Unit is set by the Administrator from time to time based on the Net Asset Value per Unit of the Class A Partnership Units, Class F Partnership Units and Class FU Partnership Units, respectively.

(4) These amounts reflect the number of Class A Units, Class F Units or Class FU Units that would be outstanding if the combined maximum offering of $100,000,000 were achieved. The maximum offering has been divided among the classes as follows: 12% to the Class A Units, 87% to the Class F Units, and 1% to the Class FU Units, respectively. These amounts are illustrative only and the number of Class A Units, Class F Units and Class FU Units outstanding will depend on the actual issuances of Class A Units, Class F Units and Class FU Units.

(5) The amount assumes that all of the Class A Units issued under this Offering are issued at a price of $9.82 per unit.

(6) The price per class B unit, class BU unit and class I unit of the Trust is set by the Administrator from time to time based on the Net Asset Value per Unit of the class B units, class BU units and class I units of the Partnership, respectively.

(7) The amount assumes that all of the Class F Units issued under this Offering are issued at a price of $9.92 per unit.

(8) The amount assumes that all of the Class FU Units issued under this Offering are issued at a price of US$9.87 per unit.

4.1.2 Unit Capital of the Partnership

The following table sets out the capitalization of the Partnership as at March 31, 2024:

Description of Security[1]	Number Authorized to be Issued	Number Outstanding as at March 31, 2024	Price per Security	Number Outstanding Assuming Minimum Offering	Number Outstanding Assuming Maximum Offering[2]
Class A units	Unlimited	3,572,545.00	See Note 3	3,572,545.00	4,794,540.93[4][5]
Class B units	Unlimited	13,813,402.98	See Note 3	13,813,402.98	13,813,402.98
Class BU units	Unlimited	149,282.02	See Note 3	149,282.02	149,282.02
Class F units	Unlimited	25,237,949.61	See Note 3	25,237,949.61	34,008,110.90[4][6]
Class FU units	Unlimited	485,865.59	See Note 3	485,865.59	561,508.56[4][7]
Class I units	Unlimited	3,080,057.06	See Note 3	3,080,057.06	3,080,057.06
Class K units	Unlimited	2,607,058.72	See Note 2	2,607,058.72	2,607,058.72

Notes:

(1) Class B units, class BU units, class I units and class K units of the Partnership have different rights and obligations from Class A Partnership Units, Class F Partnership Units and Class FU Partnership Units, including with respect to distributions and commissions payable.

(2) The Partnership is concurrently offering class B units, class BU units and class I units of the Partnership to the Trust. The numbers in this column do not take into account the issuance of class B units, class BU units and class I units of the Partnership that may occur under such separate offerings. The Partnership is not currently offering class K units of the Partnership.

(3) The price per class A unit, class B unit, class BU unit, class F unit, class FU unit and class I unit of the Partnership is set by the General Partner from time to time based on the Net Asset Value per Unit of such Partnership Units, respectively.

(4) These amounts reflect the number of Class A Partnership Units, Class F Partnership Units or Class FU Partnership Units that would be outstanding if the combined maximum offering of $100,000,000 were achieved. The maximum offering has been divided among the classes as follows: 12% to the Class A Units, 87% to the Class F Units, and 1% to the Class FU Units, respectively, the proceeds from such Offering to be invested in Corresponding LP Units. These amounts are illustrative only and the number of Class A Partnership Units, Class F Partnership Units and Class FU Partnership Units outstanding will depend on the actual issuances of Class A Partnership Units, Class F Partnership Units and Class FU Partnership Units.

(5) The amount assumes that all of the Class A Units issued to the Trust in connection with this Offering are issued at a price of $9.82 per unit.

(6) The amount assumes that all of the Class F Units issued to the Trust in connection with this Offering are issued at a price of $9.92 per unit.

(7) The amount assumes that all of the Class FU Units issued to the Trust in connection with this Offering are issued at a price of US$9.87 per unit.

4.2 Indebtedness

As of March 15, 2024, the Trust, the Partnership and their subsidiaries have the following credit facilities outstanding:

Description of Debt (Including Whether Secured)	Interest Rate	Repayment Terms	Amount Outstanding as at March 15, 2024
Revolving credit facility between the Partnership and a Canadian financial institution, which provides for advances of up to $10,000,000, secured by general security agreements and continuing guarantees provided by the Partnership, the GPs and certain wholly-owned investee companies.	The bank's prime rate plus 2.50%. Standby fee of 0.75% on undrawn balance. In addition, an aggregate amount of $1,000,000 from the total credit facility may be made available through letters of credit, which bear a fee of 1.50%.	Repayable on the earlier of: (a) demand by the lender; and (b) within 180 days from the initial date of a series of advances.	$0 ($0 due within 12 months)
Two reserve-based credit facilities between Invico Energy USA and a U.S. financial institution, which provides for borrowings of up to US$10,000,000 under a revolving facility and US$15,000,000 under a term loan. Both facilities are secured by a first mortgage/deed of trust on oil and gas leases of Invico Energy USA, a general security agreement, and a guarantee by the Partnership.	Revolving facility: the greater of the bank's prime rate + 0.50% or 5.50% Term loan: The greater of the bank's prime rate + 1.00% or 5.00%	Revolving facility: repayable on the earlier of: (a) demand by the lender upon default, and (b) the maturity date of August 31, 2025. Term loan: repayable on the earlier of: (a) demand by the lender upon default, and (b) the maturity date of May 27, 2026. The monthly principal repayments are scheduled over a 48-month period and are as follows: US$450,000 (first 12 months, commencing June 30, 2022), US$300,000 (subsequent 12 months), and US$250,000 (remaining months up to maturity). Borrower may repay at any time without penalty for both facilities.	Revolving facility: US$8,940,000 (US$0 due within 12 months) Term loan: US$6,900,000 (US$3,150,000 due within 12 months)

4.3 Prior Sales

The following Class A Units have been issued within the last 12 months:

Date of issuance	Type of security issued	Number of securities issued	Price per security	Total funds received ($)
Apr. 6, 2023	Class A Units	8,845.57[(1)]	10.11	89,429
Apr. 26, 2023	Class A Units	28,642.93	10.14	290,439
Apr. 28, 2023	Class A Units	9,163.07[(1)]	10.14	92,914
Apr. 28, 2023	Class A Units	1,987.28[(2)]	10.14	20,151
May 30, 2023	Class A Units	9,265.54[(1)]	10.14	93,953
May 31, 2023	Class A Units	35,450.59	10.14	359,469

Date of issuance	Type of security issued	Number of securities issued	Price per security	Total funds received ($)
Jun. 28, 2023	Class A Units	196,834.29	10.14	1,995,900
Jun. 30, 2023	Class A Units	9,410.89[1]	10.14	95,426
Jul. 26, 2023	Class A Units	65,232.52	9.93	647,759
Jul. 28, 2023	Class A Units	9,728.27[1]	9.93	96,602
Jul. 28, 2023	Class A Units	2,038.30[2]	9.93	20,240
Aug. 4, 2023	Class A Units	3,722.44[1]	9.93	36,964
Aug. 30, 2023	Class A Units	10,091.42[1]	9.93	100,208
Aug. 30, 2023	Class A Units	88,457.90	9.93	878,387
Sep. 27, 2023	Class A Units	48,422.44	9.93	480,835
Sep. 29, 2023	Class A Units	10,213.48[1]	9.93	101,420
Oct. 25, 2023	Class A Units	37,135.68	9.95	369,500
Oct. 30, 2023	Class A Units	10,669.81[1]	9.95	106,165
Oct. 30, 2023	Class A Units	2,122.04[2]	9.95	21,114
Nov. 6, 2023	Class A Units	6,520.56[1]	9.95	64,880
Nov. 29, 2023	Class A Units	52,889.45	9.95	526,250
Nov. 30, 2023	Class A Units	11,002.84[1]	9.95	109,478
Dec. 20, 2023	Class A Units	75,649.88	9.95	752,716
Dec. 29, 2023	Class A Units	11,328.69[1]	9.95	112,721
Jan. 30, 2024	Class A Units	11,832.77[1]	9.82	116,198
Jan. 30, 2024	Class A Units	2,238.28[2]	9.82	21,980
Jan. 31, 2024	Class A Units	35,991.85	9.82	353,440
Feb. 28, 2024	Class A Units	44,212.42	9.82	434,166
Feb. 29, 2024	Class A Units	11,612.96[1]	9.82	114,039
Mar. 15, 2024	Class A Units	8,647.40[1]	9.82	84,918
Mar. 27, 2024	Class A Units	84,454.94	9.82	829,348
Mar. 28, 2024	Class A Units	11,892.06[1]	9.82	116,780
Total		955,708.61		9,533,786

Notes:

(1) These Class A Units were issued in connection with the DRIP.

(2) These Class A Units were issued in connection with a rebate. Advisors with assets under management equal to or in excess of $6.0 million may be eligible for a management fee rebate.

The following Class F Units have been issued within the last 12 months:

Date of issuance	Type of security issued	Number of securities issued	Price per security	Total funds received ($)
Apr. 6, 2023	Class F Units	65,091.60[1]	10.24	666,538
Apr. 26, 2023	Class F Units	280,563.67	10.26	2,878,583
Apr. 28, 2023	Class F Units	73,130.23[1]	10.26	750,316
Apr. 28, 2023	Class F Units	22,957.66[2]	10.26	235,547
May 30, 2023	Class F Units	74,192.27[1]	10.26	761,213
May 31, 2023	Class F Units	657,475.17	10.26	6,745,695
Jun. 28, 2023	Class F Units	612,691.71	10.26	6,286,217
Jun. 30, 2023	Class F Units	71,390.51[1]	10.26	732,467

Date of issuance	Type of security issued	Number of securities issued	Price per security	Total funds received ($)
Jul. 26, 2023	Class F Units	505,836.87	10.03	5,073,544
Jul. 28, 2023	Class F Units	77,849.40[(1)]	10.03	780,830
Jul. 28, 2023	Class F Units	24,111.02[(2)]	10.03	241,835
Aug. 4, 2023	Class F Units	52,400.33[(1)]	10.03	525,575
Aug. 30, 2023	Class F Units	80,624.16[(1)]	10.03	808,660
Aug 30, 2023	Class F Units	637,420.44	10.03	6,393,327
Sep. 27, 2023	Class F Units	387,123.09	10.03	3,882,845
Sep. 29, 2023	Class F Units	83,369.38[(1)]	10.03	836,195
Oct. 25, 2023	Class F Units	631,175.46	10.05	6,343,313
Oct. 30, 2023	Class F Units	86,073.56[(1)]	10.05	865,039
Oct. 30, 2023	Class F Units	24,592.04[(2)]	10.05	247,152
Nov. 6, 2023	Class F Units	45,888.17[(1)]	10.05	461,176
Nov. 29, 2023	Class F Units	502,233.55	10.05	5,047,447
Nov. 30, 2023	Class F Units	87,181.53[(1)]	10.05	876,174
Dec. 20, 2023	Class F Units	617,173.57	10.05	6,202,594
Dec. 29, 2023	Class F Units	90,580.61[(1)]	10.05	910,335
Jan. 30, 2024	Class F Units	87,846.09[(1)]	9.92	871,433
Jan. 30, 2024	Class F Units	25,854.87[(2)]	9.92	256,480
Jan. 31, 2024	Class F Units	498,597.50	9.92	4,946,087
Feb. 28, 2024	Class F Units	533,340.80	9.92	5,290,741
Feb. 29, 2024	Class F Units	86,690.03[(1)]	9.92	859,965
Mar. 15, 2024	Class F Units	54,281.02[(1)]	9.92	538,468
Mar. 27, 2024	Class F Units	533,084.05	9.92	5,288,194
Mar. 28, 2024	Class F Units	87,814.95[(1)]	9.92	871,124
Total		7,698,635.33		77,475,111

Notes:

(1) These Class F Units were issued in connection with the DRIP.

(2) These Class F Units were issued in connection with a rebate. Advisors with assets under management equal to or in excess of $6.0 million may be eligible for a management fee rebate.

The following Class FU Units have been issued within the last 12 months:

Date of issuance	Type of security issued	Number of securities issued	Price per security	Total funds received (US$)
Apr. 6, 2023	Class FU Units	1,084.08[(1)]	10.00	10,841
Apr. 28, 2023	Class FU Units	1,728.11[(1)]	10.04	17,350
Apr. 28, 2023	Class FU Units	285.33[(2)]	10.04	2,865
May 30, 2023	Class FU Units	1,756.61[(1)]	10.04	17,636
May 31, 2023	Class FU Units	1,095.62	10.04	11,000
Jun. 28, 2023	Class FU Units	7,719.12	10.04	77,500
Jun. 30, 2023	Class FU Units	1,776.27[(1)]	10.04	17,834
Jul. 26, 2023	Class FU Units	15,453.64	10.03	155,000
Jul. 28, 2023	Class FU Units	1,803.35[(1)]	10.03	18,088
Jul. 28, 2023	Class FU Units	292.48[(2)]	10.03	2,934

Date of issuance	Type of security issued	Number of securities issued	Price per security	Total funds received (US$)
Aug. 4, 2023	Class FU Units	1,238.72[(1)]	10.03	12,424
Aug. 30, 2023	Class FU Units	1,859.98[(1)]	10.03	18,656
Sep. 29, 2023	Class FU Units	1,882.04[(1)]	10.03	18,877
Oct. 30, 2023	Class FU Units	1,921.79[(1)]	9.90	19,026
Oct. 30, 2023	Class FU Units	299.98[(2)]	9.90	2,970
Nov. 29, 2023	Class FU Units	1,010.10	9.90	10,000
Nov. 30, 2023	Class FU Units	1,936.13[(1)]	9.90	19,168
Dec. 29, 2023	Class FU Units	1,905.93[(1)]	9.90	18,869
Jan. 30, 2024	Class FU Units	1,934.17[(1)]	9.87	19,090
Jan. 30, 2024	Class FU Units	305.90[(2)]	9.87	3,019
Feb. 28, 2024	Class FU Units	1,013.17	9.87	10,000
Feb. 29, 2024	Class FU Units	1,351.54[(1)]	9.87	13,340
Mar. 15, 2024	Class FU Units	907.26[(1)]	9.87	8,955
Mar. 27. 2024	Class FU Units	3,951.37	9.87	39,000
Mar. 28, 2024	Class FU Units	1,362.48[(1)]	9.87	13,448
Total		55,875.18		557,887

Notes:

(1) These Class FU Units were issued in connection with the DRIP.

(2) These Class FU Units were issued in connection with a rebate. Advisors with assets under management equal to or in excess of $6.0 million may be eligible for a management fee rebate.

ITEM 5 - UNITS OFFERED

5.1 Terms of Securities

All of the beneficial interests in the Trust shall be divided into interests of multiple classes of Trust Units. There shall be no limit on the number of classes or, except as designated in the rights, restrictions and conditions of that class, on the number of any Trust Units in any class. All Trust Units of a class outstanding from time to time shall be entitled to equal shares in any such class distribution by the Trust and, in the event of termination or winding-up of the Trust, in the net assets of the Trust relating to that class of Trust Units. Other than as set forth in the Trust Indenture, all Trust Units of a class shall rank among themselves equally and rateably without discrimination, preference or priority.

The securities being offered pursuant to this Offering Memorandum are Class A Units, Class F Units and Class FU Units of the Trust. The material terms of the Class A Units, Class F Units and Class FU Units are summarized below. Other rights, privileges, restrictions, conditions and characteristics attaching to the Class A Units, Class F Units and Class FU Units are contained in the Trust Indenture and elsewhere in this Offering Memorandum. Prospective investors are advised that any description of the Class A Units, Class F Units and Class FU Units in this Offering Memorandum is a summary only of the material terms of the Class A Units, Class F Units and Class FU Units and remains subject to the Trust Indenture. Prospective investors are advised to review the Trust Indenture and the provisions with respect to Class A Units, Class F Units and Class FU Units in detail with their own legal, tax and investment advisors.

5.1.1 Distributions

The Trustee or the Administrator, as the case may be, shall, on a Distribution Record Date, declare payable to the holders of each class of Trust Units, an amount equal to the Net Income of the Trust attributable to such class of Trust Units for the Distribution Period. In addition, the Trustee or the Administrator shall declare payable to the holders of each class of Trust Units on a Distribution Record Date, an amount equal to the Net Realized Capital Gains of the Trust attributable to such class of Trust Units for the Distribution Period. Distributions that have been declared to be payable to such holders of each class of Trust Units in respect of a Distribution Period shall be paid in cash to the holders of each class of Trust Units on the Distribution Payment Date in respect of such Distribution Period *pro rata*

in accordance with the number of such class of Trust Units then held (before giving effect to any issuances of Trust Units of such class on such date).

On the last day of each fiscal year, an amount equal to the Net Income of the Trust for the taxation year of the Trust ending in such fiscal year not previously paid or made payable in the fiscal year, shall be payable to Unitholders of record on such day, which amount shall be allocated between the classes of Trust Units in accordance with the entitlement of each class of Trust Units to Net Income, and distributed among the Trust Units of each class *pro rata*. In addition, on the last day of each fiscal year, an amount equal to the Net Realized Capital Gains of the Trust for the taxation year of the Trust ending in such fiscal year not previously paid or made payable in the fiscal year shall be payable to Unitholders of record on such date, which amount shall be allocated between the classes of Trust Units in accordance with the entitlement of each class of Trust Units to Net Realized Capital Gains, and distributed among the Trust Units of each class *pro rata*, except to the extent of Net Realized Capital Gains in respect of which the tax payable by the Trust would be refunded as a "capital gains refund" as defined in the Tax Act (and in applicable provincial tax legislation) for the taxation year of the Trust ending in such fiscal year.

When determining the distribution payable to Unitholders, the Trustee or the Administrator may make any variation or adjustment so as to ensure where possible that Unitholders are treated equitably and fairly taking into account such considerations as the Trustee or the Administrator, in their discretion, acting reasonably and in good faith, deem appropriate in the circumstances and determine to be equitable and fair (including for greater certainty, the distributions from the Partnership in respect of the Corresponding LP Units).

Distributions to Class A Unitholders, Class F Unitholders and Class FU Unitholders will be derived from the distributions the Trust receives from the Partnership in respect of the Class A Partnership Units, Class F Partnership Units and Class FU Partnership Units, respectively.

After payment and reservation of all amounts necessary for the payment of all expenses of the Partnership, distributions of Distributable Proceeds will be made in accordance with the following process. First, the General Partner shall allocate the Distributable Proceeds to each class of Partnership Units to arrive at the "**Class Pool**" of each class of Partnership Units. The Class Pool of a class of Partnership Units may be adjusted, at the sole discretion of the Portfolio Manager, for factors including, but not limited to, assets, liabilities, revenues, Commissions, costs, expenses or any transaction unique to each class of Partnership Units (including, for greater certainty, any accrued Special Allocation with respect to a class of Partnership Units). Second, the General Partner may distribute all or any portion of the Class Pools as set out below, provided that no distribution may be made with respect to a class of Partnership Units if the Class NAV of such class of Partnership Units after such distribution would be reduced to below zero. For greater certainty, a distribution may be made with respect to one or more classes of Partnership Units and not with respect to one or more other classes of Partnership Units.

The Trust will own all of the Class A Partnership Units. Distributions to the Trust, as the sole holder of Class A Partnership Units, will be as follows: 99.999% of the Class A Pool attributable to a Valuation Period will be distributed to the Trust and 0.001% of the Class A Pool will be distributed to the General Partner.

The Trust will own all of the Class F Partnership Units. Distributions to the Trust, as the sole holder of Class F Partnership Units, will be as follows: 99.999% of the Class F Pool attributable to a Valuation Period will be distributed to the Trust and 0.001% of the Class F Pool will be distributed to the General Partner.

The Trust will own all of the Class FU Partnership Units. Distributions to the Trust, as the sole holder of Class FU Partnership Units, will be as follows: 99.999% of the Class FU Pool attributable to a Valuation Period will be distributed to the Trust and 0.001% of the Class FU Pool will be distributed to the General Partner.

Notwithstanding the above, in the event that a Class A Partnership Unit, Class F Partnership Unit or Class FU Partnership Unit was not issued and outstanding each day within a Valuation Period then the amount distributed in respect of such Class A Partnership Unit, Class F Partnership Unit or Class FU Partnership Unit, as applicable, may be adjusted by the General Partner, acting in its sole discretion, to be the product obtained when the amount that would have been distributed if the Class A Partnership Unit, Class F Partnership Unit or Class FU Partnership Unit, as applicable, had been issued and outstanding each day within the Valuation Period is multiplied by the quotient obtained when (a) the number of days in the Valuation Period during which such Class A Partnership Unit, Class F Partnership Unit or Class FU Partnership Unit, as applicable, was issued and outstanding, is divided by (b) the total number of days in the Valuation Period, and such amount shall be payable as the distribution in respect of such Class A Partnership Unit, Class F Partnership Unit or Class FU Partnership Unit, as applicable.

To the extent that there are no Distributable Proceeds after payment and reservation of all amounts necessary for the payment of all expenses of the Partnership, including, but not limited to, Expenses of the General Partner and the Portfolio Management Fee, the Partnership shall not be obligated to make any distributions of cash to the Partners.

The distributions payable to holders of Class A Units and Class F Units will be paid in Canadian dollars. The distributions payable to holders of Class FU Units will be paid in U.S. dollars.

The Trust has adopted a DRIP that will allow eligible Unitholders to elect to have their monthly cash distributions reinvested in additional Trust Units on the Distribution Payment Date at a purchase price to be determined by the Administrator, on behalf of the Trust, from time to time based on the then issue price of the Class A Partnership Units, Class F Partnership Unit and Class FU Partnership Units, as applicable. See "*Item 2.11.5 - Summary of the DRIP*".

The distribution policy of the Trust and the Partnership is described under "*Item 2.6 - Distribution Policy*". For a summary of historical returns and historical distributions of the Trust and the Partnership, see "*Item 2.7 - Portfolio Performance*".

Special Allocation

In respect of each Class A Partnership Unit, Class F Partnership Unit or Class FU Partnership Unit and each Special Allocation Period, the Special General Partner shall be entitled to an allocation equal to 20% of the Aggregate Overall Appreciation during such Special Allocation Period that is in excess of the Hurdle for such Special Allocation Period.

The Special Allocation is estimated and accrued on each date that the Net Asset Value is determined (such that the Net Asset Value per Unit reflects such accrual) and calculated and paid at the end of each Special Allocation Period. Special Allocations with respect to a Class A Partnership Unit, Class F Partnership Unit or Class FU Partnership Unit are paid out of the assets of the Partnership attributable to the class to which the Unit belongs and are not specifically allocated to the holder of such Class A Partnership Unit, Class F Partnership Unit or Class FU Partnership Unit.

The General Partner shall have the right, without the consent of or notice to the Limited Partners, to waive, reduce or eliminate the Special Allocation otherwise attributable: (a) to any Limited Partner affiliated with the GPs (or any principal thereof); or (b) for such consideration it deems appropriate, to any other Limited Partner; provided, however, that in any case no such waiver, reduction or elimination shall increase the amount thereof to be borne by any Limited Partner.

5.1.2 Redemption and Retraction

Redemption by Unitholder

A Unitholder may redeem Trust Units on a Redemption Date, subject to certain restrictions, by providing written notice to the Trustee not less than 45 days prior to the Redemption Date. Subject to certain conditions, payment for the redeemed Trust Unit shall occur on the 45th day following the Redemption Date. The Trust may, in the future, amend the rights of the Trust Units to provide for redemptions on a more frequent basis.

The Redemption Price for any Trust Unit being redeemed shall be equal to the net redemption proceeds per Partnership Unit that are received by the Trust upon redemption by the Trust of the Corresponding LP Unit redeemed by the Trust to pay for the redemption of such Trust Unit and the redemption price in respect of a Class A Partnership Unit, a Class F Partnership Unit and a Class FU Partnership Unit shall equal the Net Asset Value per Unit of the Class A Partnership Unit, Class F Partnership Unit or Class FU Partnership Unit, as applicable, at the applicable Redemption Date and in each case, less, to the extent not accrued in the Net Asset Value per Unit of the Class A Partnership Unit, Class F Partnership Unit or Class FU Partnership Unit, as applicable, any Special Allocation owed with respect to such Unit.

Payment of the Redemption Price shall be made by cheque payable to or to the order of the Unitholder or by such other manner of payment, including electronic fund transfer, wire transfer or payment in kind, approved by the Trustee from time to time. However, if on any Redemption Date, the Trustee determines, in its sole discretion, that the Trust does not have sufficient cash reserves to pay the amounts payable on the redemption of Trust Units, the Trustee shall advise the Unitholder in writing that all or a portion of the Redemption Price payable in respect of Trust Units tendered for redemption in the applicable calendar quarter shall be paid within 45 days of the Redemption Date by the Trust issuing Redemption Notes having a principal amount equal to such portion of the Redemption Price for each Trust Unit to be redeemed. At any time in the 7 days following the date of the Trustee's notice set out above, the Unitholder may rescind its notice of redemption in respect of all or a portion of the Trust Units tendered for redemption.

Cash payable in respect of the Redemption Price for a class of Trust Units to be redeemed will be paid *pro rata* to Unitholders tendering Trust Units of such class, as applicable, for redemption in any calendar quarter (determined based on the initial number of Trust Units of such class, as applicable, tendered for redemption).

Redemption Notes are not qualified investments for Tax Deferred Plans.

See "*Item 7 - Canadian Federal Income Tax Considerations*".

Redemption by the Trust

The Trust may, at any time and from time to time, require the redemption of all or a portion of the Trust Units held by a Unitholder by written notice to such Unitholder. The effective date of such redemption shall be determined by the Trustee or the Administrator in its sole discretion. In the event of such redemption, payment shall be made to such Unitholder as though the redemption was initiated by the Unitholder. Factors that the Trustee or the Administrator may consider in making the determination to redeem Trust Units shall include, without limitation: (a) ensuring that the composition and tax-profile of the Unitholders remains such that the principal objectives of this Trust Indenture are achieved; and (b) reducing administrative burden on the Trust, Trustee or the Administrator, as applicable. For greater certainty, the Trustee or the Administrator may exercise its optional redemption right upon the death of a Unitholder. The Trustee or the Administrator may, in its sole discretion, redeem Trust Units held by a Unitholder after the Trust has received a redemption request from such Unitholder. The effective date and payment date for such redemptions may be determined by either the Trustee or the Administrator, in its sole discretion.

Sample Redemption Price Calculation

All values in the following sample calculations are for illustration purposes only.

Upon the redemption of Class A Units, Class F Units or Class FU Units in accordance with the Trust Indenture, the calculation of the redemption payment shall be as follows:

(# Class A/F/FU Units Redeemed) x (Net Asset Value per Unit of the Corresponding LP Unit) = Redemption payment

1,000 x $10.00[(1)] = $10,000[(1)]

In this illustration:

Number of Class A/F/FU Units Redeemed	Net Asset Value per Unit of the Corresponding LP Unit
1,000	$10.00[(1)]

Note:

(1) Illustrative amounts are in Canadian dollars for Class A Units and Class F Units, and U.S. dollars for Class FU Units.

5.1.3 Voting Rights

Each Trust Unit shall entitle the holder thereof to receive notice of, attend at, and cast one (1) vote in respect of such Trust Unit at any meeting of Unitholders, or to execute any written Ordinary Resolution or Special Resolution in respect of such Trust Unit in accordance with the terms of this Trust Indenture, provided that

(a) in respect of any meeting of Unitholders, Ordinary Resolution or Special Resolution affecting one or more classes of Trust Units (the "**Affected Classes**") in a manner different from the treatment of holders of one or more other classes of Trust Units, then only Unitholders of the Affected Classes may attend and vote at such meeting of Unitholders or execute the applicable Special Resolution or Ordinary Resolution to the extent that such matter affects the rights of Unitholders of the Affected Classes; and

(b) in respect of any meeting of Unitholders, Ordinary Resolution or Special Resolution affecting holders of a class or classes of Trust Units other than holders of one or more classes of Trust Units (the "**Non-affected Classes**") in a manner that treats holders of such class or classes of Trust Units differently from the treatment of the Unitholders of the Non-affected Classes, but does not affect the rights or obligations of the Unitholders of the Non-affected Classes, then the Unitholders of the

Non-affected Classes may not attend or vote at such meeting of Unitholders or execute the applicable Special Resolution or Ordinary Resolution.

5.1.4 Rights of Unitholders

Unitholders are NOT shareholders and do not enjoy all of the protections, rights and remedies generally offered to shareholders of a corporation incorporated under the ABCA. Although the Trust Indenture confers upon Unitholders some of the same protections, rights and remedies that an investor would have as a voting shareholder of a corporation governed by the ABCA, significant differences do exist.

The matters in respect of which Unitholder approval is required under the Trust Indenture are significantly less extensive than the rights conferred on the shareholders of an ABCA corporation.

Unitholders do not have recourse to a dissent right under which shareholders of an ABCA corporation are entitled to receive the fair value of their shares where certain fundamental changes affecting the corporation are undertaken, such as an amalgamation, a continuance under the laws of another jurisdiction, the sale of all or substantially all of its property, a going private transaction or the addition, change or removal of provisions restricting: (a) the business or businesses that the corporation can carry on; or (b) the issue, transfer or ownership of shares. As an alternative, Unitholders seeking to terminate their investment in the Trust are entitled to redeem their Trust Units, subject to certain conditions and limitations, as described under "*Item 7.5.3 - Redemption of Units*".

Unitholders do not have recourse to the statutory oppression remedy that is available to shareholders of an ABCA corporation where the corporation undertakes actions that are oppressive, unfairly prejudicial or disregard the interests of shareholders and certain other parties. Shareholders of an ABCA corporation may also apply to a court to order the liquidation and dissolution of the corporation in those circumstances, whereas Unitholders cannot. Shareholders of an ABCA corporation may also apply to a court for the appointment of an inspector to investigate the manner in which the business of the corporation and its affiliates is being carried on where there is reason to believe that fraudulent, dishonest or oppressive conduct has occurred. The ABCA also permits shareholders to bring or intervene in derivative actions in the name of the corporation or any of its subsidiaries or defend, in the name and on behalf of the corporation, a proceeding brought against the corporation, in each case with leave of a court. The Trust Indenture does not include a comparable right of Unitholders to commence or participate in legal proceedings with respect to the Trust. In the event of an insolvency or restructuring of the Trust, the rights of Unitholders will be different from those of shareholders of an insolvent or restructuring corporation governed by the ABCA.

For further information on terms contained in the Trust Indenture which affects the rights of Unitholders, see "*Item 2.11.1 - Summary of the Trust Indenture*" and "*Item 10 - Risk Factors*".

5.2 Subscription Procedure

Closings will take place on the dates determined by the Administrator. It is anticipated that closings will take place on the last Wednesday of every month. The minimum subscription amount is $7,000 for the Class A Units. The minimum subscription amount is $500 for the Class F Units. The minimum subscription amount is US$500 for the Class FU Units. The Administrator, on behalf of the Trust, may in its sole discretion lower this minimum subscription amount.

An investor who wishes to subscribe for Class A Units, Class F Units and Class FU Units must:

1. complete and execute the subscription agreement which accompanies this Offering Memorandum, including all applicable schedules and appendixes thereto;

2. pay the subscription price by certified cheque or bank draft dated the date of the subscription made payable as directed in the subscription agreement (in the case of subscriptions by Tax Deferred Plans, payment will likely be made directly to the applicable plan administrator), or as the Administrator may otherwise direct; and

3. complete and execute any other documents requested by the Trustee or Administrator;

and deliver the foregoing to Invico Diversified Income Administration Ltd., Suite 600, 209 – 8th Avenue S.W., Calgary Alberta T2P 1B8, or such other location which the Trustee or Administrator may specify.

Subject to the rights of rescission described in "*Item 13 - Investors' Rights*", a subscription for Class A Units, Class F Units and/or Class FU Units, as evidenced by a fully completed and signed subscription agreement delivered to the Administrator, is irrevocable. No prospective investor has any right to withdraw his or her subscription for Class A Units, Class F Units and/or Class FU Units unless the Trust terminates the Offering or does not accept the subscription.

Where Class A Units, Class F Units and Class FU Units are being subscribed for in reliance on the offering memorandum exemption contained in Section 2.9 of NI 45-106, the Administrator will hold the aggregate subscription funds in trust until at least midnight on the second business day after the day on which the corresponding subscription agreement was signed, after which time the aggregate subscription funds will be held in trust until the Administrator has accepted or rejected such subscription, in whole or in part, in connection with a closing of the Offering. Holding such aggregate subscription funds in this manner does not constitute acceptance of a subscription for Class A Units, Class F Units and/or Class FU Units. A Subscriber will become a Unitholder upon closing following the acceptance of a subscription by the Trustee or Administrator. No interest or any other form of return will be paid to an investor on subscription funds delivered to the Administrator on subscriptions that are accepted by the Administrator until such time as closing has occurred and the Trust Units are issued to the investor.

The Administrator will notify a potential investor in writing if their subscription has been accepted or refused. The Administrator reserves the right to accept or reject subscriptions for Class A Units, Class F Units and/or Class FU Units, in whole or in part, at its discretion and to close subscriptions at any time without notice. Any subscription funds for subscriptions that the Administrator does not wish to accept will be returned promptly after the Administrator has determined not to accept the funds. No interest or any other form of return will be paid to an investor on subscription funds delivered to the Administrator on subscriptions that are refused by the Administrator.

Neither the Trust, the Trustee nor the Administrator is responsible for, and undertakes no obligation to, determine the general investment needs and objectives of a potential investor and the suitability of the Trust Units having regard to any such investment needs and objectives of the potential investor.

ITEM 6 - REDEMPTION HISTORY

To date, all redemption requests submitted to the Trust have been fully paid in cash. The following table includes aggregate redemption requests and aggregate redemption payments across all Trust Unit classes for each financial year of the Trust's two most recent completed financial years. All amounts are aggregated by year and are shown in Canadian equivalent dollars.

Financial Year End	Number of Trust Units with Outstanding Redemption Requests on January 1[(1)]	Number of Trust Units for which Redemption Requests were Made During the Year[(2)(3)]	Number of Trust Units Redeemed During the Year[(4)]	Average Price Paid for the Trust Units Redeemed ($)[(5)]	Source of Funds Used to Complete the Redemptions	Number of Trust Units with Outstanding Redemption Requests on December 31[(1)]
December 31, 2022	-	3,308,747.82	3,308,747.82	10.10	Operating Cash Inflows	-
December 31, 2023	-	2,576,585.36	2,576,585.36	10.35	Operating Cash Inflows	-

Notes:

(1) No redemption requests validly made for a Redemption Date in a particular year were unfulfilled in such year.

(2) The amounts in this column represent the number of Trust Units for which redemption requests were received for a Redemption Date that occurred in such year. Pursuant to the Trust Indenture, a Unitholder may redeem Trust Units on a Redemption Date, subject to certain restrictions, by providing written notice to the Trustee not less than 45 days prior to the Redemption Date. For example, if a redemption request is received on December 15, 2022, such request would be included in this column for the year ended December 31, 2023 because the Redemption Date for such request is the last Business Day of the first fiscal quarter of 2023, being March 31, 2023.

(3) In certain fiscal quarters, the Trust has exercised its right to require the redemption of all or a portion of the Trust Units held by a Unitholder after the Trust has received a redemption request from such Unitholder. The effective date and payment date for such redemptions may be determined by either the Trustee or the Administrator, in its sole discretion, and may be prior to the dates set out in (4) below. This table includes such redemptions as those redemptions were originally requested by the Unitholder. See "*Item 5.1.2 - Redemption and Retraction*".

(4) Trust Units are considered redeemed as of the last Business Day of the fiscal quarter, being the Redemption Date. Payment for redeemed Trust Units is made within 45 days of the Redemption Date. Unitholders that make a redemption request with a Redemption Date of December 31 may not be paid until 45 days following the last Business Day of the fiscal quarter. Payment for all Trust Units represented in this column was made in cash within the required 45 day period.

(5) Average price is calculated based on the aggregate redemption payments made to investors, before any reduction for Redemption Fees. Redemption Fees are charged on a per redemption request basis regardless of the number of Trust Units tendered for redemption.

The following table includes aggregate redemption requests and aggregate redemption payments across all Trust Unit classes for the period beginning January 1, 2024 and up to March 31, 2024. All amounts are aggregated for this period and are shown in Canadian equivalent dollars.

Beginning and End Dates of the Period	Number of Trust Units with Outstanding Redemption Requests on January 1[(1)]	Number of Trust Units for which Redemption Requests were Made During the Period[(2)(3)]	Number of Trust Units Redeemed During the Period[(4)]	Average Price Paid for the Trust Units Redeemed ($)[(5)]	Source of Funds Used to Complete the Redemptions	Number of Trust Units with Outstanding Redemption Requests on March 31, 2024[(1)]
January 1, 2024 – March 31, 2024	-	3,516,850.90	3,516,850.90	10.00	Operating Cash Inflows	-

Notes:

(1) No redemption requests validly made for a Redemption Date in a particular period were unfulfilled in such period.

(2) The amounts in this column represent the number of Trust Units for which redemption requests were received for the Redemption Date of March 31, 2024. Pursuant to the Trust Indenture, a Unitholder may redeem Trust Units on a Redemption Date, subject to certain restrictions, by providing written notice to the Trustee not less than 45 days prior to the Redemption Date. For example, if a redemption request is received on March 15, 2024, such request would not be included in this column because the Redemption Date for such request is the last Business Day of the second fiscal quarter of 2024, being June 30, 2024.

(3) The Trust has exercised its right to require the redemption of all or a portion of the Trust Units held by a Unitholder after the Trust has received a redemption request from such Unitholder. The effective date and payment date for such redemptions are determined by either the Trustee or the Administrator, in its sole discretion, and may be prior to the dates set out in note (4) below. This table includes such redemptions as those redemptions were originally requested by the Unitholders. See "*Item 5.1.2 - Redemption and Retraction*".

(4) Trust Units are considered redeemed as of the last Business Day of the fiscal quarter, being the Redemption Date. Payment for redeemed Trust Units is made within 45 days of the Redemption Date. Unitholders that make a redemption request with a Redemption Date of March 31 may not be paid until 45 days following the last Business Day of the fiscal quarter. Payment for all Trust Units represented in this column will be made in cash within the required 45 day period.

(5) Average price is calculated based on the aggregate redemption payments made to investors, before any reduction for Redemption Fees. Redemption Fees are charged on a per redemption request basis regardless of the number of Trust Units tendered for redemption. The Redemption Price for Trust Units redeemed as of March 31, 2024 is estimated based on the most recently calculated Net Asset Value per Unit of the Corresponding LP Units.

ITEM 7 - CANADIAN FEDERAL INCOME TAX CONSIDERATIONS

7.1 General

The following is a summary prepared by Norton Rose Fulbright Canada LLP ("**Counsel**"). The following summary fairly describes the principal Canadian federal income tax considerations under the Tax Act, as of the date of this Offering Memorandum, generally applicable to a Unitholder who is an individual (other than a trust), who acquires Trust Units pursuant to this Offering and who, for purposes of the Tax Act, is resident in Canada, deals at arm's length with, and is not affiliated with, the Trust and the Partnership and holds the Trust Units as capital property. Generally, Trust Units will be capital property of a Unitholder provided the Unitholder does not hold the Trust Units in the course of carrying on a business of trading or dealing in securities and has not acquired them in one or more transactions considered to be an adventure in the nature of trade. Provided that the Trust qualifies as a "mutual fund trust" under the Tax Act, certain persons who might not otherwise be considered to hold their Trust Units as capital property may, in certain circumstances, be entitled to have them treated as capital property by making the election permitted by subsection 39(4) of the Tax Act.

This summary is not applicable to a Unitholder that has entered or will enter into a "derivative forward agreement" or a "synthetic disposition arrangement" with respect to the Trust Units, each within the meaning of the Tax Act. Such Unitholders should contact their own tax advisors having regard to their own particular circumstances.

This summary is based on the information set out in this Offering Memorandum, the provisions of the Tax Act and the regulations thereto in force as of the date hereof, all specific proposals to amend the Tax Act and the regulations publicly announced by or on behalf of the Minister of Finance (Canada) prior to the date hereof (the "**Proposed Amendments**") and Counsel's understanding of the current published administrative policies and assessing practices of the Canada Revenue Agency (the "**CRA**") that have been made publicly available as of the date hereof. There is

no certainty that the Proposed Amendments will be enacted in the form proposed, or at all. This summary is not exhaustive of all possible Canadian federal income tax considerations applicable to the Offering and, except for the Proposed Amendments, does not take into account or anticipate any changes in the law, whether by legislative, governmental or judicial action or changes in the administrative policies or assessing practices of the CRA. This summary does not take into account provincial, territorial or foreign tax considerations, which may differ significantly from those discussed herein.

In general, for the purposes of the Tax Act, all amounts not otherwise expressed in Canadian dollars must be converted into Canadian dollars based on the single day rate as quoted by the Bank of Canada for the applicable day or such other rate of exchange that is acceptable to the Minister of National Revenue (Canada).

This summary is of a general nature only and is not intended to be relied on as legal or tax advice or representations to any particular Unitholder. Consequently, prospective Unitholders are urged to seek independent tax advice regarding the consequences to them of investing in the Trust Units, in their own particular circumstances.

7.2 Status of the Trust

This summary assumes that the Trust qualifies as a "mutual fund trust" for purposes of the Tax Act at all relevant times.

If the Trust were to not qualify as a mutual fund trust at any particular time, the income tax considerations for the Trust and the Unitholders would be materially different from those contained herein.

This summary assumes that "investments", within the meaning of the Tax Act, in the Trust are not, and will not be, listed or traded on a stock exchange or other public market. If investments in the Trust are listed or traded on a stock exchange or other public market, the Trust may be taxable as a "SIFT trust" under the Tax Act and the Canadian federal income tax considerations will be materially different from those described herein.

7.3 Taxation of the Trust

The Trust is subject to tax on its income for each taxation year, including net realized taxable capital gains, dividends, accrued interest and other income paid or payable to it, less the portion thereof that is paid or made payable in the year to Unitholders and which is deducted by the Trust in computing its income for purposes of the Tax Act. An amount will be considered to be made payable to a Unitholder in a taxation year if it is paid in the year by the Trust or the Unitholder is entitled in that year to enforce payment of the amount.

Counsel has been advised that the Trust generally intends to deduct, in computing its income, the full amount available for deduction in each taxation year to the extent of its taxable income for the year otherwise determined and to make payable to Unitholders an amount equal to its remaining taxable income so that the Trust will not be liable for any material amount of tax under Part I of the Tax Act in any taxation year of the Trust.

Losses realized by the Trust in a taxation year cannot be allocated to Unitholders but may be deducted by the Trust in future years, subject to rules contained in the Tax Act which may restrict the Trust's ability to deduct certain losses in certain circumstances.

7.4 Taxation of the Partnership

The Partnership is not itself liable for income tax. However, the income or loss of the Partnership will be computed for each fiscal period as if the Partnership was a separate person resident in Canada.

The income or loss of the Partnership for each fiscal period will be allocated among those persons who are partners, including the Trust, at the end of the Partnership's fiscal period, in accordance with the provisions of the Partnership Agreement.

7.5 Taxation of Unitholders

7.5.1 Trust Distributions

A Unitholder will generally be required to include in computing their income for a particular taxation year any amount paid or made payable to the Unitholder in that year, whether in cash, additional Trust Units, Trust Property or otherwise.

Provided that appropriate designations are made by the Trust, the portion of its taxable capital gains and taxable dividends received from taxable Canadian corporations that are paid or made payable to a Unitholder will retain their character as taxable capital gains and taxable dividends to the Unitholder for purposes of the Tax Act. Such dividends, when designated to a Unitholder that is an individual, will be subject to the gross-up and dividend tax credit provisions normally applicable to taxable dividends received from taxable Canadian corporations, including the enhanced gross-up and dividend tax credit for eligible dividends. Income of the Trust that is designated as taxable dividends from taxable Canadian corporations or as net realized capital gains may affect an individual Unitholder's liability for alternative minimum tax.

The non-taxable portion of net realized capital gains of the Trust that is paid or payable to a Unitholder in a taxation year will not be included in computing the Unitholder's income for the year and will not reduce the adjusted cost base of the Unitholder's Trust Units. Any other amount in excess of the Net Income of the Trust that is paid or payable by the Trust to a Unitholder in a year will generally not be included in the Unitholder's income for the year but will reduce the adjusted cost base of the Trust Units held by such Unitholder. To the extent that the adjusted cost base of a Trust Unit is less than zero at any time in a taxation year, such negative amount will be deemed to be a capital gain of the Unitholder from the disposition of the Trust Unit in that year. The amount of such capital gain will be added to the adjusted cost base of such Trust Unit.

The adjusted cost base of a Trust Unit to a Unitholder will include all amounts paid or payable by the Unitholder for the Trust Unit, with certain adjustments. Trust Units issued to a Unitholder as a non-cash distribution of income will have a cost amount equal to the amount of such income. A Unitholder will generally be required to average the cost of all newly-acquired Trust Units with the adjusted cost base of Trust Units held by the Unitholder as capital property in order to determine the adjusted cost base of the Unitholder's Trust Units at any particular time.

7.5.2 Disposition of Units

On the disposition or deemed disposition of Trust Units, a Unitholder will generally realize a capital gain (or a capital loss) equal to the amount by which the Unitholder's proceeds of disposition are greater (or less) than the aggregate of the Unitholder's adjusted cost base of the Trust Units and any reasonable costs incurred by the Unitholder in connection with the disposition. The taxation of capital gains or capital losses is described below under "*Item 7.5.4 - Capital Gains and Capital Losses*".

7.5.3 Redemption of Units

The redemption of Trust Units in consideration for cash, Trust Property or Redemption Notes, as the case may be, will be a disposition of such Trust Units for proceeds equal to the amount of such cash or the fair market value of such Trust Property or Redemption Notes, less any portion thereof that is considered to be a distribution of the income of the Trust. Redeeming Unitholders will consequently realize a capital gain (or a capital loss) equal to the amount by which the proceeds of disposition (less any portion thereof that is considered a distribution of the Trust's income) is greater (or less) than the Unitholder's aggregate adjusted cost base of the Trust Units so redeemed and any reasonable costs of disposition.

If a Unitholder redeems Trust Units, the Trust may distribute income or capital gains realized by the Trust in the year to the Unitholder as partial payment of the redemption price. Any income or capital gains so distributed must be included in the calculation of the Unitholder's income in the manner described above. The Trust will generally not be entitled to deduct in computing its income: (a) the portion of a capital gain of the Trust distributed to a Unitholder on a redemption of Trust Units that is greater than the Unitholder's accrued gain; and (b) any income distributed to a Unitholder on a redemption of Trust Units, where, in each case, the Unitholder's proceeds of disposition are reduced by the distribution.

7.5.4 Capital Gains and Capital Losses

Generally, one-half of any capital gain realized or deemed to be realized by a Unitholder in a taxation year will be included in the Unitholder's income for the year as a taxable capital gain. Subject to specific rules in the Tax Act, one-half of any capital loss realized or deemed to be realized by a Unitholder in a taxation year is an allowable capital loss which is deducted from any taxable capital gain realized by the holder in the year of disposition. Allowable capital losses for a taxation year in excess of taxable capital gains for that year generally may be carried back and deducted in any of the three preceding taxation years or carried forward and deducted in any subsequent taxation year against net taxable capital gains realized in such years to the extent and under the circumstances provided for in the Tax Act. Capital gains realized by a Unitholder may affect a Unitholder's liability for alternative minimum tax.

If a Unitholder disposes of Trust Units, and the Unitholder, the Unitholder's spouse or another person affiliated with the Unitholder (including a corporation controlled by the Unitholder) has also acquired Trust Units of any series within 30 days before or after the Unitholder disposes of the Unitholder's Trust Units (such newly acquired Trust Units being considered "substituted property"), the Unitholder's capital loss may be deemed to be a "superficial loss". If so, the Unitholder's loss will be deemed to be nil and the amount of the loss will instead be added to the adjusted cost base of the Trust Units which are "substituted property".

7.6 Currency

A Unitholder's cost and proceeds of disposition of Class FU Units, as well as any distributions received in respect of Class FU Units, are required to be determined for purposes of the Tax Act in Canadian dollars, converted at the exchange rate quoted by the Bank of Canada on the relevant day or at such other rate of exchange as is acceptable to the Minister of National Revenue.

7.7 Eligibility for Investment by Tax Deferred Plans

Provided the Trust qualifies at all relevant times as a "mutual fund trust" within the meaning of the Tax Act, Trust Units, when issued, will be a qualified investment under the Tax Act for Tax Deferred Plans.

Trust Units will generally not be a prohibited investment for a trust governed by a RRSP, TFSA, FHSA, RESP, RRIF or RDSP if the annuitant, holder or subscriber of such plan, as the case may be: (a) deals at "arm's length" with the Trust (for the purposes of the Tax Act); and (b) does not have a "significant interest" (as defined in the Tax Act) in the Trust. Prospective investors should consult with their tax advisors regarding whether an investment in the Trust will be a prohibited investment in their particular circumstances.

Trust Property or Redemption Notes received as a result of a distribution or redemption of Trust Units will not be a qualified investment for Tax Deferred Plans, which may give rise to adverse consequences to a Tax Deferred Plan or the annuitant, holder or subscriber thereunder. Unitholders holding Trust Units in a Tax Deferred Plan should consult with their own tax advisors prior to redeeming their Trust Units to determine the tax consequences to them of a redemption satisfied by Trust Property or Redemption Notes.

ITEM 8 - SELLING AGENTS AND COMPENSATION PAID TO SELLERS AND FINDERS

The Trust will retain Selling Agents in respect of the distribution and sale of the Trust Units. In addition, the Portfolio Manager, a registered exempt market dealer, may also act as a Selling Agent.

The Partnership may pay an annual fee of up to 1.0% per annum of the net asset value of the Class A Partnership Units (purchased by the Trust using the subscription proceeds of the Class A Units) that remains invested in the Partnership, payable to certain Selling Agents. No such fees will be paid in respect of the Class F Partnership Units or the Class FU Partnership Units.

In addition, the Trust may retain IAAM, an affiliate of the Portfolio Manager, as a wholesaler in connection with the Offering to provide marketing and sales assistance to Selling Agents. IAAM will be reimbursed by the Partnership for expenses incurred in connection with wholesaling services.

The Trust is a connected issuer and related issuer of the Portfolio Manager as Jason Brooks and Allison Taylor indirectly own all of the voting shares of the Portfolio Manager, which owns all of the shares of the Trustee, the Administrator and the General Partner. Jason Brooks is the President of the Trustee, Administrator, the General Partner and the Portfolio Manager, and Allison Taylor is the Chief Executive Officer of the Trustee, Administrator, the General Partner and the Portfolio Manager.

ITEM 9 - CONCURRENT OFFERINGS

In addition to Class A Units, Class F Units and Class FU Units, the Trust will, from time to time, also be distributing other securities of the Trust, including class B units, class BU units and class I units of the Trust. The Partnership, the entity through which the Trust will be making all of its investments will, from time to time, also be distributing securities of the Partnership. Such securities may have different rights and obligations, including with respect to distributions and Commissions payable.

Up-front commissions and fees for the class B units and class BU units of the Trust may be up to 5% and trailing commissions may also be applicable. No up-front commissions and fees or trailing commissions are payable on the class I units of the Trust. For additional information about the class B units, class BU units and class I units of the

Trust, ask your Selling Agent, who may provide you with a separate offering memorandum or other offering materials related thereto.

ITEM 10 - RISK FACTORS

An investment in the Trust is speculative and contains certain risks. Prospective investors should carefully consider, among other factors, the matters described below, each of which could have an adverse effect on the value of the Trust Units. As a result of these factors, as well as other risks inherent in any investment, there can be no assurance that the Trust will meet its investment objectives or otherwise be able to successfully carry out its investment program. The Trust's returns may be unpredictable and, accordingly, the Trust's investment program is not suitable as the sole investment vehicle for an investor or for an investor that is looking for a predictable source of cash flow. An investor should only invest in the Trust as part of an overall investment strategy. Based on, among others, the factors described below, the possibility of partial or total loss of capital will exist and investors should not subscribe unless they can readily bear the consequences of such loss.

The following list of risk factors does not purport to be a complete enumeration or explanation of the risks involved in an investment in the Trust. Prospective investors should read this entire Offering Memorandum and consult their own counsel and financial advisors before deciding to invest in the Trust.

Neither the Trust, the Trustee, the Administrator, the GPs, nor the Portfolio Manager is responsible for, and undertakes no obligation to, determine the general investment needs and objectives of a potential investor and the suitability of the Trust Units having regard to any such investment needs and objectives of the potential investor.

10.1 Risks Associated with the Class A Units, Class F Units and Class FU Units

Speculative Offering - No Assurance of Investment Return

The recovery of a Unitholder's initial investment is at risk, and the anticipated return on such investment is based on many performance assumptions. The success of the Trust will depend on the ability of the Portfolio Manager to identify, select, close, grow and exit appropriate Investments. The task of identifying investment opportunities, monitoring such investments and realizing a significant return for Unitholders is difficult. Many organizations operated by individuals of competence and integrity have been unable to make, manage and realize on such investments successfully. There is no assurance that the Administrator and the Portfolio Manager will be able to generate returns for Unitholders or that returns will be at levels currently anticipated by the Portfolio Manager. There is a risk that an investment in the Trust will be lost entirely or in part. As a result, an investment in Class A Units, Class F Units and/or Class FU Units should be considered only by investors whose financial resources are sufficient to enable them to bear the loss of their entire investment.

Distributions are not Guaranteed

Cash distributions to Unitholders are not guaranteed and are not fixed obligations of the Trust; any receipt of cash distributions by a Unitholder is at any time subject to the terms of the Trust Indenture. While the Trust intends to make distributions to its Unitholders, no assurance can be given that such distributions, if made, will continue or that they will not be reduced or eliminated. The ability of the Trust to make cash distributions on the Class A Units, Class F Units and Class FU Units (and the timing of the commencement of any distributions and actual amounts distributed, if any) is principally dependent upon the Trust receiving payment of distributions from the Partnership pursuant to the Partnership Units held by the Trust. Accordingly, cash distributions of the Trust will substantially depend upon the success of the Partnership in generating sufficient earnings on the assets of the Partnership and will be subject to various factors including those referenced in this section entitled "*Item 10 - Risk Factors*". Changes in the relative weightings between the various types of investments making up the Partnership's portfolio can affect the overall yield to Unitholders. The value of the Class A Units, Class F Units and Class FU Units may decline if the Trust is unable to meet its cash distribution targets in the future and that decline may be significant.

Distributions may Consist of Proceeds of Offerings or Borrowed Funds

The Portfolio Manager may fund distributions from cash flow from the business and operations of the Partnership, debt or Capital Contributions. Although it is the Portfolio Manager's intention that distributions be primarily paid from cash flow from the business and operations of the Partnership, in certain circumstances, distributions may exceed the cash flow of the Partnership for any particular distribution period. In such circumstances, distributions to Unitholders may consist, directly or indirectly, of the proceeds from the sale of securities by the Trust (including this Offering) and the Net Asset Value of the Trust Units will be impacted.

Illiquidity of Trust Units; Restrictions on Transfer

There is currently no market, such as a stock exchange, through which the Trust Units may be sold and none is expected to develop. The transfer of Units is significantly limited and, in some circumstances, prohibited. An investment in the Trust Units should only be considered by those Unitholders who do not require immediate liquidity of their investment and are able to bear the economic risk of a long-term investment.

The Trust Units are being sold on a "private placement" basis in reliance upon exemptions from prospectus requirements of applicable securities laws and therefore are subject to significant statutory restrictions on transfer or sale. The Trust Units will be subject to "hold periods" under applicable securities legislation and, as the Trust is currently not a "reporting issuer" in any province or territory, the "hold periods" may never expire. Consequently, Unitholders may not be able to sell the Trust Units readily or at all, and they may not be accepted as collateral for a loan. Unitholders should be prepared to hold the Trust Units indefinitely and cannot expect to be able to liquidate their investment even in the case of an emergency. Additionally, Unitholders will not be permitted to transfer or sell their Trust Units without the consent of the Trustee, which may be withheld in the Trustee's sole discretion, and the satisfaction of certain other conditions, including the provision of an opinion of counsel that such a transfer would not subject the Trust or the Unitholders to any regulatory or tax burdens or result in violation of any applicable law or governmental regulation.

As a result, a Unitholder's principal source of liquidity for its Trust Units will be through its limited right of redemption. Unitholders should be aware that redemption rights in their favour are subject to significant limitations and restrictions as described herein and below.

Limited Redemption Rights

Redemption rights under the Trust Indenture are subject to certain restrictions. Investors should carefully review "*Item 5.1.2 - Redemption and Retraction*". Once the redemption limit of a class of Trust Units, if any, is reached, or if the Trustee determines that the Trust does not have sufficient cash reserves to pay the amounts payable on the redemption of Trust Units, redeeming Unitholders may receive from the Trust (in lieu of cash), Redemption Notes. Redemption Notes will be unsecured debt obligations of the Trust and may be subordinated in other financing obtained by the Trust. Circumstances may arise where the Trust does not have the funds available to pay, on maturity of any Redemption Note, the principal balance and interest owing on such Redemption Note. There will be no market for Redemption Notes.

Redemption Notes may, in certain circumstances, have priority over Trust Units in the event of a termination or winding-up of the Trust. There are various considerations with respect to creditor rights and bankruptcy law that will need to be considered, both at the time Redemption Notes are issued and at the time of any liquidation of the assets of the Trust, in order to determine if such a priority exists.

Furthermore, Redemption Notes will not be qualified investments for Tax Deferred Plans, which could give rise to adverse consequences to a Tax Deferred Plan or the annuitant, holder or subscriber under a Tax Deferred Plan, including the redeeming Unitholder becoming subject to a penalty tax or having its tax exempt status revoked depending on the circumstances. Accordingly, investors that propose to invest in Trust Units through Tax Deferred Plans should consult their own tax advisors before doing so to understand the potential tax consequences of exercising their redemption rights attached to such Trust Units. See "*Item 7 - Canadian Federal Income Tax Considerations*".

Redemption Price

The Redemption Price in respect of each Trust Unit may be based on the Net Asset Value of the Partnership Units held by the Trust determined by the General Partner. There is a risk that the Net Asset Value of a Partnership Unit determined by the General Partner may not accurately reflect the fair market value of such Trust Unit and the Unitholders will have no recourse against the Partnership or the Trust in this respect.

The Redemption Price payable to investors redeeming Trust Units may be lower than the purchase price paid by the investor for such Trust Units. There is no assurance that investors will be paid the whole amount of their investment through any exercise of redemption rights.

The payment in cash by the Trust of the Redemption Price of Trust Units will reduce the amount of cash available to the Trust for the payment of distributions to Unitholders, as cash payments of the amount due in respect of redemptions will take priority over the payment of cash distributions.

Substantial Redemptions

If holders of a substantial number of Trust Units exercise their redemption rights, the number of Trust Units outstanding and the Net Asset Value of the Partnership could be significantly reduced due to corresponding redemptions of Partnership Units made by the Trust. A substantial redemption of Partnership Units may adversely affect the available capital required by the Partnership to carry out its investment strategy.

Issuance of Additional Trust Units and Partnership Units will Result in Dilution

In addition to Class A Units, Class F Units and Class FU Units, the Trust will, from time to time, also be distributing other securities of the Trust, including class B units, class BU units and class I units of the Trust. The Partnership, the entity through which the Trust will be making all of its investments will, from time to time, also be distributing securities of the Partnership. Any issuance of class B units, class BU units and class I units of the Trust by the Trust or other securities of the Trust or the Partnership will have a dilutive effect on existing Unitholders.

Nature of Trust Units

Trust Units do not represent a direct ownership interest in the assets of the Trust but rather a fractional beneficial interest in the assets of the Trust. The Trust Units do not represent debt instruments and there is no principal amount owing to Unitholders under the Trust Units. The Trust Units do not represent shares in the Partnership, the Trustee, the Administrator, the Portfolio Manager or their affiliates or any other entity.

The Trust is not generally regulated by established corporate law and Unitholders' rights are governed primarily by the specific provisions of the Trust Indenture. Unitholders do not have all the statutory rights normally associated with ownership of shares of a corporation including, for example, the right to bring "oppression" or "derivative" actions against the Trust. Further, in the event of insolvency or restructuring under the *Bankruptcy and Insolvency Act* (Canada) or the *Companies Creditors Arrangement Act* (Canada), a Unitholder's position may be quite different than that of a shareholder of a corporation.

The Trust Units are not "deposits" within the meaning of the *Canada Deposit Insurance Corporation Act* and are not insured under the provisions of that act or any other legislation. Furthermore, the Trust is not a trust company and, accordingly, is not registered under any trust and loan company legislation as it does not carry on or intend to carry on the business of a trust company.

Unitholder Liability

There is a risk that Unitholders could become subject to liability. The Trust Indenture provides that no Unitholder shall be liable in connection with the ownership or use of the Trust Property, the obligations or activities of the Trust, any acts or omissions of the Trustee, the Administrator or any other person in respect of the activities or affairs of the Trust or any taxes or fines payable by the Trust, the Trustee or Administrator, provided that each Unitholder remains responsible for taxes assessed against it by reason of or arising out of its ownership of Trust Units. Further, if a Unitholder is held to be liable in circumstances for which the Trust Indenture provides that there is to be no liability to the Unitholder, the Unitholder will be entitled to be indemnified and reimbursed out of the Trust Property for the full extent of any such costs and liability to the Unitholder. The Trust Indenture provides that every contract entered into by or on behalf of the Trust, whether by the Trustee, the Administrator or otherwise, shall include a provision to the effect that such obligation will not be binding upon Unitholders personally.

Unitholders will not have the benefit of the *Income Trusts Liability Act* (Alberta) as the Trust is not a reporting issuer as defined under the *Securities Act* (Alberta).

Status of the Trust

The Trust is not a "mutual fund" or an "investment fund" for securities law purposes. As a result, some of the protections provided under such laws to those that invest in mutual funds or investment funds will not be available to investors who invest in the Trust Units and certain restrictions imposed on mutual funds and investment funds under Canadian securities laws, including National Instrument 81-102 – *Investment Funds*, will not apply to the Trust.

Lack of Independent Counsel Representing Unitholders

The Trust, the Trustee and the Administrator have consulted with and retained for their benefit legal counsel to advise them in connection with the formation and terms of the Trust and the offering of Trust Units. Unitholders have not, however, as a group been represented by independent legal counsel or independent tax and financial advisors regarding the desirability of purchasing Trust Units and the suitability of investing in the Trust. Therefore, to the extent that the

Unitholders could benefit by further independent review, such benefit will not be available unless individual Unitholders retain their own legal counsel.

No Review by Regulator

Investors under this Offering will not have the benefit of a review of this Offering Memorandum, the Trust Indenture, or any other documents in relation to the Offering by any securities regulatory authority or regulator.

10.2 Risks Associated with the Trust and the Partnership

Reliance on the Administrator and Portfolio Manager; Limited Voting Rights

The Trust is a limited purpose investment trust that will entirely depend upon the Partnership since the Trust's primary asset is its interest in the Partnership as a Limited Partner. Distributions, if any, to Unitholders will depend upon numerous factors, including profitability, fluctuations in working capital, sustainability of margins and capital expenditures of the Partnership. All decisions with respect to the Trust Property and the operations of the Trust and the Partnership are expected to be made exclusively by the Administrator and the Portfolio Manager. The Unitholders are not entitled to participate in the management or control of the Partnership. Accordingly, the success of the Trust will, to a large extent, depend on the good faith, experience, ability and judgement of the Portfolio Manager to make appropriate decisions with respect to the operations of the Partnership and its subsidiaries.

Unitholders will have no right to make any decisions with respect to the management, disposition or other realization of any investment, or other decisions regarding the Trust's and the Partnership's business and affairs. Further, the Unitholders do not have a general right to remove a GP or the Portfolio Manager (unless a GP or the Portfolio Manager has committed a material breach of the Partnership Agreement or the Portfolio and Investment Fund Management Agreement that is not cured within the time provided), to cause a GP or the Portfolio Manager to withdraw from the Trust or the Partnership, to appoint new directors to the General Partner's or the Portfolio Manager's board of directors, to remove existing directors from the General Partner's or the Portfolio Manager's board of directors or to prevent a change of control of the General Partner or the Portfolio Manager. As a result, Unitholders are not able to influence the direction of the Partnership, including its policies and procedures, or to cause a change in its management, even if they are unsatisfied with the performance of the Partnership.

No prospective investor should purchase a Trust Unit unless such prospective investor is willing to entrust all aspects of the management of the Trust and the Partnership to the Administrator and the Portfolio Manager. Certain personnel of the Administrator and Portfolio Manager, and their respective affiliates may work on other projects and, therefore, conflicts may arise in the allocation of management resources. The Administrator and the General Partner have the exclusive ability to appoint a person as Portfolio Manager and as such, the person or persons acting as Portfolio Manager may change from time to time.

Reliance on Key Employees

The success of the Trust and the Partnership depends in large measure on the skill and expertise of the key personnel of the Portfolio Manager, in particular, Jason Brooks and Allison Taylor. The ability of the Trust and the Partnership to successfully implement its investment strategy will depend in large part on the continued employment and involvement of such key personnel and the loss of their services could have a material adverse effect on the Trust and the Partnership. Neither the Trust nor the Partnership maintains key-person life insurance for such named individuals. However, the Portfolio Manager maintains critical illness insurance and life insurance, the proceeds of which would provide resources to replace lost services and ensure continuity. In addition, competition for qualified personnel in the industry is intense, and there can be no assurance that the Portfolio Manager will be able to continue to attract and retain all personnel necessary for the development and operation of the Trust and the Partnership.

In addition, each of the Partnership's investee companies may be highly dependent on certain of their respective directors or officers for the success of its business and the loss of any of those individuals may materially adversely affect an investment. There can be no assurance that any of the key individuals of the Partnership's investee companies will remain in their current positions.

Reputation

The growth of the business of the Trust and the Partnership depends on the business relationships of the Portfolio Manager, the Trust and the Partnership and the Portfolio Manager's, the Trust's and the Partnership's reputation. Poor performance of any kind of the Trust, the Partnership or other entities managed by the Portfolio Manager could damage the Portfolio Manager's, the Trust's and the Partnership's reputation with potential investors and make it more difficult

for the Trust and the Partnership to raise new capital. Reputational damage could also arise from allegations of misconduct from private litigants or regulators, whether the allegations are valid or invalid and whether the outcome is favourable or unfavourable. Such allegations may result in negative publicity and press speculation about the Portfolio Manager, the Trust and the Partnership, their investment activities or the private capital markets in general, in each case potentially harming the Trust's and the Partnership's business.

Nature of the Trust's Investments

The Trust expects to invest, indirectly through the Partnership, primarily in securities that are illiquid and subject to resale restrictions. It is generally expected that the ultimate realization or disposition of most of the Trust's indirect investments will not occur for a number of years after such investments are made. These investments are subject to various risks, particularly the risk that the Trust, indirectly through the Partnership, will be unable to realize its investment objectives by sale or other disposition at attractive prices or otherwise be unable to complete any exit strategy. In some cases, the Trust, indirectly through the Partnership, may be prohibited or limited by contract from selling certain securities for a period of time, and as a result, may not be permitted to dispose of an investment at a time it might otherwise desire to do so. Furthermore, the types of investments made may require a substantial length of time to liquidate. There can be no assurance that a public market will develop for any of the Trust's indirect investments or that the Trust, indirectly through the Partnership, will otherwise be able to realize such investments. While the Trust maintains sufficient cash balances to cover general and operating expenses, the illiquidity of the Trust's indirect investments may cause deficiencies if substantial unexpected expenses become due.

Valuation of Investments

The valuation of the Trust's and the Partnership's securities and other investments may involve uncertainties and judgmental determinations and, if such valuations should prove to be incorrect, the Net Asset Value could be adversely affected. Independent pricing information may not at times be available regarding certain of the Trust's and the Partnership's securities and other investments. Valuation determinations will be made in good faith in accordance with the Partnership Agreement. The Partnership may have some of its assets in investments, including private companies or asset-backed securities, which by their very nature may be extremely difficult to value accurately and may depend significantly on assumptions. To the extent that the value assigned by the Portfolio Manager to any such investment differs from the actual value, the Net Asset Value may be understated or overstated, as the case may be. The Portfolio Manager does not intend to adjust the Net Asset Value retroactively.

Operational Dependence

Other companies may, from time to time, operate some of the assets or companies in which the Partnership or its subsidiaries have an interest. Further, the terms of an Investment may be insufficient to give the Trust or Partnership control of the investee company. As a result, the Partnership or its subsidiaries may have limited ability to exercise influence over the operation of those assets or companies or their associated costs, which could adversely affect the Partnership's financial performance. The Partnership's return on assets operated or controlled by others therefore depends upon a number of factors that may be outside of the Partnership's and the Portfolio Manager's control, including changes in management, changes in strategic direction, the timing and amount of capital expenditures, the operator's or company's expertise and financial resources, the approval of other participants, the selection of technology, risk management practices and other decisions that may affect the value of their securities.

Conflicts of Interest

The Trust and the Partnership may be subject to various conflicts of interest because the directors and officers of the Portfolio Manager are also the directors and officers of the Administrator, the Trustee and the GPs. Jason Brooks and Allison Taylor own all of the voting shares of the Portfolio Manager, which owns all of the shares of the Trustee, the Administrator and the GPs. The Trust and the Partnership may become involved in transactions which conflict with the interests of one or more of the foregoing entities or individuals. Such conflicts of interest are specifically permitted by the Trust Indenture and the Partnership Agreement. See "*Item 2.11.1 - Summary of the Trust Indenture - Conflict of Interest*" and "*Item 2.11.2 - Summary of the Partnership Agreement - Competing Interests*".

The Portfolio Manager's services are not exclusive to the Trust. The Portfolio Manager, its affiliates, and their respective directors and officers are each engaged in a wide range of investment and other business activities. There may be occasions when the officers and directors of the Portfolio Manager or its affiliates encounter conflicts of interest in connection with the activities of the Trust and the Partnership, including where the Portfolio Manager or its affiliates, including IAAM, is providing advisory or other services to other entities, have another business relationship with regards to an investee company of the Trust and the Partnership or are engaged in other investment management business activities, including with respect to Invico Energy USA, Invico Energy Canada, Fort Greene Fund and the

Partnership's investee companies. See "*Item 3 - Compensation and Security Holdings of Certain Parties*". There may be conflicts in allocating investment opportunities among the Trust and other funds managed by the Portfolio Manager.

The unanimous approval of the Independent Review Committee is required to consent to or approve conflict of interest matters. See "*Item 3.7 - Independent Review Committee*".

Effect of Expenses on Returns

The Trust or the Partnership will bear all expenses related to its operations and such expenses will reduce the actual returns to the Unitholders. Most of the expenses will be paid regardless of whether the Trust or the Partnership produces positive investment returns. If the Trust and the Partnership does not produce significant positive investment returns, these expenses could result in a Unitholder incurring a net loss in its investment. The Trust Units are available in more than one class. If the Trust cannot pay the expenses of one class using its proportionate share of the Trust Property, the Trust will be required to pay those expenses out of the other class's proportionate share of the Trust's assets. This may lower the investment returns of the other class of Trust Units. See "*Item 3.2 - Fees and Expenses*".

Indemnification

The Trustee, each former Trustee, the Administrator and each officer of the Trust and each former officer of the Trust is entitled to indemnification and reimbursement out of the Trust Property, except under certain circumstances, from the Trust. Further, the Portfolio Manager and its directors, officers, employees, agents, affiliates and associates are entitled to indemnification, except under certain circumstances, from the Partnership. Such indemnification obligations could decrease the returns which would otherwise be available to the Unitholders.

Securities Regulatory Risks

In the ordinary course of business, the Trust may be subject to ongoing reviews by the securities regulators, who have broad powers to pass, interpret, amend and change the interpretation of securities laws from time to time and have broad powers to protect the public interest and to impose terms, conditions, restrictions or requirements regarding registration under securities laws. Further, the securities regulators have the authority to retroactively deny the benefit of an exemption from prospectus or registration requirements otherwise provided for in the securities laws where the regulator considers it necessary to do so to protect investors or the public interest.

While the Trust and the Portfolio Manager believe that its position regarding compliance with securities laws is appropriate and supportable, it is possible that securities matters may be reviewed and challenged by the securities authorities. If such challenge were to succeed, it could have a material adverse effect on the Trust. There can be no assurance that applicable securities laws or the securities regulators' interpretation thereof or the practices of the securities regulators will not be changed or re-interpreted in a manner that adversely affects the Trust.

Changes to Applicable Law

Legal, tax and regulatory changes may occur that can adversely affect the Trust, the Partnership, the GPs, the Partnership's investee companies and the Unitholders. Compliance with existing and potential future laws, regulations, and policies, including taxes, environmental regulations, and other laws that directly or indirectly affect the operations, production and sale of our products, may have material effects on the business, financial conditions (including capital cash flow, expenditures and earnings), results of operations and competitive position of the Trust, the Partnership, the GPs and their investee companies. There can be no assurance that income tax, securities and other laws will not be changed in a manner which adversely affects the distributions received by the Trust or by the Unitholders. There can be no assurance that Canadian federal income tax laws and the administrative policies and assessing practices of the CRA respecting the treatment of mutual fund trusts will not be changed in a manner which adversely affects the Unitholders.

Limited Liability

The limited liability of the Trust, as a Limited Partner, may be lost in certain circumstances, including where it takes part in the control or management of the business of the Partnership or through non-compliance with the Partnership Act. In addition, Limited Partners may lose their limited liability to the extent the principles of Canadian law recognizing the limitation of liability of limited partners have not been authoritatively established with respect to limited partnerships formed under the laws of one province but operating, owning property or incurring obligations in another province.

Mutual Fund Trust Status

To qualify as a mutual fund trust under the Tax Act, the sole undertaking of the Trust must be the investing of its funds in property (other than certain real property or interests in real property), the Trust must comply on a continuous basis with certain requirements including those relating to the qualification of the Trust Units for distribution to the public, the number of Unitholders and the dispersal of ownership of Trust Units. As well, the Trust must not be reasonably considered to have been established or maintained primarily for the benefit of Non-residents. If the Trust fails or ceases to qualify as a "mutual fund trust", there may be adverse tax consequences to the Trust and Unitholders, and the tax consequences would be materially different than those described herein.

Eligibility of Trust Units and Redemption Notes for Investment by Tax Deferred Plans

If the Trust ceases to qualify as a "mutual fund trust", the Trust Units will not be a qualified investment for Tax Deferred Plans, which may result in adverse tax consequences to Tax Deferred Plans and their annuitants, holders or subscribers. Trust Property or Redemption Notes received by a Tax Deferred Plan as a result of a distribution or redemption of Trust Units will not be a qualified investment for such plan, which may result in adverse consequences to their annuitants, holders or subscribers. See "*Item 7.7 - Eligibility for Investment by Tax Deferred Plans*".

Risks Associated with the Level of Foreign Ownership

Currently, one of the conditions for the Trust to qualify as a mutual fund trust is that the Trust cannot reasonably be considered to have been established or maintained primarily for the benefit of Non-resident persons. The Trust Indenture contains a limitation on Non-resident ownership which provides that at no time may Non-residents of Canada be the beneficial owners of more than 49% of the outstanding Trust Units. The Trust Indenture provides powers to the Administrator to enforce this limitation, including by selling the Trust Units of a Non-resident Unitholder without their consent. The exercise of the Administrator's powers to enforce such Non-resident ownership limitation may have an adverse effect on one or more Unitholders.

SIFT Status

If investments in the Trust are listed or traded on a stock exchange or other public market, the Trust may be taxable as a "SIFT trust" under the Tax Act, which will have adverse tax consequences to the Unitholders and the Trust and the Canadian federal income tax considerations of investing in the Trust will be materially different from those described herein.

Tax Characterization of Trust Income and Trust Capital Gains

The designation of income or gains realized by the Trust to Unitholders, including as of result of the characterization of gains realized by the Partnership on the disposition of investments as capital gains will depend largely on factual considerations. Management will endeavor to make appropriate characterizations of income or gains realized by the Trust for purposes of designating such income or gains to Unitholders based on information reasonably available to it. However, there is no certainty that the manner in which the Trust characterizes such income or gains will be accepted by the CRA. If it is subsequently determined that the Trust's characterization of a particular amount was incorrect, Unitholders might suffer material adverse tax consequences as a result. Losses incurred by the Trust in a taxation year cannot be allocated to Unitholders but may be deducted by the Trust in future years, subject to certain loss suspension rules contained in the Tax Act which may restrict the Trust's ability to deduct certain losses in certain circumstances.

U.S. Withholding Tax Risk and International Tax Information Reporting

Generally, FATCA imposes a 30% withholding tax on "withholdable payments" made to an investment entity, unless the investment entity enters into a FATCA agreement with the IRS (or is subject to an intergovernmental agreement as described below) to comply with certain information reporting and other requirements. Compliance with FATCA will in certain cases require an investment entity to obtain certain information from certain investors and (where applicable) their beneficial owners (including information regarding their identity, residency and citizenship) and to disclose such information, including account balances, and documentation to the IRS.

Under the terms of the Intergovernmental Agreement for the Enhanced Exchange of Tax Information under the Canada US Tax Convention (the "**Canada-U.S. IGA**"), and its implementing provisions under the Tax Act, the Trust will be treated as complying with FATCA and not subject to the 30% withholding tax if the Trust complies with the terms of the Canada-U.S. IGA. Under the terms of the Canada-U.S. IGA, the Trust will not have to enter into an individual FATCA agreement with the IRS, but the Trust will be required to report information, including certain financial

information, on accounts held by investors that fail to provide information to their financial advisor or dealer related to their citizenship and residency for tax purposes and/or investors that are identified as, or in the case of certain entities as having one or more controlling persons who are, U.S. persons owning, directly or indirectly, an interest in the Trust to the CRA. The CRA will in turn provide such information to the IRS under the existing provisions of the Canada-U.S. Income Tax Convention. The Canada-U.S. IGA sets out specific accounts that are exempt from being reported, including certain tax deferred plans. By investing in the Trust, the investor is deemed to consent to the Trust disclosing such information to the CRA. If the Trust is unable to comply with any of its obligations under the Canada-U.S. IGA, the imposition of the 30% U.S. withholding tax may affect the value of the Trust's assets and may result in reduced investment returns to Unitholders. It is possible that the administrative costs arising from compliance with FATCA and/or the Canada-U.S. IGA and future guidance may also cause an increase in the operating expenses of the Trust.

Withholdable payments include: (a) certain U.S. source income (such as interest, dividends and other passive income); and (b) gross proceeds from the sale or disposition of property that can produce U.S. source interest or dividends. The 30% withholding tax may also apply to any "foreign passthrough payments" paid by an investment entity to certain investors. The scope of foreign passthrough payments will be determined under the U.S. Treasury regulations that have yet to be issued.

The foregoing rules and requirements may be modified by future amendments of the Canada-U.S. IGA, and its implementing provisions under the Tax Act, future U.S. Treasury regulations, and other guidance. The CRA has provided guidance that FHSAs are currently under consideration for being added to the list of accounts excluded from FATCA due diligence and reporting obligations imposed under Part XVIII of the Tax Act and that these accounts do not need to be reviewed, identified or reported at this time.

In addition, to meet the objectives of the Organisation for Economic Co-operation and Development Common Reporting Standards (the "**CRS**"), the Trust is required under the Tax Act to identify to report to the CRA certain information (including residency details and financial information such as account balances) relating to investments held by investors or by the "controlling persons" of certain entities who are resident in a country other than Canada or the United States. The information would then be available for sharing with CRS participating jurisdiction in which the securityholder resides for tax purposes under the provisions and safeguards of the Multilateral Convention on Mutual Administrative Assistance in Tax Matters or the relevant bilateral tax treaty. The CRA has provided guidance that FHSAs are currently under consideration for being added to the list of excluded accounts for CRS purposes and that these accounts do not need to be reviewed, identified or reported at this time.

10.3 Risks Associated with the Business

General Economic Conditions

The Trust, the Partnership and their investee companies are subject to changes in the general economic conditions in North America and globally, including, but not limited to, international trade and global political conditions, the pursuit of lower-emission business opportunities, recessionary or inflationary trends, capital market volatility, consumer credit availability, interest rates, currency exchange rates, consumers' disposable income and spending levels, job security and unemployment, corporate taxation and overall consumer confidence. Globally, recent market events and conditions, including changes in interest rates, availability of credit, inflation rates, bank failures, national and international political circumstances and unforeseen events causing economic uncertainty, such as COVID-19, the ongoing Russian invasion of Ukraine and the war and instability in the Middle East, have resulted in a deterioration of global economic conditions. These conditions have caused or may cause a decrease in confidence in the broader North American and global credit and financial markets and created a climate of greater volatility, less liquidity, widening of credit spreads, a lack of price transparency, increased credit losses, government intervention and tighter credit conditions. Furthermore, oil and natural gas prices are expected to remain volatile for the near future because of market uncertainties over the supply and demand of these commodities. See "*Item 10.5 - Risks Associated with the Oil and Gas Industry - Commodity Price Volatility*". Notwithstanding various actions by governments, concerns remain about the general condition of the capital markets, financial instruments, banks, investment banks, insurers and other financial institutions. These factors unfavourably impacted company valuations and impacted the performance of the global economy. Economic conditions in North America and globally may be affected, directly or indirectly, by political events throughout the world that cause disruptions in the financial markets, such as the sanctions imposed on Russia and related backlash. Any such unfavourable impacts could have a material adverse effect on the business, financial condition, results of operations and cash flows of the Trust, the Partnership and their investee companies.

In particular, the financial markets and global economy have experienced a period of increased volatility due to the economic impact of COVID-19. The steps taken by governments and businesses around the world to combat the

spread of COVID-19 may continue to have an adverse impact on the financial markets and global economy, including rising interest rates and inflation rates. Any such economic downturn, either short-term or prolonged, may unfavourably impact the Trust, the Partnership and their investee companies. For additional details regarding the impact of COVID-19, see "*Disease Outbreaks May Negatively Impact the Performance of the Trust and the Partnership*" below.

Financing Risk and Interest Rate Risk

The Partnership and the Wholly-Owned Subsidiaries have the discretion to incur indebtedness to fund investments and obligations of the Partnership and the Wholly-Owned Subsidiaries. The Partnership and the Wholly-Owned Subsidiaries are exposed to the risks associated with debt financing, including that they may be unable to make interest or principal payments or meet loan covenants, the risk of cross default and the risk that indebtedness may not be able to be refinanced on favourable terms or at all. If the Partnership or the Wholly-Owned Subsidiaries are unable to meet interest or principal payments when they become due, it could be required to seek renegotiation of such payments, dispose of one or more of their assets or Investments or obtain additional equity, debt or other financing. There can be no assurance that the Partnership or the Wholly-Owned Subsidiaries will be able to meet financial covenants or future covenant requirements. If the Partnership or the Wholly-Owned Subsidiaries do not remain in compliance with their financial covenants, their ability to amend the covenants or refinance their debt may be affected.

To the extent of any upward revision in lending rates, the Partnership and the Wholly-Owned Subsidiaries will be exposed to interest rate risk. Increases in interest rates have the potential to adversely affect profitability of the Partnership and the Wholly-Owned Subsidiaries.

Currency Risk

Fluctuations in foreign currency exchange rates could adversely affect the Trust and the Partnership and could subsequently affect payments of distributions to Unitholders. The assets and liabilities of the Trust are held in the functional currency of the Trust, which is the Canadian dollar.

Some of the Partnership's Investments may be made in U.S. dollars or other currencies. Also, certain of the Partnership's investee companies are located in the United States and world oil and gas prices are quoted in U.S. dollars. Accordingly, the Partnership and certain investee companies (including Gator, Invico Energy USA and Invico Energy Canada) would earn revenues and may incur costs in U.S. dollars, and the proceeds of disposition of any such Investments may be denominated in U.S. dollars or other currencies. As a result, the return on, or of, any Investment may be positively or adversely affected by fluctuations in currency exchange rates and the effect may vary depending on whether distributions are paid in Canadian dollars (Class A Units and Class F Units) or U.S. dollars (Class FU Units). Material increases in the value of the Canadian dollar negatively impact Invico Energy USA's and Invico Energy Canada's production revenues in Canadian dollars and, as a result, the future value of their reserves.

Furthermore, the Partnership and its investee companies could become subject to unfavourable exchange rate changes to the extent that they conduct business with suppliers and customers in foreign jurisdictions and to the extent that they have engaged, or in the future engage, in risk management activities related to foreign exchange rates through entry into forward foreign exchange contracts or otherwise.

The Trust and the Partnership may also incur costs in connection with conversions between various currencies.

Hedging Risk

Various hedging techniques may be used in an attempt to reduce certain risks, including commodity hedges as a means to protect against market volatility and possible decline of commodity prices and currency hedges to reduce risks associated with investments denominated in U.S. dollars. Recalculations and adjustments to specific position hedges will be performed as market conditions warrant. However, such position hedges entail risks of their own and the Partnership's hedging strategy is not designed to completely offset all risks associated with commodity pricing and currency exchange rates. For example, unanticipated changes in commodity pricing and currency exchange rates may result in an overall poorer performance than if commodities and/or currency risks had not been hedged. If market conditions are analyzed incorrectly or a risk reduction strategy is employed that does not correlate well with the Partnership's investment strategies, the Partnership's risk reduction techniques could result in a loss, regardless of whether the intent was to reduce risk or increase return.

Asset Allocation

Investments will be allocated among Lending Strategies, Energy Working Interests, Equity Yield and other investments (including investments into the Wholly-Owned Subsidiaries) based on judgements by the Portfolio Manager. There is a risk that the Trust may allocate assets to an asset class that underperforms the other asset class.

The composition of the Investments taken as a whole may vary widely from time to time and may be concentrated by type of security, commodity, industry or geography, resulting in the Investments being less diversified than anticipated. Overweighting investments in certain sectors or industries involves risk that the Trust and the Partnership will suffer a loss because of declines in those sectors or industries.

Competitive Marketplace

The Partnership will be competing for investment opportunities with a significant number of other entities offering sources of equity and debt capital, including banks, private equity funds, institutional investors, strategic investors, as well as the public equity markets. Many of the entities with which the Partnership competes are substantially larger than the Partnership and possess greater financial, technical and marketing resources. Some competitors may have higher risk tolerances, different risk assessments, lower return thresholds, a lower cost of capital, or a lower effective tax rate (or no tax rate at all), all of which could allow them to consider a wider variety of investments and to bid more aggressively on investments than the Partnership. As a result of this competition, there can be no assurance that the Partnership will be able to locate suitable investment opportunities, acquire them for an appropriate level of consideration, achieve its targeted rate of return or fully invest its Capital Contributions. In addition, if the Partnership makes only a limited number of Investments, the aggregate returns realized by the Trust could be adversely affected in a material manner by the unfavourable performance of even one such Investment.

Risks of Investee Companies' Businesses

The investee companies of the Partnership will be subject to all of the operating risks normally attendant upon such businesses. The Partnership will seek to acquire insurance when, as, and in such amounts as, the General Partner best sees fit but, there is no assurance that such insurance will be available or adequate.

Inability to Attract and Retain Employees

The future success of the Partnership depends, in part, upon the ability of its investee companies to attract additional skilled employees and retain their current key personnel. The Partnership's investee companies may not be able to hire and retain such personnel at compensation levels consistent with their existing compensation and salary structure. The Partnership's investee companies' future success also depends on the continued contributions of their executive management team and other key management and technical personnel, each of whom may be difficult to replace. The loss of any of their executive officers or key personnel or the inability to continue to attract qualified personnel could harm their business, financial condition and operating results.

Reliance on Major Customers

Certain of the Wholly-Owned Subsidiaries rely on a limited number of regular customers. While it is believed that relationships with existing customers are good, the loss of one or more major customers, or a significant reduction in business with one or more of these customers, if not offset by sales to new or existing customers, could have a material adverse effect on their business, financial condition, results of operations and cash flows, and therefore on the ability of such Wholly-Owned Subsidiaries to pay distributions to the Partnership in the future. Mergers and acquisitions activity in the industries in which the Wholly-Owned Subsidiaries operate can impact demand for services provided, as customers focus on internal reorganization prior to committing funds to other ventures. In addition, demand could be negatively affected in that upon completion, the pre-transaction customers may re-direct their work to competitors of the Wholly-Owned Subsidiaries.

Longer-Term Commitment Required for Wholly-Owned Subsidiaries

As of March 15, 2024, the Partnership had approximately 19% of the Net Asset Value attributed to the Wholly-Owned Subsidiaries and Prosolus Inc. (of which approximately 40% was in the form of secured debt obligations attributed to Lending Strategies and 60% was in the form of equity attributed to Equity Yield). An investment in the Wholly-Owned Subsidiaries generally requires a longer-term commitment compared to Lending Strategies, with realization on the equity valuation contingent upon full or partial sale of the company or the listing of its securities on a public exchange.

Technology and Information Security

The Partnership's business is subject to risks relating to its ability to safeguard its information systems, including the security and privacy of its information systems. The Partnership's business relies on the safety and integrity of the information systems of the Portfolio Manager. The Partnership relies on information technology to manage its business, including maintaining proprietary databases containing sensitive and confidential information about its investees and counterparties (which may include personally identifiable information and credit information) and for the electronic transfer of funds from time to time.

Unauthorized parties may attempt to gain access to the Partnership's systems or facilities through various means, including hacking into the Partnership's systems or facilities, fraud, trickery or other means of deceiving the Partnership's employees or contractors. In particular, cybersecurity risks faced by businesses that use and depend on information technology systems have increased in recent years due to the proliferation of cyber-threats that target computers, information systems, software, data and networks. Cyber-threats include, among other things, unauthorized attempts to access, disable, modify or degrade information systems and networks, telecommunication failures, shut-downs, the introduction of computer viruses / worms, and other malicious codes such as "ransomware", and fraudulent "phishing" emails that seek to misappropriate data and information or install malware on users' computers.

A party that is able to circumvent the Partnership's security measures could misappropriate the Partnership's or its investees' confidential information, cause interruption to the Partnership's operations, damage its computing infrastructure or otherwise damage its reputation. Specific potential effects relating to cyber-threats or cyber-terrorism include the theft or loss of data, unauthorized access to, and disclosure of, confidential information about investees and counterparties, service disruption, remediation costs, increased cybersecurity costs, lost revenue, litigation and reputational harm, all of which can materially affect the Partnership.

Although the Partnership maintains information security measures and continuously monitors security threats to its information technology systems and implements measures to manage these threats, there can be no assurance that the Partnership will be immune from these security risks and that risks can be fully mitigated due especially to the evolving nature of cybersecurity threats, the difficulty in anticipating such threats and the difficulty in immediately detecting all such threats. and any breach of the Partnership's information security may have a material adverse impact on its business, operations, financial condition and cash flows. In addition, cyber incidents may also remain undetected for an extended period, which could exacerbate the consequences aforementioned. Overall, security breaches could expose the Partnership to a risk of loss or litigation and possible liability for damages. The Partnership may be required to make significant expenditures to protect against security breaches or to alleviate problems caused by any breaches.

Disease Outbreaks May Negatively Impact the Performance of the Trust and the Partnership

A local, regional, national or international outbreak of a contagious disease, including, but not limited to, coronavirus (including COVID-19), Middle East Respiratory Syndrome, Severe Acute Respiratory Syndrome, H1N1 influenza virus, avian flu, or any other similar illness or reoccurrence of any such illness could result in: a general or acute decline in economic activity in the regions the Trust, the Partnership and their investee companies operate in, staff and supply shortages, reduced occupancy and service volumes, mobility restrictions and other quarantine measures, risks to employee health and safety, increased labor and operational costs, delay or halt in the Partnership's and its investee companies' development and redevelopment plans and timelines, increased government regulation, and the quarantine or contamination of one or more of the locations in which the Partnership and/or its investee companies conduct business. Furthermore, there is no assurance that any monetary or fiscal interventions by governments or financial institutions will be available to help alleviate these issues, and for those measures that are put in place, there is no assurance that such measures will be sufficient or fully implemented as publicized. All of these occurrences may negatively and materially adversely affect the ability of the Trustee, the Administrator, the General Partner and the Portfolio Manager to manage the Trust and the Partnership and may have a material adverse effect on the Trust's and the Partnership's business, operations, financial condition and cash flows, which in turn, could adversely affect the Trust's ability to pay distributions to Unitholders.

Ability to Manage Growth

The Partnership intends to grow its investment portfolio. In order to effectively deploy its capital and monitor its loans in the future, the Portfolio Manager may need to retain additional personnel and may be required to augment, improve or replace existing systems and controls, each of which can divert the attention of management from their other responsibilities and present numerous challenges. As a result, there can be no assurance that the Partnership would be able to effectively manage its growth and, if unable to do so, the Partnership's investment portfolio may be materially adversely affected.

Uninsured and Underinsured Losses

The Partnership and its investee companies use their discretion in determining amounts, coverage and limits and deductibility provisions of insurance for their operations and assets, with a view to maintaining appropriate insurance coverage on their assets at a commercially reasonable cost and on suitable terms. This may result in insurance coverage that, in the event of a substantial loss, would not be sufficient to pay the full current market value or current replacement cost of their assets. Further, in many cases, certain types of losses (generally of a catastrophic nature) are either uninsurable or not economically insurable. A judgment against the Partnership or its investee companies or other substantial loss in excess of available insurance or in respect of which insurance is not available could have a material adverse effect on the Partnership's or its investee companies' business, operations, financial condition and cash flows.

Business Continuity, Disaster Recovery and Crisis Management

Inability to restore or replace critical systems or capacity in a timely manner may impact business and operations. A serious event could have a material adverse effect on the Partnership's or its investee companies' business, operations, financial condition and cash flows. This risk is mitigated by the development of business continuity arrangements, including disaster recovery plans and back-up delivery systems, to minimize any business disruption in the event of a major disaster. Insurance coverage may minimize any losses in certain circumstances.

Litigation Risks

In the normal course of the Partnership's and its investee companies' operations, whether directly or indirectly, they may become involved in, named as a part to or the subject of, various legal proceedings, including regulatory proceedings, tax proceedings and legal actions in relation to personal injuries, property damage, property taxes, land rights, the environment and contract disputes. The outcome with respect to outstanding, pending or future proceedings cannot be predicted with certainty and may be determined in a manner adverse to the Partnership or its investee companies and as a result, could have a material adverse effect on the Partnership's or its investee companies' business, operations, financial condition and cash flows. Even if the Partnership or its investee companies prevail in any such legal proceedings, the proceedings could be costly and time-consuming and may divert the attention of management and key personnel from the Partnership's or the investee companies' business operations. This risk may be heightened for the Partnership as compared to other Canadian entities without investments in the United States because the legal climate in the United States, in comparison to that in Canada, tends to give rise to a greater number of claims and larger damages awards.

Inability to Fund Investments

The Partnership may commit to making future investments in anticipation of repayment of principal outstanding and/or the payment of interest under existing Investments. In particular, certain of the Partnership's loan investments provide an option to the borrower to request additional funds, subject to certain terms and conditions. It is possible that repayments of principal or payments of interest are not made to the Partnership or the borrower may request undrawn capital at an inopportune time and the Partnership may be unable to advance some or all of the funds required to be advanced pursuant to the terms of its commitments. While the Partnership and its advisors negotiate the terms and conditions of loans with undrawn amounts in an effort to protect the Partnership against such risks, due to the number of loan investments outstanding and aggregate undrawn but committed amounts, it is possible that the Partnership may not be able to fulfill all of its obligations. The Partnership may be required to obtain interim financing to fund such commitments or face liability in connection with its failure to make such advances.

Need for Follow-On Investments

Following its initial Investment, the Partnership may decide to provide additional funds to its investee companies (such pursuant to its Equity Yield strategy) or may have the opportunity to increase its investment in them. There is no assurance that the Partnership will make follow-on investments, or if made, such follow-on investment will be successful. There is also no assurance that the Partnership will have sufficient funds to make all or any of such investments. Any decision by the Partnership not to make follow-on investments or its inability to make such investments may have a substantial negative effect on the investee companies in need of such an investment or may result in a lost opportunity for the Partnership to increase its participation in a successful operation.

Additional Financing May be Required

The available funds may not be sufficient to accomplish the Trust's and the Partnership's proposed objectives and there is no assurance that alternative financing will be available on acceptable terms or at all. The Trust and the

Partnership may depend upon future financing to fund its business objectives. The Trust and the Partnership may, to the extent available on acceptable terms, obtain institutional financing or other arm's length, third party financing to fund, in part, its objectives. No alternate financing has been arranged for the Trust and the Partnership. There is no assurance that alternative financing will be available on acceptable terms or at all.

Secondaries Investments

Certain Secondaries Investments may require the buyer to take on future funding obligations in exchange for future returns and distributions. Although secondary investments are viewed as more mature and may not exhibit the initial decline in net asset value associated with primary investments and may reduce the impact of the J-curve associated with alternative investing, there can be no assurance that all or any of the Secondaries Investments made by the Partnership will be successful and the realization of returns is dependent upon the performance of each alternative investment fund. Secondaries Investments may be heavily negotiated and may incur additional transactions costs for the Partnership. There is a risk that investors exiting an investment fund through a secondary transaction may possess superior knowledge regarding the value of their holdings and the portfolio companies of the investment fund and the Partnership may pay more for a secondary investment than it would have if it were also privy to such information. The Partnership may be reliant on the seller and its agents for the purposes of obtaining information regarding any underlying fund acquired in a secondary investment. The underlying fund nor any of the affiliates will have any obligation to provide information to the Partnership in connection with any such transaction.

In cases where the Partnership acquires an interest in an underlying fund in a secondary transaction, the Partnership may acquire contingent liabilities of the seller of such interest. More specifically, where the seller has received distributions from the relevant underlying fund and, subsequently, that underlying fund recalls one or more of these distributions, the Partnership (as the purchaser of the interest to which such distributions are attributable and not the seller) may be obligated to return monies equivalent to such distributions to such underlying fund. While the Partnership may, in some circumstances, make a claim against the seller for any such monies so paid to such underlying fund, there can be no assurances that the Partnership would prevail on such claim.

In certain cases, the Partnership expects to have the opportunity to acquire a portfolio of investment funds from a seller on an "all or nothing" basis. Certain of the investment funds in the portfolio may be less attractive than others, and certain of the sponsors of such investment funds may be more familiar to the Portfolio Manager than others or may be more experienced or highly regarded than others. In addition, the Partnership will likely have the opportunity to participate in "linked secondaries" (e.g., a secondary market purchase of an existing fund interest and corresponding commitment to a new fund in formation, typically sponsored by the same investment manager). In certain instances, the purchase of the interest in the new fund may be less attractive than the secondary market purchase of an existing fund interest. In such cases, it may not be possible for the Partnership to exclude from such purchases those investments which the Portfolio Manager considers (for commercial, tax, legal, or other reasons) less attractive.

In addition to the Portfolio Management Fee, the Special Allocation and expenses and other compensation described in "*Item 3.2 - Fees and Expenses*", underlying fund managers will typically have their own management fees, carried interest and expenses which will further reduce return on invested capital and, consequently, will lower any returns to investors.

The Partnership will depend on the managers of the underlying funds in which it invests. The Partnership may be a limited partner or other passive investor in the underlying funds and, notwithstanding the Portfolio Manager obtaining advisory board positions or other rights, may not have an ability to participate in their management and control. The Portfolio Manager may not have control over the timing of capital calls or distributions received from the underlying funds or over investment decisions made by such funds. As a result, the return of the Partnership, and therefore the Trust, will primarily depend on the performance of unrelated investment managers and management teams.

The portfolio companies of the underlying funds may involve significant business and financial risk. An investment indirectly in the Partnership, through the Offered Units, or its underlying investments is therefore subject to all of the risks and uncertainties associated with any new business, including the risk that the Partnership will not achieve its investment objectives and that the value of an investment could decline substantially.

The underlying funds could invest in buyouts, which involve significant financial leverage and are therefore sensitive to declines in revenues and to increases in interest rates and expenses.

Despite the fair allocation policy of the Portfolio Manager set forth in the Portfolio Manager's policies and procedures manual, certain factors could materially and adversely impact the extent to which suitable acquisition opportunities are made available from the Portfolio Manager. In addition, and as a result of such fair allocation policy, the Partnership may be precluded from participating in an investment opportunity available to the Portfolio Manager to

the extent that it would otherwise be able to participate as investment opportunities may be allocated among two or more of the entities managed by the Portfolio Manager.

Risks to Financial Institutions

The global economic slowdown, inflation, rising interest rates and the prospects for recession, as well as recent and potential future disruptions in access to bank deposits or lending commitments due to bank failure, could materially and adversely affect the liquidity, business and financial condition of the Partnership and its investee companies. The recent closures of Silicon Valley Bank and Signature Bank and their placement into receivership with the Federal Deposit Insurance Corporation ("**FDIC**") created bank-specific and broader financial institution liquidity risk and concerns. Although the Department of the Treasury, the Federal Reserve, and the FDIC jointly released a statement that depositors at Silicon Valley Bank and Signature Bank would have access to their funds, even those in excess of the standard FDIC insurance limits, future adverse developments with respect to specific financial institutions or the broader financial services industry may lead to market-wide liquidity shortages. The failure of any Canadian or U.S. bank or financial institution may increase the possibility of a sustained deterioration of financial market liquidity, or illiquidity at clearing, cash management and/or custodial financial institutions. If other banks and financial institutions enter receivership or become insolvent in the future in response to financial conditions affecting the banking system and financial markets, the ability of the Partnership and its investee companies to access cash and cash equivalents and investments may be threatened and could have a material adverse effect on the business and financial condition of the Partnership and its investee companies.

Investments in Early Stage Companies

The Partnership's strategy may include investing in companies at an early stage of development. Early stage companies may be more volatile due to their limited operating and financial history, relative lack of financial resources or their susceptibility to major setbacks or downturns.

10.4 Risks Associated with Investments in Lending Strategies

Credit Risk

An Investment in Lending Strategies involves certain risks. The Investments in Lending Strategies will expose the Partnership and the Trust to the credit risk of the underlying investees through the possibility of borrowers defaulting on their repayment obligations. The Partnership's Investments in Lending Strategies are expected to be primarily, and potentially fully, concentrated in assets that are not investment grade. Investments in Lending Strategies involves greater risks than investment grade debt, including risks of default in the payment of interest and principal, lower recovery rates on debt that is in default and greater price changes due to such factors as general economic conditions and the issuer's creditworthiness. Whether the Partnership will realize satisfactory investment returns on these loans is uncertain and may be beyond the Partnership's control. If some of these debt investments fail, the Partnership's Investments could be devalued or lost.

Credit Losses

Losses from loans and/or receivables in excess of the Partnership's expectations would have a material adverse impact on the business, financial condition, results of operations and cash flows of the Partnership. Changes in economic conditions, the risk characteristics and composition of the portfolio, bankruptcy laws, and other factors could impact the Partnership's actual and projected net credit losses and the related allowance for credit losses. Should there be a significant change in the above noted factors, then the Partnership may have to set aside additional reserves which could have a material adverse impact on its business, financial condition, results of operations and cash flows. Determining the appropriate level of allowance for losses is an inherently uncertain process and therefore the determination of this allowance may prove to be inadequate to cover losses in connection with a portfolio of loans and/or receivables. Factors that could lead to the inadequacy of an allowance for credit losses may include the inability to appropriately underwrite credit risk of new loan originations, effectively manage collections, or anticipate adverse changes in the economy or discrete events adversely affecting specific borrowers, industries or geographic areas.

Changes in Collateral Values

The Partnership's investments in Lending Strategies will be secured by the assets of the investee company, the value of which can fluctuate. The value of the collateral is affected by general economic conditions, local markets, the attractiveness of the collateral, operating expenses and other factors.

A substantial decline in value of the assets provided as security for a loan may cause the value of the collateral to be less than the outstanding principal amount of the loan. The exercise of its security by the Partnership on any such loan generally would not provide the Partnership with proceeds sufficient to satisfy the outstanding principal amount of the loan.

Subordinated and Unregistered Loan Financing

Some of the Partnership's loans do not have a first-ranking charge on the underlying assets. When a charge on collateral is in a position other than first-ranking, it is possible for a holder of a senior-ranking charge on the collateral, if the borrower is in default under the terms of its obligations to such holder, to take a number of actions against the borrower and ultimately against the collateral to realize on the security given for such loan. Such actions may include an exercise by such lender on its security interest, which may have the ultimate effect of depriving any person having other than a first-ranking charge of its rights on the collateral. If an action is taken to sell the collateral and sufficient proceeds are not realized from such sale to pay off creditors who have prior charges on the property, the holder of a subsequent charge may lose its investment or part thereof to the extent of such deficiency unless they can otherwise recover such deficiency from other property, if any, owned by the debtor.

Enforcement and Related Costs

One or more borrowers could fail to make payments according to the terms of their loan, and the Partnership could therefore be forced to exercise its rights as a secured creditor. The recovery of a portion of the Partnership's assets may not be possible for an extended period of time during this process and there are circumstances where there may be complications in the enforcement of the Partnership's rights. Legal fees and expenses and other costs incurred by the Partnership in enforcing its rights as secured creditor against a defaulting borrower are usually recoverable from the borrower directly or through the sale of the collateral by power of sale or otherwise, although there is no assurance that they will actually be recovered. In the event that these expenses are not recoverable, they will be borne by the Partnership.

Interest Rate Risk

Interest rate risk is the risk that the market value of the Trust's interest-bearing investments will fluctuate due to changes in market interest rates. Generally, interest-bearing investments will decrease in value when interest rates rise and increase in value when interest rates decline. The Net Asset Value of the Partnership will fluctuate with interest rate changes and the corresponding changes in the value of the Investments.

10.5 Risks Associated with the Oil and Gas Industry

The oil and gas industry is exposed to many inextricably intertwined risks and market factors that weave a complex business platform, with the most significant factors being financial risks (foreign exchange rates, interest rates, inflation, illiquidity and credit risk/limitations in access to capital), supply-demand and market risks (including commodity prices volatility and cost of materials and supplies), environmental risks and ESG challenges (climate change, greenhouse gas ("**GHG**") emissions, decarbonization, spills and solid/hazardous wastes management, pandemics, natural disasters and inclement weather conditions, workforce diversity, management risks, activist investors, reputation risks), and geopolitical risks (wars, regime changes, regulatory changes, sanctions, export controls and actions by major oil and gas producing sovereignties). Other increasingly significant risk factors include a dwindling talent pool (retirement of more-experienced employees, exacerbated by an incrementally negative attitude towards the oil and gas industry by new/younger employment market entrants), cybersecurity risks, inherent safety risks associated with oil and gas operations, operational and technological challenges, inaccuracies in reserve estimations, inadequate or unavailing insurance coverage, inter-reliance among players in the entire "well-to-wheel" supply chain, and growing competition from alternative energy sources. The onset, time span, magnitude, and impact of these risks range from hard to impossible to predict, and while we employ commercially reasonable efforts in evaluating our capital allocation and pursuit of commercial oil and gas opportunities, investors must diligently consider these risks.

The Partnership's exposure to the oil and gas industry represented approximately 68% of the Net Asset Value of the Partnership as of March 15, 2024. Accordingly, the Trust and the Partnership are subject to the risks of operating in the oil and gas industry. While the risks considered below are focused on the E&P Companies and the Wholly-Owned Subsidiaries, they are also applicable to investee companies of the Partnership that operate in the oil and gas industry. These risks, each acting separately or in a number of varying combinations, could have a material adverse effect on cash flows, earnings and financial conditions.

Industry Conditions

The oil and gas industry is subject to extensive controls and regulations imposed by various levels of government. It is not expected that any of these controls or regulations will affect the operations of the E&P Companies, the Wholly-Owned Subsidiaries and other investee companies of the Partnership in a manner materially different than they would affect other entities of similar size in the industry. All current legislation is a matter of public record, and the Partnership and the Portfolio Manager are unable to predict what additional legislation or amendments may be enacted.

Pricing and Marketing – Oil

In Canada and the United States, producers of oil negotiate sales contracts directly with oil purchasers. Oil prices are primarily based on worldwide and North American supply and demand. The specific price paid depends in part on oil quality, prices of competing fuels, distance to market, the value of refined products and the supply/demand balance. In the United States, transportation of crude oil is subject to rate and access regulation. The Federal Energy Regulatory Commission regulates interstate crude oil pipeline transportation rates under the *Interstate Commerce Act of 1887*. In general, such pipeline rates must be cost-based. Intrastate crude oil pipeline transportation rates may be subject to regulation by state regulatory commissions, such as the Texas Railroad Commission in Texas and the Wyoming Public Service Commission in Wyoming. The basis for intrastate pipeline regulation, and the degree of regulatory oversight and scrutiny given to intrastate crude oil pipeline rates, varies from state to state.

In Canada, on August 28, 2019, the Canadian Energy Regulator Act replaced the National Energy Board Act and the National Energy Board became the Canada Energy Regulator (the "**CER**"). The CER now has jurisdiction over Canadian inter-provincial and international transportation of oil and gas. While the regulations created under the National Energy Board Act remain in force, the CER is updating existing regulations and creating new regulations through a phased approach. The change in regulator from the NEB to the CER has not had and is not expected to have any particular effect beyond the general effects on the industry. Intra-provincial pipelines in Saskatchewan and Alberta are regulated by their respective provincial governments.

Oil exports from Canada may be made pursuant to an export contract with a term not exceeding one year in the case of light crude oil, and not exceeding two years in the case of heavy crude oil, provided that an order approving any such export has been obtained from the CER. Any oil export to be made pursuant to a contract of longer length (to a maximum of 25 years) requires an exporter to obtain an export licence from the CER and the issue of such a licence requires the approval of the Governor in Council.

On December 18, 2015, the U.S. Congress passed and the President signed legislation into law which repealed the 40-year old ban on exports of crude oil produced in the United States. Accordingly, most exports of domestically-produced crude oil may be made without an export license. Only exports to embargoed or sanctioned countries continue to require authorization from the U.S. Department of Commerce. Repealing the ban has resulted in a significant increase in crude oil exports—from less than a half a million bbls/d in 2015 to 3.3 million bbls/d in 2021—and expanded the market for U.S. crude oil to overseas buyers.

The North American Free Trade Agreement and the United States-Mexico-Canada Agreement

On January 1, 1994, the North American Free Trade Agreement ("**NAFTA**") among the governments of Canada, the United States and Mexico became effective. NAFTA carried forward most of the material energy terms contained in the Canada-U.S. Free Trade Agreement.

Following renegotiations between former U.S. President Donald Trump, Canadian Prime Minister Justin Trudeau, and former Mexican President Enrique Pena Nieto, NAFTA was replaced by the U.S.-Mexico-Canada Agreement ("**USMCA**"), which entered into force on July 1, 2020.

In the energy context, the USMCA keeps oil and gas products like gasoline tariff-free but lacks the proportionality rules contained in NAFTA, which committed Canada to selling a certain portion of its energy exports to the United States. Beginning in July 2022, the U.S. and Canada launched a series of complaints and requests for consultations regarding Mexican laws, policies and practices related to its energy sector, utilizing the dispute settlement procedures set forth in the USMCA. Although these complaints are directed toward Mexico's energy policies and unfair treatment of private investors, many regard the outcomes of the dispute as crucial for the credibility of the USMCA itself. As we approach the fourth anniversary of USMCA, the impact of the USMCA on energy markets remains uncertain. International trade agreements, including the USMCA, may impact the oil and gas industry at large and the business and financial condition of the E&P Companies and the Wholly-Owned Subsidiaries could be adversely affected.

Government Regulation

The oil and natural gas industry in the United States and Canada is subject to federal, state, provincial and municipal legislation and regulation governing such matters as land tenure, well spacing, the plugging and abandonment of wells, provisions related to the unitization or pooling of the oil and natural gas properties, commodity prices, production royalties, production rates, environmental protection controls (including climate change initiatives and GHG emissions and ESG programs), the exportation of crude oil, natural gas and other products, as well as other matters. The industry is also subject to regulation by governments in such matters, including laws and regulations relating to health and safety, the conduct of operations, the protection of the environment and the manufacturing, management, transportation, storage and disposal of certain materials used in the E&P Companies' operations. Failure to comply with these laws, regulations and permits may result in the assessment of administrative, civil and criminal penalties, the imposition of remedial obligations, the imposition of stricter conditions on or suspension or revocation of permits, the issuance of injunctions limiting or preventing some or all of the E&P Companies' operations, delays in granting permits and cancellation of leases. Moreover, these laws and regulations have continually imposed increasingly strict requirements for water and air pollution control and waste management. Significant expenditures may be required to comply with governmental laws and regulations applicable to the E&P Companies and Wholly-Owned Subsidiaries.

Government regulations may change from time to time in response to economic or political conditions. The exercise of discretion by governmental authorities under existing regulations, the implementation of new regulations or the modification of existing regulations affecting the crude oil and natural gas industry could reduce demand for services, increase costs to provide services and impact the financial condition of the E&P Companies and Wholly-Owned Subsidiaries. There can be no assurance that the provincial, state and local governments, the Government of Canada or the U.S. Federal Government will not adopt a new royalty regime or modify the methodology of royalty calculation which could increase the royalties paid by the E&P Companies' and Gator's customers, either of which could have a material adverse impact on the E&P Companies and Gator, respectively. Violations of laws and regulations could result in significant penalties, including the costs of remediating environmental contamination.

Environmental Regulation and Protection Requirements

All phases of the oil and natural gas business present environmental risks and hazards and are subject to environmental regulation pursuant to international conventions and national, provincial, state, territorial and municipal laws. Environmental legislation provides for, among other things, restrictions and prohibitions on spills, releases, discharges, or emissions of various substances produced or used in association with oil and gas operations, as well as requirements with respect to oilfield waste handling, storage and disposal, land reclamation, habitat and endangered species protection, and minimum setbacks of oil and gas activities from surface water bodies and other environmental features.

United States

Oil and natural gas operations in the United States are regulated by administrative agencies under statutory provisions of the states where such operations are conducted and by certain agencies of the federal government for operations on federal leases. These statutory provisions regulate matters such as the exploration for and production of crude oil and natural gas, including provisions related to permits for the drilling of wells, bonding requirements in order to drill or operate wells, the location of wells, the method of drilling and casing wells, surface use restrictions and access and restoration of properties upon which wells are drilled and the plugging and abandonment of wells.

Operations in the United States are also subject to various conservation laws and regulations which regulate matters such as the size of drilling and spacing units or proration units, the number of wells which may be drilled in an area, and the unitization or pooling of crude oil and natural gas properties. In addition, state conservation laws sometimes establish maximum rates of production from crude oil and natural gas wells, generally prohibit the venting or flaring of natural gas, and impose certain requirements regarding the rateability or fair apportionment of production from fields and individual wells. In some instances, compulsory pooling or unitization may be implemented by third parties and subject Invico Energy USA's non-operated working interest to third party operations.

These laws and regulations may impose numerous obligations on the operation of Invico Energy USA's non-operated working interest including the acquisition of a permit before conducting regulated drilling activities, the restriction of types, quantities and concentration of materials that can be released into the environment, the limitation or prohibition of drilling activities on certain lands lying within wilderness, wetlands and other protected areas, the application of specific health and safety criteria addressing worker protection and the imposition of substantial liabilities for pollution resulting from operation. Numerous governmental authorities and analogous state agencies have the power to enforce compliance with these laws and regulations and the permits issued under them. Such enforcement actions often involve taking difficult and costly compliance measures or corrective actions. Invico Energy USA may be required to

contribute to significant capital and operating expenditures or perform remedial or other corrective actions at its wells and properties to comply with the requirements of these environmental laws and regulations or the terms or conditions of permits issued pursuant to such requirements.

Failure to comply with these laws and regulations may result in the assessment of sanctions, including administrative, civil or criminal penalties, the imposition of investigatory or remedial obligations, and the issuance of orders limiting or prohibiting some or all operations. In addition, the operations may experience delays in obtaining or be unable to obtain required permits, which may delay or interrupt operations and limit growth and revenue. Such penalties, obligations, limits on operations or delays may adversely affect Invico Energy USA's business and financial condition.

The following is a summary of the more significant existing environmental, health and safety laws and regulations in the United States to which Invico Energy USA's business operations are subject and for which compliance may have a material adverse impact on Invico Energy USA's capital expenditures, results of operations or financial position.

The *Comprehensive Environmental Response, Compensation, and Liability Act* (the "**CERCLA**") and comparable state statutes impose strict, joint and several liability on owners and operators of sites and on persons who disposed of or arranged for the disposal of "hazardous substances" found at such sites. It is not uncommon for the government to file claims requiring cleanup actions, demands for reimbursement for cleanup costs, or natural resource damages, or for neighbouring landowners and other third parties to file claims for personal injury and property damage allegedly caused by hazardous substances released into the environment. The CERCLA currently excludes petroleum from its definition of "hazardous substance."

The federal *Solid Waste Disposal Act* and the federal *Resource Conservation and Recovery Act* and comparable state statutes govern the disposal of "solid waste" and "hazardous waste" and authorize the imposition of substantial fines and penalties for noncompliance, as well as requirements for corrective actions.

Other statutes relating to the storage and handling of pollutants include the *Oil Pollution Act of 1990* (the "**OPA**"), which requires certain owners and operators of facilities that store or otherwise handle oil to prepare and implement spill response plans relating to the potential discharge of oil into surface waters. The OPA contains numerous requirements relating to prevention of, reporting of, and response to oil spills into waters of the United States. State laws mandate oil cleanup programs with respect to contaminated soil. A failure to comply with the OPA's requirements or inadequate cooperation during a spill response action may subject a responsible party to civil or criminal enforcement actions.

The *Endangered Species Act* (the "**ESA**") seeks to ensure that activities do not jeopardize endangered or threatened animal, fish and plant species, or destroy or modify the critical habitat of such species. Under the ESA, exploration and production operations, as well as actions by federal agencies, may not significantly impair or jeopardize the species or its habitat. The ESA has been used to prevent or delay drilling activities and provides for criminal penalties for wilful violations of its provisions. Other statutes that provide protection to animal and plant species and that may apply to Invico Energy USA's operations include, without limitation, the *Fish and Wildlife Coordination Act*, the *Fishery Conservation and Management Act*, the *Migratory Bird Treaty Act*, and the *Bald and Golden Eagle Protection Act*.

The *National Environmental Policy Act* (the "**NEPA**") requires a thorough review of the environmental impacts of "major federal actions" and a determination of whether proposed actions on federal and certain Indian lands would result in "significant impact" on the environment. For purposes of NEPA, "major federal action" can be something as basic as issuance of a required permit. For oil and gas operations on federal and certain Indian lands or requiring federal permits, NEPA review can increase the time for obtaining approval and impose additional regulatory burdens on the natural gas and oil industry, thereby increasing Invico Energy USA's costs of doing business and its profitability.

The *Clean Water Act* (the "**CWA**") and comparable state statutes, impose restrictions and controls on the discharge of pollutants, including spills and leaks of oil and other substances, into waters of the United States. The discharge of pollutants into regulated waters is prohibited, except in accordance with the terms of a permit issued by the Environmental Protection Agency (the "**EPA**") or an analogous state agency. The CWA regulates storm water run-off from oil and natural gas facilities and requires a storm water discharge permit for certain activities. Such a permit requires the regulated facility to monitor and sample storm water run-off from its operations. The CWA and regulations implemented thereunder also prohibit discharges of dredged and fill material in wetlands and other waters of the United States unless authorized by an appropriately issued permit. The CWA and comparable state statutes provide for civil, criminal and administrative penalties for unauthorized discharges of oil and other pollutants and impose liability on parties responsible for those discharges for the costs of cleaning up any environmental damage caused by the release and for natural resource damages resulting from the release.

The *Safe Drinking Water Act* (the "**SDWA**") and the Underground Injection Control ("**UIC**") program promulgated thereunder, regulate the drilling and operation of subsurface injection wells. The EPA directly administers the UIC program in some states and in others the responsibility for the program has been delegated to the state. The program requires that a permit be obtained before drilling a disposal well. Violation of these regulations and/or contamination of groundwater by oil and natural gas drilling, production, and related operations may result in fines, penalties, and remediation costs, among other sanctions and liabilities under the SDWA and state laws. In addition, third party claims may be filed by landowners and other parties claiming damages for alternative water supplies, property damages, and bodily injury.

Operation of assets in which Invico Energy USA holds a working interest employ hydraulic fracturing techniques to stimulate oil and natural gas production from unconventional geological formations, which entails the injection of pressurized fracturing fluids into a well bore. At present, hydraulic fracturing is regulated primarily at the state level, typically by state oil and natural gas commissions and similar agencies. Indeed, the federal Energy Policy Act of 2005 amended the SDWA to exclude hydraulic fracturing from the definition of "underground injection" under certain circumstances. However, the repeal of this exclusion has been advocated by certain advocacy organizations and others in the public. Legislation to amend the SDWA to repeal this exemption and require federal permitting and regulatory control of hydraulic fracturing, as well as legislative proposals to require disclosure of the chemical constituents of the fluids used in the fracturing process, have been introduced in Congress and referred to the congressional committee on Environmental and Public Works.

Invico Energy USA is subject to a number of federal and state laws and regulations, including the federal *Occupational Safety and Health Act* (the "**OSHA**") and comparable state laws, whose purpose is to protect the health and safety of workers. In addition, the OSHA hazard communication standard, the EPA community right-to-know regulations under Title III of the federal *Superfund Amendment and Reauthorization Act* and comparable state statutes require that information be maintained concerning hazardous materials used or produced in Invico Energy USA's operations and that this information be provided to employees, state and local government authorities and citizens.

Public interest in the protection of the environment has increased dramatically in recent years. The Biden Administration continues to push for more stringent methane pollution limits for new and existing oil and gas operations, setting a target of reduction of more than 50% by 2030. These efforts, among others, are intended to support the President's stated goal of addressing climate change. Significant to the energy sector, the Biden Administration has further bolstered the drive for renewable energy investments with the passage of the *Inflation Reduction Act* (the "**IRA**") in August 2022. The IRA created a new Energy Infrastructure Reinvestment (EIR) Program that: (a) guarantees loans to projects that: (i) repurpose or replace energy infrastructure that has ceased operations; or (ii) enable operating energy infrastructure to "avoid, reduce, utilize, or sequester air pollutants or anthropogenic emissions of greenhouse gases"; (b) added a US$40 billion loan authority facility for projects eligible for loan guarantees under the Energy Policy Act of 2005; (c) removed the US$25 billion cap on the Advanced Technology Vehicles Manufacturing (ATVM) loans established under the Energy Independence and Security Act of 2007; and (d) increased the aggregate amount of loans available at any time under the Tribal Energy Loan Guarantee Program (TELGP) from $2 billion to $20 billion. Similarly, other significant pieces of US legislation enacted over the past 12 months, including the Infrastructure Investment and Jobs Act and the Creating Helpful Incentives to Production Semiconductors Act, are providing tailwinds for energy and other commercial development in the United States. In total, the IRA includes US$369 billion in spending and green-energy-related tax credits. All of the above mentioned efforts compound to create significant financial risks and competition challenges to traditional oil and gas energy businesses. Specifically, these administrative or congressional actions could adversely affect the Partnership's financial condition and results of operations by restricting the lands available for development and/or access to permits required for such development, or by imposing additional and costly environmental, health and safety requirements.

During the 2022 Colorado legislative session, more than 25 bills advancing climate and air quality, clean buildings, renewable energy, community resilience, transportation use, just transition, and healthy forests and sustainable water were passed. These bills also continue making progress on Colorado Greenhouse Gas Pollution Reduction Roadmap, which is the state's strategic plan to achieve the statutory goal of a 50% reduction in GHG pollution from economy-wide emissions below 2005 levels by 2030, and a 90% reduction by 2050. Certain local Colorado jurisdictions imposed moratoria or bans on hydraulic fracturing, all of which have been invalidated, including on appeal to the Colorado Supreme Court. However, following the amendments introduced by 2019 State Bill SB-181, increasing limits to oilfield development in Colorado continue to persist, such as a complete ban on routine flaring of gas and requiring wells to be 2,000 feet from homes. Indeed, disputes at the local level regarding high-intensity oil and gas development in proximity to residential areas have not subsided.

The trend of more expansive and stringent environmental legislation and regulations applied to the crude oil and natural gas industry could continue, resulting in increased costs of doing business and consequently affecting profitability. Changes in environmental laws, regulations and local ordinances occur frequently, and any changes that

result in more stringent or costly well drilling, construction, completion or water management activities or waste handling, storage, transport, disposal or cleanup requirements could require Invico Energy USA to make significant expenditures to attain and maintain compliance and may otherwise have a material adverse effect on the industry in general.

Canada

Environmental legislation in the Province of Saskatchewan is, for the most part, set out in the *Environmental Management and Protection Act*, *2010*, *The Saskatchewan Environmental Code,* the *Oil and Gas Conservation Act, The Pipeline Act, 1998* and *The Management and Reduction of Greenhouse Gases Act*. In Alberta, the key environmental legislation is the *Environmental Protection and Enhancement Act*, the *Water Act, the Pipeline Act, the Public Lands Act, the Emissions Management and Climate Resilience Act,* and the *Oil and Gas Conservation Act*.

The environmental legislation in Saskatchewan and Alberta regulates, among other things, harmful or potentially harmful activities and substances, any release of such substances, remediation of oil and gas sites and well, pipeline and facility decommissioning and abandonment obligations. Certain development activities in Saskatchewan and Alberta depending on the location, the specific activity and potential environmental impact, may also require an environmental impact review or assessment under provincial or federal environmental assessment legislation.

Environmental legislation also requires that wells and facility sites be located, constructed, operated, maintained, decommissioned, abandoned and reclaimed to the satisfaction of applicable regulatory authorities. Compliance with such legislation can require significant expenditures and a breach may result in the imposition of fines and penalties, some of which may be material, or in the suspension or revocation of necessary licences and approvals. Well abandonment and reclamation and facility decommissioning and site reclamation liability estimates are calculated based on the liability management programs in each of Saskatchewan and Alberta and may in some circumstances require the posting of financial security with regulators. In addition, Alberta requires energy companies to meet annual expenditure targets on suitable reclamation activities. Certain environmental protection legislation may subject Invico Energy Canada to statutory strict liability in the event of an accidental spill or discharge from a facility, meaning that fault need not be established if such a spill or discharge is found to have occurred.

Environmental legislation is evolving in a manner expected to result in stricter standards and enforcement, larger fines and liability, and potentially increased capital expenditures and operating costs. The discharge of oil, natural gas or other pollutants into the air, soil or water may give rise to liabilities to third parties or regulators or result in the suspension or revocation of regulatory approvals and may require Invico Energy Canada to incur costs to remedy such a discharge in an event not covered by insurance, which insurance is in line with industry practice. Furthermore, there will likely be incremental future costs associated with compliance with increasingly complex environmental protection requirements with respect to GHG emissions or otherwise, some of which may require the installation of emissions monitoring, measuring and reduction equipment, the verification and reporting of emissions data and additional financial expenditures to comply with GHG emissions reporting and reduction requirements.

Greenhouse Gas Emissions

United States

In recent years, United States federal, state and local governments have taken steps to reduce GHG emissions. The EPA has issued a series of GHG monitoring, reporting and emissions control rules for the oil and natural gas industry, and the United States Congress has, from time to time, considered adopting legislation to reduce emissions.

In November 2015, the United States participated in the twenty-first session of the Conference of the Parties of the United Nations Framework Convention on Climate Change ("**COP 21**") in Paris, France, the goal of which was to reach a new agreement for fighting global climate change. COP 21 resulted in the adoption of the Paris Agreement which made several recommendations, including: (a) holding the increase in the global average temperature to well below 2°C above pre-industrial levels and pursuing efforts to limit the temperature increase to 1.5°C above pre-industrial levels, recognizing that this would significantly reduce the risks and impacts of climate change; (b) increasing the ability to adapt to the adverse impacts of climate change and foster climate resilience and low GHG emissions development, in a manner that does not threaten food production; and (c) making finance flows consistent with a pathway towards low GHG emissions and climate-resilient development. The Paris Agreement came into effect on November 4, 2016.

The United States, under former U.S. President Donald Trump, initiated the formal process to withdraw from the Paris Agreement on November 4, 2019 which became effective November 4, 2020. The United States officially rejoined the Paris Agreement on February 19, 2021 under U.S. President Joe Biden, who pledged new emissions reduction

targets to achieve a net zero emissions economy by 2050. State and local climate regulatory efforts are expected to increase. In several U.S. states, the regulatory authorities are considering various GHG registration and reduction programs, including methane leak detection monitoring and repair requirements specific to oil and gas facilities.

The costs that may be associated with the impacts of climate change, the regulation of GHG emissions in the United States, and the pursuit of lower-emission business opportunities, all have the potential to affect Invico Energy USA's business in many ways, including increasing the costs to produce oil and natural gas and the demand for and consumption of oil and natural gas (due to changes in both costs and weather patterns). If the operators of Invico Energy USA's working interests are unable to recover or pass through a significant level of costs related to complying with United States climate change regulatory requirements, it could have a material adverse effect on its results of operations and financial condition. To the extent financial markets view climate change and GHG emissions as a financial risk, this will continue to impact the Partnership's cost of and access to capital. At this time, however, it is not possible to estimate the timing or effect of future laws or regulations or climatic changes on Invico Energy USA's business**.**

Canada

GHG emissions are regulated in each of Saskatchewan and Alberta. In Saskatchewan, the *Management and Reduction of Greenhouse Gases Act* and its regulations imposes reporting requirements on Saskatchewan facilities producing more than 10,000 tonnes of GHGs each year and requires oil and gas operators whose combined potential emissions are greater than 50,000 tonnes of GHGs per year to propose an emissions reduction plan in accordance with an annual emissions limit.

In Alberta, the *Emissions Management and Climate Resilience Act* and its regulations require facilities that emit 100,000 tonnes or more of GHGs per year to meet emission reduction targets and for facilities with emissions of 10,000 tonnes or more of GHG emissions per year to file reports with regulators.

Canada is a party to the Paris Agreement. In addition, over the last several years, the federal government has undertaken a number of initiatives to achieve domestic GHG reductions. These measures include regulations, codes and standards, targeted investments, incentives, tax measures and programs that directly reduce GHG emissions.

On June 21, 2018, the Government of Canada enacted the *Greenhouse Gas Pollution Pricing Act* ("**GGPPA**"). The GGPPA currently imposes a minimum tax of $65 per tonne of GHG emissions for any transportation, heating and certain power production fuels consumed or imported in provinces which do not have GHG emission reduction requirements that meet the federal standard set in the GGPPA. The GGPPA fuel charge will increase to $80 on April 1, 2024, and thereafter rise by $15 per year until it reaches $170 in 2030. The GGPPA fuel charge currently applies in Alberta and Saskatchewan, while the GGPPA's large emitter outer based pricing system does not. Where the GGPPA does not apply, provinces have enacted bespoke GHG legislation meeting the federal stringency criteria. In response to constitutional lawsuits started by several provinces claiming that the GGPPA is outside the scope of the Government of Canada's constitutional powers, in 2021 the Supreme Court of Canada ruled in favour of the constitutionality of the GGPPA.

In December 2023 the Government of Canada released a Regulatory Framework for an Oil and Gas Sector Greenhouse Gas emissions Cap (the "**Federal Emissions Cap Framework**"). The Federal Emissions Cap Framework proposes new regulations intended to cap 2030 GHG emissions from the Canadian oil and gas sector at 35% to 38% below 2019 levels, while providing compliance flexibilities to emit up to a level of 20% to 23% below 2019 levels. The Federal Emissions Cap Framework contemplates the implementation of a national cap-and-trade system through regulations made under the *Canadian Environmental Protection Act, 1999*. The regulations, if implemented, will establish GHG reporting and verification requirements and a legal upper limit on oil and gas sector GHG emissions.

In a cap-and-trade system, the regulator issues a quantity of emission allowances that set the emissions cap. Regulated entities are prohibited from emitting GHGs without remitting one emission allowance or other eligible compliance unit for each tonne of GHG emissions. Emission allowances and some other eligible compliance units can be bought and sold in an emissions trading market. The Federal Emissions Cap Framework proposes that other eligible compliance units will include domestic emission offset credits and the making of contributions to a decarbonization fund for a limited portion of GHG emissions.

Implementation of the regulations proposed in the Federal Emissions Cap Framework could require increased capital expenditures and operating costs for Invico Energy Canada and could potentially result in some oil and gas properties being shut in, which could have a material adverse effect on our financial condition and results of operations.

The increased price associated with fuels may reduce demand for oil and gas, while at the same time increasing operational costs. Invico Energy Canada anticipates that additional costs will be incurred to comply with reduction requirements and to perform necessary monitoring, measurement, verification and reporting of GHG emissions.

In addition, on June 29, 2016, Canada joined the United States and Mexico in agreeing to reduce methane emissions from the oil and gas sector by up to 45% by 2025 by developing and implementing federal regulations for both existing and new sources of venting and fugitive methane emissions. Previously, on March 10, 2016, Canada and the United States committed to take action on methane emissions through federal regulations as expeditiously as possible. On April 26, 2018, the Government of Canada passed the *Regulations Respecting Reduction in the Release of Methane and Certain Volatile Organic Compounds (Upstream Oil and Gas Sector)* (the "**Federal Methane Regulations**"). The Federal Methane Regulations came into effect on January 1, 2020, and apply nationally unless provinces reach equivalency agreements with the federal government. Methane emission reduction regulations in each of Saskatchewan and Alberta have been deemed equivalent to the Federal Methane Regulations and the Federal Methane Regulations do not apply in those provinces at present. Since the Federal Methane Regulations have come into force, Canada has revised its methane reduction target by committing to the Global Methane Pledge in November 2021. This commitment requires Canada to reduce methane emissions by at least 30% from 2020 levels by 2030 and reduce oil and gas sector methane emissions by 75% below 2012 levels by 2030.

In December 2023 the Government of Canada announced proposed regulatory amendments to the Federal Methane Regulations to achieve a reduction of methane emissions in the upstream oil and gas sector by at least 75% below 2012 levels by 2030.

Invico Energy Canada anticipates changes in environmental legislation may require reductions in emissions or emissions intensity from their operations and result in increased capital and operating expenditures. Further changes in environmental legislation could occur, which may result in stricter standards and enforcement, larger fines and liability and increased capital expenditures and operating costs, which could have a material adverse effect on our financial condition and results of operations.

Carbon Capture and Storage

The oil and gas industry in Canada is in the early stages of pursuing carbon capture and storage opportunities to reduce GHG emissions, thereby mitigating GHG emissions charges and regulatory impacts. Carbon capture and storage is a nascent industry, but is projected to be important to oil and gas companies in maintaining a competitive profile. The federal and provincial governments in Canada have indicated support for carbon capture and storage, but details on financial support have not yet fully been determined. Access to carbon capture and storage projects, especially in the early stages of development, could be competitive amongst companies and may affect the economics of certain oil and gas operations. Likewise, a lack of funding from government could impact the speed of development of carbon capture and storage operations, increasing competition.

Redwater Decision

On January 31st, 2019, the Supreme Court of Canada ("**SCC**") released its decision in *Orphan Well Association v Grant Thornton Ltd.* ("**Redwater**") whereby the SCC held that there is no operational conflict between provincial abandonment and reclamation legislation and the federal *Bankruptcy and Insolvency Act*, meaning that trustees and receivers can no longer prioritize creditors over the abandonment and reclamation obligations of a debtor's estate. The impact and consequences of the SCC's decision in Redwater on the lending practices in the oil and gas industry, and on the nature and determination of secured lenders to take enforcement proceedings, are expected to evolve as the consequences of the decision are evaluated and considered by regulators, lenders and receivers/trustees.

Volatility in the Oil and Gas Industry

General Background: Recent market events and conditions, including global tightening oil and natural gas supply, actions taken by OPEC, uncertain growth in emerging economies, market volatility, sovereign debt levels, political upheavals in various countries, lingering effects of COVID-19, uncertainty around continuing sanctions against Russia, Iran and Venezuela, conflict between the United States and Iran, the ongoing Russian invasion of Ukraine, the ongoing conflict between Israel and Hamas and its impact on the Arab world's interrelations with Israel and Israel's allies, and the slowing growth in China and emerging economies, have resulted in significant volatility in commodity prices. The 2015 oil price crash undermined energy sector expansion worldwide, and pricing recoveries in 2017 and 2018 were soon reversed by the COVID-19 demand shock and resulting disputes over pandemic-related production cuts, culminating with the drop of U.S. oil prices to below zero on April 20, 2020. This was further exacerbated by the onset of the COVID-19 global lockdown, an oil price war between Russia and Saudi Arabia and a glut oil production. Crude and natural gas prices strengthened in 2022, compared to the onset of the COVID-19 pandemic in

2020, as the global recovery from the COVID-19 pandemic and vaccine roll outs facilitated increased mobility, resulting in higher demand for crude oil and crude oil products and lower inventory levels. Crude and natural gas prices stabilized throughout 2023, with OPEC/Russia maintaining crude oil production cuts and a general equilibrium between supply and demand. In early 2024, natural gas prices have fallen due to significant oversupply, with storage at an 8-year high. In early 2024, crude prices have strengthened as global demand continues to recover towards pre-pandemic levels.

Russia-Ukraine War: Russia's invasion of Ukraine in February 2022, the resulting sanctions responses by the United States and other countries, and the continuing boycott of Russian oil and gas have pushed commodity prices even higher, although commodity prices exhibited signs of stabilization in 2023. The U.S. and other countries have imposed wide-ranging economic sanctions on Russia and certain Russian individuals, banks and corporations as a response to its invasion of Ukraine. The U.S. and other countries have also imposed economic sanctions on Belarus and may impose sanctions on other countries that support Russia's military invasion. These sanctions, as well as other economic consequences related to the invasion, such as disruptions in global supply chains, exacerbation of inflation due to reduced Russian energy supplies, growing political tensions between pro-Russia and pro-Ukraine allies (e.g., between the United States and China), boycotts and changes in consumer or purchaser preferences, will continue to affect global commodity pricing. Although Western governments have imposed additional sanctions against Russia's oil and gas industry (and the extent of such sanctions), commodity prices remained more stable in 2023, but Russia suffered significant demand cuts as the European Union, the U.S. and its allies further extended the ban on Russian oil and gas products. The extent and time span of Russia's military actions and the repercussions of such actions (including any retaliatory actions or countermeasures that may be taken by those subject to sanctions) are impossible to predict, but have resulted in ongoing significant market disruptions, including in the crude oil and natural gas markets, and continue to negatively affect global supply chains, inflation and global growth. Of note, the freeze of Russia's central bank assets has caused some countries to reconsider dropping their holding and use of the U.S. dollar (termed "**de-dollarization actions**"). The dollar has historically negatively correlated to oil prices — with price of oil decreasing and demand rising when the dollar depreciates. With de-dollarization, some oil and gas deals are now transacted in non-dollar currencies, e.g., Russian oil is either sold in the local currencies of the buyers or in the currencies of countries that are pro-Russia. This phenomenon, coupled with OPEC+ decision in November 2023 to reduce production by its member states in Q1 2024, is likely to destabilize the steady commodity prices and contribute to near-term volatility.

Israel-Hamas War and the Middle East Crises: On October 7, 2023, there was a Hamas-led attack on Israel, leading to an Israel Defense Force raid on the Gaza Strip on October 13, 2023 and also on October 26, 2023. A subsequent and ongoing full-blown counter-attack by Israel was launched on October 27, 2023. The tension between Palestine and its allies on one side and Israel and its allies on the other continue to plague the Middle East, with the war fueling Iran's support for Hamas and Houthi rebels. The Israel-Hamas war, the Israel-Iran proxy war, the US-Iran proxy war, and the Yemeni crisis, together comprise the "Middle East crises", which continue to create significant uncertainty on the global oil and gas industry. Attacks on crude oil ships and other commercial cargo vessels continue to disrupt supply chains and logistics in the Red Sea, the Gulf of Aden, and the Indian Ocean. To avoid attacks, hundreds of commercial vessels have had to reroute around South Africa. Despite the World Bank's pre-war prediction that commodity prices are expected to decline 4.1% overall in 2024, the true impact of the Middle East crises on commodity prices is yet to fully matriculate. While analysts have strong arguments for both sides — that the Middle East crises will or will not significantly affect oil prices — majority contend that an attack disrupting passage through the Strait of Hormuz (the world's most important oil artery carrying a fifth of global supply) would most certainly result in an oil crisis.

Regulatory Changes: Regulatory changes on taxes, royalty changes and environmental regulation that have been announced or may be implemented by the Canadian and the U.S. governments continue to usher in uncertainties that could impact oil and gas commodity prices. The Biden Administration continues to formulate and promulgate new regulatory and policy changes at the federal level in the U.S. that implicate fossil fuels, and policy changes by the federal government in Canada continue to create uncertainty as well. Generally, developments in energy transition regulations, government subsidies, and advancing technology in renewables continue to drive downward pressure on traditional fossil fuel energy sources. If the pace of change in the energy landscape is faster than anticipated, demand for oil, natural gas and associated derivative products will inevitably shrink, and our favorable business performance that enables access to capital could be adversely affected. More and more, companies are contending with broader stakeholder activism beyond the confines of their own shareholders, and business strategies are increasingly grappling with the growing influence that stakeholders have on global macroeconomics. Such activism may have trickledown effects on the aspirational goals that companies must set for their ESG and corporate social responsibility (CSR) vision. As the focus on climate change, sustainability, and other energy transition matters by governments, customers, investors and other stakeholders continues to grow, investors and financial institutions have signaled potential actions

to limit their funding to companies in fossil fuel-related industries, further adversely affecting access to capital and liquidity.

New federal rule on methane emissions: In December 2023, the U.S. Environmental Protection Agency (the "**EPA**") announced a final rule aimed at sharply reducing methane emissions and other air pollutants from oil and natural gas operations, estimating to cut up to 58 million tonnes of methane emissions (approximately 80% from what they would otherwise be) by 2038. The rule includes New Source Performance Standards (NSPS), which are geared towards reducing methane and smog-forming volatile organic compounds from new, modified, and reconstructed sources. In summary, the new rule and standard therein require, *inter alia*: (a) more stringent requirements for methane emissions monitoring and use of advanced leaks detection technologies at all well sites, centralized production facilities, and compressor stations; (b) additional rigor in documentation to ensure that wells are properly closed and plugged before monitoring is allowed to end; (c) that storage vessels and tank batteries are monitored for leaks and to reduce emissions by 95%; (d) new emissions standards for dry seal compressors, which were previously not regulated; and (e) owners and operators to employ best management practices to minimize or eliminate venting of emissions from gas well liquids unloading. The rule provides a one-year phase-in for zero-emissions standards for new process controllers and most new pumps outside of the state of Alaska, and a two-year phase-in period for operators to eliminate routine flaring of associated gas emitted from new oil wells. The new rule applies to emissions sources created on or after December 6, 2022 (the "**applicability date**"), with all sources constructed prior to the applicability date considered existing sources, and will have later compliance dates set under state plans. Many oil-producing states have expressed their concerns against the stringent rule, with the Texas Railroad Commission calling it "extremely unreasonable, time-consuming…undu[ly] burden[some] on regulators as well as the oil and gas industry, [and] forcing further emission reductions in remote, unmanned locations", and considers it to have ignored the vast improvements with reduced methane emissions in the state. The Petroleum Association of Wyoming contends that "the technical and complicated nature of th[e regulation] and trying to retrofit [existing] wells may [leave] shutting down as the only option." Production operations costs under this rule will likely increase, cutting into expected returns.

Proposed federal rule on bonding requirements: In an effort to reduce taxpayers' burden on the costs incurred by the government to cleanup and plug abandoned oil and gas wells, the U.S. Department of the Interior's Bureau of Land Management (BLM) announced in 2023 a proposal for a new rule to reform the federal bonding requirements. The reforms come more than 60 years after the Agency last updated the minimum bond amounts companies must pay before they can drill on BLM leases. If finalized, it is hoped that the rule would put companies under more pressure to complete their drilling projects through plugging and cleanup stage, and at the same time disincentivize speculators or less responsible actors. The BLM notes that bonding under the existing rule does not nearly net sufficient funds to cover the cost that the BLM has to spend on reclamation and cleanup of abandoned wells. Currently, operators can choose to post bonds equal to US$10,000 per lease, or US$25,000 per state where they operate or US$150,000 for all their wells on federal lands nationwide, while the BLM estimates that it can cost between US$35,000 and US$200,000 just to plug one well. The proposed rule would eliminate the federal blanket bond and raise the remaining minimum bond amounts to US$150,000 per lease and US$500,000 per state. The BLM is currently reviewing stakeholders' comments and expects to issue a final rule in the spring of 2024.

Other federal regulatory changes of note: Currently in development is another EPA-proposed rule (under EPA Docket ID No. EPA–HQ–OAR–2023–0406) to amend the *National Emission Standards for Hazardous Air Pollutants* (40 CFR part 63, subparts HH and HHH. 64 FR 32610 (June 17, 1999) (the Oil and Gas NESHAP, issued under the *Clean Air Act*, the "**CAA**") to remove the affirmative defense provisions thereunder for both the Oil and Natural Gas Production source category and the Natural Gas Transmission and Storage source category. A 2012 amendment of the regulation included provisions allowing owners and operators to assert an affirmative defense to civil penalties for violations caused by malfunctions. *See* 40 CFR 63.762 and 63.1672. Subsequently in 2014, the United States Court of Appeals for the District of Columbia Circuit (D.C. Circuit Court) vacated the affirmative defense in *Natural Resource Defense Council (NRDC) v. EPA*, 749 F.3d 1055 (D.C. Cir., 2014), finding that the EPA lacked authority to establish an affirmative defense for private civil suits and holding that under the CAA, the authority to determine civil penalty amounts lies exclusively with the courts. The proposed rule is EPA's attempt to comport the regulations to align with this court decision.

In 2023, Texas lawmakers introduced several significant regulatory changes that impact the oil and gas industry. The most notable ones include: (a) new laws related to water infrastructure that may affect "produced water", which is generated during oil and gas production operations. Senate Bill 28 (SB 28) and Senate Joint Resolution 75 (SJR 75) establish the New Water Supply for Texas Fund, aimed at financing projects to create new water supplies. These funds could benefit desalination projects for brackish and produced water; (b) a measure to make the state a safe haven for the oil and gas industry by shielding it from federal climate and environmental regulations. While this move is largely symbolic, it underscores Texas's stance on protecting the oil and gas industry; (c) proposed legislation focused on creating incentives to reduce gas flaring. The primary goal of these proposed regulations is to encourage more efficient

use of natural resources in the oil and gas sector. Under current regulation, a severance tax of the greater of 4.6% of "market rate" for oil or 4.6 cents per barrel of oil produced in Texas is imposed (Tex. Tax Code §§ 202.051, 202.052(a)). Similarly, a severance tax of 7.5% of the market value of gas produce and saved in Texas imposed (Tex. Tax Code § 201.001(4)). While some of the Bills introduced in the state's legislature sought to either negatively or positively incentivize reduced flaring (e.g., HB 228 proposed a 25% production tax on the market value of any gas produced and flared or vented, while HB 3321 proposed the creation of a tax credit for gas flare mitigation), only HB 591 made through and is currently in the House Ways & Means Committee review stage. This Bill will provide a new severance tax exemption that applies only on gas produced and consumed within 1000 feet of the producing well on site but would have otherwise been lawfully vented or flared, and only from certain qualifying wells (i.e. wells that generally do not have access to a pipeline) (Tex. H.B. 591, 88th Leg., R.S. (2023)); and (d) new legislation aimed at providing tax abatement that favors natural gas electric power plants over solar and wind. House Bill 5 offers the tax incentive to power producers operating dispatchable electric generation facilities (such as natural gas plants), while excluding operators of non-dispatchable electric power generation facilities (such as wind and solar). House Bill 5 took effect January 1, 2024.

In North Dakota, a gross production tax of 5% is imposed instead of property taxes on oil and gas producing properties. An extraction tax of 5% is also levied on the extraction of oil from the earth. Similarly, gas is subject to a flat rate that is adjusted annually based on the average producer price index for gas fuels. In a bid to stabilize oil production and spur more investment in oil and gas in the state, the North Dakota legislature passed House Bill 1286 in February 2023 and signed into law on March 30, 2023. The old policy required oil producers to pay a higher tax rate when the average price of oil hit a certain "trigger" price. The new law, which amended and reenacted § 57-51.1-02 of the North Dakota Century Code with an effective date of June 30, 2023, provides an irrevocable opt-out opportunity to avoid the increase in the oil extraction tax rate (from base rate of 5% to 6%) when oil prices hit the so-called "trigger" price. With support from the North Dakota Petroleum Council, the new law's opt-out opportunity is exercised by providing a written notice to the State's tax commissioner. Producer who prefer to not opt out are subject to a tax rate of 6% triggered when the average price of a barrel of crude oil exceeds the trigger price of US$90.00 for each month in any consecutive three-month period (*see* North Dakota Century Code § 57-51.1-02).

Wyoming's energy sector remains the number one industry in terms of economic development and employment, and the state legislation continues to act favourably to protect this status. Over 50% of the state's property taxes are derived from oil, gas and coal minerals taxes. Following increased property taxes in 2022, Wyoming legislature had introduced a proposed Bill (Senate File No. SF0136) which aimed at reducing the assessment rate for all real and personal property for the 2023, 2024 and 2025 tax years from 9.5% to 8.5%. This Bill failed at the Senate committee stage in February 2023, handing its opponents a big win, who contended that the state's budget deficit created by such a tax relief would effectively be shouldered by the local governments, cities, and school districts. Taxes present a significant disproportionate chokehold to Wyoming's small oil businesses, which constitute about one-third of the state's oil and gas production. The Petroleum Association of Wyoming has continued to make the case that the heavy tax burden, rather than the changing regulatory environment, is the primary challenge for Wyoming's oil and gas industry, pointing to the fact that the state's effective tax rate is higher than that of neighboring states like Colorado and New Mexico. Faced with the tough federal government's stance on leasing programs for federal land, Wyoming's oil and gas industry may increasingly have to rely on legacy wells and incentivizing utilization of these wells through favorable bonding requirements that can spur investor appetite and help revitalize existing oil and gas infrastructure. Of note, Wyoming's 2015 overhaul of its bonding regulations (giving companies the option to bond each well at US$10 per foot or put up a blanket bond of US$100,000, an additional US$10-per-foot bond on idle wells, and an additional conservation tax) have been deemed much stronger than the existing BLM requirements, and are considered stronger than parts of the proposed federal rule. Wyoming's regulatory changes are intended to address the legacy of abandoned wells in the Powder River Basin, but unfortunately these existing wells continue to see declining production. Despite the challenging landscape, oil production was at a near 10-year high with over 95 million barrels (second only to the 2019 high and an increase of 3 million barrels from 2022), according to the Wyoming State Geological Survey (WSGS). However, despite the strong performance in oil production, natural gas production continued to decline in Wyoming in 2023.

In Colorado, the state took steps to promote clean energy sources and reduce greenhouse gas emissions by signing into law several bills, that included: (a) progressively reducing emissions to achieve net-zero greenhouse gas emissions by 2050 (SB23-016, effective August 7, 2023); (b) a program focused on automating and streamlining local solar energy permitting to encourage solar adoption (HB23-1234, effective August 7, 2023): and, (c) a decarbonization tax credit law geared at incentivizing more electric vehicles, geothermal, heat pump, and industrial clean energy by creating a US$200 million tax incentives package distributable over the next several years (HB23-1272, effective May 11, 2023). In addition, Colorado passed a Utility Regulation bill aimed at protecting energy consumers from high energy price swings. This new law prohibits investor-owned electric or gas utility companies from recovering certain enumerated costs from its consumers, including more than 50% of its compensation to its board of directors, any tax

penalties or fines, certain advertising and public relations expenses, charitable giving, political contributions, gifts or entertainment expenses, etc. (SB23-291, effective August 7, 2023). Further, the Colorado Governor signed into law a carbon management regulation, providing for grants to carbon management projects under the industrial and manufacturing operations clean air grant program and providing for the creation of a carbon management roadmap (HB23-1210, effective August 7, 2023), and a law promulgated to advance the use of clean hydrogen (derived from water) in the state (HB23-1281, effective August 7, 2023). Finally, Colorado changed the name of its state regulator from "Oil and Gas Conservation Commission" to "Energy and Carbon Management Commission", giving it broader mandate beyond oil and gas regulation (SB23-285, effective July 1, 2023). The various regulatory changes, including the regulator's name change, signal a strong position by Colorado towards renewable and away from traditional fossil fuel energy source.

On May 19, 2023, the Montana legislature passed and signed into law House Bill 971 (HB 971, which directs the state not to analyze greenhouse gas emissions in environmental permits) and Senate Bill 557 (SB 557, which put stricter parameters around nonprofit groups' ability to sue under the Montana Energy Policy Act (MEPA) by requiring groups challenging state permitting actions to post a bond before filing a lawsuit or seeking a preliminary injunction). This was against the backdrop set by *Held v. Montana*, a lawsuit filed in 2020 by a group of 16 Montana youths against the state for the state's violation of the youths' rights to a clean and healthful environment under the Montana's 1972 Constitution, which includes the state's responsibility as trustee to preserve a "clean and healthful environment" for "present and future generations", to adopt laws that protect the state's "environmental life support system" and guard against "unreasonable depletion and degradation" of its natural resources. *Held* was the first youth climate lawsuit in the country to go to trial, and in August 2023, the trial court granted the youths a win and effectively rolling back HB 971 and SB 557, a holding that was affirmed by the Montana Supreme Court. Notable is that earlier in 2023, the legislature passed, and the Governor signed into law on May 2, 2023, HB 170, a pro-oil and gas proposal that repealed the MEPA (Mont. Code Ann. §§ 90-4-1001 and 90-4-1003), with an immediate effective date. This legislative decision was not enjoined by the *Held* court, and as such MEPA remains repealed.

In summary, regulatory changes at both the federal and the states' levels will continue to have long-term effects on the oil and gas industry. While issuers must remain vested in staying informed and adapt to these developments to ensure compliance and assess the potential volatility impact on commodity prices as they make strategic investment decisions, individual investors must in tandem continually and intentionally keep abreast with these change to ensure they understand the risks they are exposed to via their investment.

Volatile commodity prices may affect the recoverable volumes and value of reserves, rendering certain reserves uneconomic. In addition, volatile commodity prices may restrict the E&P Companies' cash flow resulting in a reduced capital expenditure budget. Consequently, the E&P Companies and their operators may not be able to forecast the need for replacement production with additional reserves and the E&P Companies' may therefore have difficulty utilizing existing reserves and bringing new reserves online. See "*Commodity Price Volatility*" below.

Consultation with First Nations Groups

The interpretation of aboriginal and treaty rights continues to evolve and government policy (including with respect to regulations that affect our industry and operations) continues to change. In many circumstances, First Nations in Canada are entitled to be consulted prior to resource development on Crown lands. The consultation processes and expectations of parties involved can vary considerably from project to project (and from First Nation to First Nation), which can contribute to process uncertainty, increased costs, delay in receiving required approvals, and potentially, an inability to secure the required approvals for some projects. Additionally, some types of claims may affect or limit the ability to secure locations for capital projects.

Opposition by First Nations groups to industrial development or activity may also negatively affect operations. In May 2016, Canada announced its support for the United Nations Declaration on the Rights of Indigenous Peoples ("**UNDRIP**") which, among other things, seeks to protect indigenous peoples' human and land rights. The principles and objectives of UNDRIP have also been endorsed by the Government of Alberta. The means of implementation of UNDRIP by government bodies are uncertain and may include an increase in consultation obligations and processes associated with project development, posing risks and creating uncertainty for regulatory approval timelines and requirements. In 2018, Canada released plans to introduce a new framework, including new legislation, specifically aimed at recognizing and implementing First Nations rights, and potentially clarifying consultation processes, through direct government to government engagement rather than through the courts. "Bill C-262: An Act to ensure that the laws of Canada are in harmony with the United Nations Declaration on the Rights of Indigenous Peoples" is currently being considered by the Canadian government.

A case currently before the Canadian courts, *Anderson v Alberta (Attorney General)*, is based on a claim by the Beaver Lake Cree Nation involving the First Nation's right to hunt and fish on their treaty lands. The First Nation claims that

Canada and Alberta violated their Treaty 6 promises and compromised the First Nation's ability to pursue its traditional way of life by improperly allowing the First Nation's traditional lands to be taken up for resource and industrial and development. Pending a decision, this case could lead to significant disruptions in licencing of oil and gas activities in Alberta.

Royalties and Land Tenure

In addition to federal regulation, each province in Canada and state in the United States has legislation which governs land tenure, royalties, production rates, environmental protection and other matters. In all jurisdictions where the E&P Companies hold working interests, producers of oil and natural gas are required to pay annual rental payments in respect of state, federal or Crown leases and royalties and freehold production taxes in respect of oil and natural gas produced from Crown and freehold lands, respectively. The royalty regime is a significant factor in the profitability of oil and natural gas production. Royalties payable on production from lands other than state, federal or Crown lands are determined by negotiations between the mineral owner and the lessee. State, federal and Crown royalties are determined by governmental regulation and are generally calculated as a percentage of the value of the gross production, and the rate of royalties payable generally depends in part on prescribed reference prices, well productivity and depth, geographical location, field discovery date and the type or quality of the petroleum product produced.

Colorado, North Dakota, Wyoming and Texas

In the United States, royalties payable for oil and gas production vary depending on whether the oil and gas estate is owned by the federal government, the state government or a private landholder. The current federal royalty rate for onshore U.S. federal oil and gas leases is 12.5%. Oil and gas leases with respect to oil and gas properties owned by the State of Colorado, the State of Wyoming, the State of Texas and the State of North Dakota are issued by the Colorado State Land Board, Wyoming Board of Land Commissioners, Texas General Land Office and North Dakota Department of Trust Lands, respectively. Such Colorado oil and gas leases have a primary term not to exceed five years and as long thereafter as oil or gas is produced and shall provide for a standard royalty rate of not less than 12½% of all oil and gas produced, saved, and marketed, or the equivalent market value thereof, with proportionate reduction allowed for post-production costs as agreed under the lease if interest of the county is less than the full interest in the land or oil and gas rights under the applicable lease (Colo. Rev. Stat. §30-11-302 (2023)). Such Wyoming oil and gas leases have a primary term of no less than five years, an annual rental rate of no less than US$1.00 per acre (for non-producing leases) or US$2.00 per acre (for producing leases) and a standard royalty rate of 16⅔% (or 12½% in a re-offer where competitive bidding results in no offer). Such Texas oil and gas leases attract a rental rate of US$2.50 per acre during the entirety of the lease and a royalty of between 20% to 25%, which can be paid in cash or, in the case of the State Power Program, in actual oil and gas. Such North Dakota oil leases have a primary term of five years, an annual rental rate of at least US$1.50 per acre (increases in the 6th year) and a standard royalty rate of no less than 12½% (unless approved by the Board of University and School Lands (the "**Board**"), typically for secondary recovery wells). Leases for gas must be made by the Board in such annual payments as are determined by the Board, which has leeway to adopt rules regarding any annual payments and royalties (ND Cent. Code § 15-05-10). Royalties payable under private oil and gas leases in the U.S. are determined by negotiations between the mineral owner and the lessee.

Saskatchewan and Alberta

Saskatchewan

With respect to production obtained from Crown lands in the Province of Saskatchewan, the amount payable as a royalty in respect of crude oil depends on the vintage of the oil, the type of oil, the quantity of oil produced in a month, and the price of the oil. For both Crown royalty and freehold production tax purposes, crude oil is categorized by oil type as either "heavy oil", "southwest designated oil", or "non-heavy oil other than southwest designated oil". Additionally, the oil in each category is subdivided according to the conventional royalty and production tax classifications as either "fourth tier oil", "third tier oil", "new oil", or "old oil". Depending on the categorization and classification of the oil, monthly production, and a prescribed reference price determined monthly by the Saskatchewan Ministry of Energy and Resources, the royalty reserved to the Crown ranges from 0% to 45%.

Similarly, the amount payable as a royalty in respect of natural gas in the Province of Saskatchewan depends on the vintage of the gas, the type of gas production, the quantity of gas produced in a month, and the price of the gas. For both Crown royalty and freehold production tax purposes, natural gas is categorized as either non-associated gas or associated gas, the former being gas produced from gas wells and the latter being gas produced from oil wells. Additionally, the gas is divided according to the royalty and production tax classifications as either "fourth tier gas", "third tier gas", "new gas", or "old gas". Depending on the categorization and classification of the natural gas, monthly production, and a reference price, the royalty reserved to the Crown ranges from 0% to 45%. As an incentive for the

production and marketing of natural gas which may otherwise have been flared, the royalty rate on associated gas is less than on non-associated natural gas.

From time to time, the Government of Saskatchewan has established incentive programs which have included royalty rate reductions, royalty holidays and tax credits for the purpose of encouraging oil and natural gas exploration or enhanced production projects. Such programs are generally introduced when commodity prices are low and are designed to encourage exploration and development activity by improving earnings and cash flow within the industry. These programs reduce the amount of Crown royalties otherwise payable.

Approximately one-fifth of the mineral rights in the Province of Saskatchewan are freehold mineral rights not owned by the Crown. With respect to production from freehold lands, the tax levied on oil and gas production in the Province of Saskatchewan will depend on the classification of the oil or gas.

Alberta

Crown royalties: In Alberta, oil and natural gas producers operating on Crown lands are responsible for calculating their royalty rate on an ongoing basis. The Crown's royalty share of production is payable monthly and producers must submit their records showing the royalty calculation. The *Mines and Minerals Act* was amended in 2014 to shorten the window during which producers can submit amendments to their royalty calculations before they become statute-barred, from four years to three. In 2016, the Government of Alberta adopted a modernized Crown royalty framework that applies to all conventional oil and natural gas wells drilled after December 31, 2016, that produce Crown owned resources. The previous royalty framework continues to apply to wells producing Crown owned resources that were drilled prior to January 1, 2017, until December 31, 2026, following which time they will become subject to the modernized framework. The *Royalty Guarantee Act* (Alberta), came into effect on July 18, 2019, and provides that no major changes will be made to the current oil and natural gas royalty structure for a period of at least 10 years. Royalties on production from wells subject to the modernized framework are determined on a "revenue-minus-costs" basis. The cost component is based on a drilling and completion cost allowance formula that relies, in part, on the industry's average drilling and completion costs, determined annually by the Alberta energy regulator, and incorporates information specific to each well such as vertical depth and lateral length. Under the modernized framework, producers initially pay a flat royalty of 5% on production revenue from each producing well until payout, which is the point at which cumulative gross revenues from the well equals the applicable drilling and completion cost allowance. After payout, producers pay an increased royalty of up to 40% that will vary depending on the nature of the resource and market prices. Once the rate of production from a well is too low to sustain the full royalty burden, its royalty rate is gradually adjusted downward as production declines, eventually reaching a floor of 5%. Under the previous framework, royalty rates for conventional oil production can be as high as 40% and royalty rates for natural gas production can be as high as 36%. Similar to the modernized framework, these rates vary based on the nature of the resource and market prices. The natural gas royalty formula also provides for a reduction based on the measured depth of the well, as well as the acid gas content of the produced gas. In addition to royalties, producers of oil and natural gas from Crown lands in Alberta are also required to pay annual rentals to the Government of Alberta.

Freehold royalties and taxes: Royalty rates for the production of privately owned oil and natural gas are negotiated between the producer and their source owner. The Government of Alberta levies annual freehold mineral taxes for production from freehold mineral lands. On average, the tax levied in Alberta is 4% of revenues reported from freehold mineral title properties and is payable by the registered owner of the mineral rights.

Seasonality

The level of activity in the Canadian and United States oil and gas industry is influenced by seasonal weather patterns. Wet weather and spring thaw may make the ground unstable. Consequently, municipalities and provincial transportation departments may at times restrict the movement of drilling rigs and other heavy equipment, thereby reducing activity levels. Also, certain oil and natural gas producing areas are located in areas that are inaccessible other than during the winter months because the ground surrounding the sites in these areas consists of swampy terrain. Additionally, drought can lessen the availability of water used in our operations. Seasonal factors and unexpected weather patterns may lead to declines in exploration and production activity and corresponding declines in the demand for the goods and services of the E&P Companies and of Wholly-Owned Subsidiaries.

Commodity Price Volatility

The E&P Companies' results of operations and financial condition are dependent on the prevailing prices of crude oil and natural gas. Crude oil and natural gas prices have fluctuated widely in the recent past and are subject to fluctuations in response to relatively minor changes in supply, demand, market uncertainty, geopolitics and other factors that are beyond the E&P Companies' control. See "*Volatility in the Oil and Gas Industry*" above. In addition, significant

growth in crude production volumes in Western Canada and the United States has resulted in pressure on transportation and pipeline capacity, maintaining the light oil pricing differential between WTI and Cromer/WCS/Hardisty. These factors can result in a high degree of price volatility.

Fluctuations in the price of commodities and associated price differentials may impact the value of the E&P Companies' assets and the E&P Companies' ability to maintain their business and to fund growth projects. Prolonged periods of commodity price depression and volatility may also negatively impact the E&P Companies' ability to meet guidance targets and meet all of their financial obligations as they come due. Any substantial and extended decline in the price of oil and gas would have an adverse effect on the E&P Companies' carrying value of their reserves, borrowing capacity, revenues, profitability and cash flows from operations and may have a material adverse effect on the E&P Companies' business, financial condition, results of operations, prospects and the level of expenditures for the development of oil and natural gas reserves, including delay or cancellation of existing or future drilling or development programs or curtailment in production.

Any material or sustained decline in prices could result in a reduction of the E&P Companies' net production revenue. The economics of producing from some wells may change as a result of lower prices, which could result in reduced production of oil or gas and a reduction in the volumes of the E&P Companies' reserves. Invico Energy USA, Invico Energy Canada and/or their partners might also elect not to produce from certain wells at lower prices. All of these factors could result in a material decrease in the E&P Companies' expected net production revenue and a reduction in their oil and gas acquisition, development and exploration activities.

Crude oil and natural gas prices are expected to remain volatile. Volatile oil and gas prices make it difficult to estimate the value of producing properties for acquisition and often cause disruption in the market for oil and gas producing properties, as buyers and sellers have difficulty agreeing on such value. Price volatility also makes it difficult to budget for and project the return on acquisitions and development and exploitation projects. In the post-COVID-19 era since the lifting of lockdown restrictions, however, we have seen some stabilization in global oil and gas demand, resulting in commodity prices stabilizing from end 2022 through mid-2023 (when the average monthly Brent crude oil price hovered between US$82.50 per barrel in January 2023 and US$74.84 per barrel in June 2023), followed by a steady increase to a high of US$93.72 in September 2023. The average monthly Brent crude oil price closed at US$83.48 per barrel in December 2023. While this price is a significant drop from a high of US$122.71 per barrel in June 2022, post-COVID-19 oil demand grew steadily into early 2023 as the world continued to adjust to the new normal. The International Energy Agency (the "**IEA**") predicts that global crude oil consumption will rise by 1.1 million barrels per day (bpd) in 2024, up 130,000 bpd from IEA's previous forecast, pegged to an improvement in the demand outlook for the United States and lower oil prices.

The E&P Companies conduct regular assessments of the carrying value of their assets in accordance with IFRS. If crude oil and natural gas prices decline significantly and remain at low levels for an extended period of time, the carrying value of the E&P Companies' assets may be subject to impairment. The Partnership considers entering into hedging transactions in an effort to protect against commodity price volatility.

Demand for the services provided by Gator is directly impacted by the prices that Gator's customers receive for the crude oil and natural gas they produce. The prices received, and the volumes produced have a direct correlation to the cash flow available to invest in drilling activity and other oilfield services. Prices for oil and natural gas are subject to large fluctuations in response to relatively minor changes in the supply of, and demand for, oil and natural gas, market uncertainty and a variety of additional factors beyond the control of Gator.

Gator only rents tools and has very limited field operations and employee overhead as field activity is restricted to the training of clients in the operations of such tools.

Markets and Marketing

The marketability and price of crude oil and natural gas that may be acquired or discovered by the E&P Companies is and will continue to be affected by numerous factors beyond their control. The E&P Companies' and their operators' ability to market crude oil and natural gas may depend upon the ability to acquire space on pipelines, tanker trucks, and other transportation methods that deliver crude oil and natural gas to commercial markets. The E&P Companies and their operators may also be affected by deliverability uncertainties related to the proximity of their reserves to pipelines, tanker trucks, other transportation methods and processing and storage facilities and operational problems affecting such transportation methods and facilities as well as extensive government regulation relating to price, taxes, royalties, land tenure, allowable production, the export of oil and natural gas and many other aspects of the oil and gas business. The amount of crude oil and natural gas that can be produced and sold is subject to curtailment in certain other circumstances, such as pipeline interruptions due to scheduled and unscheduled maintenance, excessive pressure, physical damage and extreme weather conditions. Also, the shipment of the E&P Companies' crude oil and natural

gas on third-party pipelines may be curtailed or delayed if it does not meet the quality specifications of the pipeline owners. The curtailments arising from these and similar circumstances may last from a few days to several months. Any significant curtailment in gathering system or transportation, processing, or refining-facility capacity could reduce the E&P Companies' or their operators' ability to market oil production and have a material adverse effect on the E&P Companies' financial condition and results of operations.

Equipment, Materials and Labour Shortages

The oil and natural gas industry is cyclical, which can result in shortages of drilling rigs, equipment, raw materials, supplies and personnel. When shortages occur, the costs and delivery times of rigs, equipment, and supplies increase and demand for, and wage rates of, qualified drilling rig crews also rise with increases in demand. In accordance with customary industry practice, the E&P Companies and their operators rely on independent third-party service providers to provide many of the services and equipment necessary to drill new wells. If the E&P Companies or their operators are unable to secure a sufficient number of drilling rigs at reasonable costs, the E&P Companies' financial condition and results of operations could suffer. Shortages of drilling rigs, equipment, raw materials, supplies, personnel and production equipment could delay or restrict the E&P Companies' or their operators' exploration and development operations, which in turn could have a material adverse effect on the E&P Companies' financial condition and results of operations.

Exploration, Development and Production Risks

Oil and natural gas operations involve many risks that even a combination of experience, knowledge and careful evaluation may not be able to overcome. The long-term commercial success of the E&P Companies depends on their ability to find, acquire, develop and commercially produce oil and natural gas reserves. Without the continual addition of new reserves, any existing reserves held by the E&P Companies at any particular time, and the production therefrom will decline over time as such existing reserves are exploited. A future increase in the E&P Companies' reserves will depend not only on their ability to explore and develop any properties it may have from time to time, but also on their ability to select and acquire suitable producing properties or prospects. No assurance can be given that the E&P Companies will be able to continue to locate satisfactory properties for acquisition or participation. Moreover, if such acquisitions or participations are identified, management of the E&P Companies may determine that current markets, terms of acquisition and participation or pricing conditions make such acquisitions or participations uneconomic. There is no assurance that further commercial quantities of oil and natural gas will be discovered or acquired by the E&P Companies.

Future oil and natural gas exploration may involve unprofitable efforts, not only from dry wells, but also from wells that are productive but do not produce sufficient petroleum substances to return a profit after drilling, operating and other costs. Completion of a well does not assure a profit on the investment or recovery of drilling, completion and operating costs. In addition, drilling hazards or environmental damage could greatly increase the cost of operations, and various field operating conditions may adversely affect the production from successful wells. These conditions include delays in obtaining governmental approvals or consents, shut-ins of connected wells resulting from extreme weather conditions, insufficient storage or transportation capacity or other geological and mechanical conditions. While diligent well supervision and effective maintenance operations can contribute to maximizing production rates over time, production delays and declines from normal field operating conditions cannot be eliminated and can be expected to adversely affect revenue and cash flow levels to varying degrees. Oil and natural gas exploration, development and production operations are subject to all the risks and hazards typically associated with such operations, including hazards such as fire, explosion, blowouts, cratering, sour gas releases and spills, each of which could result in substantial damage to oil and natural gas wells, production facilities, other property and the environment or personal injury. In particular, the E&P Companies may explore for and produce sour natural gas in certain areas. An unintentional leak of sour natural gas could result in personal injury, loss of life or damage to property and may necessitate an evacuation of populated areas, all of which could result in liability to the E&P Companies. In accordance with industry practice, the E&P Companies are not fully insured against all of these risks, nor are all such risks insurable. Although the E&P Companies maintain liability insurance in an amount they considered consistent with industry practice, the nature of these risks is such that liabilities could exceed policy limits, in which event the E&P Companies could incur significant costs. Oil and natural gas production operations are also subject to all the risks typically associated with such operations, including encountering unexpected formations or pressures, premature decline of reservoirs and the invasion of water into producing formations. Losses resulting from the occurrence of any of these risks may have a material adverse effect on the E&P Companies' business, financial condition, results of operations and prospects.

Additional Funding Requirements

The E&P Companies' cash flow from their reserves may not be sufficient to fund their ongoing activities at all times. From time to time, the E&P Companies may require additional financing in order to carry out their oil and gas acquisition, exploration and development activities. Failure to obtain such financing on a timely basis could cause the E&P Companies to forfeit their interest in certain properties, miss certain acquisition opportunities and reduce or terminate their operations. If the E&P Companies' revenues from their reserves decrease as a result of volatile oil and natural gas prices or otherwise, it will affect the E&P Companies' ability to expend the necessary capital to replace their reserves or to maintain their production. If the E&P Companies' cash flow from operations is not sufficient to satisfy their capital expenditure requirements, there can be no assurance that additional debt or equity financing will be available to meet these requirements or, if available, on terms acceptable to the E&P Companies. Continued uncertainty in domestic and international credit markets could materially affect the E&P Companies' ability to access sufficient capital for their capital expenditures and acquisitions, and as a result, may have a material adverse effect on the E&P Companies' ability to execute their business strategy and on their business, financial condition, results of operations and prospects. The third-party operators of the E&P Companies' non-operated working interests are also dependent on the availability of financing to maintain their drilling programs and are subject to the same risks and uncertainties discussed above.

Finding, Developing and Acquiring Petroleum and Natural Gas Reserves on an Economic Basis

Petroleum and natural gas reserves naturally deplete as they are produced over time. The success of the E&P Companies' business is highly dependent on their or their operators' ability to acquire and/or discover new reserves in a cost-efficient manner. A substantial amount of the E&P Companies' cash flow is derived from the sale of the petroleum and natural gas reserves they or their operators accumulate and develop. In order to remain financially viable, the E&P Companies must be able to replace reserves over time at a lesser cost on a per unit basis than their cash flow on a per unit basis. The reserves and costs used in this determination are estimated each year based on numerous assumptions and these estimates and costs may vary materially from the actual reserves produced or from the costs required to produce those reserves. In particular, the production decline rates of the E&P Companies' properties may be significantly higher than currently estimated if the wells on such properties do not produce as expected. The E&P Companies mitigate this risk by engaging qualified and experienced petroleum and natural gas professionals, operating in geological areas in which prospects are well understood by management and by closely monitoring the capital expenditures made for the purposes of increasing their petroleum and natural gas reserves. The E&P Companies may also not be able to find, acquire, or develop additional reserves to replace the current and future production of their properties at economically acceptable terms, however, which would adversely affect their business, financial condition and results of operations.

Operational Dependence

The E&P Companies depend on various unaffiliated operators for all of the exploration, development, and production on the properties underlying their royalty interests and non-operated working interests, which includes the interests owned by Invico Energy USA and Invico Energy Canada. A substantial portion of the E&P Companies' revenue is derived from the sale of oil and natural gas production from producing wells in which they own a royalty interest or a non-operated working interest. A reduction in the expected number of wells to be drilled by third party operators or the failure of such operators to adequately and efficiently develop and operate these properties could have an adverse effect on the E&P Companies' results of operations.

The failure of the E&P Companies' operators to adequately or efficiently perform operations or an operator's failure to act in ways that are in their best interests could reduce production and revenues. The E&P Companies' operators could determine to drill and complete fewer wells on the E&P Companies' acreage than is currently expected. The success and timing of drilling and development activities on the E&P Companies' properties, and whether the operators elect to drill any additional wells on the E&P Companies' acreage, depends on a number of factors that will be largely outside of the E&P Companies' control, including the capital costs required for drilling activities by the E&P Companies' operators, which could be significantly more than anticipated, the ability of the E&P Companies' operators to access capital, prevailing commodity prices, the availability of suitable drilling equipment, production and transportation infrastructure, and qualified operating personnel, the operators' expertise, operating efficiency, and financial resources, approval of other participants in drilling wells, the operators' expected return on investment in wells drilled on the E&P Companies' acreage as compared to opportunities in other areas, the selection of technology, the selection of counterparties for the marketing and sale of production and the rate of production of the reserves.

The E&P Companies' operators may elect not to undertake development activities, or may undertake these activities in an unanticipated fashion, which may result in significant fluctuations in the E&P Companies' results of operations. Sustained reductions in production by the operators on the E&P Companies' properties may also adversely affect the E&P Companies' results of operations.

Title to Assets

Although title reviews may be conducted prior to the purchase of oil and natural gas producing properties or the commencement of drilling wells, such reviews do not guarantee or certify that an unforeseen defect in the chain of title will not arise to defeat the claim of the E&P Companies. With respect to their non-operated working interests, the E&P Companies typically depend upon title opinions prepared at the request of the operator of the property to be drilled. Title defects, or curative work to correct such defects, may have a material adverse effect on the E&P Companies' business, financial condition, results of operations and prospects.

Reserve Estimates

There are numerous uncertainties inherent in estimating quantities of oil, natural gas and natural gas liquids reserves and the future cash flows attributed to such reserves, which could result in inaccuracies in such estimates and ultimate recovery of oil, natural gas and natural gas liquids from the Trust's assets may be greater or less than such estimates.

Any reserve and associated cash flow information set forth herein are estimates only. In general, estimates of economically recoverable oil and natural gas reserves and the future net cash flows therefrom are based upon a number of variable factors and assumptions, such as historical production from the properties, production rates, ultimate reserve recovery, timing and amount of capital expenditures, marketability of oil and gas, royalty rates, the assumed effects of regulation by governmental agencies and future operating costs, all of which may vary materially from actual results. For those reasons, estimates of the economically recoverable oil and natural gas reserves attributable to any particular group of properties, classification of such reserves based on risk of recovery and estimates of future net revenues associated with reserves prepared by different engineers, or by the same engineers at different times, may vary. The actual production, revenues, taxes and development and operating expenditures with respect to reserves will vary from estimates thereof and such variations could be material. Further, the evaluations are based in part on the assumed success of exploitation activities intended to be undertaken in future years. The reserves and estimated cash flows to be derived therefrom contained in such evaluations will be reduced to the extent that such exploitation activities do not achieve the level of success assumed in the evaluation.

Estimates of proved reserves that may be developed and produced in the future are often based upon volumetric calculations and upon analogy to similar types of reserves rather than actual production history. Recovery factors and drainage areas were estimated by experience and analogy to similar producing pools. Estimates based on these methods are generally less reliable than those based on actual production history. Subsequent evaluation of the same reserves based upon production history and production practices may result in variations in the estimated reserves and such variations could be material.

There are numerous uncertainties inherent in estimating quantities of resources. No assurance can be given that the indicated level of resources will be realized. In general, estimates of recoverable resources are based upon a number of factors and assumptions made as of the date on which the resource estimates were determined, such as geological and engineering estimates which have inherent uncertainties, the assumed effects of regulation by governmental agencies and estimates of future commodity prices and operating costs, all of which may vary considerably from actual results. All such estimates are, to some degree, uncertain and classifications of resources are only attempts to define the degree of uncertainty involved. For these reasons, estimates of the economically recoverable natural gas and the classification of such resources based on risk of recovery prepared by different engineers or by the same engineers at different times may vary substantially.

Expiration of Licences and Leases

The E&P Companies' oil and gas properties are held in the form of licences and leases and working interests therein. If the E&P Companies or the holder of the licence, lease or similar grant fails to meet the specific requirement of a licence, lease or similar grant, the licence, lease or similar grant may terminate or expire. There can be no assurance that any of the obligations required to maintain each licence, lease or similar grant will be met. The termination or expiration of the E&P Companies' licence, lease or similar grant or the working interests relating thereto may have a material adverse effect on the E&P Companies' business, financial condition, results of operations and prospects.

Pipeline Capacity

Although pipeline expansions are ongoing, a continuing shortage of firm pipeline capacity in Canada affects the oil and natural gas industry and limit the ability to produce and to market production. In addition, the pro-rationing of capacity on the inter-provincial pipeline systems also continues to affect the ability to export oil and natural gas.

Transportation of Petroleum Products

The E&P Companies transport various petroleum products by pipeline and truck. These petroleum products are considered dangerous goods under transportation of dangerous goods legislation. When these petroleum products are loaded, the E&P Companies may be considered the consignor, in which case there are specific responsibilities under applicable laws, including the responsibility to ensure that the product is properly classified, the shipment is properly labelled and the product is loaded in an appropriate tank. This may require the E&P Companies to be exposed to penalties and other regulatory actions in the event they fail to comply with transportation of dangerous goods laws.

Alternatives to and Changing Demand for Petroleum Products

Fuel conservation measures, alternative fuel requirements, increasing consumer demand for alternatives to oil and natural gas, and technological advances in fuel economy and energy generation devices could reduce the demand for crude oil and other liquid hydrocarbons. The E&P Companies and the Wholly-Owned Subsidiaries cannot predict the impact of changing demand for oil and natural gas products, and any major changes may have a material adverse effect on their business, financial condition, results of operations and cash flows.

10.6 Other Risks Associated with Investments in the E&P Companies and the Wholly-Owned Subsidiaries

Performance of Obligations

The E&P Companies' and Wholly-Owned Subsidiaries' success depends in large part on whether it fulfills its obligations with clients and maintains client satisfaction. If the E&P Companies and Wholly-Owned Subsidiaries fails to satisfactorily perform its obligations, makes errors in the provision of its services, or does not perform its services to the expectations of its clients, its clients could terminate working relationships, exposing them to loss of professional reputation and risk of loss or reduced profits, or in some cases, the loss of a project and claims by customers for damages.

Competition

E&P Companies and Wholly-Owned Subsidiaries conduct business in highly competitive industries. They compete with other more established companies which have greater financial, marketing and other resources than the E&P Companies and Wholly-Owned Subsidiaries.

The E&P Companies compete with numerous other participants in the acquisition, exploration and development of oil and natural gas assets, and in the marketing of oil and natural gas. Depending on the levels of future demand, increased supplies could have a negative impact on oil and gas pricing and, accordingly, their results of operations, financial condition and prospects. In addition, the industry's expansion of existing operations and development of new projects could materially increase the costs of inputs such as natural gas, diluent, labour, equipment, materials or services which, in turn, may have a material adverse effect on results of operations and financial condition.

At any time, there may be an excess of certain classes of oilfield service equipment in North America in relation to current levels of demand. The supply of equipment in the industry does not always correlate to the level of demand for that equipment. Periods of high demand often spur increased capital expenditures on oilfield service equipment, and those capital expenditures may result in equipment levels which exceed actual demand. In periods of low demand, there may be excess equipment available within the industry. Excess equipment supply in the industry could cause competitors to lower their rates and could lead to a decrease in rates in the oilfield services industry generally, which could have an adverse effect on revenues, cash flows and earnings in the industry.

Supply Chain Risks

Certain of the Wholly-Owned Subsidiaries may depend on the effectiveness of supply chain management to assure reliable and sufficient product supply, including on favourable terms. A failure to implement and maintain effective supplier selection and procurement practices could adversely affect the Wholly-Owned Subsidiaries' ability to deliver desired products to customers and adversely affect the Wholly-Owned Subsidiaries' ability to attract and retain customers. In addition, external events, including COVID-19, geopolitical conflicts and related sanctions, may adversely impact the Wholly-Owned Subsidiaries' suppliers and distribution channels by restricting or regulating the

flow of materials, supplies and equipment related to the Wholly-Owned Subsidiaries' operations. A failure to maintain an effective supply and logistics chain may adversely affect the Wholly-Owned Subsidiaries' ability to sustain and meet growth objectives and maintain margins. In addition, any significant increase in price would negatively impact the Wholly-Owned Subsidiaries' operating margins.

Access to Parts, Consumables and Technology and Relationships with Key Suppliers

The ability of Gator to compete and expand will be dependent on Gator having access, at a reasonable cost, to equipment, parts and components for purchased equipment for the development and acquisition of new competitive technologies. An inability to access these items and delays in accessing these items could have a material adverse effect on Gator's business, financial condition, results of operations and cash flow. Gator's equipment may become obsolete or experience a decrease in demand due to competing products that are lower in cost, have enhanced performance capabilities or are determined by the market to be more preferable for environmental or other reasons. Although Gator has very good relationships with its key suppliers, there can be no assurances that those sources of equipment, parts, components or relationships with key suppliers will be maintained. If these are not maintained, Gator's ability to compete may be impaired. If the relationships with key suppliers come to an end, the availability and cost of securing certain parts, components and equipment may be adversely affected.

Inflation Risk

The Partnership's Investments are impacted by rising inflationary pressures. Inflation rates in jurisdictions that the Partnership operates or invests in increased significantly throughout 2022, rising above the target inflation rate ranges set by governing central banks. A significant portion of the upward pressure on prices has been attributed to the rising costs of labour, energy, food, motor vehicles and housing, the geopolitical uncertainty from the military conflict between Ukraine and Russia and continuing global supply-chain disruptions. In an effort to slow the rate of inflation, central banks in the jurisdictions in which we operate began materially increasing prime interest rates in 2022 and 2023. Inflation increases may or may not be transitory and future inflation may be impacted by prime interest rate increases, labour market constraints reducing, supply-chain disruptions easing and commodity prices moderating. However, any sustained upward trajectory in the inflation rate and corresponding prime interest rate increases by central banks would have an impact on the Partnership's Investments and could impact the ability to source suitable investment opportunities, match or exceed prior investment strategy performance or raise additional fee-generating assets under management. The Portfolio Manager continues to monitor inflationary pressures and central bank prime rate decisions in the jurisdictions the Partnership operates or invests in and assess any potential effects on the Trust and the Partnership.

Third Party Credit Risk

The E&P Companies and the Wholly-Owned Subsidiaries may be exposed to third party credit risk through their contractual arrangements with their respective current or future customers, joint venture partners, marketers of their petroleum and natural gas production and other parties. In the event such entities fail to meet their contractual obligations, such failures may have a material adverse effect on the E&P Companies' and the Wholly-Owned Subsidiaries' business, financial condition, results of operations and prospects. In addition, poor credit conditions in the industry and of joint venture partners may impact a joint venture partner's willingness to participate in the ongoing capital programs associated with the E&P Companies, potentially delaying the program and the results of such program until the operator finds a suitable alternative partner.

All of Gator's accounts receivables are with customers involved in the oil and gas industry, which are affected by all of the risks of the oil and gas industry described herein. Although collection of these receivables could be influenced by economic factors affecting this industry, and thereby, have a materially adverse effect on operations, management considers risk of significant loss to be minimal at this time. To mitigate this risk, Gator's customers are subject to an internal credit review along with ongoing monitoring of the amount and age of receivables balances outstanding.

Project Risks

The E&P Companies and the Wholly-Owned Subsidiaries manage and participate in a variety of projects in the conduct of their business. Project delays may delay expected revenues from operations. Project cost estimates may not be accurate due to a lack of history of comparable projects. Furthermore, significant project cost over-runs could make a project uneconomic.

Terrorism

Acts of terrorism (including eco-terrorism and cyber-terrorism) could have a material adverse effect on the E&P Companies' and Wholly-Owned Subsidiaries' financial condition, results of operations and cash flows. The E&P Companies and Wholly-Owned Subsidiaries' assets and operations may be targets of terrorist activities that could disrupt their business or cause significant harm to operations. Acts of terrorism, as well as events occurring in response to or in connection with acts of terrorism, could cause environmental and other repercussions that could result in a significant decrease in revenues or significant reconstruction or remediation costs, which could have a material adverse effect on the E&P Companies and Wholly-Owned Subsidiaries' financial condition, results of operations and cash flows. In addition, acts of terrorism, and the threat of such acts, could result in volatility in the prices for oil and natural gas and could affect the markets for such commodities.

Taxation

The *Tax Cut and Jobs Act* (the "**TCJA**") was passed in December 2017. The TCJA includes provisions that could limit certain tax deductions, including: (a) interest expense is limited to 30% of taxable income (with certain adjustments); and (b) net operating loss (NOL) related to losses incurred after 2017 are limited to 80% of taxable income but can be carried forward indefinitely. The United States Congress is currently evaluating proposals to amend the TCJA, including increasing federal corporate tax rates and instituting a minimum tax on book income.

These changes may increase the Partnership's U.S. investee companies' future tax liability in some circumstances. In addition, proposals are made from time to time to amend U.S. federal and state income tax laws in ways that would be adverse to the Partnership's U.S. investee companies, including by eliminating certain key U.S. federal income tax preferences currently available with respect to crude oil and natural gas exploration and production. The changes could include: (a) the repeal of the percentage depletion deduction for crude oil and natural gas properties; (b) the elimination of current deductions for intangible drilling and development costs; (c) the elimination of the deduction for certain U.S. production activities; and (d) an extension of the amortization period for certain geological and geophysical expenditures. Also, state severance taxes may increase in the states in which the Partnership or its investee companies operate. This could adversely affect the Partnership's existing operations in Colorado, Wyoming, and North Dakota, and the economic viability of future drilling.

Acquisition Risk

Any acquisition of property involves potential risks, including, among other things: the validity of the assumptions about estimated proved reserves, future production, prices, revenues, capital expenditures, operating expenses, and costs; a decrease in the E&P Companies' and the Wholly-Owned Subsidiaries' liquidity by using a significant portion of their cash generated from operations or borrowing capacity to finance acquisitions; a significant increase in the E&P Companies' and the Wholly-Owned Subsidiaries' interest expense or financial leverage if they incur debt to finance acquisitions; the assumption of unknown liabilities, losses, or costs for which they are not indemnified or for which any indemnity they receive is inadequate; mistaken assumptions about the overall cost of equity or debt; their ability to obtain satisfactory title to the assets they acquire; an inability to hire, train, or retain qualified personnel to manage and operate their growing business and assets; and the occurrence of other significant changes, such as impairment of oil and natural gas properties, goodwill or other intangible assets, asset devaluation, or restructuring charges.

The success of any completed acquisition will depend on the ability to integrate effectively the acquired assets into the existing operations. The process of integrating acquired assets may involve unforeseen difficulties and may require a disproportionate amount of managerial and financial resources. The failure to achieve consolidation savings, to integrate the acquired businesses and assets into their existing operations successfully, or to minimize any unforeseen operational difficulties could have a material adverse effect on their financial condition and results of operations. The inability to effectively manage the integration of acquisitions could reduce the time and focus being given to consider subsequent acquisitions and current operations, which, in turn, could negatively impact growth and results of operations.

Potential Replacement or Reduced Use of Products and Services

Certain of Gator's equipment or systems may become obsolete or experience a decrease in demand through the introduction of competing products that are lower in cost, exhibit enhanced performance characteristics or are determined by the market to be more preferable for environmental or other reasons. Gator will need to keep current with the changing market for oil and natural gas services and regulatory changes. If Gator fails to do so, this could have a material adverse effect on its business, financial condition, results of operations and cash flows.

Safety Performance

Gator adheres to its client's programs that are in place to address compliance with current safety and regulatory standards. Gator is responsible for adhering to its client's policies and monitoring operations consistent with those policies. Poor safety performance could lead to lower demand for Gator's services. Standards for accident prevention in the oil and natural gas industry are governed by company safety policies and procedures, accepted industry safety practices, customer-specific safety requirements, and health and safety legislation. Safety is a key factor that customers consider when selecting an oilfield service company. A decline in Gator's safety performance could result in lower demand for services, and this could have a material adverse effect on revenues, cash flows and earnings. Gator is subject to various health and safety laws, rules, legislation and guidelines which can impose material liability, increase costs or lead to lower demand for services.

ITEM 11 - REPORTING OBLIGATIONS

The Trust will send to Unitholders within 120 days of the Trust's fiscal year end, and in any event, on or before any earlier date prescribed by applicable law: (a) annual audited financial statements of the Trust, together with comparative audited financial statements for the preceding fiscal year, and the auditor's report thereof; and (b) so long as required by applicable securities laws, a notice of the Trust disclosing in reasonable detail the use of the aggregate gross proceeds raised by the Trust under section 2.9 of NI 45-106. In addition, the Independent Review Committee is also required to make an annual report reasonably available to the Unitholders at the same time as it provides investors with its annual audited financial statements.

The Trust shall also send to Unitholders (or make available if sending is not required by applicable law) a notice of specified events under subsection 2.9(17.20) of NI 45-106.

The Trustee or Administrator will, within the time required under the Tax Act, forward to each Unitholder who received distributions from the Trust in the prior calendar year, such information and forms as may be needed by the Unitholder in order to complete its income tax return in respect of the prior calendar year under the Tax Act and equivalent provincial legislation in Canada.

The Trust is not a "reporting issuer" or equivalent under the securities legislation of any jurisdiction. Accordingly, the Trust is not subject to the "continuous disclosure" requirements of any securities legislation and there is therefore no requirement that the Trust make ongoing disclosure of its affairs including, without limitation, the disclosure of financial information on a quarterly basis or the disclosure of material changes in the business or affairs of the Trust. The Trust files information on SEDAR+ only as required pursuant to section 2.9 of NI 45-106, which information is available electronically from SEDAR+ at www.sedarplus.com.

The Trust will deliver to prospective investors certain documents, including this Offering Memorandum, a subscription agreement and any updates or amendments to the Offering Memorandum, from time to time, by way of facsimile or e-mail. In accordance with the terms of the subscription agreement provided to prospective investors, delivery of such documents by email or facsimile shall constitute valid and effective delivery of such documents unless the Trust receives actual notice that such electronic delivery failed. Unless the Trust receives actual notice that the electronic delivery failed, the Trust is entitled to assume that the facsimile or e-mail and the attached documents were actually received by the prospective investor and the Trust will have no obligation to verify actual receipt of such electronic delivery by the prospective investor.

ITEM 12 - RESALE RESTRICTIONS

General

There is no market for the Trust Units and none is expected to develop and, therefore, it may be difficult or impossible for Unitholders to sell the Trust Units.

The Trust Units will be subject to a number of resale restrictions, including a restriction on trading. Until the restriction on trading expires, you will not be able to trade the Trust Units unless you comply with an exemption from the prospectus and registration requirements under securities legislation.

Unless permitted under securities legislation, you cannot trade the securities before the date that is 4 months and a day after the date the Trust becomes a reporting issuer in any province or territory of Canada.

For trades in Manitoba, unless permitted under securities legislation, you must not trade the securities without the prior written consent of the regulator in Manitoba unless:

(a) the Trust has filed a prospectus with the regulator in Manitoba with respect to the securities you have purchased and the regulator in Manitoba has issued a receipt for that prospectus; or

(b) you have held these securities for at least twelve months.

The regulator in Manitoba will consent to your trade if the regulator is of the opinion that to do so is not prejudicial to the public interest.

Since the Trust is not a reporting issuer in any province or territory, the applicable hold period for Subscribers may never expire, and if no further exemption may be relied upon and if no discretionary order is obtained, this could result in a subscriber having to hold the Trust Units acquired under the Offering for an indefinite period of time.

Additionally, Unitholders will not be permitted to transfer their securities except in compliance with the Trust Indenture. See "*Item 2.11.1 - Summary of the Trust Indenture - Transfer of Trust Units*".

The foregoing is a summary only of resale restrictions relevant to a purchaser of the securities offered hereunder. It is not intended to be exhaustive. All Subscribers under this Offering should consult with their legal advisors to determine the applicable restrictions governing resale of the securities purchased hereunder including the extent of the applicable hold period and the possibilities of utilizing any further statutory exemptions or obtaining a discretionary order.

ITEM 13 - INVESTORS' RIGHTS

13.1 Statements Regarding Investors' Rights

If you purchase these Class A Units, Class F Units and/or Class FU Units you will have certain rights, some of which are described below. These rights may not be available to you if you purchase the Class A Units, Class F Units and/or Class FU Units pursuant to a prospectus exemption other than the offering memorandum exemption in section 2.9 of NI 45-106. For information about your rights you should consult a lawyer.

Two Day Cancellation Right

You can cancel your agreement to purchase these Class A Units, Class F Units and/or Class FU Units. To do so, you must send a notice to the Administrator by midnight on the second (2nd) Business Day after you sign the agreement to buy the Class A Units, Class F Units and/or Class FU Units.

Rights of Action in the Event of a Misrepresentation

Securities legislation in certain of the provinces and territories of Canada provides investors with a statutory right of action for damages or rescission in cases where an offering memorandum or any amendment thereto contains an untrue statement of a material fact or omits to state a material fact that is required to be stated or is necessary to make any statement contained therein not misleading in light of the circumstances in which it was made (a "**misrepresentation**"). These rights, or notice with respect thereto, must be exercised or delivered, as the case may be, by investors within the time limits prescribed and are subject to the defences and limitations contained under the applicable securities legislation.

The following summaries are subject to the express provisions of the securities legislation applicable in each of the provinces and territories of Canada and the regulations, rules and policy statements thereunder. Investors should refer to the securities legislation applicable in their province along with the regulations, rules and policy statements thereunder for the complete text of these provisions or should consult with their legal advisor. The contractual and statutory rights of action described in this Offering Memorandum are in addition to and without derogation from any other right or remedy that investors may have at law.

Rights of Investors in Alberta

If you are a resident of Alberta, and if there is a misrepresentation in this Offering Memorandum, you have a statutory right to sue:

(a) the Trust to cancel your agreement to buy these securities, or

(b) for damages against the Trust, every person who was a director of the Administrator at the date of this Offering Memorandum and every person or company who signed this Offering Memorandum.

If you elect to exercise a right to cancel your agreement to buy these securities against the Trust, you will have no right of action against the persons described in (b) above.

This statutory right to sue is available to you whether or not you relied on the misrepresentation. However, there are various defences available to the persons or companies that you have a right to sue. In particular, they have a defence if you knew of the misrepresentation when you purchased the securities. In an action for damages, the amount recoverable shall not exceed the price at which the securities were offered and the defendant will not be liable for all or any portion of such damages that the defendant proves does not represent the depreciation in value of the securities as a result of the misrepresentation.

If you intend to rely on the rights described in (a) or (b) above, you must do so within strict time limitations. You must commence your action to cancel the agreement within 180 days after the date that you purchased the securities. You must commence your action for damages within the earlier of 180 days after you first had knowledge of the facts giving rise to the cause of action and three years after the date you purchased the securities.

Rights of Investors in British Columbia

If you are a resident of British Columbia, and if there is a misrepresentation in this Offering Memorandum, you have a statutory right to sue:

(a) the Trust to cancel your agreement to buy these securities, or

(b) for damages against the Trust, every person who was a director of the Administrator at the date of this Offering Memorandum and every person who signed this Offering Memorandum.

If you elect to exercise a right to cancel your agreement to buy these securities against the Trust, you will have no right of action against the Trust.

This statutory right to sue is available to you whether or not you relied on the misrepresentation. However, there are various defences available to the persons or companies that you have a right to sue. In particular, they have a defence if you knew of the misrepresentation when you purchased the securities. In an action for damages, the amount recoverable shall not exceed the price at which the securities were offered and the defendant will not be liable for all or any portion of such damages that the defendant proves does not represent the depreciation in value of the securities as a result of the misrepresentation.

If you intend to rely on the rights described in (a) or (b) above, you must do so within strict time limitations. You must commence your action to cancel the agreement within 180 days after the date that you purchased the securities. You must commence your action for damages within the earlier of 180 days after you first had knowledge of the facts giving rise to the cause of action and three years after the date you purchased the securities.

Rights of Investors in Saskatchewan

If you are a resident of Saskatchewan and if there is a misrepresentation in this Offering Memorandum, you have a statutory right to sue:

(a) the Trust to cancel your agreement to buy these securities, or

(b) for damages against the Trust, every promoter of the Trust, every person who was a director of the Administrator at the date of this Offering Memorandum, every person or company whose consent has been filed respecting the Offering but only with respect to reports, opinions or statements that have been made by them, every person who or company that signed this Offering Memorandum and every person who or company that sells securities on behalf of the Trust under this Offering Memorandum.

If you elect to exercise a right to cancel your agreement to buy these securities against the Trust, you will have no right of action against the Trust.

This statutory right to sue is available to you whether or not you relied on the misrepresentation. However, there are various defences available to the persons or companies that you have a right to sue. In particular, they have a defence if you knew of the misrepresentation when you purchased the securities. In an action for damages, the amount recoverable shall not exceed the price at which the securities were offered and the defendant will not be liable for all or any portion of such damages that the defendant proves does not represent the depreciation in value of the securities as a result of the misrepresentation.

If you intend to rely on the rights described in (a) or (b) above, you must do so within strict time limitations. You must commence your action to cancel the agreement within 180 days after the date that you purchased the securities. You must commence your action for damages within the earlier of one year after you first had knowledge of the facts giving rise to the cause of action and six years after the date you purchased the securities.

Rights of Investors in Manitoba

If you are a resident of Manitoba, and if there is a misrepresentation in this Offering Memorandum, you have a statutory right to sue:

(a) the Trust to cancel your agreement to buy these securities, or

(b) for damages against the Trust, every person who was a director of the Administrator at the date of this Offering Memorandum and every person or company who signed this Offering Memorandum.

If you elect to exercise a right to cancel your agreement to buy these securities against the Trust, you will have no right of action against the persons described in (b) above.

This statutory right to sue is available to you whether or not you relied on the misrepresentation. However, there are various defences available to the persons or companies that you have a right to sue. In particular, they have a defence if you knew of the misrepresentation when you purchased the securities. In an action for damages, the amount recoverable shall not exceed the price at which the securities were offered and the defendant will not be liable for all or any portion of such damages that the defendant proves does not represent the depreciation in value of the securities as a result of the misrepresentation.

If you intend to rely on the rights described in (a) or (b) above, you must do so within strict time limitations. You must commence your action to cancel the agreement within 180 days after the date that you purchased the securities. You must commence your action for damages within the earlier of 180 days after you first had knowledge of the facts giving rise to the cause of action or two years after the date you purchased the securities.

Rights of Investors in Ontario

If you are a resident of Ontario, and if there is a misrepresentation in this Offering Memorandum, you have a statutory right to sue:

(a) the Trust to cancel your agreement to buy these securities, or

(b) for damages against the Trust.

If you elect to exercise a right to cancel your agreement to buy these securities against the Trust, you will have no right of action against the Trust.

This statutory right to sue is available to you whether or not you relied on the misrepresentation. However, there are various defences available to the persons or companies that you have a right to sue. In particular, they have a defence if you knew of the misrepresentation when you purchased the securities. In an action for damages, the amount recoverable shall not exceed the price at which the securities were offered and the defendant will not be liable for all or any portion of such damages that the defendant proves does not represent the depreciation in value of the securities as a result of the misrepresentation.

If you intend to rely on the rights described in (a) or (b) above, you must do so within strict time limitations. You must commence your action to cancel the agreement within 180 days after the date that you purchased the securities. You must commence your action for damages within the earlier of 180 days after you first had knowledge of the facts giving rise to the cause of action and three years after the date you purchased the securities.

Securities legislation in Ontario does not extend the statutory rights of action for damages or rescission to a purchaser who is purchasing the securities in reliance on the "accredited investor" exemption set out in section 2.3 of National Instrument 45-106 if the purchaser is: (a) a "Canadian Financial Institution" or a "Schedule III Bank" (each as defined under applicable securities laws); (b) the Business Development Bank of Canada; or (c) a subsidiary of any person referred to in (a) or (b), if the person owns all the voting securities of the subsidiary, except the voting securities required by law to be owned by the directors of that subsidiary (collectively, the "**Excluded Ontario Purchasers**"). The Excluded Ontario Purchasers will be entitled to a contractual right of action for damages or rescission that is equivalent to the statutory right of action for damages or rescission available to purchasers resident in Ontario as

described above (including insofar as such rights may be subject to the defenses and limitations provided for under the *Securities Act* (Ontario)).

Rights of Investors in Québec

If you are a resident of Québec and if there is a misrepresentation in this Offering Memorandum, you have a statutory right to sue:

(a) the Trust to cancel your agreement to buy these securities, or

(b) for damages against the Trust, every person who was a director or officer of the Administrator at the date of this Offering Memorandum, the dealer under contract to the Trust, every other person who signed this Offering Memorandum and any expert whose opinion, containing a misrepresentation, appeared, with the expert's consent in this Offering Memorandum.

This statutory right to sue is available to you whether or not you relied on the misrepresentation. However, there are various defences available to the persons or companies that you have a right to sue. In particular, they have a defence if you knew of the misrepresentation when you purchased the securities.

If you intend to rely on the rights described in (a) or (b) above, you must do so within strict time limitations. You must commence your action to cancel the agreement within three years after the date that you purchased the securities. You must commence your action for damages within the earlier of three years after you first had knowledge of the facts giving rise to the cause of action and five years after the date of filing this Offering Memorandum with the Autorité des marchés financiers.

Rights of Investors in Nova Scotia

If you are a resident of Nova Scotia and if there is a misrepresentation in this Offering Memorandum, you have a statutory right to sue:

(a) the Trust to cancel your agreement to buy these securities, or

(b) for damages against the Trust, every person who was a director of the Administrator at the date of this Offering Memorandum and every person who signed this Offering Memorandum.

If you elect to exercise a right to cancel your agreement to buy these securities against the Trust, you will have no right of action against the persons described in (b) above.

This statutory right to sue is available to you whether or not you relied on the misrepresentation. However, there are various defences available to the persons or companies that you have a right to sue. In particular, they have a defence if you knew of the misrepresentation when you purchased the securities. In an action for damages, the amount recoverable shall not exceed the price at which the securities were offered and the defendant will not be liable for all or any portion of such damages that the defendant proves does not represent the depreciation in value of the securities as a result of the misrepresentation.

If you intend to rely on the rights described in (a) or (b) above, you must do so within strict time limitations. You must commence your action to enforce the right of action discussed above not later than 120 days after the date on which payment was made for the securities or after the date on which the initial payment for the securities was made where payments subsequent to the initial payment are made pursuant to a contractual commitment assumed prior to, or concurrently with, the initial payment.

Rights of Investors in New Brunswick

If you are a resident of New Brunswick and if there is a misrepresentation in this Offering Memorandum, you have a statutory right to sue:

(a) the Trust to cancel your agreement to buy these securities, or

(b) for damages against the Trust, every person who was a director of the Administrator at the date of this Offering Memorandum and every person who signed this Offering Memorandum.

If you elect to exercise a right to cancel your agreement to buy these securities against the Trust, you will have no right of action against the Trust.

This statutory right to sue is available to you whether or not you relied on the misrepresentation. However, there are various defences available to the persons or companies that you have a right to sue. In particular, they have a defence if you knew of the misrepresentation when you purchased the securities. In an action for damages, the amount recoverable shall not exceed the price at which the securities were offered and the defendant will not be liable for all or any portion of such damages that the defendant proves does not represent the depreciation in value of the securities as a result of the misrepresentation.

If you intend to rely on the rights described in (a) or (b) above, you must do so within strict time limitations. You must commence your action to cancel the agreement within 180 days after the date that you purchased the securities. You must commence your action for damages within the earlier of one year after you first had knowledge of the facts giving rise to the cause of action and six years after the date you purchased the securities.

Rights of Investors in Newfoundland and Labrador

If you are a resident of Newfoundland and Labrador and if there is a misrepresentation in this Offering Memorandum, you have a statutory right to sue:

(a) the Trust to cancel your agreement to buy these securities, or

(b) for damages against the Trust, every person who was a director of the Administrator at the date of this Offering Memorandum and every person or company who signed this Offering Memorandum.

If you elect to exercise a right to cancel your agreement to buy these securities against the Trust, you will have no right of action against the persons described in (b) above.

This statutory right to sue is available to you whether or not you relied on the misrepresentation. However, there are various defences available to the persons or companies that you have a right to sue. In particular, they have a defence if you knew of the misrepresentation when you purchased the securities. In an action for damages, the amount recoverable shall not exceed the price at which the securities were offered and the defendant will not be liable for all or any portion of such damages that the defendant proves does not represent the depreciation in value of the securities as a result of the misrepresentation.

If you intend to rely on the rights described in (a) or (b) above, you must do so within strict time limitations. You must commence your action to cancel the agreement within 180 days after the date that you purchased the securities. You must commence your action for damages within the earlier of 180 days after you first had knowledge of the facts giving rise to the cause of action or three years after the date you purchased the securities.

Rights of Investors in Prince Edward Island, Northwest Territories, Yukon and Nunavut

If you are a resident of Prince Edward Island, Northwest Territories, Yukon or Nunavut and if there is a misrepresentation in this Offering Memorandum, you have a statutory right to sue:

(a) the Trust to cancel your agreement to buy these securities, or

(b) for damages against the Trust, every person who was a director of the Administrator at the date of this Offering Memorandum and every person who signed this Offering Memorandum.

If you elect to exercise a right to cancel your agreement to buy these securities against the Trust, you will have no right of action against the persons described in (b) above.

This statutory right to sue is available to you whether or not you relied on the misrepresentation. However, there are various defences available to the persons or companies that you have a right to sue. In particular, they have a defence if you knew of the misrepresentation when you purchased the securities. In an action for damages, the amount recoverable shall not exceed the price at which the securities were offered and the defendant will not be liable for all or any portion of such damages that the defendant proves does not represent the depreciation in value of the securities as a result of the misrepresentation.

If you intend to rely on the rights described in (a) or (b) above, you must do so within strict time limitations. You must commence your action to cancel the agreement within 180 days after the date that you purchased the securities. You must commence your action for damages within the earlier of 180 days after you first had knowledge of the facts giving rise to the cause of action or three years after the date you purchased the securities.

13.2 Cautionary Statement Regarding Report, Statement or Opinion by Expert

This Offering Memorandum includes: (a) the section entitled "*Item 7 - Canadian Federal Income Tax Considerations*" prepared by Norton Rose Fulbright Canada LLP effective as of the date of this Offering Memorandum; (b) the annual audited financial statements of the Trust and the Partnership for the year ended December 31, 2023 and accompanying independent auditors' report prepared by PricewaterhouseCoopers LLP; and (c) select excerpts from oil and gas reserve reports with respect to Invico Energy USA and Invico Energy Canada as at December 31, 2023 prepared internally by professional engineers employed by IAAM, an affiliate of the Portfolio Manager, and audited by GLJ Ltd., an Independent Qualified Reserve Auditor, in accordance with the requirements of NI 51-101 and the COGE Handbook, effective as of December 31, 2023. You do not have a statutory right of action against these parties for a misrepresentation in the Offering Memorandum. You should consult with a legal adviser for further information.

ITEM 14 - FINANCIAL STATEMENTS

Audited financial statements of the Trust and the Partnership are set out below.

Invico Diversified Income Fund

Financial Statements

December 31, 2023

INVICO

Independent auditor's report

To the Unitholders and Trustee of Invico Diversified Income Fund

Our opinion

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Invico Diversified Income Fund (the Fund) as at December 31, 2023 and 2022, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board (IFRS Accounting Standards).

What we have audited
The Fund's financial statements comprise:

- the statements of financial position as at December 31, 2023 and 2022;
- the statements of comprehensive income for the years then ended;
- the statements of changes in net assets attributable to holders of redeemable units for the years then ended;
- the statements of cash flows for the years then ended; and
- the notes to the financial statements, comprising material accounting policy information and other explanatory information.

Basis for opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report.

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

Independence
We are independent of the Fund in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada. We have fulfilled our other ethical responsibilities in accordance with these requirements.

PricewaterhouseCoopers LLP
Suncor Energy Centre, 111 5th Avenue South West, Suite 3100, Calgary, Alberta, Canada T2P 5L3
T.: +1 403 509 7500, F.: +1 403 781 1825, Fax to mail: ca_calgary_main_fax@pwc.com

"PwC" refers to PricewaterhouseCoopers LLP, an Ontario limited liability partnership.

Responsibilities of management and those charged with governance for the financial statements

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

In preparing the financial statements, management is responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Fund or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Fund's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

PricewaterhouseCoopers LLP

Chartered Professional Accountants

Calgary, Alberta
March 28, 2024

Invico Diversified Income Fund
Statement of Financial Position
As at December 31, 2023

	2023 $	2022 $
Assets		
Cash	83,715	40,887
Investments (see Schedule of Investments)	479,595,150	401,570,867
Distribution receivable (note 5)	6,323,380	5,542,922
	486,002,245	407,154,676
Liabilities		
Accounts payable and accrued liabilities	523,835	398,330
Distribution payable (note 9)	5,925,524	5,186,962
	6,449,359	5,585,292
Net assets attributable to holders of redeemable units	479,552,886	401,569,384

The accompanying notes are an integral part of these financial statements.

Approved by Invico Diversified Income Fund Trustee Corporation, as trustee

"Allison Taylor"

"Jason Brooks"

Invico Diversified Income Fund
Statement of Comprehensive Income
For the year ended December 31, 2023

	2023 $	2022 $
Income		
Distribution income (note 5)	46,091,078	37,324,339
Interest income	2,509	1,187
Net change in unrealized gains (losses) on investments	(14,813,610)	18,107,892
	31,279,977	55,433,418
Other Income	51,777	40,659
Total Income	31,331,754	55,474,077
Expenses		
General and operating expenses (note 4)	158,671	32,845
Trailer fees (note 6)	1,536,972	1,256,105
	1,695,643	1,288,950
Increase in net assets attributable to holders of redeemable units	29,636,111	54,185,127

The accompanying notes are an integral part of these financial statements.

Invico Diversified Income Fund

Statement of Changes in Net Assets Attributable to Holders of Redeemable Units

For the year ended December 31, 2023

	2023 $	2022 $
Net assets attributable to holders of redeemable units - beginning of year	401,569,384	317,958,671
Increase in net assets attributable to holders of redeemable units	29,636,111	54,185,127
Issuance of redeemable units (note 8)	95,055,476	97,370,916
Distributions to holders of redeemable units (note 9)	(44,482,926)	(35,993,505)
Reinvestments by holders of redeemable units (note 8)	18,416,389	13,583,637
Redemptions of redeemable units (note 8)	(20,641,548)	(45,535,462)
Net assets attributable to holders of redeemable units – end of year	479,552,886	401,569,384

The accompanying notes are an integral part of these financial statements.

Invico Diversified Income Fund

Statement of Cash Flows

For the year ended December 31, 2023

	2023 $	2022 $
Cash provided by (used in)		
Operating activities		
Increase in net assets attributable to holders of redeemable units	29,636,111	54,185,127
Adjustments		
Net change in unrealized losses (gains) on investments	14,813,610	(18,107,892)
Non-cash distribution income	(18,416,389)	(13,583,637)
Purchase of investments	(95,055,476)	(97,370,916)
Proceeds on sale of investments	20,633,971	45,519,603
Change in non-cash working capital items		
Distributions receivable	(780,458)	(3,324,024)
Accounts payable and accrued liabilities	125,506	(770,227)
	(49,043,125)	(33,451,966)
Financing activities		
Proceeds from the issuance of redeemable units (note 8)	95,055,476	97,370,916
Distributions to unitholders	(25,327,975)	(18,349,126)
Amounts paid on redemption of redeemable units (note 8)	(20,641,548)	(45,535,462)
	49,085,953	33,486,328
Increase in cash for the year	42,828	34,362
Cash – beginning of year	40,887	6,525
Cash – end of year	83,715	40,887
Supplementary information		
Interest received	2,509	1,187
Distributions received	45,310,620	34,000,315

The accompanying notes are an integral part of these financial statements.

Invico Diversified Income Fund
Schedule of Investments
As at December 31, 2023

	Fair value as % of net assets	Cost $	Fair value $
Investments			
Invico Diversified Income Limited Partnership	100	481,849,228	479,595,150
Less: Other liabilities (net)	-	-	(42,264)
Net assets attributable to holders of redeemable units	100	481,849,228	479,552,886

The accompanying notes are an integral part of these financial statements.

1 Nature of operations

Invico Diversified Income Fund (the "Fund") is an unincorporated open-ended, limited purpose mutual fund trust formed in the Province of Alberta pursuant to the trust indenture dated September 25, 2013, as amended and restated from time to time (the "Trust Indenture"), with operations commencing on October 3, 2013. The Fund was formed for the purpose of offering units and investing the net proceeds of such subscriptions to acquire partnership units in Invico Diversified Income Limited Partnership (the "Partnership"). The Partnership was established for purposes of investing in securities or other investments that provide a high level of current income while offering the potential for moderate capital appreciation by investing primarily in high-yielding investments in a well-diversified manner. Target investments include; (i) lending based strategies including asset-backed corporate lending, first and second mortgages (including residential and commercial mortgage-backed securities), lending for development drilling of established oil and gas reserves in Canada and the United States, collateralized debt obligations, consumer financing for durable goods (including automobiles), secured primary and subordinated debt lending opportunities (including syndicated lending arrangements) and factoring of receivables; (ii) investment in producing oil and gas properties, non-producing properties and undeveloped land by participating in working interest ownership and/or gross overriding royalties in proven producing oil and gas reserves in both Canada and the United States; (iii) equity yield investments, including: (a) equity securities of debtors of the Partnership (resulting from lending based strategies) obtained through the exercise of warrants, the exercise of convertible debt and/or other equity consideration in loan agreements, (b) equity investments acquired (resulting from lending based strategies) that were deemed necessary or desirable to protect or restore interest and principal payments to the Partnership and/or position the debtor for sale, (c) equity investments acquired through an insolvency process or (d) secondaries investments; and (iv) such other investments that meet the Partnership's desire for security and returns. The Partnership shall terminate when all of its assets have been sold and net proceeds distributed as per Section 8 of the Limited Partnership Agreement.

The address of the Fund and the Partnership is 600, 209 – 8th Avenue S.W., Calgary, Alberta, T2P 1B8. The trustee of the Fund is Invico Diversified Income Fund Trustee Corporation (the "Trustee"). The administrator of the Fund is Invico Diversified Income Administration Ltd. (the "Administrator"). The general partner of the Partnership is Invico Diversified Income Managing GP Inc. (the "General Partner"). The portfolio manager of the Partnership is Invico Capital Corporation (the "Portfolio Manager").

The Fund's capital is represented by net assets attributable to holders of redeemable units. See note 3 for further details with respect to the treatment of Fund capital as a financial liability.

The financial statements were authorized for issue by the Trustee on March 28, 2024.

2 Basis of presentation

These financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board (IFRS Accounting

Standards). The accounting policies applied in these financial statements are based on IFRS effective for the year ended December 31, 2023.

These financial statements are presented in Canadian dollars, which is the Fund's functional currency. All financial information is rounded to the nearest dollar except per unit amounts and where otherwise indicated.

The financial statements have been prepared on the historical cost basis except for investments at fair value.

3 Summary of material accounting policies

a) Financial instruments

The Fund solely invests in the Partnership units and these equity investments are measured at fair value through profit or loss ("FVTPL"). The Fund will not elect to measure investments using fair value through other comprehensive income ("FVTOCI").

Financial assets measured at amortized cost include distribution receivables. As they are on-demand short-term financial assets, their effective interest rate is assumed to be zero and the effect of discounting is immaterial. Financial liabilities measured at amortized cost include trade payables, accrued liabilities and distribution payable. Due to their short-term nature, carrying value approximates fair value. Related party transactions arising from commonly-controlled entities are measured at amortized cost due to their on-demand short term nature.

b) Cash

Cash includes cash on hand and deposits held at financial institutions.

c) Investments

All investments are carried at fair value and classified as FVTPL. As a result, gains and losses arising from changes in fair value are recorded in the "Net change in unrealized gains (losses) on investments" category on the Statement of Comprehensive Income in the period in which they arise. Investments are recorded on a settlement-date basis (i.e. the date the order to buy or sell is completed). Gains and losses on sales of investments are determined on an average cost basis and are included in income when realized.

d) Fair value measurement

The fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The Fund invests in financial instruments that are not traded in an active market. The fair value of such instruments is determined by the net asset value per unit held in the Partnership. "Net asset value" is the published per unit market price at which investors may purchase the units.

e) Impairment of financial assets

At each reporting date, the Fund assesses whether there is objective evidence that a financial asset at amortized cost is impaired. The Fund applies the IFRS 9 simplified approach to measuring expected credit losses which provides a loss allowance at an amount equal to the lifetime expected credit losses if the credit risk of that financial asset has increased significantly since initial recognition, otherwise, at an amount equal to the 12-month expected credit losses.

f) Income recognition

Distribution income is recorded on an accrual basis and earned from investments. Realized gains or losses on the sale of investments are calculated based on an average cost basis of the related investments.

Gains and losses from redemptions and redemption fees are included on the Statement of Comprehensive Income under other income. The Trustee may charge certain unitholders of unit classes B and BU a $200 redemption fee for each redemption. During 2023, the Fund recorded a gain of $51,777 (2022 – $40,659).

g) Income taxes

The Fund is subject to tax on its income each taxation year, less the portion of income that is paid or made payable in the year to unitholders, which is deducted by the Fund in computing its income for purposes of the Tax Act. The share of the annual income allocated to each investor is included in their respective income tax returns.

The Fund generally intends to deduct the full amount available for deduction in each taxation year to the extent of its taxable income otherwise determined and make payable to unitholders an amount equal to its remaining taxable income, so that the Fund will not be liable for any material amount of tax in any taxation year of the Fund.

h) Net assets attributable to holders of redeemable units

Net assets attributable to holders of redeemable units are classified as a financial liability, due to contractual payment provisions to each of the unitholders within the Trust Indenture.

i) Critical accounting estimates and judgments

The financial statements include estimates and assumptions made by the Trustee that affect the reported amount of assets and liabilities and contingent liabilities at the date of the financial statements and the reported amounts of income and expenses during the reporting period. Actual results could differ from those estimates.

The following discusses the most significant accounting judgments and estimates that the Fund has made in preparing the financial statements:

Fair value measurement of derivatives and securities not quoted in an active market

The Fund holds financial instruments that are not quoted in active markets, including derivatives. The fair value of such instruments is determined by the net asset value per unit of the Partnership. Refer to note 7 for further information about the fair value measurement of the Fund's financial instruments.

Classification and measurement of investments and application of the fair value option

In classifying and measuring financial instruments held by the Fund, the Portfolio Manager considers the Business Model Test and Contractual Cashflow Characteristics Test set out in IFRS 9, 'Financial Instruments', as follows:

i) Financial assets are measured at amortized cost when they are held in order to collect contractual cash flows and those cash flows are solely payments of principal and interest.

ii) Financial assets are measured at FVTOCI when they are held in order to collect contractual cash flows and for sale, and the contractual cash flows are solely payments of principal and interest.

iii) Financial assets are measured at FVTPL if they are not measured using amortized cost or FVTOCI, or if an irrevocable election is made upon initial recognition to designate a financial asset as measured at FVTPL in order to eliminate or significantly reduce a measurement or recognition inconsistency that would arise from measuring the asset at amortized cost or FVTOCI.

iv) Financial liabilities are measured at amortized cost, unless they are held for trading in which case they are measured at FVTPL, or if an irrevocable election is made upon initial recognition to designate a financial liability as measured at FVTPL in order to eliminate or significantly reduce a measurement or recognition inconsistency that would arise from measuring the liability at amortized cost.

The Portfolio Manager will need to use judgement when it assesses its business model for managing financial assets and that assessment is not determined by a single factor or activity. Instead, the Fund must consider all relevant evidence that is available at the date of the assessment. Since the Fund's

portfolio of financial assets is managed and performance is evaluated on a fair value basis, such portfolios are measured at fair value through profit or loss.

Classification of redeemable units issued by the Fund

The Trust Indenture contains contractual payment provisions to each of the unitholders. Unitholders are entitled to a return of capital as the Fund sells investments for excess cash proceeds, as approved by the Trustee. An entity with contractual obligations to deliver cash or other financial assets to another entity prior to liquidation fails to meet the criterial outlined in IAS 32.16A - IAS 32.16D. As such, in accordance with the standard, the units of the Fund have been classified as a financial liability.

4 General and operating expenses

The Trustee may pay, or cause to be paid, fees, costs and expenses incurred in connection with the administration and management of the Fund and in connection with the Trustee's or the Administrator's duties, including fees, costs and expenses of auditors, accountants, lawyers, appraisers, and other professional advisors of the Trust as well as the offering costs. All costs, charges and expenses properly incurred by the Trustee or the Administrator on behalf of the Fund shall be payable out of the Fund. The Partnership will reimburse the Fund for the offering costs.

During the year, the Fund incurred $158,671 (2022 – $32,845) of general and operating expenses.

5 Related party transactions

a) Administration fees

The Trustee and the Administrator shall be entitled to receive for their services as trustee and administrator, as applicable, reasonable compensation and fair and reasonable remuneration for services rendered in any other capacity including, without limitation, services as transfer agent. The Trustee and the Administrator shall have priority over distributions to holders of units in respect of amounts payable or reimbursable to the Trustee and the Administrator. During the year, administration fees were waived by the Trustee and the Administrator, as a result the Fund recorded $nil (2022 – $nil) in administration fees.

b) Due from (to) related parties

The distribution receivable relates to the distribution receivable from the Partnership. During 2023, the Fund recorded distribution income of $46,091,078 (2022 – $37,324,339) from the Partnership and as at December 31, 2023, $6,323,380 (2022 - $5,542,922) is recorded as distribution receivable.

6 Trailer fees

As per the Fund's Offering Memorandum, the Partnership and the Fund may pay, at the sole discretion of the General Partner, a fee of up to 1% per annum of the net asset value on certain units that remain invested at the end of the period to qualified selling agents. Such fee, incurred by the Fund, may be paid by the Partnership by way of distribution.

For the year ended December 31, 2023, the Fund recorded total trailer fees of $1,536,972 (2022 – $1,256,105).

7 Fair value of investments

Investments are comprised of units of the Partnership, an unlisted entity, which amounts to $479,595,150 – 100% (2022 – $401,570,867 – 100%) of total net assets and has been fair valued by the Partnership as at December 31, 2023. The total amount of changes in fair value estimates of the Fund using valuation techniques that was recognized in the Statement of Comprehensive Income during the year was a loss of $14,813,610 (2022 – $18,107,892 gain). The Fund invests solely in the Partnership which is a related party established for the purpose of investing in securities or other investments.

The Fund's classes of units have equal ranking against net assets but differ in other respects as follows:

		2023
Unit Class	**Fair value of investment ($)**	
Class A	34,621,691	• Targeted yield of 8% per annum • Trailer rate of 1%
Class B	138,413,695	• Targeted yield of 8% per annum • Up front commission costs of 3-5% • Trailer rate of 1%
Class BU	1,869,552	• Targeted yield of 8% per annum • Up front commission costs of 3-5% • Trailer rate of 1% • Issued in US dollars
Class F	266,773,230	• Targeted yield of 9% per annum
Class FU	8,007,596	• Targeted yield of 9% per annum • Issued in US dollars
Class I	29,909,386	• Targeted yield of 9% per annum

		2022
Unit Class	**Fair value of investment ($)**	
Class A	25,384,316	• Targeted yield of 7.5% per annum • Trailer rate of 1%
Class B	126,301,260	• Targeted yield of 7% per annum • Up front commission costs of 3-5% • Trailer rate of 1%
Class BU	1,757,393	• Targeted yield of 7% per annum • Up front commission costs of 3-5% • Trailer rate of 1% • Issued in US dollars
Class F	217,760,017	• Targeted yield of 8.5% per annum
Class FU	8,093,189	• Targeted yield of 8.5% per annum • Issued in US dollars
Class I	22,274,692	• Targeted yield of 8.5% per annum

Fair value measurement

The Fund classifies fair value measurements within a hierarchy which gives the highest priority to the unadjusted quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). The three levels of the fair value hierarchy are:

Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;
Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and
Level 3 – Inputs that are not based on observable market data.

If inputs of different levels are used to measure the fair value of an asset or liability, the classification within the hierarchy is based on the lowest level input that is significant to the fair value measurement. The following table illustrates the classification of the Fund's assets and liabilities measured at fair value within the fair value hierarchy as at December 31, 2023 and 2022:

	Financial assets at fair value as at December 31, 2023			
	Level 1 $	**Level 2 $**	**Level 3 $**	**Total $**
Investments	-	-	479,595,150	479,595,150

	Financial assets at fair value as at December 31, 2022			
	Level 1 $	**Level 2 $**	**Level 3 $**	**Total $**
Investments	-	-	401,570,867	401,570,867

All fair value measurements above are recurring. Fair values are classified as Level 1 when the related security or derivative is actively traded, and a quoted price is available. If an instrument classified as Level 1 subsequently ceases to be actively traded, it is transferred out of Level 1. In such cases, instruments are reclassified into Level 2, unless the measurement of its fair value requires the use of significant unobservable inputs, in which case it is classified as Level 3. For those assets and liabilities that are not carried at fair value on the balance sheet, their carrying values approximate fair values due to their short-term nature.

The Fund measures the fair value of the investment in the Partnership using the net asset value per unit, which is the published per unit market price at which investors may purchase the units.

The following table reconciles the Fund's level 3 fair value measurements from December 31, 2022 to December 31, 2023:

	2023 $	**2022 $**
Opening balance	401,570,867	318,028,025
Purchases	113,471,864	110,954,553
Sale of investments	(20,633,971)	(45,519,603)
Net change in unrealized gains (losses) on investments	(14,813,610)	18,107,892
Closing balance	479,595,150	401,570,867

The Trustee is responsible for performing the fair value measurements included in the financial statements of the Fund. Investments classified within level 3 make use of significant unobservable inputs to derive fair value. In order to assess level 3 valuations, the Trustee reviews the performance of the Partnership on an ongoing basis.

The Fund's investments are detailed in the Schedule of Investments. The following table shows a complete list of the portfolio investments that have been classified as level 3. It also describes the valuation methodology used to assess the related fair value of these investments.

	December 31, 2023			
Description	**Fair value of net assets %**	**Cost $**	**Fair value $**	**Valuation method**
Investments – Units				
Private Fund				
Invico Diversified Income Limited Partnership	100	481,849,228	479,595,150	The fair value of the investment is based on the net asset value of the Partnership units. No other observable market transactions occurred that would change the fair value assumption per our model.

	December 31, 2022			
Description	**Fair value of net assets %**	**Cost $**	**Fair value $**	**Valuation method**
Investments – Units				
Private Fund				
Invico Diversified Income Limited Partnership	100	388,683,519	401,570,867	The fair value of the investment is based on the net asset value of the Partnership units. No other observable market transactions occurred that would change the fair value assumption per our model.

Significant unobservable inputs in measuring fair value

The tables below set out information about significant unobservable inputs used in measuring financial instruments categorized as level 3 in the fair value hierarchy.

	2023		
	Fair value $	**Possible shift +/- input %**	**Change in valuation $**
Net asset value	479,595,150	1	4,795,951

	2022		
	Fair value $	Possible shift +/- input %	Change in valuation $
Net asset value	401,570,867	1	4,015,709

8 Units of capital

As at December 31, 2023, a total of 47,572,144 (2022 – 38,492,544) Fund units were outstanding. All unit issuances were completed at the most recent net asset value available as of the date of issuance.

The Fund also implemented a Dividend Reinvestment Plan ("DRIP"). Under the DRIP plan, investors can elect to receive additional shares of their unit class in lieu of a monthly cash distribution. During the year, the Fund issued 1,788,073 units (2022 – 1,327,569 units) under the DRIP.

The following table outlines the total number of units and dollar amount issued and redeemed during the year. Class BU and FU units were issued by the Fund in US dollars.

	2023			
	Units		Amount $	
Unit Class	Additions	Redemptions	Additions	Redemptions
A	1,038,260	(23,442)	10,429,536	(234,710)
B	2,086,625	(487,398)	22,034,188	(5,129,112)
BU	13,495	-	171,760	-
F	7,046,129	(1,419,293)	71,403,846	(14,382,423)
FU	75,400	(66,965)	1,014,838	(895,303)
I	816,789	-	8,417,696	-
	11,076,698	(1,997,098)	113,471,864	(20,641,548)

	2022			
	Units		Amount $	
Unit Class	Additions	Redemptions	Additions	Redemptions
A	791,998	(128,603)	7,805,644	(1,251,724)
B	1,497,026	(599,428)	15,766,965	(6,255,956)
BU	73,194	(7,311)	917,611	(91,630)
F	6,321,460	(3,750,453)	63,268,611	(37,054,977)
FU	207,468	(51,832)	2,697,279	(675,238)
I	2,081,595	(20,091)	20,498,443	(205,937)
	10,972,741	(4,557,718)	110,954,553	(45,535,462)

The Fund revenue and expenses are identified and attributed on a class-by-class basis as per the nature of the earnings or expenditures. Where revenue and expenses are not attributable to a specific class, they are then allocated to each class based on its class weighted net asset value. In 2023, the net income of $29,636,111 (2022 - $54,185,127 net income) was allocated to all classes as shown in the table below.

Unit Class	2023 $ Net Income	2022 $ Net Income
A	1,856,097	3,246,709
B	7,799,956	15,403,021
BU	95,422	176,247
F	17,133,774	31,346,509
FU	587,818	1,158,758
I	2,163,044	2,853,883
	29,636,111	54,185,127

All contributions were made in the form of either cash or DRIP. No transfer of trust units shall be effective as against the Trustee until the following has occurred: details concerning the transfer including name, address, country of residence of the transferee and price at which the sale or transfer occurred, have been reported to the Fund; the Trustee has received a form of transfer acceptable to the Trustee, including representations, opinions and other assurances regarding compliance with applicable law, and; the transfer has been recorded on the applicable register. The Fund is open-ended, and under the provisions of the Trust Indenture, units may be redeemed by the unitholders.

9 Distributions payable to unitholders

As per sections 3.4 and 3.5 of the Limited Partnership Agreement, the Partnership as it relates to the Fund, may distribute an amount to the Partnership's unitholders after payment and reservation of all amounts necessary for:

- all expenses of the Partnership, including, but not limited to expenses of the General Partner,
- any contribution that may be made by the General Partner to the capital accounts,
- payment of the management fees,
- reservation of such amounts as in the opinion of the General Partner are necessary having regard to the then current and anticipated resources of the Partnership and its commitments and anticipated commitments,
- distributions of cash assets or property of the partnership or from the proceeds of the sale of all or any assets of the Partnership or consideration of non-cash items.

Distributions of the Fund, as declared by the Administrator, are made on a monthly basis to each unitholder on the applicable distribution record date. For the year ended December 31, 2023, the Fund declared total distributions of $44,482,926 (2022 – $35,993,505).

	2023	2022
	$	$
Unit Class	Distribution Declared	Distribution Declared
A	2,819,244	2,093,351
B	12,574,242	10,043,315
BU	155,372	104,704
F	25,188,385	21,301,814
FU	794,518	660,454
I	2,951,165	1,789,867
	44,482,926	35,993,505

10 Financial risk management

The Fund may be exposed to a variety of financial risks, indirectly, through the Fund's investment in the Partnership. The Fund's exposures to financial risks are concentrated in the underlying investment holdings of the Partnership. The Fund's risk management practice includes the monitoring of compliance to investment guidelines. The Portfolio Manager manages the potential effects of these financial risks on the Fund's performance by employing and overseeing professional experienced portfolio managers that regularly monitor the Fund's positions, market events and diversify the Fund's investment portfolio within the constraints of the investment guidelines.

Credit risk

Credit risk is the risk that a loss could arise from a security issuer or counterparty to a financial instrument not being able to meet its financial obligations. The Fund is indirectly subject to credit risk due to their underlying investments in the Partnership. As at December 31, 2023, 61% (2022 – 48%) of the Partnership's assets are subject to credit risk. As at December 31, 2023, 97% (2022 – 100%) of the Partnership's investments have not been rated by credit rating services. Credit-rated investments were given a grade of BB- by S&P Global Ratings. For unrated investments subject to credit risk, the Portfolio Manager will analyze investments based on the portfolio company's track record of payment, the security for the loan and the company's ability to recover defaults. At times, the Partnership will look to take assignment or ownership of the underlying security to help prevent loss of capital. Within the specific investment portfolios, credit risk is managed using a variety of techniques. As at December 31, 2023, 100% (2022 – 100%) of investments subject to credit risk are secured by a mixture of collateral assets, personal guarantees, insurance coverage, and/or some other form of identifiable security. A 1% change in the default rate would lead to a $3,094,600 (2022 – $2,137,376) change in net assets.

Interest rate risk

The Fund is indirectly exposed to interest rate risk due to its underlying investments in the Partnership. Interest rate risk is the risk that the market value of the Partnership's interest-bearing investments will fluctuate due to changes in market interest rates. As at December 31, 2023, the Partnership has 53% (2022 – 46%) of its net assets invested in financial instruments that are subject to interest rate risk. A 0.5% change in interest rates would lead to a $2,334,160 (2022 – $1,505,172) change in the fair value of loan investments.

Concentration risk

Concentration risk is the risk associated with the exposure to any one or more particular country, sector, asset class or security. The Fund currently holds 100% (2022 – 100%) of its underlying investments in the Partnership. The Fund is also exposed to concentration risk due to its underlying investment in the Partnership. The Partnership is currently exposed to concentration risk in that 60% (2022 – 49%) of its net assets are in loan-based investments and that 66% (2022 – 60%) of its investment holdings are in the oil and gas industry. The Partnership's concentration risk is mitigated by the monitoring of the investment portfolio to ensure compliance with its investment guidelines. The Portfolio Manager regularly monitors the Fund's positions (indirectly through the Partnership) and market events and diversifies the investment portfolio within the constraints of the investment guidelines.

Market risk

Market risk is the risk that the fair value of financial instruments will fluctuate as a result of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in a market. Other assets and liabilities are monetary items that are short term in nature and will not fluctuate with changes in market price. The Partnership invests with a medium to long-term outlook, focusing on quality businesses that have significant growth opportunities while managing its aggregate risk profile. The Fund’s exposures to market risk are concentrated in its investment holdings via its units in the underlying Partnership. The Partnership does not expose unitholders to leverage on a long-term basis. The majority of the Partnership’s holdings are notes, debentures, shares and other instruments with private companies which do not trade in an active market and are therefore not subject to the same level of volatility as stocks in publicly traded companies.

Currency risk

Currency risk is the risk that the value of investments denominated in foreign currencies will fluctuate due to changes in exchange rates. The Fund is indirectly exposed to currency risk due to its underlying investments in the Partnership. The Partnership currently has investments in both Canadian and US dollars. The Partnership manages re-investments and distributions with like currencies to reduce portfolio value fluctuations attributed to changes in exchange rates.

The Partnership holds $339,990,245 (2022 – $250,786,903) of the fair value of its investments in United States dollars. A 1% change in foreign exchange rates would lead to a $3,399,902 (2022 – $2,507,869) change in the net assets of the Partnership.

From time to time the Partnership enters into derivative contracts to protect the investments of the Partnership from significant fluctuations in exchange rates. As at December 31, 2023, the Partnership has the following US dollar to Canadian dollar forward contracts outstanding:

			2023
Maturity Date	Position	Exchange Rate (CAD : USD)	Fair Value
31-Jul-2024	$10,286,250	1.3715 : 1	$364,773
30-Aug-2024	$9,631,275	1.3710 : 1	$339,014

Liquidity risk

Liquidity risk is the risk that the Fund will encounter difficulty in meeting its financial liabilities. Liquidity risk may result from an inability to sell a security quickly at close to its fair value. Given the private nature of the majority of the Fund's investments, there can be no assurance that an active trading market for the investments will exist at all times, or that the prices at which the securities trade accurately reflect their values. Sufficient cash balances are maintained to cover the administration fees and general and operating expenses of the Fund.

The Fund closely monitors its monthly cash receivables from its investments in order to meet its distributions to unitholders and potential redemptions. As distributions and redemptions are known in advance, the Portfolio Manager maintains a cash balance in order to service these payments in addition to any additional financial liability obligations.

Investors are currently required to provide 45 days redemption notice prior to the last business day of a fiscal quarter-end and the Fund has 45 days subsequent to the last business day of a fiscal quarter-end to pay such redemption. In certain circumstances set forth in Section 6.6 of the Trust Indenture, the Fund may pay for such redemptions through the issuance of redemption notes. All other liabilities of the Fund are due within one year.

As at December 31, 2023, the Partnership has entered into loan agreements with two (2022 – three) unrelated borrowers to provide debt facilities that were not fully drawn. The total committed but undrawn amount of these debt facilities was $18,226,000 (2022 - $49,260,000). All undrawn amounts as at December 31, 2023 will expire in less than three years (2022 – less than one year) if the borrowers do not request the undrawn amounts. The Partnership's commitment to fund these debt facilities is contingent on the borrowers satisfying certain conditions precedent. The timing and amount of any payments made in relation to the undrawn amounts are uncertain.

In 2023, the Partnership made capital commitments of $nil (2022 - US$16,100,000) to Invico Secondaries 2022 LP, and $nil (2022 – US$8,050,000) was paid during 2023 toward the commitments made. The remaining US$8,050,000 (2022 - US$8,050,000) capital commitment was uncalled at year end. Until its dissolution, Invico Secondaries 2022 LP may request additional contributions up to the remaining US$8,050,000 (2022 - US$8,050,000) capital commitment. The timing and amount of any future capital contribution requests is uncertain.

Capital management

The Fund's capital structure consists of contributions from unitholders. The Fund's capital management practices are focused on investing in the debt and equities of primarily private companies with the objective of creating returns for its unitholders. The net assets attributed to the redeemable units consist of unitholders' contributions, net operating gains (losses) for the year, net realized gains (losses) on investments, and net changes in unrealized gains (losses) on investments. The General Partner has policies and procedures in place to manage the capital in accordance with its investment objectives, strategies and restrictions. The Fund has no specific capital requirements except for certain financial liability obligations as incurred by the Fund.

Information

Address:	209 8th Avenue SW, Suite 600, Calgary, AB T2P 1B8
Main Line:	(403) 538-4771
Auditors:	PricewaterhouseCoopers LLP
Legal:	Norton Rose Fulbright Canada LLP
Portfolio Managers:	Jason Brooks, CFA Allison Taylor, MBA Chris Wutzke, CPA, CA, CFA

Invico Diversified Income Limited Partnership

Financial Statements

December 31, 2023

INVICO

Independent auditor's report

To the Partners of Invico Diversified Income LP

Our opinion

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Invico Diversified Income LP (the Partnership) as at December 31, 2023 and 2022, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board (IFRS Accounting Standards).

What we have audited
The Partnership's financial statements comprise:

- the statements of financial position as at December 31, 2023 and 2022;
- the statements of comprehensive income for the years then ended;
- the statements of changes in net assets attributable to Partners for the years then ended;
- the statements of cash flows for the years then ended; and
- the notes to the financial statements, comprising material accounting policy information and other explanatory information.

Basis for opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report.

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

Independence
We are independent of the Partnership in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada. We have fulfilled our other ethical responsibilities in accordance with these requirements.

PricewaterhouseCoopers LLP
Suncor Energy Centre, 111 5th Avenue South West, Suite 3100, Calgary, Alberta, Canada T2P 5L3
T.: +1 403 509 7500, F.: +1 403 781 1825, Fax to mail: ca_calgary_main_fax@pwc.com

"PwC" refers to PricewaterhouseCoopers LLP, an Ontario limited liability partnership.

Responsibilities of management and those charged with governance for the financial statements

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

In preparing the financial statements, management is responsible for assessing the Partnership's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Partnership or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Partnership's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Partnership's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Partnership's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Partnership to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

PricewaterhouseCoopers LLP

Chartered Professional Accountants

Calgary, Alberta
March 28, 2024

Invico Diversified Income Limited Partnership
Statement of Financial Position
As at December 31, 2023

	2023 $	2022 $
Assets		
Cash	32,186,882	75,111,426
Prepaid expenses	108,246	33,610
Investments (see Schedule of Investments)	462,806,559	362,165,668
Due from related parties (note 5)	3,826,820	3,496,583
Income receivable	5,103,572	488,029
	504,032,079	441,295,316
Liabilities		
Accounts payable and accrued liabilities	605,697	2,301,914
Due to related parties (note 5)	475,837	9,246,703
Distributions payable (note 11)	6,096,955	5,346,468
	7,178,489	16,895,085
Net assets attributable to partners	496,853,590	424,400,231

The accompanying notes are an integral part of these financial statements.

Approved by Invico Diversified Income Managing GP Inc., as General Partner

(signed) "Allison Taylor" (signed) "Jason Brooks"

Invico Diversified Income Limited Partnership
Statement of Comprehensive Income
For the year ended December 31, 2023

	2023 $	2022 $
Income		
Interest income	37,991,426	28,781,385
Distribution income	1,593,839	56,453
Net realized gains (losses) on investments	(7,649,535)	2,300,229
Net realized gains (losses) on derivatives	2,409,183	(2,122,199)
Cost recovery of realized losses from related parties (note 5)	67	1,518,199
Net change in unrealized gains on investments	7,953,874	46,172,274
	42,298,854	76,706,341
Other income	350,874	2,786,068
Total income	42,649,728	79,492,409
Expenses		
Management fees (note 4)	7,905,782	6,630,864
Commission and selling costs (note 4)	1,790,077	1,458,703
Special allocation (note 6)	7,091	9,114,030
Trailer fees (note 7)	247,834	264,202
General and operating expenses (note 4)	3,956,989	2,911,277
Class reorganization costs (note 10)	-	429,136
	13,907,773	20,808,212
Increase in net assets attributable to partners	28,741,955	58,684,197

The accompanying notes are an integral part of these financial statements.

Invico Diversified Income Limited Partnership
Statement of Changes in Net Assets Attributable to Partners
For the year ended December 31, 2023

	2023 $	2022 $
Net assets attributable to partners – beginning of year (note 10)	424,400,231	340,959,544
Increase in net assets attributable to partners	28,741,955	58,684,197
Issuance of units – Partner's contributions (note 10)	95,055,476	97,370,916
Distributions to partners (note 11)	(48,162,903)	(39,185,928)
Reinvestments by partners	19,035,916	14,088,533
Redemptions of partnership units	(22,217,085)	(47,517,031)
Net assets attributable to partners – end of year (note 10)	496,853,590	424,400,231

The accompanying notes are an integral part of these financial statements.

Invico Diversified Income Limited Partnership

Statement of Cash Flows

For the year ended December 31, 2023

	2023 $	2022 $
Cash provided by (used in)		
Operating activities		
Increase in net assets attributable to partners	28,741,955	58,684,197
Adjustments		
Net realized losses(gains) on investments	7,649,535	(2,300,229)
Net change in unrealized gains on investments	(7,953,874)	(46,172,274)
Unrealized losses (gains) on foreign exchange relating to monetary assets	878,401	(258,815)
Purchase of investments	(154,008,495)	(113,595,838)
Proceeds on sale and maturity of investments	57,482,960	114,079,437
	(67,209,518)	10,436,478
Change in non-cash working capital items		
Prepaid expenses	(74,636)	(30,505)
Income receivable	(5,958,170)	(915,466)
Accounts payable and accrued liabilities	(1,696,217)	(132,123)
Due to/from related parties	(11,569,492)	11,594,222
	(86,508,033)	20,952,606
Financing activities		
Proceeds on issuance of units	95,055,476	97,370,916
Distributions to partners (note 11)	(28,376,501)	(21,911,310)
Redemption of partnership units	(22,217,085)	(47,516,831)
	44,461,890	27,942,775
Increase (decrease) in cash for the year	(42,046,143)	48,895,381
Cash – beginning of year	75,111,426	25,957,230
Unrealized gains (losses) on foreign exchange relating to monetary assets	(878,401)	258,815
Cash – end of year	32,186,882	75,111,426
Supplementary information		
Interest received	31,248,435	28,877,476

The accompanying notes are an integral part of these financial statements.

Invico Diversified Income Limited Partnership
Schedule of Investments
As at December 31, 2023

	Fair value as percentage of net assets %	Cost $	Fair value $
Investments – Loan			
Private entities			
AMCP Clean Acquisition Company, LLC	1.91	9,475,414	9,497,710
Bridgegate Pictures Corp	0.00	724,936	16,642
Daughter Productions Inc.	0.31	1,511,629	1,530,233
Gator Technologies, LLC	4.21	20,199,214	20,937,101
Humanity Productions Inc.	0.12	1,623,158	608,253
Invico Energy Holdings USA Inc.	2.53	11,870,161	12,551,691
Invico Energy Ltd. (formerly Pele Energy Inc.)	5.80	28,037,529	28,834,778
Oil & Gas Production Company	0.89	4,420,177	4,420,177
Oil & Gas Production Company	2.71	12,949,110	13,457,598
Real Estate Investment Trust	8.33	40,000,000	41,410,319
Recall Productions Inc.	0.10	2,123,537	501,831
Redrock Camps LP	1.01	9,750,000	5,007,280
Shoreline Energy Holdings II, Inc.	21.49	102,744,332	106,782,238
Sockeye Modular Installations LP	1.45	6,929,000	7,188,452
Flavouring Ingredients Producer	1.97	9,494,864	9,776,921
Undying Productions Inc.	0.34	1,722,532	1,704,426
YAR Productions Inc.	0.11	5,111,514	541,144
		268,687,107	264,766,794
Public entities			
Southern Energy Corporation	4.62	22,643,887	22,957,189
Strathcona Resources Ltd.	2.43	12,109,101	12,093,854
		34,752,988	35,051,043
Investments – Equity			
Private entities			
Fort Greene Fund	0.00	181,876	3,489
Invico Trade Capital LP	1.33	10,432,911	6,608,962
Invico Energy Holdings USA Inc.	26.00	12,396,897	129,187,185
Invico Energy Ltd. (formerly Pele Energy Inc.)	2.43	4,774,435	12,057,574
Invico Holdings Canada Inc.	0.04	2,505,561	194,117
Invico Secondaries 2022 LP	2.55	10,981,005	12,649,733
Real Estate Investment Trust	0.24	1,000,000	1,181,905
		42,272,685	161,882,965
Public entities			
Southern Energy Corp. – Common Shares	0.05	1,462,500	262,500
Southern Energy Corp. – Warrants	0.03	-	139,470
		1,462,500	401,970
Investments – Derivative			
Currency Forward Contracts	0.14	-	703,787
Total investments		347,175,280	462,806,559
Other net assets	6.85		34,047,031
Net assets attributable to partners	100.00	347,175,280	496,853,590

The accompanying notes are an integral part of these financial statements.

1 Nature of operations

Invico Diversified Income Limited Partnership (the "Partnership") was created under the laws of the Province of Alberta pursuant to a limited partnership agreement dated September 25, 2013, as amended and restated from time to time (the "Limited Partnership Agreement"). The Partnership was established for purposes of investing in securities or other investments that provide a high level of current income while offering the potential for moderate capital appreciation by investing primarily in high-yielding investments in a well-diversified manner. Target investments include (i) lending based strategies including asset-backed corporate lending, first and second mortgages (including residential and commercial mortgage-backed securities), lending for development drilling of established oil and gas reserves in Canada and the United States, collateralized debt obligations, consumer financing for durable goods (including automobiles), secured primary and subordinated debt lending opportunities (including syndicated lending arrangements) and factoring of receivables; (ii) investment in producing oil and gas properties, non-producing properties and undeveloped land by participating in working interest ownership and/or gross overriding royalties in proven producing oil and gas reserves in both Canada and the United States; (iii) equity yield investments, including: (a) equity securities of debtors of the Partnership (resulting from lending based strategies) obtained through the exercise of warrants, the exercise of convertible debt and/or other equity consideration in loan agreements, (b) equity investments acquired (resulting from lending based strategies) that were deemed necessary or desirable to protect or restore interest and principal payments to the Partnership and/or position the debtor for sale, (c) equity investments acquired through an insolvency process or (d) secondaries investments; and (iv) such other investments that meet the Partnership's desire for security and returns. The Partnership shall terminate when all of its assets have been sold and net proceeds distributed as per Section 8 of the Limited Partnership Agreement.

The Partnership is a limited partnership domiciled in Canada. The Partnership commenced operations on October 3, 2013 and shall continue until December 31, 2038, unless extended by a Special Resolution of the limited partners. The address of the Partnership is 600, 209 - 8th Avenue S.W., Calgary, Alberta, T2P 1B8.

The general partner of the Partnership is Invico Diversified Income Managing GP Inc. (the "General Partner"). The portfolio manager of the Partnership is Invico Capital Corporation (the "Portfolio Manager").

The Partnership's capital is represented by net assets attributable to partners. See note 3 for further details with respect to the treatment of Partnership capital as a financial liability.

The financial statements were authorized for issue by the General Partner on March 28, 2024.

2 Basis of presentation

These financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board (IFRS Accounting

Standards). The accounting policies applied in these financial statements are based on IFRS effective for the year ended December 31, 2023.

These financial statements are presented in Canadian dollars, which is the Partnership's functional currency. All financial information is rounded to the nearest dollar except per unit amounts and where otherwise indicated.

The financial statements have been prepared on the historical cost basis except for those financial instruments at fair value.

3 Summary of Material accounting policies

a) Financial instruments

The Partnership applies IFRS 9, "Financial Instruments". It addresses the classification, measurement and recognition of financial assets and financial liabilities. Under IFRS 9, all financial instruments are subsequently measured at amortized cost, fair value through other comprehensive income ("FVTOCI") or fair value through profit or loss ("FVTPL") on the basis of both the Partnership Business Model Test and Contractual Cash Flow Characteristics Test. IFRS 9 contains an option to designate, at initial recognition, a financial asset to be measured at FVTPL if doing so eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise from measuring assets or liabilities or recognising the gains and losses on them on different bases.

The Partnership's investments are managed and their performance is evaluated on a fair value basis. As such, all these investments should be measured at FVTPL. The Partnership will not elect to use FVTOCI to measure equity investments at the initial recognition.

Related party transactions arise either due to ownership control relationships or due to common management relationships. Due from and to related parties with ownership control relationships are designated and measured at FVPTL in order to eliminate or significantly reduce a measurement or recognition inconsistency. Due from and to related parties with common management relationships are subsequently measured at amortized cost.

Financial assets measured at amortized cost include trade receivables. As they are on-demand short-term financial assets, their effective interest rate is assumed to be zero and the effect of discounting is immaterial. The Partnership reviewed its trade receivables and determined that it expects to collect the full amount. Financial liabilities, other than due to related parties under the Partnership's control, measured at amortized cost include trade payables, short term credit facility, accrued liabilities and distributions payable. Due to their short-term nature, carrying values approximate fair values.

Interest receivables from debt instruments are designated as measured at FVTPL in order to eliminate or significantly reduce a measurement or recognition inconsistency.

b) Cash

Cash includes cash on hand and deposits held at financial institutions.

c) Investments

All investments are carried at fair value and classified as FVTPL. As a result, gains and losses arising from changes in fair value are recorded in the "Net change in unrealized gains (losses) on investments" category on the Statement of Comprehensive Income in the period in which they arise. Investments are recorded on the date the order to buy or sell is completed. Gains and losses on sales of investments are determined on an average cost basis and are included in income when realized.

d) Fair value measurement

The fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value of financial assets and liabilities traded in active markets are based on quoted market prices at the close of trading on the reporting date. In determining fair value, the Partnership uses the last traded market price for both financial assets and financial liabilities where the last traded price falls within that day's bid-ask spread. Where the bid-ask spread is too wide, the Portfolio Manager determines the point within the bid-ask spread, that is more representative of fair value based on the specific facts and circumstances.

The Partnership has investments that are not traded in an active market. The fair value of such instruments is determined by the General Partner, in conjunction with the Portfolio Manager using generally accepted valuation techniques. The Portfolio Manager uses a variety of methods and makes assumptions that are based on market conditions existing at each statement of financial position date. Valuation techniques used include third party and internal management estimates of net asset value or collateral value, discounted and capitalized cash flow analysis, option pricing models and other valuation techniques commonly used by market participants.

Warrants held by the Partnership may or may not have value depending on the value of the underlying common stock for which they may provide the option to acquire.

e) Impairment of financial assets

At each reporting date, the Partnership assesses whether there is objective evidence that a financial asset at amortized cost is impaired. The Partnership applies the IFRS 9 simplified approach to measuring expected credit losses. This provides a loss allowance at an amount equal to the lifetime expected credit losses if the credit risk of that financial asset has increased significantly since initial recognition, otherwise, at an amount equal to the 12-month expected credit losses. The Partnership evaluates the impairment allowance on its trade receivables based on the aging trend, carrying balance and payment pattern and calculates the loss allowance by using the probability distribution of write off.

f) Income recognition

Interest income is recorded on an accrual basis. Interest income from investments in debt securities is presented at the coupon rate of interest received by the Partnership. Interest receivable is shown separately in the statement of financial position based on the debt instruments' stated rates of interest. The cost of investments is determined using the average cost method. Realized gains or losses on the sale of investments are calculated based on the weighted average cost of the related investments.

Gains from redemptions and redemption fees are included on the Statement of Comprehensive Income under other income. During 2023, the Partnership recorded a gain from redemptions and redemption fees of $12,177 (2022 – $18,459 gain).

g) Financial asset derecognition

A financial asset is derecognized when the contractual rights to the cash flows from the financial asset ceases or if substantially all the risks and rewards of ownership of the financial asset are transferred. A financial liability is derecognized when it is extinguished, with any gain or loss on extinguishment to be presented in the Statement of Comprehensive Income.

h) Income taxes

The Partnership is not in itself, a taxable entity, however, it is required to compute its taxable income as though it was an individual subject to income taxes and to allocate such taxable income to its limited partners. The share of the annual income or loss allocated to each limited partner is included in their respective income tax returns. The Partnership does not include a provision for income taxes payable by its limited partners in its financial statements.

i) Foreign currency translation

Foreign monetary assets and liabilities held at period end are translated into Canadian dollars at the period end exchange rate. Unrealized foreign exchange gains or losses on monetary assets and liabilities are included on the Statement of Comprehensive Income. Interest, income and expenses are translated at the rates in effect when the related transactions occurred. Realized gains or losses on payments are recorded in the Statement of Comprehensive Income.

Unrealized foreign exchange gains or losses on investments is the difference between the original foreign exchange rate and the period end exchange rate multiplied by the fair value of the investment. Foreign exchange differences arising from translation on financial instruments at FVTPL are recognized as a component of “Net change in unrealized gains (losses) on investments”.

j) Net assets attributable to partners

Net assets attributable to partners are classified as a financial liability, due to contractual payment provisions to each of the partners within the Limited Partnership Agreement.

k) Critical accounting estimates and judgments

The financial statements include estimates and assumptions made by the General Partner that affect the reported amount of assets and liabilities and contingent liabilities at the date of the financial statements and the reported amounts of income and expenses during the reporting period. Actual results could differ from those estimates.

The following discusses the most significant accounting judgments and estimates that the Partnership has made in preparing the financial statements:

Fair value measurement of derivatives and securities not quoted in an active market

The Partnership holds financial instruments that are not quoted in active markets, including derivatives. Fair values of such instruments are determined using valuation techniques and may be determined using reputable pricing sources (such as pricing agencies) or indicative prices from market makers. Broker quotes as obtained from the pricing sources may be indicative and not executable or binding. Where no market data is available, the Partnership may value positions using its own models, which are usually based on valuation methods and techniques generally recognized as standard within the industry. The models used to determine fair values are validated and periodically reviewed by experienced personnel of the Portfolio Manager, independent of the party that created them. The models used for private equity securities are based mainly on earnings multiples adjusted for a lack of marketability as appropriate. Models use observable data, to the extent practicable. However, areas such as credit risk (both own and counterparty), volatilities and correlations require the Portfolio Manager to make estimates. Changes in assumptions about these factors could affect the reported fair values of financial instruments. The Partnership considers observable data to be market data that is readily available, regularly distributed and updated, reliable and verifiable, not proprietary, and provided by independent sources that are actively involved in the relevant market. Refer to note 9 for further information about the fair value measurement of the Partnership's financial instruments.

Classification and measurement of investments and application of the fair value option

In classifying and measuring financial instruments held by the Partnership, the Portfolio Manager considers the Business Model Test and Contractual Cashflow Characteristics Test as set out in IFRS 9. The Portfolio Manager will need to use judgment when it assesses its business model for managing financial assets and that assessment is not determined by a single factor or activity. Instead, the Partnership must consider all relevant evidence that is available at the date of the assessment. Since

the Partnership's portfolio of financial assets is managed and their performance is evaluated on a fair value basis, such portfolios are measured at fair value through profit or loss.

Classification of redeemable units issued by the Partnership

The Partnership's units have a finite life, and the Limited Partnership Agreement contains contractual payment provisions to each of the partners. Limited partners are entitled to redeem their units in accordance with the Limited Partnership Agreement, subject to the approval of the General Partner. An entity with contractual obligations to deliver cash or other financial assets to another entity prior to liquidation fails to meet the criteria outlined in IAS 32.16A – IAS 32.16D. As such, in accordance with the standard, the units of the Partnership have been classified as a financial liability.

Consolidation exception

Amendments to IFRS 10 provide an exception to consolidation for investment entities. The Portfolio Manager has performed this assessment and has concluded that the Partnership meets the definition of an investment entity as the Partnership has investors, as well as several distinct third-party investments. In addition, the Partnership intends to focus on investments that provide a high-level of income by investing primarily in high-yielding investments in a well-diversified manner. Target investments include (i) lending based strategies including asset-backed corporate lending, first and second mortgages (including residential and commercial mortgage-backed securities), lending for development drilling of established oil and gas reserves in Canada and the United States, collateralized debt obligations, consumer financing for durable goods (including automobiles), secured primary and subordinated debt lending opportunities and factoring of receivables; (ii) investment in producing oil and gas properties, non-producing properties and undeveloped land by participating in working interest ownership and/or gross overriding royalties in proven producing oil and gas reserves in both Canada and the United States; (iii) equity yield investments, including: (a) equity securities of debtors of the Partnership (resulting from lending based strategies) obtained through the exercise of warrants, the exercise of convertible debt and/or other equity consideration in loan agreements, (b) equity investments acquired (resulting from lending based strategies) that were deemed necessary or desirable to protect or restore interest and principal payments to the Partnership and/or position the debtor for sale, (c) equity investments acquired through an insolvency process or (d) secondaries investments; and (iv) such other investments that meet the Partnership's desire for security and returns. It is the Partnership's intention to provide long-term capital appreciation through its 100% ownership in Invico Energy Holdings USA Inc. whose principal business is conducted in the United States; and 89% ownership in Fort Greene Fund which holds US mortgaged backed securities. In addition, the Partnership has 100% ownership in Invico Energy Ltd. (formerly Pele Energy Inc.), Invico Holdings Canada Inc. and Invico Trade Capital LP, mutually operated in Canada.

4 General and operating expenses

Pursuant to section 4.5 of the Limited Partnership Agreement, the Partnership will reimburse the General Partner for all costs and expenses incurred by the General Partner in the performance of its duties hereunder, which costs and expenses (the "Expenses of the General Partner") will be the Partnership's sole responsibility. For greater certainty, such costs and expenses for which the General Partner is to be reimbursed include the General Partner's and the Partnership's direct general and administrative expenses, including legal, audit, insurance and regulatory fees as well as the general and administrative expenses, including legal, audit, insurance and regulatory fees of the Limited Partner. The expenses of the General Partner shall also include the offering costs, as same may be incurred by the General Partner.

Pursuant to section 4.6 of the Limited Partnership Agreement, all Class A, Class B, Class BU, Class F, Class FU, Class K, and Class I units of the Partnership will pay the Portfolio Manager monthly management fees (the "Management fees"). The Management fees are equal to an annual rate of 1.75% (excepting Class I, which is 1.00%) of the applicable Class net asset value, calculated and payable, in advance, at the beginning of each month. Any Management fees attributable to any period of less than one full month (whether as to the Partnership generally or to any Limited Partner) shall be pro-rated appropriately and be payable on the first day of such period. At the sole discretion of the Portfolio Manager, payment of the Management fees or any accrual thereof, in whole or in part, may be waived. During the year, the Partnership incurred $7,905,782 (2022 – $6,630,864) in Management fees.

The Partnership also pays commission and selling costs for new units subscribed. In 2023, $1,790,077 (2022 - $1,458,703) were paid as commission and selling expenses. A total of $993,521 (2022 - $825,723) was paid to Invico Alternative Asset Management Inc, a related party under common management, and $796,556 (2022 - $632,980) was paid to dealers.

The Partnership also pays allocated overhead expenses and general and administrative expenses. In 2023, $125,769 (2022 - $149,372) was paid to the Portfolio Manager and $1,279,516 (2022 - $1,160,147) to Invico Alternative Asset Management Inc.

Each class of units of the Partnership will be allocated its proportionate share of the general and operating expenses, and any additional expenses that are directly incurred by the specific class.

5 Related party transactions

Due to and due from related party balances are unsecured, and measured in accordance with the underlying agreements or at their exchange amounts, being the amounts agreed to between the related parties, and consist of the following:

	2023		2022	
	Amounts due from related parties $	**Amounts due to related parties $**	**Amounts due from related parties $**	**Amounts due to related parties $**
Fort Greene Fund	242,422		97,958	
Gator Technologies, LLC	227,462	-	2,158,932	-
Invico Alternative Asset Management Inc.	-	447,338	-	302,517
Invico Capital Corporation	-	27,826	-	4,353
Invico Diversified Income GP Ltd.	-	673	-	8,939,833
Invico Diversified Income Fund	18,589	-	-	-
Invico Energy Holdings USA, Inc	443,196	-	469,534	-
Invico Energy Ltd. (formerly Pele Energy Inc.)	-	-	180,986	-
Invico Secondaries 2022 LP	28,002	-	27,132	-
Redrock Camps LP	1,709,055	-	344,055	-
Sockeye LP	1,158,094	-	217,986	-
	3,826,820	475,837	3,496,583	9,246,703

As at December 31, 2023, $242,422 due from Fort Green Fund (2022 – $97,958) relates to distributions receivable from mortgage payments.

As at December 31, 2023, $227,462 due from Gator Technologies, LLC (2022 - $2,158,932) relates to interest receivable on investments. Gator Technologies, LLC is a subsidiary indirectly owned by the Partnership operating in the oilfield equipment rental industry.

As at December 31, 2023, $447,338 due to Invico Alternative Asset Management Inc. (2022 – $302,517) relates to allocated overhead and general and administrative expenses.

As at December 31, 2023, $27,826 due to Invico Capital Corporation (2022 – $4,353) relates to rental, property expenses, Management fee, and Management fee rebate.

As at December 31, 2023, $673 due to Invico Diversified Income GP Ltd. (2022 - $8,939,833) relates to Special Allocation.

As at December 31, 2023, $18,589 due from Invico Diversified Income Fund (2022 - $nil) relates to redemption payable.

As at December 31, 2023, $443,196 due from Invico Energy Holdings USA Inc. (2022 - $469,534), a wholly owned subsidiary, relates to outstanding interest on investments.

As at December 31, 2023, $nil (2022 - $180,986) was due from Invico Energy Ltd. (formerly Pele Energy Inc.), a subsidiary wholly-owned by the Partnership for the reimbursement of commodity hedging costs incurred by the Partnership with a financial institution on behalf of Invico Energy Ltd. During 2023, the

Partnership incurred realized loss of $nil (2022 - $1,518,199) from commodity hedging, and the loss from 2022 was fully recovered from Invico Energy Ltd. as of December 2023.

As at December 31, 2023, $28,002 due from Invico Secondaries 2022 LP (2022 - $27,132), in which the Partnership holds a 64% investment interest, relates to management fee rebate.

As at December 31, 2023, $1,709,055 due from Redrock Camps LP (2022 - $344,055) relates to interest receivable on investments. Redrock Camps LP is a subsidiary indirectly owned by the Partnership operating in the modular accommodation and remote hospitality services industry.

As at December 31, 2023, $1,158,094 due from Sockeye LP (2022 - $217,986) relates to interest receivable on investments. Sockeye LP is a subsidiary indirectly owned by the Partnership operating in the modular accommodation installation and construction industry.

The Partnership declared distributions of $46,091,078 (2022 – $37,293,148) to Invico Diversified Income Fund, a majority owner of the Partnership.

6 Special Allocation

Invico Diversified Income GP Ltd. (the “Special General Partner”) shall be entitled to a Special Allocation as per Section 3.7 of the Limited Partnership Agreement. As defined in the Limited Partnership Agreement, the Special Allocation may differ based on the Aggregate Overall Appreciation, the Hurdle rate, and the Applicable Percentage of each unit class. The Special Allocation is estimated and accrued on each date that the net asset value of the Partnership is determined and calculated and paid at the end of each Special Allocation Period. The Special Allocation with respect to each unit is paid out of the assets of the Partnership attributable to the class to which the unit belongs and is not specifically allocated to the holder of the unit. The General Partner shall have the right, without the consent of or notice to the Limited Partners, to waive, reduce or eliminate the Special Allocation otherwise attributable: (i) to any Limited Partner affiliated with the General Partner (or any principal thereof); or (ii) for such consideration it deems appropriate, to any other Limited Partner; provided, however, that in any case no such waiver, reduction or elimination shall increase the amount thereof to be borne by any Limited Partner. In 2023, $7,091 (2022 - $9,114,030) was expensed as a Special Allocation. The Hurdle rates in effect for 2023 for Partnership Units (see note 10) are as follows:

Partnership Unit	2023	2022
Class A	8.0%	7.0%
Class B	8.0%	7.0%
Class BU	8.0%	7.0%
Class F	9.0%	8.0%
Class FU	9.0%	8.0%
Class I	9.0%	8.0%
Class K	8.0%	7.0%

7 Trailer fees

As per Invico Diversified Income Fund's Offering Memorandum, the Partnership may pay, at the sole discretion of the General Partner, a fee of up to 1% per annum of the net asset value on certain units that remain invested at the end of the period to qualified selling agents.

For the year ended December 31, 2023, the Partnership incurred total trailer fees of $247,834 (2022 – $264,202) as presented in the Statement of Comprehensive Income.

8 Impairment of trade receivables

During the year, the Partnership applied the IFRS 9 simplified approach to measure expected credit losses on its trade receivables. The receivable balances at the beginning and end of 2023 are set out specified in the table below. The Partnership expects to collect the full amount of receivables and the impairment loss allowance is nominal.

	2023 Receivable ending balance $	2022 Receivable ending balance $
Aging		
Current	1,951,270	33
1 – 30 days	66,644	-
31 – 60 days	39,034	-
61 – 90 days	-	-
> 90 days	45,574	-
	2,102,522	33

9 Fair value of investments

Investments are comprised of loans and equity securities, in respect of which management has determined fair value to be $462,806,559 (2022 – $362,165,668) as at December 31, 2023. Management has determined the fair value of these investments through the use of third party and internal management estimates of net asset value, discounted and capitalized cash flow analysis, option pricing models and other valuation techniques commonly used by market participants. The total amount of changes in fair value estimates of the Partnership for investments using valuation techniques incorporating significant unobservable inputs (level 3) that was recognized in the Statement of Comprehensive Income during the year was a gain of $9,454,439 (2022 – $49,927,210 gain).

Fair value measurement

The Partnership classifies fair value measurements within a hierarchy which gives the highest priority to the unadjusted quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). The three levels of the fair value hierarchy are:

- Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;
- Level 2 – Inputs other than quoted prices that are observable for the asset or liability, either directly or indirectly; and
- Level 3 – Inputs that are not based on observable market data.

If inputs of different levels are used to measure the fair value of an asset or liability, the classification within the hierarchy is based on the lowest level input that is significant to the fair value measurement. The following table illustrates the classification of the Partnership's assets and liabilities measured at fair value within the fair value hierarchy as at December 31, 2023 and 2022.

	Financial assets at fair value as at December 31, 2023			
	Level 1 $	**Level 2 $**	**Level 3 $**	**Total $**
Investments – loans	-	21,591,564	278,226,276	299,817,840
Investments – equity	262,500	1,181,905	160,840,529	162,284,934
Investments - Derivative	-	703,787	-	703,787
Income receivable	-	-	5,103,572	5,103,572
Due from related parties	-	-	3,826,820	3,826,820
	262,500	23,477,256	447,997,197	471,736,953

	Financial assets at fair value as at December 31, 2022			
	Level 1 $	**Level 2 $**	**Level 3 $**	**Total $**
Investments – loans	-	-	202,065,744	202,065,744
Investments – equity	1,025,000	1,114,286	157,960,638	160,099,924
Income receivable	-	-	488,029	488,029
Due from related parties	-	-	3,496,583	3,496,583
	1,025,000	1,114,286	364,010,994	366,150,280

All fair value measurements above are recurring. The carrying values of cash, accounts receivable, interest receivable, accounts payable, accrued liabilities and amounts due from (to) related parties approximate

their fair values due to their short-term nature. Fair values are classified as Level 1 when the related security or derivative is actively traded, and a quoted price is available. If an instrument classified as Level 1 subsequently ceases to be actively traded, it is transferred out of Level 1. In such cases, instruments are reclassified into Level 2, unless the measurement of its fair value requires the use of significant unobservable inputs, in which case it is classified as Level 3.

During 2023, the Partnership acquired an interest in certain loans through the secondary market. These investments have been recorded in Level 2 of the fair value measurement hierarchy.

During 2022, the Partnership exercised a portion of its Southern Energy Corp. warrants. The common shares in Southern Energy Corp. obtained as a result of this transaction have been recorded in Level 1 of the fair value measurement hierarchy. No other transfers between levels occurred in 2023 or 2022. The Partnership's policy is to record transfers between levels at the end of the period.

The following table reconciles the Partnership's Level 3 fair value measurements on investments to December 31, 2023:

	2023 $	2022 $
Opening balance	360,026,384	310,795,976
Purchases	143,274,350	112,235,173
Sale of investments (including realized losses of $7,649,535 (2022 – $2,300,229 realized gains))	(73,688,368)	(112,931,975)
Net change in unrealized gains (losses) on investments	9,454,439	49,927,210
Closing balance	439,066,805	360,026,384

The Portfolio Manager is responsible for performing the fair value measurements included in the financial statements of the Partnership, including level 3 measurements. Investments classified within level 3 make use of significant unobservable inputs in deriving fair value. As observable prices are not available for these securities, the Partnership has used valuation techniques to derive their fair value. In order to assess level 3 valuations, the Portfolio Manager reviews the performance of these companies on an ongoing basis and is regularly in contact with the management of the company in order to make assessments of business and operational matters which are considered in the valuation process. Where appropriate, the Portfolio Manager also tracks comparable company multiples, recent transaction results and credit ratings for similar instruments and companies.

The Partnership's investments in private companies are detailed in the Schedule of Investments.

Loan investments with a fair value of $264,428,782 as at December 31, 2023 (December 31, 2022 - $195,367,270) are valued using discounted cash flow models using a 12% rate; the maturity of the loans is between zero and three years. Loan investments with a fair value of $13,797,495 as at December 31, 2023 (December 31, 2022 - $6,698,475) are valued at the lower of principal amount and collateral value. Loan investments with a fair value of $21,591,564 as at December 31, 2023 (December 31, 2022 - $nil) are valued using the trading price, which is the quoted market price at which investors may purchase the loan on the secondary market. The details are provided in the Schedule of Investments. At December 31, 2023, 1.5% of loan investments were in default (December 31, 2022 - 0.4%) in respect of which the Partnership was pursuing appropriate collection efforts, and 0.6% (2022 – 1.2%) of loan investments were in arrears with respect to scheduled interest payments with a fair value of $668,998 (December 31, 2022 - $nil). This information has been considered as part of determining the fair value of those loan investments.

As at December 31, 2023, $5,703,962 (2022 – $nil) was written off as uncollectible advances, which are made up of advances assigned to Hurricane Energy Services Ltd. of $5,487,306 (2022 - $nil) and to The Manor Productions Inc. of $216,656 (2022 - $nil). The write-offs were recognized under “Net realized gains (losses) on investments” on the Statement of Comprehensive Income. In prior years the Partnership recognized cumulative unrealized losses of $5,196,699 for Hurricane Energy Services Ltd. and $157,746 for The Manor Productions Inc. In 2023, the cumulative unrealized losses were reversed from “Net change in unrealized gains (losses) on investments” on the Statement of Comprehensive Income.

Equity investments with a fair value of $262,500 (2022 - $1,025,000) are classified as level 1 and have been valued using the observable market price, which is the publicly available share price as of the date of the financial statements.

Equity investments with a fair value of $1,181,905 (2022 - $1,114,286) are classified as level 2 and have been valued using the trading price, which is the published per unit market price at which investors may purchase the units.

Equity investments with a fair value of $160,840,529 (2022 - $157,960,638) are classified as level 3. The following table presents the equity investments that have been classified as level 3 and the valuation methodologies used to determine the fair value of these investments.

Derivative investments with a fair value of $703,787 (2022 - $nil) are classified as level 2 and have been valued using the mark-to-market method, which is the quoted value provided by the counterparty financial institution as of the financial reporting date.

	December 31, 2023		
Description	**Cost $**	**Fair value $**	**Valuation method**
Investments – Equity			
Invico Energy Holdings USA Inc.	12,396,897	129,187,185	The fair value of the investment is comprised of four equity investments (one in the oil and gas production industry, one in the energy services industry, one in the remote accommodations industry, and one in the pharmaceutical industry), one warrant investment (in the retail industry), and one holding company with no operations. The interests in oil and gas properties represent 49% of the total fair value and are valued based on the cash flows expected to be derived from total proved plus probable reserves, using industry standard third-party commodity pricing and inflation decks effective December 31, 2023, discounted at risk adjusted rates based on the reserve type, and as audited by a third-party reserve engineering firm in accordance with NI51-101 and COGEH. The fair value of the equity investment in an energy services company represents 29% of the total fair value and is based on the capitalized cash flow method of valuation whereby the maintainable cash flow is multiplied by a multiple derived from an appropriate capitalization rate based on the company's weighted average cost of capital as adjusted for a reasonable nominal growth rate. No other observable market transactions occurred that would change the fair value determination using this model. The fair value of the equity investment in a pharmaceutical company represents 9% of the total fair value and is based on the capitalized cash flow method of valuation whereby the forward earnings is multiplied by a multiple derived from the value of comparable publicly traded companies. No other observable market transactions occurred that would change the fair value determination using this model. The fair value of the equity investment in the remote accommodations company represents 0% of the total fair value and is based on the liquidation approach whereby the net assets are valued using a recovery rate upon disposition. The fair value of the warrant investment in a retail company represents 5% of the total fair value and is based on the Black Scholes option pricing model, which computes the option value using the option's terms with reference to the volatility of comparable publicly traded companies, the risk-free rate, and the current estimated value for the underlying asset.

	December 31, 2023		
Description	**Cost $**	**Fair value $**	**Valuation method**
			The fair value of the holding company represents 8% of the total fair value and is based on the adjusted net asset value. No other observable market transactions occurred that would change the fair value determination using this model.
Invico Holdings Canada Inc.	2,505,561	194,117	The fair value of the investment is comprised of two equity investments, one in the construction services industry and one in the remote accommodations industry. The fair values of these investments are based on a capitalized cash flow method of valuation whereby the maintainable cash flow is multiplied by an appropriate capitalized rate based on the company's weighted average cost of capital as adjusted for a reasonable nominal growth rate. No other observable market transactions occurred that would change the fair value determination using this model.
Invico Energy Ltd.	4,774,435	12,057,574	The interests in oil and gas properties are valued based on the cash flows expected to be derived from total proved plus probable reserves, using industry standard third-party commodity pricing and inflation decks effective December 31, 2023, discounted at risk adjusted rates based on the reserve type, and as audited by a third-party reserve engineering firm in accordance with NI51-101 and COGEH.
Fort Greene Fund	181,876	3,489	The fair value of the investment is based on a discounted cash flow model. No other observable market transactions occurred that would change the fair value determination using this model.
Invico Trade Capital LP	10,432,911	6,608,962	The fair value of the investment is based on the adjusted net asset value of Invico Trade Capital LP. No other observable market transactions occurred that would change the fair value determination using this model.
Southern Energy Corp.	-	139,470	The fair value of the warrant investment in an oil and gas company is based on the Black Scholes option pricing model, which computes the option value using the option's terms with reference to the volatility of the underlying publicly traded stock, the risk-free rate, and the current estimated price for the underlying asset.

	December 31, 2023		
Description	**Cost $**	**Fair value $**	**Valuation method**
Invico Secondaries LP	10,981,005	12,649,733	The fair value of the investment is based on the adjusted net asset value of Invico Secondaries LP. No other observable market transactions occurred that would change the fair value determination using this model.
Total Equity Investments classified at Level 3	41,272,685	160,840,529	

	December 31, 2022		
Description	**Cost $**	**Fair value $**	**Valuation method**
Investments – Equity			
Invico Energy Holdings USA Inc.	12,396,897	102,386,179	The fair value of the investment is comprised of three equity investments (one in the oil and gas production industry, one in the energy services industry, and one in the remote accommodations industry), two warrant investments (one in the manufacturing and processing industry, and one in the retail industry), and one holding company with no operations. The interests in oil and gas properties represent 46% of the total fair value and are valued based on the cash flows expected to be derived from total proved plus probable reserves, using industry standard third-party commodity pricing and inflation decks effective December 31, 2022, discounted at 10%, and as audited by a third-party reserve engineering firm in accordance with NI51-101 and COGEH. The fair value of the equity investment in an energy services company represents 29% of the total fair value and is based on the capitalized cash flow method of valuation whereby the maintainable cash flow is multiplied by a multiple derived from an appropriate capitalization rate based on the company's weighted average cost of capital as adjusted for a reasonable nominal growth rate. No other observable market transactions occurred that would change the fair value determination using this model. The fair value of the equity investment in the remote accommodations company represents 0% of the total fair value and is based on the liquidation approach whereby the net assets are valued using a recovery rate upon disposition. The fair value of the warrant investments in a manufacturing and processing company and a retail company represent 3% of the total fair value and are based on the Black Scholes option pricing model, which computes the option value using the options' terms with reference to the volatility of comparable publicly traded companies, the risk-free rate, and the current estimated value for the underlying asset. The fair value of the holding company represents 22% of the total fair value and is based on the adjusted net asset value. No other observable market transactions occurred that would change the fair value determination using this model.

	December 31, 2022		
Description	**Cost $**	**Fair value $**	**Valuation method**
Invico Holdings Canada Inc.	2,505,561	3,588,901	The fair value of the investment is comprised of two equity investments, one in the construction services industry and one in the remote accommodations industry. The fair values of these investments are based on a capitalized cash flow method of valuation whereby the maintainable cash flow is multiplied by an appropriate capitalized rate based on the company's weighted average cost of capital as adjusted for a reasonable nominal growth rate. No other observable market transactions occurred that would change the fair value determination using this model.
Invico Energy Ltd. (formerly Pele Energy Inc.)	4,774,435	29,768,327	The interests in oil and gas properties are valued based on the cash flows expected to be derived from total proved plus probable reserves, using industry standard third-party commodity pricing and inflation decks effective December 31, 2022, discounted at 10%, and as audited by a third-party reserve engineering firm in accordance with NI51-101 and COGEH.
Fort Greene Fund	322,046	307,291	The fair value of the investment is based on a discounted cash flow model. No other observable market transactions occurred that would change the fair value determination using this model.
Invico Trade Capital LP	10,432,911	7,369,805	The fair value of the investment is based on the adjusted net asset value of Invico Trade Capital LP. No other observable market transactions occurred that would change the fair value determination using this model.
Southern Energy Corp.	-	2,189,775	The fair value of the warrant investment in an oil and gas company is based on the Black Scholes option pricing model, which computes the option value using the option's terms with reference to the volatility of the underlying publicly traded stock, the risk-free rate, and the current estimated price for the underlying asset.
Invico Secondaries LP	10,981,005	12,350,361	The fair value of the investment is based on the adjusted net asset value of Invico Secondaries LP. No other observable market transactions occurred that would change the fair value determination using this model.
Total Equity Investments classified at Level 3	41,412,855	157,960,639	

Significant unobservable inputs in measuring fair value

The tables below set out information about significant unobservable inputs used in measuring financial instruments categorized as level 3 in the fair value hierarchy.

			2023
	Fair value $	Possible shift +/- input %	Change in valuation $
Valuation Methodology			
Discounted cash flow (at 12%)	265,140,536	0.5	2,334,160
Adjusted net asset – energy working interests	74,790,876	1.0	2,176,746
Adjusted net asset	29,750,360	1.0	297,504
Collateral value	13,797,495	1.0	137,975
Capitalized cash flow	48,830,426	1.0	4,662,258
Black Scholes option pricing model	6,757,113	5.0	173,144

			2022
	Fair value $	Possible shift +/- input %	Change in valuation $
Valuation Methodology			
Discounted cash flow (at 12%)	195,674,561	0.5	1,505,172
Adjusted net asset – energy working interests	76,496,787	1.0	1,944,910
Adjusted net asset	42,582,798	1.0	425,828
Collateral value	5,898,008	1.0	58,980
Principal amount	800,467	0.0	-
Capitalized cash flow	32,942,249	1.0	3,512,753
Black Scholes option pricing model	5,631,513	5.0	174,462

“Discounted cash flow” is the price of an investment based on its estimated future cash flows, discounted to present value with an appropriate discount rate.

“Adjusted net asset – energy working interests” is used to value oil and gas investments by adjusting the tangible assets and liabilities to their current fair market values. The oil and gas reserves are evaluated by an independent third-party consulting firm based on the definitions and disclosure guidelines in NI 51-101 and COGEH using forecast price and cost assumptions. The fair value of the oil and gas reserves value is determined through a discounted cash flow analysis in which future production, forecast commodity price curves, and discount rate used are significant inputs.

“Adjusted net asset” is used to value investments at the fair value of identifiable assets less liabilities.

"Collateral value" is the estimated collateral value of assets pledged as security for a debt investment. The significant inputs vary based on the nature of collateral and may be subject to estimates based on current economic conditions, commodity prices, and comparable prices.

"Principal amount" is the historical cost base of investment purchases or loan disbursements, adjusted for foreign exchange movements where appropriate.

"Capitalized cash flow" is a valuation method whereby maintainable cash flow or forward earnings is multiplied by a multiple derived from an appropriate capitalization rate based on weighted average cost of capital as adjusted for a reasonable nominal growth rate.

"Black Scholes Option Pricing Model approach" is an option valuation approach whereby the option's value is derived from the volatility and current price of the underlying asset, the risk-free interest rate, and the terms of the option.

10 Partnership units

All unit issuances were completed at the most recent class net asset value per unit available as of the date of issuance.

As at December 31, 2023, a total of 50,218,658 (2022 – 41,239,575) Partnership units were outstanding.

For all outstanding classes of units, the redemption payment is computed based on the net asset value per unit of the applicable class on the redemption date multiplied by the number of units redeemed, and in the case of class B and class BU, also multiplied by the applicable percentage in the redemption schedule set out in Limited Partnership Agreement, less any redemption fee owed. The General Partner may make reasonable adjustments to the net asset value in respect of a particular class of Partnership units, such as the amortization over time of certain expenses which could be deviations from IFRS, and the loan valuation discount rates to reflect the investment portfolio's weighted average cost of capital; thus, such adjustments may cause a difference between Class net asset value and the net asset value of a class for financial reporting purposes.

The following table outlines the total number of units and dollar amount issued and redeemed during the year ended December 31, 2023 for each class. Class BU and FU units were issued by the Partnership in US dollars.

	2023			
	Units		Amount $	
Unit Class	Additions	Redemptions	Additions	Redemptions
A	1,038,260	(23,442)	10,429,536	(234,710)
B	2,086,625	(487,398)	22,034,188	(5,129,112)
BU	13,495	-	171,760	-
F	7,046,129	(1,419,293)	71,403,846	(14,382,423)
FU	75,400	(66,965)	1,014,838	(895,303)
I	816,789	-	8,417,696	-
K	64,886	(165,403)	619,529	(1,575,537)
	11,141,584	(2,162,501)	114,091,393	(22,217,085)

	2022			
	Units		Amount $	
Unit Class	Additions	Redemptions	Additions	Redemptions
A	791,998	(128,603)	7,805,642	(1,251,723)
B	1,497,026	(599,428)	15,766,964	(6,255,956)
BU	73,194	(7,311)	917,612	(88,768)
F	6,321,460	(3,750,453)	63,268,611	(37,054,723)
FU	207,468	(51,832)	2,697,280	(662,462)
I	2,081,595	(20,091)	20,498,443	(205,937)
K	54,496	(215,144)	504,893	(1,997,462)
	11,027,237	(4,772,862)	111,459,445	(47,517,031)

The revenue of the Partnership for each fiscal year is allocated to a class based on its class-weighted net asset value. The Partnership expenses are identified and attributed on a class-by-class basis as per the nature of the expenditures. Expenses that cannot be attributed to a specific class will be allocated by the weighted net asset value. In 2023, the net income of $28,741,955 (2022 - $58,684,197) was allocated to all classes as shown in the table below.

Unit Class	2023 Net Income $	2022 Net Income $
A	1,874,922	3,399,391
B	7,869,610	16,285,283
BU	109,186	151,122
F	14,946,718	31,036,668
FU	533,420	1,119,349
I	1,903,484	2,800,262
K	1,504,615	3,892,122
	28,741,955	58,684,197

All contributions were made in the form of cash. A limited partner may not sell, assign, or otherwise transfer, pledge or encumber any unit without the consent of the General Partner and in accordance with the terms of the Limited Partnership Agreement. The partnership is closed-ended but under the provisions of the Limited Partnership Agreement, units may be redeemed by the limited partners.

11 Distributions declared to unitholders

As per sections 3.4 and 3.5 of the Limited Partnership Agreement, the Partnership may distribute an amount to unitholders after payment and reservation of all amounts necessary for:

- all expenses of the Partnership, including but not limited to expenses of the General Partner,
- any contribution that may be made by the General Partner to the capital accounts,
- payment of the Management fees,
- reservation of such amounts as in the opinion of the General Partner are necessary having regard to the then current and anticipated resources of the Partnership and its commitments and anticipated commitments,
- distributions of cash assets or property of the partnership or from the proceeds of the sale of all or any assets of the Partnership or consideration of non-cash items.

Distributions of the Partnership, as declared by the Portfolio Manager, are made on a monthly basis to each unitholder on the applicable distribution record date. For the year ended December 31, 2023, the Partnership declared total distributions of $48,162,903 (2022 – $39,185,928).

Unit Class	2023 Distribution $	2022 Distribution $
A	3,120,364	2,314,860
B	13,818,495	11,063,981
BU	173,878	117,151
F	25,226,827	21,342,513
FU	795,773	661,793
I	2,955,741	1,792,850
K	2,071,825	1,892,780
	48,162,903	39,185,928

12 Available credit facility

The Partnership has established a Canadian dollar revolving credit facility with a Canadian financial institution providing for advances up to $10,000,000 bearing interest at bank's prime rate plus 2.5%. This

facility may be used as short-term financing between making eligible investments and upcoming subscriptions. As at December 31, 2023, there was no amount outstanding on the Canadian dollar revolving credit facility (2022 - $nil); however, credit support of $475,629 (2022 - $475,629) was provided under the line of credit in the form of a letter of credit and corporate credit card for two wholly-owned investments. The Canadian dollar revolving credit facility is secured by a general security agreement and continuing guarantee. Additionally, the Partnership, indirectly through Shoreline Energy Holdings II, Inc., has access to two US dollar denominated credit facilities, a revolving facility with a limit of US$10,000,000 and a term loan of US$15,000,000, with a US state-chartered bank. As at December 31, 2023, there was US$8,940,000 outstanding on the revolving credit facility (2022 - US$10,000,000) for use in general working capital purposes and US$7,800,000 outstanding on the term loan (2022 – US$12,300,000) for use in funding an acquisition of oil and gas property interests. Both US dollar denominated revolving credit facility and the term loan are secured by a general security agreement, first mortgage on oil and gas properties and a guarantee from the Partnership.

13 Financial risk management

The Partnership may be exposed to a variety of financial risks. The Partnership's exposures to financial risks are concentrated in its investment holdings. The Partnership's risk management practice includes the monitoring of compliance to investment guidelines. The Portfolio Manager manages the potential effects of these financial risks on the Partnership's performance by employing and overseeing professional experienced portfolio managers that regularly monitor the Partnership's positions, market events, and diversify the Partnership's investment portfolio within the constraints of the investment guidelines.

Credit risk

Credit risk is the risk that a loss could arise from a security issuer or counterparty to a financial instrument not being able to meet its financial obligations. As at December 31, 2023, 61% (2022 – 48%) of the Partnership's assets are subject to credit risk. As at December 31, 2023, 97% (2022 – 100%) of the Partnership's investments have not been rated by credit rating services. Credit-rated investments were given a grade of BB- by S&P Global Ratings. For unrated investments subject to credit risk, the Portfolio Manager will analyze investments based on the portfolio company's track record of payment, the security for the loan and the company's ability to recover defaults. At times, the Partnership will look to take assignment or ownership of the underlying security to help prevent loss of capital. Within the specific investment portfolios, credit risk is managed using a variety of techniques. As at December 31, 2023, 100% (2022 – 100%) of investments subject to credit risk are secured by a mixture of collateral assets, personal guarantees, insurance coverage, and/or some other form of identifiable security. A 1% change in the default rate would lead to a $3,094,600 (2022 – $2,137,376) change in net assets.

Interest rate risk

Interest rate risk is the risk that the market value of the Partnership's interest-bearing investments will fluctuate due to changes in market interest rates. As at December 31, 2023, the Partnership has 53% (2022

– 46%) of its net assets invested in financial instruments that are subject to interest rate risk. A 0.5% change in interest rates would lead to a $2,334,160 (2022 – $1,505,172) change in the fair value of loan investments.

Concentration risk

Concentration risk is the risk associated with the exposure to any one or more particular country, sector, asset class or security. The Partnership is currently exposed to concentration risk in that 66% (2022 – 60%) of its net assets are in oil and gas industry investments and that 60% (2022 – 49%) of its net assets are in loan-based investments. The Partnership's concentration risk is mitigated by the monitoring of the investment portfolio to ensure compliance with its investment guidelines. The Portfolio Manager regularly monitors the Partnership's positions and market events and diversifies the investment portfolio within the constraints of the investment guidelines.

Market risk

Market risk is the risk that the fair value of financial instruments will fluctuate as a result of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in a market. Other assets and liabilities are monetary items that are short term in nature and will not fluctuate with changes in market price. The Partnership invests with a medium to long-term outlook, focusing on quality businesses that have significant growth opportunities while managing its aggregate risk profile. The Partnership does not expose unitholders to leverage on a long-term basis. The majority of the Partnership's holdings are notes, debentures, shares and other instruments with private companies which do not trade in an active market and are therefore not subject to the same level of volatility as stocks in publicly traded companies.

Currency risk

Currency risk is the risk that the value of investments denominated in foreign currencies will fluctuate due to changes in exchange rates. The Partnership currently has investments in both Canadian and US dollars. The Partnership manages re-investments and distributions with like currencies to reduce portfolio value fluctuations attributed to changes in exchange rates.

The Partnership holds $339,990,245 (2022 – $250,786,903) of the fair value of its investments in United States dollars. A 1% change in foreign exchange rates would lead to a $3,399,902 (2022 – $2,507,869) change in the net assets of the Partnership.

From time to time the Partnership enters into derivative contracts to protect the investments of the Partnership from significant fluctuations in exchange rates. As at December 31, 2023, the Partnership has the following US dollar to Canadian dollar forward contracts outstanding:

			2023
Maturity Date	Position	Exchange Rate (CAD : USD)	Fair Value
31-Jul-2024	$10,286,250	1.3715 : 1	$364,773
30-Aug-2024	$9,631,275	1.3710 : 1	$339,014

Liquidity risk

Liquidity risk is the risk that the Partnership will encounter difficulty in meeting its financial liabilities. Liquidity risk may result from an inability to sell a security quickly at close to its fair value. Given the private nature of the majority of the Partnership's investments, there can be no assurance that an active trading market for the investments will exist at all times, or that the prices at which the securities trade accurately reflect their values. Sufficient cash balances are maintained to cover the Management fees and general and operating expenses of the Partnership.

The Partnership closely monitors its monthly cash receivables from its investments in order to meet its distributions to unitholders and potential redemptions. As distributions and redemptions are known in advance, the Portfolio Manager maintains a cash balance in order to service these payments in addition to any additional financial liability obligations.

Limited partners are currently required to provide 45 days redemption notice prior to the last business day of a fiscal quarter-end and the General Partner has 45 days subsequent to the last business day of a fiscal quarter-end to pay such redemption. In certain circumstances set forth in Section 3.20 of the Limited Partnership Agreement, the General Partner may pay for such redemptions through the issuance of redemption notes. All other liabilities of the Partnership are due within one year.

As at December 31, 2023, the Partnership has entered into loan agreements with two (2022 – three) unrelated borrowers to provide debt facilities that were not fully drawn. The total committed but undrawn amount of these debt facilities was $18,226,000 (2022 - $49,260,000). All undrawn amounts as at December 31, 2023 will expire in less than three years (2022 – less than one year) if the borrowers do not request the undrawn amounts. The Partnership’s commitment to fund these debt facilities is contingent on the borrowers satisfying certain conditions precedent. The timing and amount of any payments made in relation to the undrawn amounts are uncertain.

In 2023, the Partnership made capital commitments of $nil (2022 - US$16,100,000) to Invico Secondaries 2022 LP, and $nil (2022 – US$8,050,000) was paid during 2023 toward the commitments made. The remaining US$8,050,000 (2022 - US$8,050,000) capital commitment was uncalled at year end. Until its dissolution, Invico Secondaries 2022 LP may request additional contributions up to the remaining US$8,050,000 (2022 - US$8,050,000) capital commitment. The timing and amount of any future capital contribution requests is uncertain.

Capital management

The Partnership's capital structure consists of contributions from limited partners. The Partnership's capital management practices are focused on investing in the debt and equities of primarily private companies with the objective of creating returns for its limited partners. The net assets attributed to the partners consist of partners' contributions, net operating gain (loss) for the year, net realized gains (losses) on investments, and net changes in unrealized gains (losses) on investments. The General Partner has policies and procedures in place to manage the capital in accordance with its investment objectives, strategies and restrictions as detailed in the Limited Partnership Agreement. The Partnership has no specific capital requirements except for certain financial liability obligations as incurred by the Partnership.

14 Guarantee Contracts

The Partnership provided an unconditional guarantee to a US state-chartered bank in Colorado, USA in April 2019 as part of the credit agreement entered into by Shoreline Energy Holdings II, Inc., a wholly owned subsidiary of the Partnership. This is a guarantee of prompt and complete payment and performance by Shoreline Energy Holdings II, Inc. As at December 31, 2023, Shoreline Energy Holdings II, Inc. has US$16,740,000 (2022 - US$23,300,000) outstanding principal balance owing to the US state-chartered bank on the Credit Agreement.

During 2021, to facilitate the acquisition of additional energy working interest assets by Invico Energy Ltd., the Partnership issued a number of guarantees to operators of oil and gas working interests in which Invico Energy Ltd., a wholly-owned subsidiary of the Partnership, had acquired non-operated working interests on December 31, 2020. One guarantee is secured by a $375,629 (2022 - $375,629) irrevocable letter of credit in favour of the respective operator, while all other guarantees are unsecured. These guarantees provide irrevocable, unconditional and unlimited guarantees in favour of the respective operators of obligations arising under contracts in connection with the acquired non-operated working interest.

Information

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Main Line:	(403) 538-4771
Auditors:	PricewaterhouseCoopers LLP
Legal:	Norton Rose Fulbright Canada LLP
Portfolio Managers:	Jason Brooks, CFA Allison Taylor, MBA Chris Wutzke, CPA, CA, CFA

ITEM 15 - CERTIFICATE

Dated this 2nd day of April, 2024.

This Offering Memorandum does not contain a misrepresentation.

INVICO DIVERSIFIED INCOME FUND
by its Administrator, Invico Diversified Income Administration Ltd.

(signed) "*Jason Brooks*"
President

(signed) "*Allison Taylor*"
Chief Executive Officer

On behalf of the Administrator, Invico Diversified Income Administration Ltd.

(signed) "*Jason Brooks*"
President

(signed) "*Allison Taylor*"
Chief Executive Officer

On behalf of the board

(signed) "*Jason Brooks*"
Director

(signed) "*Allison Taylor*"
Director